



CHINO VALLEY
UNIFIED SCHOOL DISTRICT

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

BOARD OF EDUCATION AGENDA

November 2, 2017

BOARD OF EDUCATION

Sylvia Orozco, President

Pamela Feix, Vice President

James Na, Clerk

Irene Hernandez-Blair, Member

Andrew Cruz, Member

Jonah Botello, Student Representative

SUPERINTENDENT

Wayne M. Joseph

5130 Riverside Drive. Chino. California 91710
www.chino.k12.ca.us

CHINO VALLEY UNIFIED SCHOOL DISTRICT

REGULAR MEETING OF THE BOARD OF EDUCATION

5130 Riverside Drive, Chino, CA 91710

District Board Room

4:40 p.m. – Closed Session • 7:00 p.m. – Regular Meeting

November 2, 2017

AGENDA

- The public is invited to address the Board of Education regarding items listed on the agenda. Comments on an agenda item will be accepted during consideration of that item, or prior to consideration of the item in the case of a closed session item. Persons wishing to address the Board are requested to complete and submit to the Administrative Secretary, Board of Education, a "Request to Speak" form available at the entrance to the Board room.
- In compliance with the Americans with Disabilities Act, please contact the Administrative Secretary, Board of Education, if you require modification or accommodation due to a disability.
- Agenda documents that have been distributed to members of the Board of Education less than 72 hours prior to the meeting are available for inspection at the Chino Valley Unified School District Administration Center, 5130 Riverside Drive, Chino, California, during the regular business hours of 7:30 a.m. to 4:30 p.m., Monday through Friday.
- Order of business is approximate and subject to change.

I. OPENING BUSINESS

I.A. CALL TO ORDER – 4:40 P.M.

1. Roll Call
2. Public Comment on Closed Session Items
3. Closed Session

Discussion and possible action (times are approximate):

- a. Conference with Legal Counsel - Existing Litigation (Government Code 54954.4(c) and 54956.9 (d)(1): Federal District Court, Case No. EDCV 14-2336-JGB (DTBx) Freedom from Religion Foundation vs. Chino Valley Unified School District Board of Education. (Tyler & Bursch, LLP) (5 minutes)
- b. Conference with Legal Counsel: Existing Litigation: Government Code 54954.5 (c) and 54956.9 (d)(1): Oxford Preparatory Academy v. Chino Valley Unified School District, et. al. SBC No. CIVDS1710045. (Chidester, Margaret A. & Associates) (5 minutes)
- c. Conference with Legal Counsel–Anticipated Litigation (Government Code 54956.9 (d)(2) and (e)(1): One possible case. (Atkinson, Andelson, Loya, Ruud & Romo) (5 minutes)
- d. Student Matter, Parent Request to Change Grade (Education Code 35146): I.D. 318040186 (60 minutes)
- e. Student Readmission Matter (Education Code 35146, 48916 (c)): Case 16/17-09. (5 minutes)
- f. Conference with Labor Negotiators (Government Code 54957.6): A.C.T. and CSEA negotiations. Agency designated representatives: Dr. Norm Enfield, Sandra Chen, Dr. Grace Park, Dr. Suzanne Hernandez, Lea Fellows, and Richard Rideout. (20 minutes)
- g. Public Employee Discipline/Dismissal/Release (Government Code 54957): (10 minutes)
- h. Public Employee Appointment (Government Code 54957): HS Principal and JHS Assistant Principal. (5 minutes)
- i. Conference with Labor Negotiators (Government Code 54957.6): Superintendent's Contract. Agency designated representatives: Sylvia Orozco and James Na. (10 minutes)

I.B. RECONVENE TO REGULAR OPEN MEETING – 7:00 P.M.

1. Report Closed Session Action
2. Pledge of Allegiance

I.C. STUDENT SHOWCASE

1. Hidden Trails ES

- I.D. COMMENTS FROM STUDENT REPRESENTATIVE
- I.E. EMPLOYEE REPRESENTATIVES' COMMUNICATIONS
- I.F. COMMUNITY LIAISONS' COMMUNICATIONS
- I.G. COMMENTS FROM THE AUDIENCE ON ITEMS NOT ON THE AGENDA
- I.H. CHANGES AND DELETIONS

ACTION

II.A. ADMINISTRATION

II.A.1. Oxford Preparatory Academy – Rise Charter School Petition

Page 8

Recommend the Board of Education adopt Resolution 2017/2018-27 Adopting Recommended Findings of Fact Regarding the Oxford Preparatory Academy – Rise Charter School Petition pursuant to Education Code section 47605(b).

Motion ____ Second ____
 Preferential Vote: ____
 Vote: Yes ____ No ____

II.B. HUMAN RESOURCES

II.B.1. Public Hearing and Variable Term Waiver for Dorinda Sullivan

Page 220

Recommend the Board of Education:

- a) Conduct a public hearing, and
- b) Approve the Variable Term Waiver for Dorinda Sullivan.

Open Hearing ____
 Close Hearing ____

Motion ____ Second ____
 Preferential Vote: ____
 Vote: Yes ____ No ____

III. CONSENT

Motion ____ Second ____
 Preferential Vote: ____
 Vote: Yes ____ No ____

III.A. BUSINESS SERVICES

III.A.1. Warrant Register

Page 221

Recommend the Board of Education approve/ratify the warrant register, provided under separate cover.

III.A.2. Fundraising Activities

Page 222

Recommend the Board of Education approve/ratify the fundraising activities.

III.A.3. Donations

Page 225 Recommend the Board of Education accept the donations.

III.A.4. Legal Services

Page 227 Recommend the Board of Education approve payment for legal services to the law office of Atkinson, Andelson, Loya, Ruud & Romo.

III.A.5. Signature Authorizations for Chino Valley Unified School District

Page 228 Recommend the Board of Education approve the signature authorizations for Chino Valley Unified School District.

III.A.6. Application to Operate Fundraising Activities and Other Activities for the Benefit of Students

Page 233 Recommend the Board of Education approve/ratify the application to operate fundraising activities and other activities for the benefit of students.

III.B. CURRICULUM, INSTRUCTION, INNOVATION, AND SUPPORT

III.B.1. Student Readmission Case 16/17-09

Page 235 Recommend the Board of Education approve student readmission case 16/17-09.

III.B.2. School Sponsored Trips

Page 236 Recommend the Board of Education approve/ratify the following school-sponsored trips: Butterfield Ranch ES; Ayala HS; Chino Hills HS; and Don Lugo HS.

III.B.3. Proclamation for The Great American Smokeout on November 16, 2017

Page 238 Recommend the Board of Education adopt the proclamation for The Great American Smokeout on November 16, 2017.

III.C. FACILITIES, PLANNING, AND OPERATIONS

III.C.1. Purchase Order Register

Page 240 Recommend the Board of Education approve/ratify the purchase order register, provided under separate cover.

III.C.2. Agreements for Contractor/Consultant Services

Page 241 Recommend the Board of Education approve/ratify the Agreements for Contractor/Consultant Services.

III.C.3. Surplus/Obsolete Property

Page 243 Recommend the Board of Education declare the District property surplus/obsolete and authorize staff to sell/dispose of said property.

III.C.4. Notice of Completion for CUPCCAA Projects

Page 245 Recommend the Board of Education approve the Notice of Completion for CUPCCAA Projects.

III.C.5. Notice of Completion for CUPCCAA Bid 17-18-06I, Asphalt Repair at Cattle ES

Page 246

Recommend the Board of Education approve the Notice of Completion for CUPCCAA Bid 17-18-06I, Asphalt Repair at Cattle ES.

III.C.6. Resolution 2017/2018-25 and 2017/2018-26 for Authorization to Utilize Piggyback Contracts

Page 248

Recommend the Board of Education adopt Resolution 2017/2018-25 and 2017/2018-26 for authorization to utilize piggyback contracts.

III.C.7. Community Facilities District No. 4 (College Park) Special Tax Accountability Report for Fiscal Year 2016/2017

Page 254

Recommend the Board of Education accept and file the Community Facilities District No. 4 (College Park) Special Tax Accountability Report for Fiscal Year 2016/2017.

III.D. HUMAN RESOURCES

III.D.1. Certificated/Classified Personnel Items

Page 260

Recommend the Board of Education approve/ratify the certificated/classified personnel items.

III.D.2. New Job Description for Nutrition Supervisor

Page 266

Recommend the Board of Education:

- a) Approve the new job description of Nutrition Supervisor, and
- b) Authorize the creation of Nutrition Supervisor.

III.D.3. Student Internship Agreement with Alliant International University

Page 272

Recommend the Board of Education approve the student internship agreement with Alliant International University.

III.D.4. Designated Subjects Adult and Career Technical Education Credentials Program Agreement with the San Diego County Superintendent of Schools

Page 277

Recommend the Board of Education approve the Designated Subjects Adult and Career Technical Education Credentials Program agreement with the San Diego County Superintendent of Schools.

IV. INFORMATION**IV.A. BUSINESS SERVICES**

- IV.A.1. Adopted 2017/2018 Organized and Unorganized Student Body Budgets**
Page 281 Recommend the Board of Education receive for information the adopted 2017/2018 organized and unorganized student body budgets.

IV.B. CURRICULUM, INSTRUCTION, INNOVATION, AND SUPPORT

- IV.B.1. Chino Valley Unified School District 2017/2020 Strategic Plan**
Page 283 Recommend the Board of Education receive for information the Chino Valley Unified School District 2017/2020 Strategic Plan.

- IV.B.2. Revision of Board Policy 6164.2 Instruction—Guidance/Counseling Services**
Page 284 Recommend the Board of Education receive for information the revision of Board Policy 6164.2 Instruction—Guidance/Counseling Services.

IV.C. FACILITIES, PLANNING, AND OPERATIONS

- IV.C.1. Cash Management Program**
Page 290 Recommend the Board of Education receive for information the report on the Cash Management Program.

- IV.C.2. Revision of Board Policy 3280 Business and Noninstructional Operations—Sale or Lease of District-Owned Real Property**
Page 297 Recommend the Board of Education receive for information the revision of Board Policy 3280 Business and Noninstructional Operations—Sale or Lease of District-Owned Real Property.

IV.D. HUMAN RESOURCES

- IV.D.1. Revision of Board Policy and Administrative Regulation 4127, 4227, 4327 All Personnel—Temporary Athletic Team Coaches**
Page 303 Recommend the Board of Education receive for information the revision of Board Policy and Administrative Regulation 4127, 4227, 4327 All Personnel—Temporary Athletic Team Coaches.

- IV.D.2. Revision of Administrative Regulation 4112.22 Certificated Personnel—Staff Teaching English Language Learners**
Page 311 Recommend the Board of Education receive for information the revision of Administrative Regulation 4112.22 Certificated Personnel—Staff Teaching English Language Learners.

IV.D.3. Revision of Board Bylaw and Exhibit 9270—Conflict of Interest

Page 315 Recommend the Board of Education receive for information the revision of Board Bylaw and Exhibit 9270—Conflict of Interest.

V. COMMUNICATIONS

BOARD MEMBERS AND SUPERINTENDENT

VI. ADJOURNMENT

Prepared by: Patricia Kaylor, Administrative Secretary, Board of Education
Date posted: October 30, 2017

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

SUBJECT: OXFORD PREPARATORY ACADEMY – RISE CHARTER SCHOOL PETITION

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BACKGROUND

California Education Code section 47605 establishes the procedures and timelines for charter school petitions. Pursuant to section 47605, Oxford Preparatory Academy – Rise submitted a charter school petition on September 8, 2017.

A public hearing was held on October 5, 2017, in accordance with Education Code section 47605(b).

Education Code section 47605(b) further requires that: “Following review of the petition and the public hearing, the governing board of the school district shall either grant or deny the charter within 60 days of receipt of the petition”

District representatives have carefully reviewed the Oxford Preparatory Academy - Rise Charter School Petition and the Oxford Preparatory Academy – Rise Charter School Petition Budget.

RECOMMENDATION

It is recommended the Board of Education adopt Resolution 2017/2018-27 Adopting Recommended Findings of Fact Regarding the Oxford Preparatory Academy – Rise Charter School Petition pursuant to Education Code section 47605(b).

FISCAL IMPACT

Loss of ADA and categorical funding for the number of District students who enroll in the Oxford Preparatory Academy – Rise.

PLEASE NOTE: Although this is a possible fiscal impact, by law, the Board may not base a decision on the potential fiscal impact. Rather, the decision may only be based on the statutory grounds set out in Education Code section 47605.

CHINO VALLEY UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 2017/2018-27 ADOPTING RECOMMENDED FINDINGS OF FACT
REGARDING THE OXFORD PREPARATORY ACADEMY RISE CHARTER SCHOOL
PETITION

WHEREAS, pursuant to California Education Code section 47605 et seq., the Board of Education of the Chino Valley Unified School District (“CVUSD” or “District”) is required to review charter school petitions submitted to the District and grant or deny the proposed charter.

WHEREAS, the Oxford Preparatory Academy Rise (“OPA Rise”) charter petitioners submitted a charter petition to the District on September 8, 2017 for a grades TK-8 charter school to be located at the District’s former El Rancho school site, or at some “*other space pursuant to Proposition 39,*” or at an unidentified “*private, non-District building.*”

WHEREAS, California Education Code section 47605 and California Code of Regulations, title 5, section 11967.5.1 require the CVUSD Board of Education to grant or deny a request for a charter petition within sixty (60) days of receipt of the charter petition.

WHEREAS, the California State Board of Education has developed criteria to be used for the review of charter school petitions presented to the State Board pursuant to Education Code section 47605(j)(2). Education Code section 47605(j)(2) states, “*The criteria shall address all elements required for charter approval, as identified in subdivision (b) and shall define ‘reasonably comprehensive’ as used in paragraph (5) of subdivision (b) in a way that is consistent with the intent of this part.*” Because the State Board of Education reviews petitions that have been denied by school districts, the District reviews charter school petitions for compliance with the State Board of Education regulations codified at California Code of Regulations, title 5, section 11960 et seq.

WHEREAS, during the regularly scheduled meeting of the CVUSD Board of Education on October 5, 2017, a public hearing on the OPA Rise charter petition was conducted in accordance with the provisions of Education Code section 47605(b), at which time the CVUSD Board of Education considered the level of public support for the OPA Rise charter petition by teachers employed by the CVUSD, other employees of the CVUSD, and parents, as required by Education Code section 47605(b).

WHEREAS, four former Oxford Preparatory Academy-Chino Valley (“OPA-Chino”) students, three OPA Rise lead charter petitioners, two Oxford Preparatory Academy Board Members, nine former OPA-Chino parents, one former OPA-Chino teacher, and one former OPA-Chino parent/teacher addressed the CVUSD Board of Education in support of the OPA Rise charter petition during the October 5, 2017 public hearing.

WHEREAS, one of the nine former OPA-Chino parents that addressed the CVUSD Board of Education in support of the OPA Rise charter petition during the October 5, 2017 public hearing stated the only difference between the OPA Rise charter petition and the closed OPA-Chino charter school is the color yellow; another former OPA-Chino parent stated that approving the OPA Rise charter petition would help “*so many kids get back the school they were once thriving in;*” and a

third former OPA-Chino parent spoke generally in support of school choice, supporting the Sycamore Preparatory Academy charter school petition currently under review by the CVUSD Board of Education, in addition to the OPA Rise charter petition.

WHEREAS, there was no discernable public support during the October 5, 2017 public hearing for the OPA Rise charter petition by teachers employed by the CVUSD, other employees of the CVUSD, or parents other than the former OPA-Chino parents who requested the CVUSD Board of Education “*renew this petition*” and “*re-open*” OPA-Chino.

WHEREAS, Secretary of the OPA Board of Directors Alberto Diaz stated during the October 5, 2017 public hearing on the OPA Rise charter petition that “[a]n organization cannot commit fraud; people commit fraud” and that “[a]n organization cannot be guilty of misappropriating public funds, people do that,” despite the Oxford Preparatory Academy’s former independent auditor Vicenti, Lloyd & Stutzman’s finding in its December 2, 2016 Independent Auditor’s Report and Financial Statement that “[t]he former Executive Director established, with the knowledge of management and the Board, a separate non-profit Charter Management Organization (CMO) – Edlighten Learning Solutions” and the Fiscal Crisis & Management Assistance Team’s (“FCMAT”) July 20, 2016 AB139 Study Agreement’s statement that FCMAT’s review would “[d]etermine whether the [OPA] charter school engaged in related-party transactions and if those transactions were conducted in accordance with established national and state policies, standards and procedures and were transparent in nature.”

WHEREAS, all of the members of the CVUSD Board of Education have read and fully considered the OPA Rise charter petition, the OPA Rise Budget, the Paul S. Horvat Certified Public Accountants Review and Analysis of the OPA Rise Charter School Petition and Budget, the Onisko & Scholz, LLP Review of Re-Issued Oxford Preparatory Academy Audit Reports, and this Resolution.

WHEREAS, in reviewing the OPA Rise charter petition, the CVUSD Board of Education has been cognizant of the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged.

WHEREAS, in reviewing the OPA Rise charter petition, CVUSD staff, working with Superintendent Wayne M. Joseph, with CVUSD’s legal counsel, with Certified Public Accountant Paul S. Horvat, and with the Certified Public Accountant firm Onisko & Scholz, LLP, have reviewed and analyzed all of the information presented by the OPA Rise charter petition and the OPA Rise Budget, including materials related to the operation and potential effects of the proposed OPA Rise charter school.

Because the CVUSD staff review finds that granting the OPA Rise charter petition is not consistent with sound educational practice, CVUSD staff have made a recommendation to the CVUSD Board of Education in the form of this Resolution that the September 8, 2017 OPA Rise charter petition be **denied**.

NOW, THEREFORE, BE IT RESOLVED that the CVUSD Board of Education finds that all of the above recitals are true and correct and incorporates them herein by this reference.

BE IT FURTHER RESOLVED that the CVUSD Board of Education, having fully considered the September 8, 2017 OPA Rise charter petition, hereby **denies** the OPA Rise charter petition pursuant to Education Code section 47605(b) and finds that granting the OPA Rise charter petition is not consistent with sound educational practice based upon the following factual findings specific to the September 8, 2017 OPA Rise charter petition:

- I. The OPA Rise charter petitioners are demonstrably unlikely to successfully implement the program set forth in the OPA Rise charter petition. [Education Code section 47605(b)(2)];**
- II. The OPA Rise charter petition fails to provide all of the legally required affirmations and assurances in compliance with state law. [Education Code section 47605(b)(4); Education Code section 47605(d)(2)]; and**
- III. The OPA Rise charter petition fails to contain reasonably comprehensive descriptions of eight of the fifteen required elements of a charter petition. [Education Code section 47605(b)(5)].**

BE IT FURTHER RESOLVED that the CVUSD Board of Education hereby finds that all of the foregoing findings are supported by the following specific facts:

- I. THE OPA RISE CHARTER PETITIONERS ARE DEMONSTRABLY UNLIKELY TO SUCCESSFULLY IMPLEMENT THE PROGRAM SET FORTH IN THE OPA RISE CHARTER PETITION. [Education Code section 47605(b)(2)]**

Education Code section 47605(b)(2) provides that a charter petition may be denied if specific facts support a finding that “*the petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.*”

A. In The Area Of Financial Administration, The OPA Rise Charter Petition Budget Presents An Unrealistic Financial And Operational Plan For The Proposed OPA Rise Charter School.

California Code of Regulations, title 5, section 11967.5.1(c)(3) states that a factor to be considered in determining whether charter petitioners are “*demonstrably unlikely to successfully implement the program*” is whether the charter petitioners have presented an unrealistic financial and operational plan for the proposed charter school.

California Code of Regulations, title 5, section 11967.5.1(c)(3)(B) provides:

“In the area of financial administration, the charter or supporting documents do not adequately:

1. *Include, at a minimum, the first-year operational budget, start-up costs, and cash flow, and financial projections for the first three years.*
2. *Include in the operational budget reasonable estimates of all anticipated revenues and expenditures necessary to operate the school, including, but not limited to, special education, based, when possible, on historical data from schools or school districts of similar type, size, and location.*
3. *Include budget notes that clearly describe assumptions on revenue estimates, including, but not limited to, the basis for average daily attendance estimates and staffing levels.*
4. *Present a budget that in its totality appears viable and over a period of no less than two years of operation provides for the amassing of a reserve equivalent to that required by law for a school district of similar size to the proposed charter school.*
5. *Demonstrate an understanding of the timing of the receipt of various revenues and their relative relationship to timing of expenditures that are within reasonable parameters, based, when possible, on historical data from schools or school districts of similar type, size, and location.”*

Due to discrepancies identified during the CVUSD staff’s review of the OPA Rise charter petition, the District obtained an independent Review and Analysis of the Oxford Preparatory Academy Rise Charter School Petition and Budget from Certified Public Accountant Paul S. Horvat. The Paul S. Horvat CPA Review and Analysis is attached as Exhibit A hereto and incorporated herein by this reference.

The Paul S. Horvat CPA Review and Analysis of the Oxford Preparatory Academy Rise Charter School Petition and Budget concludes that the OPA Rise Budget presents an unrealistic financial and operational plan for the proposed OPA Rise charter school.

The October 25, 2017 Paul S. Horvat CPA Review and Analysis of the Oxford Preparatory Academy Rise Charter School Petition and Budget states at pages 1 through 3:

EXECUTIVE SUMMARY

After a comprehensive review of the Oxford Preparatory Academy – Rise charter petition and Budget as submitted to the Chino Valley Unified School District on September 8, 2017, I conclude that the Oxford Preparatory Academy-Rise charter petition's Budget presents an unrealistic financial and operational plan for the proposed Oxford Preparatory Academy - Rise charter school.

My findings can be summarized as follows:

- 1) The September 8, 2017 OPA-RISE charter petition includes an unrealistic and unsupported enrollment of 1,226 students in the 2018-19 budget (Year 1). The OPA-RISE charter petitioners failed to present any comparative benchmark or historical data from charter schools or school districts of similar type, size, and location.*
- 2) The OPA-RISE Budget at Expenditures lists 2017-18 Year 0 expense amounts of \$109,958 and \$102,083 for Certificated and Classified Salaries respectively; however, no Certificated and Classified Budgeted Full Time Equivalent (FTE) employees are identified. Therefore, this analysis cannot determine if Year 0 Certificated and Classified salaries should be zero or \$109,958 and \$102,083.*

The OPA-RISE charter petition Budget failed to present any detailed Staffing and Benefits schedules or a position control report describing the medical and retirement benefits each staffing category or classification of employee will receive.

- 3) The OPA-RISE Cash Flow Monthly Detail report identifies that as of July 2017 there is a prior year payable of \$1,299,047.*

Neither the OPA-RISE charter petition nor Budget present any budget notes or assumptions explaining how a new start-up charter school can have a \$1,299,047 prior year payable liability when the charter school was not in existence in the prior year.

Why OPA-RISE is responsible for such a liability and what the liability represents is not disclosed by the OPA-RISE charter petition or Budget.

- 4) The OPA-RISE charter petition's Budget fails to present sufficient detailed Budget notes that clearly describe OPA-RISE financial budget projections as is required by California Code of Regulations, Title 5, section 11967.5.1(c)(3)(B).*

OPA-RISE fails to provide necessary supplementary information describing how the proposed OPA-RISE charter school's revenues, costs, and cash flows were projected, either through historical data or comparative analytics from other charter schools or school districts of similar type, size and location.

- 5) The OPA-RISE charter petition's Budget fails to specify the required criteria for the selection of contractors as required by California Code of Regulations, Title 5, section 11967.5.1(c)(3)(A).*

The OPA-RISE Budget notes fail to identify and present the names and detailed descriptions of the services to be provided by OPA-RISE's budgeted professional and consulting service providers, especially those vendors that may be affiliated or related to the OPA-RISE charter petitioners in any way.

- 6) *The OPA-RISE charter petition Budget's facilities expense information and Budget failed to conform to California Code of Regulations, Title 5 section 11967.5.1(c)(3)(D) and therefore presents an unrealistic financial and operational plan for the proposed charter school.*
- 7) *The OPA-RISE charter petitioners fail to provide detailed explanations or budget notes and assumptions describing the beginning cash balance of \$1,080,782 in their Cash Flow reports.*

The OPA-RISE charter petitioners also failed to provide any budget notes under cash flow year-end accruals and failed to explain why no accruals for expenses are included.

The OPA-RISE charter petitioners budgeted \$8,000 per month in Other Local Revenue for the Champion Village afterschool program; however, OPA-RISE charter petitioners failed to explain how this monthly amount was determined and how they know that the amount will be \$8,000 every month.

- 8) *The OPA-RISE charter petition's Budget failed to identify special education encroachment costs in the OPA-RISE Budget or to explain why special education encroachment costs are not budgeted. Unbudgeted special education encroachment costs were calculated as \$1,001,176.*
- 9) *The OPA-RISE charter petition and budget fail to present any budget assumptions or notes explaining how a new start-up charter school can have a \$2,487,499 prior year beginning fund balance in Year 0 when the charter school was not in existence in the prior year.*

Why the OPA-RISE Budget has a \$2,487,499 Year 0 beginning fund balance and what the fund balance represents failed to be disclosed by the OPA-RISE charter petitioners.

- 10) *The OPA-RISE Budget may be a compilation of multiple previous charter petition budgets, budget notes and assumptions.*

OPA-RISE's Budget notes at page 4 of 22 identifying "RWCC" and OPA-RISE budget notes at page 12 of 22 identifying "OPOCVNC" represent evidence that the OPA-RISE charter petition Budget may consist of budget notes assumptions and amounts specific to other previously published charter school petitions.

Therefore, the OPA-RISE Budget cannot be relied on.

- 11) *OPA to date has not yet issued the OPA-Chino closure audit required by Education Code Section 47605(b)(5)(0).*

Although OPA has had since July 24, 2017 to complete a final closure audit of OPA-Chino's financial records, the CVUSD has not received a closure audit report as of the date of this report.

An OPA-Chino audit would have presented an independently audited financial report of the disposition of OPA-Chino's assets, liabilities and financial condition and provided a basis for the OPA-RISE Budget.

OPA's failure to present an OPA-Chino closure audit report within the OPA-RISE charter petition:

- Continues OPA's history of a lack of financial transparency, and*
- Creates doubts as to the validity of the OPA-RISE budget.*

12) The OPA-RISE charter petitioners have a past history of involvement in the unsuccessful OPA-Chino charter school such that they fail to conform to California Code of Regulations, Title 5 section 11967.5.1(c)(1) and therefore are demonstrably unlikely to successfully implement the proposed OPA-RISE charter school program.

Additionally, despite the OPA-RISE charter petition's statement that "This new charter is a clean slate," OPA has failed to address all of the concerns stated in the November 22, 2016 FCMAT report.

- The OPA-RISE charter petitioners and the Oxford Preparatory Academy Board of Directors consist of many of the same individuals who were involved as charter petitioners and Board of Directors members of the now closed, non-renewed OPA-Chino charter school.*
- OPA-Chino was not renewed by the Chino Valley Unified School District (CVUSD) in part, because of the financial findings in the Fiscal Crisis & Management Assistance Team (FCMAT) AB139 Extraordinary Audit report dated November 22, 2016. The FCMAT report recommendation concluded that "fraud, misappropriation of assets or other illegal activities may have occurred."*
- The FCMAT report and OPA's own auditor, Vicenti, Lloyd & Stutzman have stated that OPA should reissue OPA's 2013-2016 audit reports with disclaimed audit opinions.*
- A disclaimed audit opinion results because of a material departure from Generally Accepted Accounting Principles (GAAP).*
- A departure from GAAP exists because OPA's auditor was not granted access to Edlighten Learning Solutions' (ELS) financial records. ELS was OPA's charter management organization which controlled OPA.*

- *To date the 2013-2016 audit reports for OPA still have not been reissued with disclaimed audit opinions.*

The CVUSD Board of Education hereby specifically adopts the findings of the Paul S. Horvat CPA Review and Analysis of the OPA Rise Charter Petition and Budget and finds that the OPA Rise charter petitioners are demonstrably unlikely to successfully implement the program set forth in the OPA Rise charter petition pursuant to Education Code section 47605(b)(2) because the OPA Rise charter petition and budget present an unrealistic financial and operational plan for the proposed OPA Rise charter school.

B. The OPA Rise Charter Petitioners Have A Past History Of Involvement In An Unsuccessful Charter School.

California Code of Regulations, title 5, section 11967.5.1(c)(1) states that a factor to be considered in determining whether charter petitioners are “*demonstrably unlikely to successfully implement the program*” is “[i]f the petitioners have a past history of involvement in charter schools or other education agencies (public or private), the history is one that the SBE regards as unsuccessful[.]”

That the non-renewed, now closed OPA-Chino charter school has a history “*that the SBE regards as unsuccessful*” is evidenced by the California Department of Education’s (“CDE”) conclusion in its report for the State Board of Education’s May 11, 2017 hearing regarding the now closed OPA-Chino charter school:

“The CDE reviewed and considered the pupil academic achievement of OPACV as the most important factor in determining whether to recommend approval for renewal; however, this is not the only factor to consider. The CDE finds that the petitioners are demonstrably unlikely to successfully implement the program set forth in the petition based on OPACV’s history related to fiscal mismanagement, potential fraud, and misuse of public funds. The substantial impact of these findings threaten the future sustainability of the charter school, eventually undermining the academic achievement of OPACV pupils.”

(Emphasis added.)

Although the OPA Rise charter petitioners state in their cover letter regarding “*Charter Petition for the Establishment of Oxford Rise*” (“Cover Letter”) at page 4 that “*All of the individuals who held leadership positions during the time described in the FCMAT report are not linked in any way to any of [their] charter schools,*” **all of the OPA Rise lead charter petitioners have a past history of involvement with Oxford Preparatory Academy-Chino Valley (“OPA-Chino”), a non-renewed and therefore unsuccessful charter school.**

OPA-Chino’s charter was non-renewed by the CVUSD Board of Education on November 28, 2016 due, in part, to the Fiscal Crisis & Management Assistance Team’s (“FCMAT”) AB139

Extraordinary Audit report finding that OPA founder and former Executive Director Sue Roche may have misappropriated public funds.

The November 22, 2016 FCMAT “*San Bernardino County Superintendent of Schools regarding the Oxford Preparatory Academy Charter School – Extraordinary Audit*” report (the “FCMAT Report”) found:

- ***“The lack of internal controls at Oxford Preparatory Academy Charter School and relationships between the founder, relatives and close associates and her other nonprofit public and private corporations create an environment made it possible for the essential elements of fraud to occur, including motivation and opportunity.”*** (FCMAT Report, page 7, emphasis added.)
- ***“[M]anagement of OPA failed to disclose affiliated or related parties to the district and OPA’s auditor, concealing the true of related party relationships and misleading independent auditors to file incorrect financial statements and audit reports.”*** (FCMAT Report, page 12, emphasis added.)
- ***“This diversion scheme channeled \$4,253,406 in fees plus \$449,405 in loans and rents totaling \$4,702,811 of public charter school money from OPA-CV, OPA-SOC, and OPA-SM to OPAS/ELS and into a daisy chain of other companies all affiliated with the founder, Sue Roche.”*** (FCMAT Report, page 40, emphasis added.)

The FCMAT Report recommended that the local district attorney be notified that fraud, misappropriation of assets, or other illegal activities may have occurred.

The FCMAT Report also stated at page 39:

“Successful dilution of transparency occurred when the founder changed names of the CMO three separate times, and hired relatives, friends and longtime associates. This strategic process involves creating loyal followers and placing family members and/or close associates in key positions, with high salaries, stipend payments and other incentives.” (Emphasis added.)

California Department of Education Charter Schools Division Director Cindy Chan confirmed the seriousness of the FCMAT Report’s findings at the May 11, 2017 State Board of Education hearing regarding the September 30, 2017 OPA-Chino charter renewal petition: *“This audit report is horrific. I read hundreds of audit reports so coming from my experience and expertise...”*

State Board of Education Member Sue Burr stated during the May 11, 2017 State Board of Education meeting that the OPA organization presented *“a clear-cut case as evidenced and documented well by FCMAT of financial mismanagement and potentially fraud which is a statutory basis to get rid of the charter.”*

The CVUSD Board of Education also found in the November 28, 2016 Findings that the OPA-Chino charter renewal petition failed to contain reasonably comprehensive descriptions of 8 of the 15 statutorily required elements of a charter petition, and that the charter petitioners were demonstrably unlikely to successfully implement the program set forth in the educational program because of the charter petitioners’ unrealistic financial and operational plan, failure to comply with OPA-Chino’s then-existing charter, and unfamiliarity with the law.

The District notes that the September 8, 2017 OPA Rise charter petition fails to contain reasonably comprehensive descriptions of the *same* 8 statutorily required elements of a charter petition as the September 30, 2016 OPA-Chino charter renewal petition denied by the CVUSD Board of Education on November 28, 2016.

Although the OPA Rise charter petition Cover Letter states at page 4 that *“Oxford Preparatory Academy has squarely addressed each and every issue raised by FCMAT in 2016,”* nothing has actually changed since the California Department of Education stated in its report regarding the September 30, 2016 OPA-Chino charter renewal petition for the Advisory Commission on Charter Schools’ (“ACCS”) April 5, 2017 meeting:

“Additionally, although the OPACV petitioners attempt to address all the FCMAT audit findings, the CDE finds that the responses are not sufficient. The OPACV petitioners present only broad statements about how they plan to correct the numerous findings identified in the FCMAT audit and fail to provide a detailed plan and sufficient policies to adequately address all the FCMAT findings. Additionally, the change in executive leadership are not completely unrelated parties, as they served as school leaders within the organization when the fiscal mismanagement occurred.” (ACCS Report, page 11 of 52, emphasis added.)

...

“[T]he OPA governance structure is essentially the same as it was when OPA leadership engaged in fiscal mismanagement, had a lack of internal fiscal controls, showed evidence of several conflicts of interest and self-dealing, and failed to disclose the true relationship of OPA with ELS.” (ACCS Report, page 24 of 52, emphasis added.)

While the September 8, 2017 OPA Rise charter petition is superficially different from the September 30, 2016 OPA-Chino charter renewal petition, the OPA Rise charter petitioners have failed to remedy the material deficiencies or to fully address each and every issue raised by FCMAT of the denied OPA-Chino charter renewal petition.

FCMAT Chief Administrative Officer Michael Fine's comments during the May 11, 2017 State Board of Education hearing regarding the September 30, 2016 OPA-Chino charter renewal petition further demonstrate why OPA cannot "*squarely address[] each and every issue raised by FCMAT in 2016,*" as stated in the OPA Rise charter petition Cover Letter at page 4:

"In this case, ELS, which was identified as the CMO, was not cooperative with us. And in fact, we reached out to them and their attorney responded to us that both Mrs. Roche and ELS was not available to us, their records were not available to us. What's important in our interpretation at this point is that OPA, as we know it, and ELS are one in the same. They are the alter ego of each other. They are, for all intents and purposes, the same – under the same control, they are under the same, basically, functioning structure and so on. So, to us, they're one in the same and therefore, we didn't interpret that wall as where they interpreted that wall." (Transcript of May 11, 2017 California State Board of Education Meeting, 4:32:17 – 4:33:07, emphasis added.)

That the OPA Rise charter petitioners still "*fail to provide a detailed plan and sufficient policies to adequately address all the FCMAT findings*" is further evidenced by the fact that on September 15, 2017, only one week after the OPA Rise charter petition was submitted on September 8, 2017, the Capistrano Unified School District ("CUSD"), as the authorizer of the OPA-South Orange County charter school, sent OPA a letter titled, "*District's Notice of Concern re OPA's Fiscal Management and Stability, Notice of Intent to Audit Pursuant to Oversight Authority, Demand to Hold and Retain All Documents*" ("Notice of Concern").

The CUSD's September 15, 2017 Notice of Concern states:

"In light of Oxford Preparatory Academy-Chino Valley ('OPA-CV') closing down this past year, there exists substantial concerns regarding Oxford Preparatory Academy's ('OPA') fiscal management and stability."

After receiving OPA's response on September 28, 2017, the CUSD sent a follow up letter to OPA Interim Managing Director Lisa Hall dated October 24, 2017, titled, "*District's Follow Up to Notice of Concern re OPA's Fiscal Management,*" ("Follow Up to Notice of Concern re OPA's Fiscal Management") which states:

"As the District mentioned in its Notice, the District has retained an outside firm to begin an audit of OPA."

"Despite OPA's reassurances that it does not need a CFO because OPA's finances undergo multiple layers of review (i.e. staff, Charter Impact, Gilbert Associates, and the Board), significant errors are still being made."

The CUSD's Follow Up to Notice of Concern re OPA's Fiscal Management also requested that OPA:

“[P]lease provide a thorough and written explanation of each person's title, day-to-day responsibilities at OPA-SOC and OPA-SV, employee compensations, how long they have been employed by OPA, and what, if any, ties to Sue Roche he or she has:

- i. *Lisa Czarnocki*
- ii. ***Deanna Campagna***
- iii. *Candy Reyes*
- iv. ***Cyndi Valenti***
- v. *Dianna Urbina*” (Emphasis added to the names of OPA Rise lead charter petitioners.)

The individuals identified in the CUSD's October 24, 2017 Follow Up to Notice of Concern re OPA's Fiscal Management above are relatives, friends, and longtime associates of OPA founder and former Executive Director Sue Roche, and so are the OPA Rise lead charter petitioners.

All of the OPA Rise lead charter petitioners were relatives, friends, or longtime associates of Ms. Roche, and/or involved with OPA or the closed OPA-Chino charter school during the time period described in the FCMAT Report, when \$4,702,811 of public charter school funds were allegedly diverted from the now closed OPA-Chino charter school.

The following longtime OPA employees are identified as OPA Rise lead charter petitioners at pages 9-10 of the September 8, 2017 OPA Rise charter petition:

- Andrew Crowe, Managing Director, OPA
- Garrett Bridges, Dean, OPA Rise
- Deanna Campagna, Professor, OPA Rise
- John Shipes, Professor, OPA Rise
- Cyndi Valenta, Dean, OPA Rise

Despite the OPA Rise charter petition's misleading statement that the OPA Rise lead charter petitioners “*were not part of the former charter school's founder's leadership team,*” **all 5 of the OPA Rise lead charter petitioners were involved with the non-renewed OPA-Chino charter school and are “longtime associates” and “loyal followers” of OPA founder and former Executive Director Sue Roche, beginning as early as 2003, working with and under Ms. Roche as Principal of Rhodes Elementary, and assisting her with opening the now closed OPA-Chino charter school in 2009.**

The District notes that at the October 18, 2017 regular meeting of the Orange County Department of Education Board of Education, OPA Board of Directors Secretary Alberto Diaz stated that OPA Managing Director and OPA Rise lead petitioner Andrew Crowe resigned from his position on October 16, 2017, effective October 31, 2017.

This was confirmed by CUSD's October 24, 2017 Follow Up to Notice of Concern re OPA's Fiscal Management:

"With resignation of Mr. Andrew Crowe, OPA is now without an Executive Director or a Managing Director with the authority to ensure that OPA is fiscally sound and stable.

It is the District's understanding that you, [Lisa Hall,] OPA's Coordinator of Educational Programs, have been named Interim Managing Director. The District understands you have been at OPA for more than two and a half years as the Coordinator of Educational Programs, and previously were part of the leadership team under Sue Roche."

However, because Mr. Crowe is listed as a lead petitioner of the OPA Rise charter petition, his past history of involvement with the closed OPA-Chino charter school remains relevant to the District's review of the September 8, 2017 OPA Rise charter petition.

Facts Showing that all of the OPA-Rise Lead Charter Petitioners are Friends, Longtime Associates and Loyal Followers of Sue Roche

All five of the OPA Rise lead charter petitioners are "friends and longtime associates" and/or "loyal followers" of Ms. Roche, as evidenced by the following:

1. Andrew Crowe

Mr. Crowe served as Managing Director of OPA from June 2017 through October 31, 2017, even though his resume, as included in *Appendix D – Resumes* of the OPA Rise charter petition, incorrectly states that he has served as Interim Managing Director of OPA from "2016-Current." Mr. Crowe served as Chancellor of OPA-Chino from 2015 to 2016, and Chancellor of Oxford Preparatory Academy – San Marcos ("OPA-San Marcos") under The Academies of Oxford Prep from 2014 to 2015.

The California Department of Education stated in its report for the State Board of Education's May 11, 2017 hearing regarding the non-renewed OPA-Chino charter school's administration and governance:

"Denise Pascoe was selected as Interim Executive Director and Andrew Crowe was selected as Interim Managing Director. Both Ms. Pascoe and Mr. Crowe served as chancellors for OPA. Mr. Crowe served as chancellor of OPACV since 2015 and according

to the OPA Web site, Ms. Pascoe previously served as chancellor of OPA-SOC. Although Ms. Pascoe states that Mr. Crowe has no ties to Sue Roche or Barbara Black, OPA’s organizational chart shows that the chancellor works directly with the executive director.” (CDE Report, SBE May 2017 Agenda, Item 19, emphasis added.)

The CDE’s analysis found that when Mr. Crowe was Chancellor (Principal) of OPA-Chino, he worked under and directly with OPA founder and former Executive Director Ms. Roche. Therefore, the OPA Rise charter petition’s statement that “[a]ll of the individuals who held leadership positions during the time described in the FCMAT report are not linked in any way to [OPA’s] charter schools” is materially false.

Mr. Crowe’s Employment by The Academies of Oxford Prep

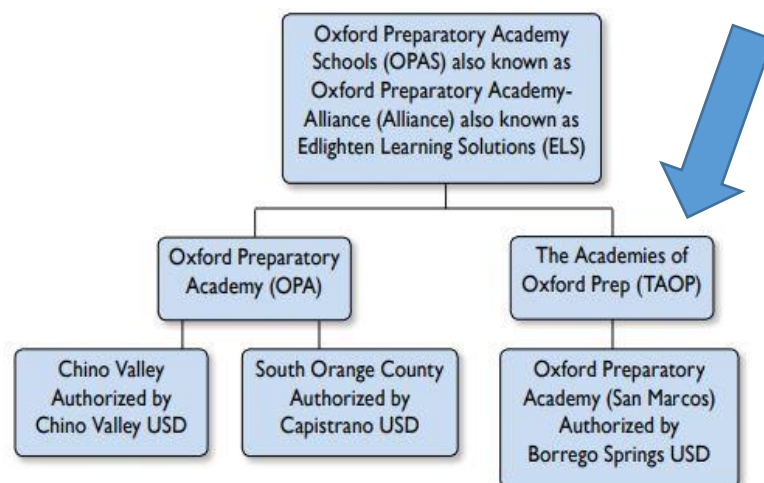
Mr. Crowe’s resume also states that he served as Chancellor (Principal) for The Academies of Oxford Prep, which operated Oxford Preparatory Academy-San Marcos from 2014 to 2015.

The FCMAT Report found:

“The organizational relationships associated with Oxford Preparatory Academy Schools are complex. FCMAT establishes that the nonprofit and for-profit entities created to support Oxford Preparatory Academy and other Oxford Preparatory Academy entities are affiliated organizations and related parties that have a material or significant common control and a material economic interest.

These organizations are affiliated and are related parties:

Figure 1



This report provides sufficient evidence that affiliated and/or related party organizations were intentionally created to divert and launder funds from Oxford Preparatory Academy and conceal the use of these funds from the oversight agency, Chino Valley Unified School District, (district), the independent auditor of Oxford Preparatory Academy (OPA), and all others that relied of the financial statements and independent financial audits.” (Page 10, emphasis added.)

Mr. Crowe served as Chancellor (Principal) of OPA-San Marcos during the same time that OPA and The Academies of Oxford Prep were “*affiliated and controlled by the founder/executive director [Sue Roche], making proper internal controls . . . easy to circumvent.*” (FCMAT Report, page 21.)

Mr. Crowe’s Employment at OPA-Chino

During his time as Chancellor of OPA-Chino, Mr. Crowe worked closely with and under OPA founder and former Executive Director Sue Roche, as evidenced by “*OPA’s organizational chart [which] shows that the chancellor works directly with the executive director.*” (CDE Report, SBE May 2017 Agenda, Item 19.)

Mr. Crowe was also a lead petitioner of the January 25, 2016 and September 30, 2016 OPA-Chino charter renewal petitions with former Executive Director Barbara Black, former Managing Director Monica Power, and former Chief Operations Officer Jared McLeod, all of whom were implicated in the FCMAT Report as Sue Roche associates.

Therefore, the OPA Rise charter petition’s statements that Mr. Crowe was “*not part of the former charter school’s founder’s leadership team*” and that “[a]ll of the individuals who held leadership positions during the time described in the FCMAT report are not linked in any way to any of [their] charter schools” are materially false. (OPA Rise charter petition, page 9; OPA Rise charter petition Cover Letter, page 4.)

Mr. Crowe has past history of involvement with the operation of two unsuccessful, now-closed charter schools, and as the lead OPA Rise charter petitioner is demonstrably unlikely to successfully implement the program set forth in the September 8, 2017 OPA Rise charter petition under California Code of Regulations, title 5, section 11967.5.1(c)(1).

2. Garrett Bridges

Mr. Bridges has been an OPA employee since 2012, first serving as a 7th and 8th grade teacher, and then becoming Dean (Assistant Principal) of OPA-Chino in 2015, according to his resume included in *Appendix D – Resumes* of the OPA Rise charter petition.

Despite the OPA Rise charter petition Cover Letter’s statement at page 4 that “[a]ll of the individuals who held leadership positions during the time described in the FCMAT report are not linked in any way to [OPA’s] charter schools,” Mr. Bridges is currently listed as part of OPA’s

“Leadership Team” on OPA’s public website. (<https://oxfordpreparatoryacademy.com/leadership/>, accessed October 24, 2017.)

Because Mr. Bridges has been with OPA since OPA-Chino’s renewal in 2012, he was part of the organization under OPA founder and former Executive Director Sue Roche’s leadership. Mr. Bridges was employed by OPA during the time OPA pleaded in its lawsuit against its former charter management organization Edlighten Learning Solutions and Ms. Roche that “*Defendants . . . diverted public education funds away from the school and into the pockets of ELS, Roche and Roche’s relatives and close associates.*” (Oxford Preparatory Academy v. Edlighten Learning Solutions and Susan Roche, Case No. 30-2017-00908329-CU-BC-CJC, Complaint at ¶ 1, lines 11-15.)

The OPA Rise charter petition Cover Letter’s statement that “[a]ll of the individuals who held leadership positions during the time described in the FCMAT report are not linked in any way to any [their] charter schools” is therefore materially false.

Mr. Bridges has a past history of involvement with the operation of an unsuccessful charter school and as an OPA Rise lead petitioner is demonstrably unlikely to successfully implement the program set forth in the September 8, 2017 OPA Rise charter petition under California Code of Regulations, title 5, section 11967.5.1(c)(1).

3. Deanna Campagna

Ms. Campagna has been employed by OPA-Chino since its establishment in 2010. The OPA Rise charter petition states at page 10 that Ms. Campagna “*resigned from CVUSD to open Oxford Preparatory Academy.*”

In fact, Ms. Campagna’s resume included in *Appendix D – Resumes* of the OPA Rise charter petition states that she “*Helped develop and write [OPA’s] charter*”; “*Helped open [OPA-Chino] charter school*”; and was part of OPA’s “*Leadership Team.*”

In addition to helping draft OPA’s original charter, Ms. Campagna is a Founding Member of the now closed OPA-Chino charter school.

Ms. Campagna’s resume also states that she worked as a 2nd and 3rd grade teacher at Rhodes Elementary from 2003 to 2009 under OPA founder Sue Roche’s leadership as principal of Rhodes. Therefore, Ms. Campagna has known Ms. Roche for nearly 15 years, and followed her from Rhodes Elementary to OPA-Chino, working with Ms. Roche at OPA-Chino until Ms. Roche’s retirement in 2015.

Because Ms. Campagna helped develop and write the original OPA charter petition, open OPA-Chino in 2010, and was part of OPA’s “*Leadership Team,*” as evidenced by Ms. Campagna’s resume, she necessarily worked closely with OPA founder and former Executive Director Sue Roche.

The OPA Rise charter petition's statements that Ms. Campagna was "*not part of the former charter school's founder's leadership team*" and that "*[a]ll of the individuals who held leadership positions during the time described in the FCMAT report are not linked in any way to any of [their] charter schools*" are therefore materially false. (OPA Rise charter petition, page 9; OPA Rise charter petition Cover Letter, page 4.)

Ms. Campagna has a past history of involvement with the establishment and operation of an unsuccessful charter school, and as an OPA Rise lead charter petitioner is demonstrably unlikely to successfully implement the operational program set forth in the September 8, 2017 OPA Rise charter petition under California Code of Regulations, title 5, section 11967.5.1(c)(1).

4. John Shipes

Mr. Shipes has also been employed by OPA since OPA-Chino's establishment in 2010. The OPA Rise charter petition states at page 10 that Mr. Shipes "*assisted in the writing of the charter for Oxford Preparatory Academy (OPA) in 2009. He became a lead petitioner and founding teacher at OPA.*" Mr. Shipes is a Founding Member of the closed OPA-Chino charter school.

Mr. Shipes' resume included in *Appendix D - Resumes* of the OPA Rise charter petition states that he taught 8th grade at OPA, and is "*Currently employed as an eighth grade teacher at Oxford Preparatory Academy – Saddleback.*"

He also taught 6th grade at Rhodes Elementary from 2004 until OPA opened in 2010, working with and under OPA founder and former Executive Director Sue Roche's leadership as principal of Rhodes. Therefore, Mr. Shipes has known Ms. Roche for at least 13 years, and worked with her at OPA-Chino until Ms. Roche's retirement in 2015.

The OPA Rise charter petition's statements that Mr. Shipes was "*not part of the former charter school's founder's leadership team*" and that "*[a]ll of the individuals who held leadership positions during the time described in the FCMAT report are not linked in any way to any of [their] charter schools*" are therefore materially false. (OPA Rise charter petition, page 9; OPA Rise charter petition Cover Letter, page 4.)

Mr. Shipes has a past history of involvement with the establishment and operation of an unsuccessful charter school, and as an OPA Rise lead charter petitioner is demonstrably unlikely to successfully implement the program set forth in the September 8, 2017 OPA Rise charter petition under California Code of Regulations, title 5, section 11967.5.1(c)(1).

5. Cyndi or Cynthia Valenta

Ms. Valenta was employed by OPA as lead professor at OPA-Chino from 2010 to 2013 before becoming Dean (Assistant Principal) of the now closed OPA-Chino charter school. Ms. Valenta is also a Founding Member of the non-renewed OPA-Chino charter school.

Prior to joining OPA, Ms. Valenta worked as a 1st grade teacher at Rhodes Elementary School from 2003 to 2010 under OPA founder and former Executive Director Sue Roche's leadership as principal of Rhodes. Ms. Valenta has therefore had at least a professional relationship with Ms. Roche for at least 14 years, and worked with Ms. Roche at OPA-Chino until Ms. Roche's retirement in 2015.

Therefore, the OPA Rise charter petition's statements that Ms. Valenta was "*not part of the former charter school's founder's leadership team*" and that "[a]ll of the individuals who held leadership positions during the time described in the FCMAT report are not linked in any way to any of [their] charter schools" are materially false. (OPA Rise charter petition, page 9; OPA Rise charter petition Cover Letter, page 4.)

Ms. Valenta has a past history of involvement with the establishment and operation of an unsuccessful charter school, and as an OPA Rise lead charter petitioner is demonstrably unlikely to successfully implement the program set forth in the September 8, 2017 OPA Rise charter petition under California Code of Regulations, title 5, section 11967.5.1(c)(1).

Therefore, all five of the OPA Rise lead charter petitioners are, in the FCMAT Report's language, "*friends and longtime associates*" and/or "*loyal followers*" of OPA founder and former Executive Director Ms. Roche, beginning as early as 2003.

The OPA Rise Charter Petition Fails to Define OPA's Leadership Team

The District further notes that the OPA Rise charter petition refers to "*leadership team*" at pages 2, 9, 21, 26, and 93, but fails to clearly and uniformly define which OPA employees comprise the current and former OPA organization's "*leadership team*."

The OPA Rise charter petition states:

At page 2: "*Replaced the entire **former leadership team (admin and Board)**, and hired Andrew Crowe as Managing Director*" (Emphasis added.)

At page 9: "*We want to be clear these individuals were not part of the **former charter school's founder's leadership team***." (Emphasis added.)

At page 21: "*Oxford Rise will be based on the same educational model, operated by a newly-strengthened organization with a dedicated and **proven leadership team** (see Lead Petitioners Vision and Element 4: Governance), and thus Oxford Rise is demonstrably likely to achieve the same educational success.*" (Emphasis added.)

At page 36: *“Lead Professors will assist the administration in overall school planning, decision-making and serve as the staff’s leadership team.”* (Emphasis added.)

At page 93: *“This current Oxford leadership team embarked on an ambitious and thorough Recovery Plan in order to address violations that occurred under previous Board and administration and to ensure that they never happen again (see appendix for full Recovery Plan).”* (Emphasis added.)

At page 93: *“We have welcomed an entirely new Board, an entirely new organizational leadership team, and an entirely new business office team.”* (Emphasis added.)

However, the OPA public website demonstrates that OPA’s “Leadership Team” includes numerous OPA employees who have been employed by the OPA organization since opening in 2010, and who have worked closely with and under OPA founder and former Executive Director Sue Roche. (<https://oxfordpreparatoryacademy.com/leadership/>, accessed October 24, 2017.)

All of the OPA Rise lead charter petitioners and numerous current OPA employees have a past history of involvement with the non-renewed OPA-Chino charter school and OPA founder and former Executive Director Ms. Roche.

The CVUSD Board of Education therefore finds that the OPA Rise lead charter petitioners are demonstrably unlikely to successfully implement the program pursuant to Education Code section 47605(b)(2) because all five of the OPA Rise lead charter petitioners have a past history of involvement with an unsuccessful charter school under California Code of Regulations, title 5, section 11967.5.1(c)(1).

C. In The Area Of Facilities, The OPA Rise Charter Petition Budget Presents An Unrealistic Financial And Operational Plan For the Proposed Charter School.

California Code of Regulations, title 5, section 11967.5.1(c)(3) states that a factor to be considered in determining whether charter petitioners are “*demonstrably unlikely to successfully implement the program*” is whether the charter petitioners have presented an unrealistic financial and operational plan for the proposed charter school with regards to facilities.

California Code of Regulations, title 5, section 11967.5.1(c)(3)(D) provides:

“In the area of facilities, the charter and supporting documents do not adequately:

1. Describe ***the types and potential location*** of facilities needed to operate the size and scope of educational program proposed in the charter.
2. In the event a specific facility has not been secured, provide evidence of ***the type and projected cost of the facilities that may be available*** in the location of the proposed charter school.
3. ***Reflect reasonable costs for the acquisition or leasing of facilities to house the charter school***, taking into account the facilities the charter school may be allocated under the provisions of Education Code section 47614.” (Emphasis added.)

The OPA Rise charter petition fails to satisfy the above California Code of Regulations requirements.

The OPA Rise charter petition states at page 144:

“Oxford Rise will submit a request for facilities pursuant to Proposition 39 for the inaugural school year. Oxford Rise looks forward to working with the District to find a suitable location to house the projected enrollment contained in the charter petition. Oxford Rise also requests that the District allocate space to house the school’s independent study meetings/instruction.

In the event that Proposition 39 facilities are not requested or provided, Oxford Rise will locate in a private facility in compliance with the California State Building Code. At this time, Oxford Rise anticipates it would need approximately 75,625 square feet in order to house the number of students anticipated to enroll in the school during its first charter term. If necessary, Oxford Rise will retain a licensed realtor.

In the event that a private facility is required, Oxford Rise will seek to have the landlord pay for all tenant improvements necessary to convert the facility for the charter school’s use. The tenant improvements will be done in a manner that will ensure that the facility is compliant with the California State Building Code for educational use. Any private facility will also comply with local zoning, unless a zoning exemption is approved pursuant to the Government Code.”

The OPA Rise charter petition fails to adequately describe “*the types and potential location of facilities needed to operate the size and scope of educational program proposed in the charter*”, the “*projected cost of the facilities that may be available in the location of the proposed charter*

school”, and the “reasonable costs for the acquisition or leasing of facilities to house the charter school.”

Instead, the OPA Rise charter petition only states that OPA-Rise’s leased educational facility would require approximately 75,625 square feet.

The District notes that at \$1 per square foot, an unrealistic cost for the type of facilities required by the proposed OPA Rise charter school, the proposed OPA Rise charter school’s facilities would result in monthly rent expenses of **\$75,625** and annual rent expenses of **\$907,500** ($\$75,625/\text{month} \times 12 \text{ months}$).

The District further notes that the OPA Rise charter petitioners have only budgeted **\$120,000** in annual facilities expenses, **\$787,500** less than the **\$907,500** that would be required for 75,625 square feet of facilities at \$1 per square foot.

For the OPA Rise charter petitioners to stay within their budgeted annual facilities expenses of **\$120,000** ($\$120,000/\text{year} \div 12 \text{ months} = \$10,000/\text{month}$), the OPA Rise charter petitioners would need to find a private facility that only charged **\$0.13** per square foot per month ($\$10,000/\text{month} \div 75,625 \text{ square feet} = \$0.13/\text{square foot/month}$). This is highly improbable and demonstrably unreasonable.

The CVUSD Board of Education therefore finds that the OPA Rise charter petitioners are demonstrably unlikely to successfully implement the program, as required by Education Code section 47605(b)(2), because the OPA Rise charter petition presents an unrealistic financial and operational plan in the area of facilities under California Code of Regulations, Title 5, section 11967.5.1(c)(3)(D).

II. THE OPA RISE CHARTER PETITION FAILS TO PROVIDE ALL OF THE LEGALLY REQUIRED AFFIRMATIONS AND ASSURANCES IN COMPLIANCE WITH STATE LAW. [Education Code sections 47605(b)(4); 47605(d)(2)]

Education Code section 47605(b)(4) requires that the OPA Rise charter petition contain “an affirmation of each of the conditions described in subdivision (d).”

Education Code section 47605(d)(2) provides that:

“(2)(A) A charter school shall admit all pupils who wish to attend the school.

(B) If the number of pupils who wish to attend the charter school exceeds the school’s capacity, attendance, except for existing pupils of the charter school, shall be determined by a public random drawing. Preference shall be extended to pupils currently attending the charter school and pupils who reside in the district except as provided for in Section 47614.5. Other preferences may be permitted

by the chartering authority on an individual school basis and only if consistent with the law.” (Emphasis added.)

For the purposes of Education Code section 47605(b)(4), California Code of Regulations, title 5, section 11967.5.1(e) states:

*“[A] charter petition that ‘does not contain an affirmation of each of the conditions described in subdivision (d)’ of Education Code section 47605 shall be a petition that fails to include a clear, unequivocal affirmation of each such condition, **not a general statement of intention to comply. Neither the charter nor any of the supporting documents shall include any evidence that the charter will fail to comply with the conditions described in Education Code section 47605(d).**” (Emphasis added.)*

A. The OPA Rise Charter Petition Fails To Include A Clear, Unequivocal Affirmation That The Proposed OPA Rise Charter School Shall Admit All Students Who Wish To Attend the Charter School.

While the OPA Rise charter petition contains an Affirmation and Assurance at page 6 that “[t]he Charter School will admit all students who wish to attend the Charter School,” evidence exists within the OPA Rise charter petition that the proposed OPA Rise charter school will fail to comply this affirmation, in violation of Education Code section 47605(d).

The OPA Rise charter petition states at page 6:

“Preference in the public random drawing shall be given as required by Education Code Section 47605(d)(2)(B).”

However, the OPA Rise charter petition also states at page 118 that:

“Admission preferences in the case of a public random lottery will be given to the following students in the order below:

- a) Currently enrolled students (exempt from the lottery);*
- b) Siblings of currently enrolled students (exempt from lottery; the purpose of this exemption is to keep families together and is permissible if approved by the chartering authority pursuant to Education Code section 47605(d)(2)(B));*
- c) Children of Oxford Rise staff and children of Founding Members combined (exempt from lottery; shall not exceed 10% of total enrollment);*

- d) *Children residing within the District (3:1 weighting in lottery); and*
- e) *If the Charter School is physically located in the attendance area of a District public elementary school in which at least 50% of the enrollment is eligible for free and reduced price lunch, then students currently enrolled in that school and students who reside in that elementary school attendance area will be given preference in accordance with Education Code Section 47605.3 (5:1 weighting in lottery)."*

Because the OPA Rise charter petition contains contradictory statements concerning the proposed charter school's enrollment preferences, the OPA Rise charter petition's affirmation at page 6 that the proposed OPA Rise charter school "*will admit all students who wish to attend the Charter School*" is merely a "*general statement of intention to comply*" under California Code of Regulations, title 5, section 11967.5.1(e).

Page 118 of the OPA Rise charter petition entirely exempts the children of OPA Rise staff, the children of OPA Founding Members, and the siblings of current OPA Rise students from the public random lottery. This is in direct contradiction to Education Code section 47605(d)(2)(B)'s requirement that enrollment preference to be given only to "*pupils currently attending the charter school and pupils who reside in the district[.]*"

The CVUSD Board of Education therefore finds that the OPA Rise charter petition fails to include a clear, unequivocal affirmation of each condition contained in Education Code section 47605(d), as required by Education Code section 47605(b)(4).

III. THE OPA RISE CHARTER PETITION FAILS TO CONTAIN REASONABLY COMPREHENSIVE DESCRIPTIONS OF EIGHT OF THE FIFTEEN REQUIRED ELEMENTS OF A CHARTER PETITION. [Education Code section 47605(b)(5)]

Education Code section 47605(b)(5) requires that the OPA Rise charter petition set out reasonably comprehensive descriptions of *all* fifteen of the required elements of a charter petition listed at Education Code sections 47605(b)(5)(A) through 47605(b)(5)(O).

Education Code section 47605 permits denial of a charter petition if "*one or more of the [statutory] findings*" are supported by specific facts. Therefore, the charter petitioners' failure to provide a reasonably comprehensive description of even *one statutorily required element* is a legal basis for denial of the charter petition.

The CVUSD Board of Education hereby finds that the OPA Rise charter petition fails to provide reasonably comprehensive descriptions of at least eight of the fifteen required elements of a charter petition as shown by the following specific facts:

A. The OPA Rise Charter Petition Fails To Contain A Reasonably Comprehensive Description Of The Educational Program Of The Proposed OPA Rise Charter School. [Education Code section 47605(b)(5)(A)]

Education Code section 47605(b)(5)(A) requires that the OPA Rise charter petition contain a reasonably comprehensive description of the proposed OPA Rise charter school's educational program, including:

“(i) A description of the educational program of the school, designed, among other things, to identify those whom the school is attempting to educate, what it means to be an ‘educated person’ in the 21st century, and how learning best occurs. The goals identified in that program shall include the objective of enabling pupils to become self-motivated, competent, and lifelong learners.

(ii) A description, for the charter school, of annual goals, for all pupils and for each subgroup of pupils identified pursuant to Section 52052, to be achieved in the state priorities, as described in subdivision (d) of Section 52060, that apply for the grade levels served, or the nature of the program operated, by the charter school, and specific annual actions to achieve those goals. A charter petition may identify additional school priorities, the goals for the school priorities, and the specific annual actions to achieve those goals.”

California Code of Regulations, title 5, section 11967.5.1(f) states:

“(f) For the purposes of Education Code section 47605(b)(5), the following factors should be considered in determining whether a charter petition does not contain a ‘reasonably comprehensive’ description of each of the specified elements.

(1) The description of the educational program of the school, as required by Education Code section 47605(b)(5)(A), at a minimum:

(A) Indicates the proposed charter school’s target student population, including, at a minimum, grade levels, approximate numbers of pupils, and specific educational interests, backgrounds, or challenges.

(B) Specifies a clear, concise school mission statement with which all elements and programs of the school are in alignment and which conveys the petitioners’ definition of an ‘educated person’ in the 21st century, belief of how learning best occurs, and goals

consistent with enabling pupils to become or remain self-motivated, competent, and lifelong learners.

- (C) Includes a framework for instructional design that is aligned with the needs of the pupils that the charter school has identified as its target student population.*
- (D) Indicates the basic learning environment or environments (e.g., site-based matriculation, **independent study**, community-based education, or technology based education).*
- (E) Indicates the instructional approach or approaches the charter school will utilize, including, but not limited to, the curriculum and teaching methods (or a process for developing the curriculum and teaching methods) that will enable the school's pupils to master the content standards for the four core curriculum areas adopted by the SBE pursuant to Education Code section 60605 and to achieve the objectives specified in the charter.*
- (F) Indicates how the charter school will identify and respond to the needs of pupils who are not achieving at or above expected levels.*
- (G) Indicates how the charter school will meet the needs of students with disabilities, English learners, students achieving substantially above or below grade level expectations, and other special student populations.*
- (H) Specifies the charter school's special education plan, including, but not limited to, the means by which the charter school will comply with the provisions of Education Code section 47641, the process to be used to identify students who qualify for special education programs and services, how the school will provide or access special education programs and services, the school's understanding of its responsibilities under law for special education pupils, and how the school intends to meet those responsibilities.” (Emphasis added.)*

The OPA Rise charter petition fails to contain a reasonably comprehensive description of the educational program of the proposed OPA Rise charter school because:

1. The OPA Rise charter petition fails to contain a reasonably comprehensive description of the proposed OPA Rise charter school's target student population. [California Code of Regulations, title 5, section 11967.5.1(f)(1)(A)]

California Code of Regulations, title 5, section 11967.5.1(f)(1) states that a factor to be considered in determining whether a charter petition does not contain a “*reasonably comprehensive description*” of each of the specified elements is whether the charter petition’s description of the educational program, at a minimum:

“(A) Indicates the proposed charter school’s target student population, including, at a minimum, grade levels, approximate numbers of pupils, and specific educational interests, backgrounds, or challenges.”

“(C) Includes a framework for instructional design that is aligned with the needs of the pupils that the charter school has identified as its target student population.”

Although page 18 of the OPA Rise charter petition asks, “*Whom Will Oxford Rise Serve?*” and includes a chart of the Chino Valley Unified School District’s Demographic Data for the 2016-2017 school year at page 19, the OPA Rise charter petition fails to contain any description of the proposed OPA Rise charter school’s target student population or any description of the proposed OPA Rise charter school’s target student population’s “*specific educational interests, backgrounds, or challenges.*”

California Code of Regulations, title 5, section 11967.5.1(f)(1)(C) requires charter petitions to include “*a framework for instructional design that is aligned with the **needs of the pupils** that the charter school has identified as its target student population.*” (Emphasis added.)

However, because the OPA Rise charter petition fails to identify the proposed OPA Rise charter school’s target student population, the OPA Rise charter petition cannot and fails to specify a framework for instructional design that is aligned with the needs of OPA Rise pupils.

The CVUSD Board of Education therefore finds that the OPA Rise charter petition fails to meet the minimum requirements for providing a reasonably comprehensive description of Oxford Rise’s educational program under Education Code section 47605(b)(5)(A).

2. The OPA Rise charter petition fails to provide a reasonably comprehensive description of the proposed OPA Rise charter school’s independent study program. [California Code of Regulations, title 5, section 11967.5.1(f)(1)(A)]

California Code of Regulations, title 5, section 11967.5.1(f)(1) states that a factor to be considered in determining whether a charter petition does not contain a “*reasonably*

comprehensive description” of each of the specified elements is whether the charter petition’s description of the educational program at a minimum:

“(D) Indicates the basic learning environment or environments (e.g., site-based matriculation, independent study, community-based education, or technology-based education).

(E) Indicates the instructional approach or approaches the charter school will utilize, including, but not limited to, the curriculum and teaching methods (or a process for developing the curriculum and teaching methods) that will enable the school’s pupils to master the content standards for the four core curriculum areas adopted by the SBE pursuant to Education Code section 60605 and to achieve the objectives specified in the charter.”

The OPA Rise charter petition states at page 43 that the proposed Oxford Rise charter school’s “*educational program will include the enrollment of interested students into a full-time Independent Study Program (ISP),*” but also states at page 44 that “[a]s laws pertaining to charter schools change, Oxford Rise **reserves the right to make changes** to meet the needs of the educational program as approved by the Executive Director and Board of Directors.” (Emphasis added.)

A single reference to OPA Rise reserving the right to change its educational program essentially functions as hidden authorization for the proposed OPA Rise charter school to change its educational program and/or non-classroom-based program without seeking approval of what would otherwise constitute a material revision of the OPA Rise charter petition from the CVUSD Board of Education under Education Code § 47607(a).

Education Code section 47607(a)(1) provides:

“A material revision of the provisions of a charter petition may be made only with the approval of the authority that granted the charter.”

The Orange County Department of Education (“OCDE”) adopted a “*Material Revision Process*” in May 2016, which the OPA Rise charter petitioners and OPA Board of Directors are familiar with because the existing Oxford Preparatory Academy-Saddleback Valley charter school is authorized by the OCDE. (<https://www.ocde.us/CharterSchools/Documents/Material%20Revision.pdf>.)

The OCDE stated, and the District agrees, that the following charter petition changes are among, but not limited to, those changes constituting a material revision:

- 1. Substantial changes to the educational program, mission or vision.*
- 2. Changing or adding a non-classroom-based program.*

3. *Changes in enrollment that increases or decreases by one or more classrooms the enrollment originally projected in the charter petition in any given year.*
4. *Addition or deletion of grades or grade levels to be served.*
5. *Opening of resource centers, meeting spaces or other satellite facility, including the opening of a new facility. Temporary locations rented for annual student testing purposes or a temporary meeting place for up to five students does not require a material revision of the charter.*
6. *Changes to admission requirements or procedures.*
7. *Changes to governance structure, including but not limited to, number of board members, method of new board member selection, and provisions relating to resolution approval.*
8. *Entering into or revising a contract with an Educational/Charter Management Organization. (Emphasis added.)*

The OPA Rise charter petition's statement that "*Oxford Rise reserves the right to make changes to meet the needs of the educational program as approved by the Executive Director and Board of Directors*" is an unlawful circumvention of Education Code section 47607(a)(1)'s requirement that all material revisions be approved by the authorizing entity.

The District further notes that the OPA Rise charter petition fails to detail or adequately explain how OPA Rise independent study pupils transfer from the OPA Rise independent study program to OPA Rise's regular classroom-based program, what the OPA Rise charter petition identifies in *Appendix M – Independent Study (IS) Program* as "*Program Change*," thereby further undermining Education Code section 47605(d)(2)'s requirement that the proposed OPA Rise charter school "*admit all pupils who wish to attend the charter school.*"

Moreover, *Appendix M – Independent Study (IS) Program* of the OPA Rise charter petition fails to include a sample of the "*Independent Study Master Agreement [that] shall be maintained on file for each Independent Study pupil.*"

The CVUSD Board of Education therefore finds that the OPA Rise charter petition fails to meet the minimum requirements for providing a reasonably comprehensive description of the educational program of the proposed OPA Rise charter school under Education Code section 47605(b)(5)(A).

3. **The OPA Rise charter petition fails to provide a reasonably comprehensive description of the proposed OPA Rise charter school's special education plan. [California Code of Regulations, title 5, section 11967.5.1(f)(1)(A)]**

California Code of Regulations, title 5, section 11967.5.1(f)(1)(H) states that a factor to be considered in determining whether a charter petition does not contain a "*reasonably*

comprehensive description” of each of the specified elements is whether the charter petition’s description of the educational program, as required by Education Code section 47605(b)(5)(A) at a minimum:

“Specifies the charter school’s special education plan, including, but not limited to, the means by which the charter school will comply with the provisions of Education Code section 47641, the process to be used to identify students who qualify for special education programs and services, how the school will provide or access special education programs and services, the school’s understanding of its responsibilities under law for special education pupils, and how the school intends to meet those responsibilities.” (Emphasis added.)

The OPA Rise charter petition Cover Letter states at page 1:

“Thousands of Chino parents have spoken loud and clear in favor of our exceptional public charter school program for their children. Many of those children are the most under-served in traditional school models: **students with disabilities**, socioeconomically disadvantaged students, English Learners, and students from various racial and ethnic pupil groups.” (Emphasis added.)

However, the closed OPA-Chino charter school historically failed to serve “*the most under-served in traditional school models: students with disabilities*” in the Chino Valley Unified School District.

Chart 1 below shows the deficiencies of OPA-Chino’s efforts to serve a number of students with disabilities that is reflective of the student population residing within the territorial jurisdiction of the CVUSD:

Chart 1: OPA-Chino Special Education Enrollment Compared to CVUSD (2014-2017)						
	OPA-Chino			CVUSD		
School Year	14-15	15-16	16-17	14-15	15-16	16-17
Enrollment by Subgroup: Students with Disabilities	7.7%	7.5%	9.3%	12.8%	12.0%	12.9%

*Source: CDE DataQuest

Chart 1 above demonstrates OPA-Chino’s failure to enroll and serve a number of “*the most under-served in traditional school models: students with disabilities*” that is reflective of the student population within the territorial jurisdiction of the CVUSD requiring special education services.

The OPA Rise charter petition also states at page 6, “*Affirmations/Assurances,*” that “*The Charter School will adhere to **all** provisions of federal law related to students with disabilities including, but not limited to, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans*

with Disabilities Act of 1990, and the Individuals with Disabilities in Education Improvement Act of 2004.”

Education Code section 47646(a) provides:

*“A charter school that is deemed to be a public school of the local educational agency that granted the charter for purposes of special education shall participate in state and federal funding for special education in the same manner as any other public school of that local educational agency. **A child with disabilities attending the charter school shall receive special education instruction or designated instruction and services, or both, in the same manner as a child with disabilities who attends another public school of that local educational agency.** The agency that granted the charter shall ensure that all children with disabilities enrolled in the charter school receive special education and designated instruction and services in a manner that is consistent with their individualized education program and is in compliance with the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and implementing regulations, including Section 300.209 of Title 34 of the Code of Federal Regulations.”* (Emphasis added.)

Despite the OPA Rise charter petition’s explicit Affirmation and Assurance that the charter school will comply with applicable special education laws, the OPA Rise charter petition fails to demonstrate an *“understanding of [the proposed OPA Rise charter school’s] responsibility under law for special education pupils, and how the school intends to meet those responsibilities.”* (5 C.C.R. § 11967.5.1(f)(1)(H).)

a. Legal Requirements of Least Restrictive Environment

The OPA Rise charter petition fails to demonstrate OPA Rise’s understanding of its responsibilities under law to special education pupils as they relate to the legal requirements of providing a least restrictive environment for individuals with exceptional needs.

Education Code section 56040.1 provides:

“In accordance with Section 1412(a)(5) of Title 20 of the United States Code and Section 300.114 of Title 34 of the Code of Federal Regulations, each public agency shall ensure the following to address the least restrictive environment for individuals with exceptional needs:

(a) To the maximum extent appropriate, individuals with exceptional needs, including children in public or private institutions or other care facilities, are educated with children who are nondisabled.

(b) Special classes, separate schooling, or other removal of individuals with exceptional needs from the regular educational environment occurs only if the nature or severity of the disability is such that education in the regular classes with the use of supplementary aids and services cannot be achieved satisfactorily.”

The OPA Rise charter petition states at page 71: “*Students at the school who have IEPs will be served in the least restrictive environment.*”

However, the OPA Rise charter petition fails to define “*least restrictive environment*,” as set out in Education Code section 56040.1. It is therefore unclear how the proposed OPA Rise charter school intends to meet its responsibility to provide “*the least restrictive environment*” for OPA Rise students with exceptional needs.

b. Legally Required Due Process in Special Education Assessments

The OPA Rise charter petition fails to demonstrate OPA Rise’s understanding of its responsibilities under law to special education pupils as they relate to legally required due process in special education assessments.

Education Code section 56304 requires:

*“(a) The **parents or guardians** of a pupil who has been referred for initial assessment, or of a pupil identified as an individual with exceptional needs, **shall be afforded an opportunity to participate in meetings with respect to the identification, assessment, and educational placement**[.]”* (Emphasis added.)

Education Code section 75 provides: “‘*shall*’ is mandatory and ‘*may*’ is permissive.”

However, the OPA Rise charter petition only provides:

*“**Oxford Rise** will view parents/guardian as a key stakeholder in these meetings and will **make every effort to accommodate parents’/guardian’s schedules and needs so they will be able to meaningfully participate on the IEP team.**”* (Emphasis added.)

Whereas state law mandates the proposed OPA Rise charter school shall afford OPA Rise parents/guardians “*an opportunity to participate in meetings with respect to the identification, assessment, and educational placement*” of their child, the OPA Rise charter petition only states that the proposed OPA Rise charter school will “*make every effort*” for the parents/guardians’ meaningful participation.

The OPA Rise charter petition also fails to provide OPA Rise pupils with exceptional needs the minimum rights guaranteed under the Education Code.

Education Code section 56320 provides:

“Before any action is taken with respect to the initial placement of an individual with exceptional needs in special education instruction, an individual assessment of the pupil’s educational needs shall be conducted, by qualified persons, in accordance with requirements including, but not limited to, all of the following:

(a) Testing and assessment materials and procedures used for the purposes of assessment and placement of individuals with exceptional needs are selected and administered so as not to be racially, culturally, or sexually discriminatory. Pursuant to Section 1412 (a)(6)(B) of Title 20 of the United States Code, the materials and procedures shall be provided in the pupil’s native language or mode of communication, unless it is clearly not feasible to do so.

...

(f) The pupil is assessed in all areas related to the suspected disability including, if appropriate, health and development, vision, including low vision, hearing, motor abilities, language function, general intelligence, academic performance, communicative status, self-help, orientation and mobility skills, career and vocational abilities and interests, and social and emotional status. A developmental history shall be obtained, when appropriate. For pupils with residual vision, a low vision assessment shall be provided in accordance with guidelines established pursuant to Section 56136. In assessing each pupil under this article, the assessment shall be conducted in accordance with Sections 300.304 and 300.305 of Title 34 of the Code of Federal Regulations.

(i) Each local educational agency shall ensure that assessments of individuals with exceptional needs who transfer from one district to another district in the same academic year are coordinated with the individual’s prior and subsequent schools, as necessary and as expeditiously as possible, in accordance with Section 1414(b)(3)(D) of Title 20 of the United States Code, to ensure prompt completion of the full assessment.” (Emphasis added.)

The OPA Rise charter petition section regarding “Assessment” at pages 70 through 71 fails to require that assessments be conducted prior to pupil placement in a special education instruction setting, or that assessments be conducted in the pupil’s native language or mode of communication.

The OPA Rise charter petition fails to demonstrate an understanding of the proposed OPA Rise charter school’s responsibility to coordinate with transfer students’ prior schools to ensure

prompt completion of the special education assessment, as required by California Education Code section 56320(i).

The OPA Rise charter petition also fails to state that assessments will be in all areas of suspected disability and will be conducted in accordance with Code of Federal Regulations, title 34, sections 300.304 and 300.305.

Code of Federal Regulations, title 34, section 300.304 provides:

*“(b) **Conduct of evaluation.** In conducting the evaluation, the public agency must—*

*(1) **Use a variety of assessment tools** and strategies to gather relevant functional, developmental, and academic information about the child, including information provided by the parent, that may assist in determining—*

(i) Whether the child is a child with a disability under § 300.8; and

(ii) The content of the child's IEP, including information related to enabling the child to be involved in and progress in the general education curriculum (or for a preschool child, to participate in appropriate activities);

*(2) **Not use any single measure or assessment as the sole criterion for determining whether a child is a child with a disability** and for determining an appropriate educational program for the child; and*

*(3) **Use technically sound instruments** that may assess the relative contribution of cognitive and behavioral factors, in addition to physical or developmental factors.*

*(c) **Other evaluation procedures.** Each public agency must ensure that—*

(1) Assessments and other evaluation materials used to assess a child under this part—

. . .

*(iii) **Are used for the purposes for which the assessments or measures are valid and reliable;***

*(iv) **Are administered by trained and knowledgeable personnel;** and*

. . .

(2) Assessments and other evaluation materials include those tailored to assess specific areas of educational need and not merely those that are designed to provide a single general intelligence quotient.

(3) Assessments are selected and administered so as best to ensure that if an assessment is administered to a child with impaired sensory, manual, or speaking skills, the assessment results accurately reflect the child's aptitude or achievement level or whatever other factors the test purports to measure, rather than reflecting the child's impaired sensory, manual, or speaking skills (unless those skills are the factors that the test purports to measure)." (Emphasis added.)

The OPA Rise charter petition also fails to include every element of Code of Federal Regulations, title 34, section 300.304, despite Education Code section 56320's explicit requirement that special education assessments be conducted in accordance with section 300.304 of title 34 of the Code of Federal Regulations.

Education Code section 56321(a) provides:

"A copy of the notice of a parent's or guardian's rights shall be attached to the assessment plan. A written explanation of all the procedural safeguards under the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), and the rights and procedures contained in Chapter 5 (commencing with Section 56500), shall be included in the notice of a parent's or guardian's rights, including information on the procedures for requesting an informal meeting, prehearing mediation conference, mediation conference, or due process hearing; the timelines for completing each process; whether the process is optional; and the type of representative who may be invited to participate." (Emphasis added.)

Conversely, the OPA Rise charter petition only states that "parent(s)/guardian(s) will receive a written Assessment Plan within fifteen (15) days of the initial request/referral."

Therefore, the OPA Rise charter petition fails to contain important and necessary statutory language regarding OPA Rise parents' rights regarding their students' assessment plans.

Because the OPA Rise charter petition fails to explicitly state that "[a] copy of the notice of a parent's or guardian's rights shall be attached to the assessment plan" and what information that notice shall include, the OPA Rise charter petition fails to demonstrate an understanding of the proposed OPA Rise charter school's responsibilities to special education pupils and their parents/guardians.

Education Code section 56329 also provides parents the “*right to obtain, at public expense, an independent educational assessment of the pupil from qualified specialists . . . if the parent or guardian disagrees with an assessment obtained by the public education agency.*”

The OPA Rise charter petition fails to provide all of the rights identified in Education Code section 56329. The proposed OPA Rise charter school does not afford OPA Rise parents the right to obtain an independent assessment of their students.

Therefore, the OPA Rise charter petitioners fail to understand the proposed OPA Rise charter school’s responsibilities under special education law or how to meet those responsibilities. OPA Rise’s failure to understand special education law demonstrates that the proposed OPA Rise charter school will be unable to “*adhere to all provisions of federal law related to students with disabilities*”, as the OPA Rise charter petition affirms and assures the proposed OPA rise charter school will at page 6.

c. Pupil Rights under Federal Civil Rights Law and Federal Special Education Law

The OPA Rise charter petition fails to demonstrate OPA Rise’s understanding of its responsibilities under federal civil rights law and federal special education law to OPA Rise pupils.

The OPA Rise charter petition contains language regarding “*Section 504 of the Rehabilitation Act*” at pages 75 to 76, but refers to “*IEP/504*” at pages 133 and 134 regarding “*Special Procedures for the Consideration of Suspension and Expulsion of Students with Disabilities.*”

It is therefore unclear whether the OPA Rise IEP team and plan is distinct from the OPA Rise 504 team and plan, and whether the OPA Rise charter petitioners understand OPA Rise’s different responsibilities to pupils with exceptional needs under Section 504 and the Individuals with Disabilities Education Act.

The District notes that a student’s Section 504 plan and an IEP offer diverse federal protections. The OPA Rise charter petition confuses federal civil rights law prohibiting discrimination of people with disabilities under Section 504 of the Rehabilitation Act of 1973 with federal special education protections for children with disabilities under the Individuals with Disabilities Education Act.

The CVUSD Board of Education therefore finds that the OPA Rise charter petition fails to contain a reasonably comprehensive description of the proposed OPA Rise charter school’s educational program, as required by Education Code section 47605(b)(5)(A).

B. The OPA Rise Charter Petition Fails To Contain A Reasonably Comprehensive Description Of The Proposed OPA Rise Charter School's Governance Structure. [Education Code section 47605(b)(5)(D)]

Education Code section 47605(b)(5)(D) requires that the OPA Rise charter petition contain a reasonably comprehensive description of:

“The governance structure of the school, including, but not limited to, the process to be followed by the school to ensure parental involvement.”

California Code of Regulations, title 5, section 11967.5.1(f)(4) requires that a charter petition, at a minimum:

“(A) Includes evidence of the charter school’s incorporation as a non-profit public benefit corporation, if applicable.

(B) Includes evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that:

- 1. The charter school will become and remain a viable enterprise.*
- 2. There will be active and effective representation of interested parties, including, but not limited to parents (guardians).*
- 3. The educational program will be successful.”*

The OPA Rise charter school petition fails to provide a reasonably comprehensive description of the governance structure of the proposed OPA Rise charter school because:

- 1. The OPA Rise charter petition fails to include evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that the charter school will become and remain a viable enterprise. [California Code of Regulations, title 5, section 11967.5.1(f)(4)(B)(3)]**

California Code of Regulations, title 5, section 11967.5.1(f)(4) requires that a charter petition at a minimum:

“(B) Includes evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that:

...

- 3. The charter school will become and remain a viable enterprise.”*

The OPA Rise charter petition states at page 93 that “[t]his current Oxford leadership team embarked on an ambitious and thorough Recovery Plan in order to address violations that occurred under previous Board and administration and to ensure that they never happen again.”

However, OPA’s alarming amount of leadership turnover in the last 6 months, including major changes in executive leadership since the submission of the OPA Rise charter petition on September 8, 2017, evidences the OPA organization’s instability and inability to ensure that the proposed OPA Rise charter school “will become and remain a viable enterprise.”

In 2015, FCMAT published a list of “*Indicators of Risk or Potential Insolvency . . . based on approximately 25 years of extensive work with local education agencies (LEAs).*”

The “*Indicators of Risk or Potential Insolvency*” include but are not limited to the following:

“Leadership Breakdown

- a. ***Absence of a strong leadership team that includes at least the board and superintendent***
- b. ***Micromanagement from board members***” (<http://fcmat.org/wp-content/uploads/sites/4/2015/04/FCMAT-Indicators-4-2015-K-12.pdf>, emphasis added.)

The official FCMAT “*Indicators of Risk or Potential Insolvency*” document states:

“Each item listed indicates a lack of function, focus, or attention to one or more critical elements of an organization’s operations, which may eventually contribute to an LEA becoming insolvent. The existence of any one of the indicators increases risk.”

Since April 2017, only six months ago, OPA has experienced several leadership breakdowns, including:

- Three members of OPA’s Board of Directors have resigned;
- OPA’s Interim Executive Director has stepped down, leaving OPA to operate without an Executive Director for five months, since July 1, 2017;
- OPA’s Board of Directors has been accused by OPA stakeholders of micromanagement; and
- **OPA’s former Managing Director Andrew Crowe was appointed in June 2017 and resigned on October 16, 2017, effective October 31, 2017.**

OPA Rise lead charter petitioner Andrew Crowe's resignation from his position as OPA's Managing Director on October 16, 2017 demonstrates that the proposed OPA Rise charter school will not and cannot *"become and remain a viable enterprise."*

The CUSD's October 24, 2017 Follow Up to Notice of Concern re OPA's Fiscal Management echoes the District's concerns:

"With the resignation of Mr. Andrew Crowe, OPA is now without an Executive Director or a Managing Director with the authority to ensure that OPA is fiscally sound and stable." (Emphasis added.)

Not only does former OPA Managing Director Mr. Crowe's resignation in the middle of 2017-2018 school year demonstrate that OPA's governance structure lacks *"a seriousness of purpose,"* but Mr. Crowe's resignation also substantially undermines OPA's *"Oxford Preparatory Academy Governance and Administration Recovery Plan"* (the "Recovery Plan") included in *Appendix B – Recovery Plan* of the OPA Rise charter petition.

According to the audio recording of the August 24, 2107 special meeting of the OPA Board of Directors posted on OPA's public website, an OPA parent made the following statement at the OPA Board's August 24, 2017 special meeting:

"I'm requesting a formal investigation of what I believe to be, and Renee and others in this room believe has been continued fraud. There's non-transparency on this board. It continues. There's a group of people here, most of the people in this room believe that things aren't being handled in the right way. Continues to be like that. At this point, I believe that someone's going to go to the media. We're going to have that problem to deal with. You're going to have that problem to deal with. This school, all the schools, are going to have this problem to deal with. I'm demanding and requesting an independent investigation. Promises were made about South Orange County School having representation on this board. That has not happened so I feel like there's been an end run about that. Promises were made. Transparency is talked about. It doesn't happen." (Emphasis added.)

The OPA parent comment above evidences that the statement at page 1 of the Recovery Plan that the OPA Board of Directors *"thoughtfully and intentionally listened to the feedback from all of [their] authorizers, parents, and community members, as well as carefully consider[ed] the FCMAT report"* is demonstrably false.

Further, the fact that the OPA Rise charter petitioners presented a Recovery Plan *"Revised 9.7.17,"* the day before the OPA Rise charter petitioners submitted the OPA Rise charter petition to the District, containing many material falsehoods, demonstrates that the OPA Rise charter petition fails to include *"evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that . . . [t]he charter school will*

become and remain a viable enterprise,” as required by California Code of Regulations, title 5, section 11967.5.1(f)(4)(B)(3).

The OPA Recovery Plan contains the following misrepresentations of fact:

OPA Recovery Plan Corrective Actions Regarding “FCMAT Finding/Violation”
“Lack of Internal Controls Led to Possible Fraud”

- ***“Entered into an Agreement for Special Services regarding Fiscal Budget Services with School Services of California, upon the recommendation of the FCMAT team.”*** (Recovery Plan, page 2.)

This is false.

Former OPA Managing Director Andrew Crowe stated at the April 5, 2017 Advisory Commission on Charter Schools Meeting regarding the closed OPA-Chino charter school’s September 30, 2017 charter renewal petition:

*“We actually reached out to School Services of California to provide additional services to us, let me take that back, so we reached out to the FCMAT team, we reached out to Debbie Deal, we actually reached out to Mike Ammermon, who was a CPA who did the FCMAT investigation, they both said, I reached out personally, they both said thank you for contacting us, it would be conflict of interest, we recommend you enter into an agreement with School Services of California. . . . [W]e contacted School Services, asked would you be willing to do this? They said hey, it’s a lot of logistical pieces for us, but they recommended two local audit firms. One had been, to the best of our knowledge, contracted by the District, so it was a conflict of interest, and the other one was our previous end of the year auditor, so we had ties to them. . . . **School Services could not provide the services and neither could the two audit firms[.]”** (Emphasis added.)*

Mr. Crowe conceded that OPA did not enter into an agreement for special fiscal budget services with School Services of California.

The OPA Recovery Plan therefore contains a false representation of fact.

- ***“Requested and received revised annual audits from Oxford Prep’s previous auditor due to hidden affiliated and/or related party organizations.”*** (Recovery Plan, page 2.)

This is false.

Due to discrepancies identified during the CVUSD staff’s review of OPA’s Recovery Plan and *“revised annual audits from Oxford Prep’s previous auditor,”* an independent *“Review of Re-*

Issued Oxford Preparatory Academy Audit Reports” (“Onisko Re-Issued Audits Report”) was obtained from the Onisko & Scholz, LLP Certified Public Accountants firm.

The October 20, 2017 Onisko & Scholz Re-Issued Audits Report Regarding OPA’s Re-Issued Audits is attached as Exhibit B hereto and incorporated herein by this reference.

The Onisko Re-Issued Audits Report concludes that OPA’s June 30, 2013, 2014, 2015, and 2016 Vicenti, Lloyd & Stutzman CPAs Independent Auditors Reports were deficient and should be modified or disclaimed.

The Onisko Re-Issued Audits Report states at page 5:

“Opinions

1. *The June 30, 2013, 2014, 2015 ‘Independent Auditors Reports’ of OPA-NP were reissued without modifications or disclaimers of opinions. This is contrary to the determination of the auditors in the 2016 audit. It is our opinion that each of these reports should be modified or disclaimed because of a ‘scope limitation.’*
2. *The June 30, 2016 audit opinion reports of OPA-NP should be modified or disclaimed because of a ‘scope limitation’.*” (Emphasis in original.)

The CVUSD Board of Education hereby specifically adopts the findings of the Onisko Re-Issued Audits Report.

OPA Recovery Plan Corrective Action Regarding “FCMAT Finding/Violation”
“Failure to Respond to All Inquiries Regarding Financial Records”

- ***“The new Board and executive administration is committed to complying with any and all requests for information.”*** (Recovery Plan, page 3.)

This is false.

The August 10, 2017 Christy White Associates “Agreed-Upon Procedures” report included in *Appendix B – Recovery Plan* of the OPA Rise charter petition indicates that the OPA Rise charter petitioners and OPA Board of Directors have “[n]ot yet implemented the corrective action but is making an effort to address the area of concern” with regards to the November 22, 2016 FCMAT Report’s finding that OPA fails to respond to all inquiries regarding financial records.

FCMAT Chief Executive Officer Michael H. Fine stated during the May 11, 2017 State Board of Education hearing regarding OPA-Chino’s September 30, 2017 charter renewal petition:

“This goes to the District’s concern that the charter organizations have not been transparent to them, they were learning things on the fly as opposed to how they should learn them through their normal oversight process.”

The Accrediting Commission for Schools, Western Association of Schools and Colleges (“WASC”) stated in a June 28, 2017 *“Notification of Withholding of Accreditation Status for Oxford Preparatory Academy – Chino Valley for Violations Concerning Substantive Changes, Integrity of Member Schools, and Disclosure of Information”* (“Notification of Withholding Accreditation”) to OPA:

“As noted in our April 27, 2017 correspondence, ACS WASC was concerned with OPA-CV’s initial reluctance to acknowledge the substantive changes mentioned in the Order to Show Cause. . . . OPA-CV’s failure to timely report these significant changes and initial reluctance to acknowledge them remain a concern to the Commission.”

“The Commission’s Order to Show Cause cited concerns with OPA-CV’s integrity and disclosure of information related to the findings of the FCMAT audit. . . . The Commission appreciates OPA-CV’s swift response in having the [Christy White] audit conducted. . . . However, the audit also shows that OPA-CV is not yet able to provide objective verification that all issues related to ACS WASC’s concerns with integrity and disclosure of information have been resolved. . . . [T]hese explanations, without supporting objective verification, are not sufficient to alleviate the Commission’s concerns.”

To date, OPA continues to withhold information and fail to respond to numerous requests for information required by Education Code section 47604(b); and the District continues to learn *“things on the fly as opposed to how [the District] should learn them.”*

That critical information is not being provided to its authorizers by OPA is confirmed by Capistrano Unified School District’s September 15, 2017 Notice of Concern which states:

*“The District has learned that OPA-CV owes approximately \$1,200,000 under the Turner-Agassi Charter School Fund lease purchase agreement. This was not reflected anywhere in OPA’s financial documents given to the District. **It is troubling that OPA is not showing such an enormous liability in its financial records and this impedes the District’s ability to properly provide oversight as the chartering authority of OPA-SOC.**”* (Emphasis added.)

The CUSD's October 24, 2017 Follow Up to Notice of Concern re OPA's Fiscal Management further evidences OPA's lack of transparency and failure to respond to requests for information:

“OPA has stated that the District's request to retain all documents is overbroad. . . . This District believes this serious request is not subject to any reasonable dispute as to its scope and breadth, especially if OPA is being professionally advised on such matters, and it plainly does not cover the type of irrelevant and inconsequential writings Mr. Crowe provided an example of in his September 28, 2017 response.”

The CUSD's September 15, 2017 Notice of Concern and October 24, 2017 Follow Up to Notice of Concern re OPA's Fiscal Management clearly show that OPA's new Board and executive administration are not “committed to complying with any and all requests for information” or to ensuring that its authorizers are accurately informed through transparent governance and financial management.

OPA Recovery Plan Corrective Action Regarding “VLS Audit Targets”
“Board of Directors”

- ***“Replaced the entire Board of Directors with unbiased, independent individuals who do not have a history or relationship with previous or current employees or Board members.”***
(Recovery Plan, page 3.)

This is false.

It is unclear why the OPA Rise charter petitioners and OPA Board of Directors would claim that the OPA Board members have no “history or relationship with previous or current employees or Board members” when this statement is patently false.

The California Department of Education stated in its report regarding the unsuccessful September 30, 2016 OPA-Chino charter renewal petition for the Advisory Commission on Charter Schools' April 5, 2017 meeting:

“[T]he OPA governance structure is essentially the same as it was when OPA leadership engaged in fiscal mismanagement, had a lack of internal fiscal controls, showed evidence of several conflicts of interest and self-dealing, and failed to disclose the true relationship of OPA with ELS.” (ACCS Report, page 24 of 52, emphasis added.)

The District notes that OPA's governance structure still has not changed.

OPA Board Secretary Alberto Diaz “*is an inaugural Founding member of OPA-Chino Valley*” according to his “*Bio*” on the OPA Corporate Board of Directors public website. (<https://oxfordpreparatoryacademy.com/board/>, accessed October 24, 2017)

Founding members of OPA were a group of individuals in OPA who were extremely involved and invested with OPA. As a founding member, Mr. Diaz has a history or relationship with OPA’s past executive directors, Sue Roche and Barbara Black, both of whom were implicated by the November 22, 2016 FCMAT Report.

As a Founding Member of the non-renewed OPA-Chino charter school, Mr. Diaz also has a relationship with previous and current OPA employees and Board members. Mr. Diaz has a history with Oxford Preparatory Academy-Saddleback Valley Chancellor Tammy Lohoff, for example, because she is also an original Founding Member.

In fact, multiple current and past OPA employees were Founding Members or lead charter petitioners of the now closed OPA-Chino charter school and were therefore “loyal followers” and “close associates” of Sue Roche.

The District was able to identify the following “*loyal followers*” and “*close associates*” of OPA founder and former Executive Director Ms. Roche:

- Carrie Birchler, OPA Coordinator of Communication and Public Relations
2009 OPA-Chino Lead Petitioner, became OPA-Chino Founding Member
- Jennifer Laddaga, OPA Coordinator of Administrative Services
OPA-Chino Founding Member
- Candy Reyes, OPA Executive Administrative Assistant, formerly Sue Roche’s Administrative Assistant
OPA-Chino Founding Member
- Tammy Lohoff, OPA-Saddleback Valley Chancellor
OPA-Chino Founding Member
- John M. McKenzie, former OPA IT Consultant
OPA-Chino Founding Member
- Denise Hobbensiefken, former OPA Independent Study Coordinator
OPA-Chino Founding Member
- John Shipes, Oxford Preparatory Academy-Saddleback Valley 8th Grade teacher
2009 OPA-Chino Lead Petitioner, became OPA-Chino Founding Member
September 8, 2017 OPA Rise Lead Charter Petitioner

The FCMAT Report stated at page 39:

“Successful dilution of transparency occurred when the founder changed names of the CMO three separate times, and hired relatives, friends and longtime associates. This strategic process involves creating loyal followers and placing family members and/or close associates in key positions, with high salaries, stipend payments and other incentives.”

OPA continues to perpetuate its culture of nepotism, hiring and retaining multiple family members and friends at the Oxford Preparatory Academy charter schools over the years.

Dan Roche is currently employed as a physical education teacher at OPA-Saddleback Valley, even though a November 14, 2016 letter from former Chairman of the OPA Board of Directors Mike Delgado to CVUSD Superintendent Wayne Joseph admits Mr. Roche is Sue Roche’s cousin.

Christian Marquez is currently employed as OPA’s Coordinator of Facilities and is part of OPA’s *“Leadership Team,”* even though he is also a member of OPA founder and former Executive Director Ms. Roche’s family. (<https://rise.oxfordpreparatoryacademy.com/leadership/>, accessed October 24, 2017.)

Lisa Czarnocki is currently employed as OPA’s Coordinator of Attendance while her daughter Rachel Czarnocki is OPA’s Coordinator of Human Resources, both of whom have familial relationships with OPA founder and former Executive Director Ms. Roche.

The November 14, 2016 letter from former Chairman of the OPA Board of Directors Mike Delgado to CVUSD Superintendent Wayne Joseph confirms Ms. Roche’s familial relationships:

- Mr. Marquez is Ms. Roche’s cousin’s husband; and
- Lisa and Rachel Czarnocki are Ms. Roche’s cousins by virtue of Lisa Czarnocki’s great aunt’s marriage to Ms. Roche’s uncle.

While these current OPA employees are not immediate family members of OPA founder and former Executive Director Ms. Roche, they are part of what the November 22, 2016 FCMAT Report identified at page 39 as *“Successful dilution of transparency”* as a result of a *“strategic process involv[ing] creating loyal followers and placing family members and/or close associates in key positions, with high salaries, stipend payments and other incentives.”*

The District notes that historically OPA has financially rewarded loyalty to OPA founder and former Executive Director Sue Roche through *“Above and Beyond”* stipends and generous salaries.

A June 19, 2014 email from former OPA Coordinator of Business Services and Sue Roche cousin, **Nicholas Califato**, to EdHive Senior Account Specialist Cory Cavanah states:

“Hi Cory:

I just met with Sue and she wants the following ‘Above and Beyond’ stipends paid as soon as possible and no later than June 26th:

To Oxford Preparatory Academy (Chino/SOC) \$66,000

Hood \$2,000

McLeod, Danielle \$3,000

McLeod, Jared \$5,000

Morgan Bruns \$10,000

Nick Califato \$15,000

Lisa Czarnocki \$10,000.” (Emphasis added.)

Lisa Czarnocki is a relative, longtime associate, and loyal follower of OPA founder and former Executive Director Ms. Roche that has been placed in a key position as OPA’s current Coordinator of Attendance. As the above email evidences, Lisa Czarnocki was identified for an “Above and Beyond” stipend of \$10,000 at Ms. Roche’s direction in June 2014, and she is still currently employed by the OPA organization.

OPA Rise lead charter petitioner Deanna Campagna has been employed by OPA since 2010 and earned an annual salary of \$91,717 for her role as an OPA teacher as of November 14, 2016, according to former Chairman of the OPA Board of Directors Mr. Delgado’s correspondence to CUVSD Superintendent Wayne Joseph. Ms. Campagna earned \$30,000 to \$40,000 more than other teachers identified in Mr. Delgado’s November 14, 2016 letter.

The District is also concerned that the closed OPA-Chino charter school’s management team has been rerouted to the other two OPA campuses to preserve their jobs, rewarding their continued loyalty, while causing unnecessary financial burden on the two remaining OPA charter schools.

This was confirmed by CUSD’s September 15, 2017 Notice of Concern, which states:

“There have been concerns that in light of OPA-CV’s closure, its management team has been rerouted to the other two campuses to preserve their jobs while causing unnecessary financial burden on the two remaining schools.”

The District has reviewed Mr. Crowe’s September 28, 2017 response to CUSD’s Notice of Concern, and notes that OPA failed to present any evidence that the former OPA-Chino employees were hired to fill ***vacant*** positions at the two existing OPA charter schools.

In fact, the CUSD reaffirmed its concerns regarding the redistribution of former OPA-Chino employees in its October 24, 2017 Follow Up to Notice of Concern re OPA's Fiscal Management, stating:

*"To pursue this goal of avoiding any appearances of conflicts of interest, in addition to the District's **ongoing** concern that OPA is unnecessarily moving former OPA-Chino Valley ('OPA-CV') employees into the two remaining schools, please provide a thorough written explanation of each person's title, day-to-day responsibilities at OPA-SOC and OPA-SV, employee compensation, how long they have been employed by OPA, and what, if any, ties to Sue Roche he or she has[.]"*

OPA Recovery Plan Corrective Action Regarding "VLS Audit Targets"
"Executive Director"

- ***"Replaced the Executive Director with Denise Pascoe as Interim Executive Director, an individual with no ties to the founder. The final selection of Executive Director will also have no ties to the founder."*** (Recovery Plan, page 3.)

This is outdated information.

Ms. Pascoe is no longer Interim Executive Director of OPA. The OPA Board of Directors reinstated Ms. Pascoe in her role as Chancellor (Principal) of the existing OPA-South Orange County campus on July 1, 2017.

In contrast to the hiring and shuffling of friends and family members of OPA leadership to preserve their jobs, the OPA Board of Directors has failed to hire an Executive Director, and it is unclear when the OPA Board of Directors plans to hire a new Executive Director.

Based on the District's review and analysis of the OPA Rise charter petition and the audio recordings of the OPA Board of Directors meetings, the District is concerned that the OPA Board of Directors, under the leadership of OPA Board Chair Sandra Garner, has delegated executive authority to itself and is making decisions without any OPA management contribution.

This concern was echoed by CUSD's September 15, 2017 Notice of Concern, which states:

"Although Andrew Crowe has recently been named the Managing Director of OPA, there is currently no Executive Director after Denise Pascoe stepped down as Interim Executive Director. There is concern here that OPA's Board has delegated executive authority to itself and is making decisions without any management contribution."

Moreover, the District has reviewed Mr. Crowe's September 28, 2017 response to the CUSD's Notice of Concern, and notes that OPA fails to present any evidence to address this issue.

Rather, the OPA Board's actions demonstrate that the OPA Board has, in fact, delegated executive authority to itself as the CUSD alleged.

This is further evidenced by the job description for Managing Director, which, as included in *Appendix O – Job Descriptions* of the OPA Rise charter petition, provides:

*“The Managing Director, as a key member of the senior leadership team, partners closely with and **reports to the Executive Director.**”*
(Emphasis added.)

*“Work closely with and **reports to the Executive Director** regarding the smooth operation of the charter school organization as a whole”*
(Emphasis added.)

*“Perform other related administrative duties **as assigned by the Executive Director.**”* (Emphasis added.)

Conversely, the OPA Rise charter petition's job description of the Executive Director states:

“Subject to the control of the Governing Board, the Executive Director shall be the general manager of the corporation and shall supervise, direct, and control the schools' activities, affairs, and officers. The Executive Director shall have such other powers and duties as the Governing Board or the bylaws may require.”

Because the OPA Executive Director “[m]anages senior staff members and assigns duties as appropriate to carry out the mission and goals of the [OPA] organization” according to the job description of Executive Director included in *Appendix O – Job Descriptions* of the OPA Rise charter petition, the OPA Board of Director was acting with executive authority when it assigned authority to hire, supervise, evaluate, and fire OPA employees to a “senior staff member[]” at the OPA Board of Directors September 28, 2017 regular meeting.

Because the OPA Managing Director is required to “perform other related administrative duties **as assigned by the Executive Director**” and the OPA Board assigned Mr. Crowe administrative duties, the OPA Board has stepped into the role of Executive Director.

OPA Recovery Plan Corrective Action Regarding “Other Issues”
“Executive Administration”

- ***“New Interim Managing Director Andrew Crowe hired”*** (Recovery Plan, page 4.)

This is outdated information.

Mr. Crowe is no longer the Interim Managing Director, as he was appointed Managing Director of OPA in June 2017 and resigned from his position on October 16, 2017, effective October 31, 2017.

The OPA Board of Directors announced at its October 18, 2017 special meeting that Coordinator of Educational Programs Lisa Hall was appointed Interim Managing Director, effective November 1, 2017. However, Dr. Hall’s qualifications for the OPA Interim Managing Director position are unclear. It is also unclear when the OPA Board of Directors plans to hire a permanent Managing Director.

The Capistrano Unified School District echoed the District’s concerns in its October 24, 2017 Follow Up to Notice of Concern re OPA’s Fiscal Management by asking Interim Managing Director Dr. Hall to *“provide a summary of [her] qualifications and experiences, including any financial expertise, [her] ties to former OPA founder Sue Roche, and whether [she] [has] disclosed any pertinent family and personal relationships under OPA’s Nepotism Policy.”*

The District notes that OPA has described Mr. Crowe to the California State Board of Education as an *“invaluable resource for OPA Chino Valley”* and that Mr. Crowe’s resignation from the OPA organization further evidences the OPA Rise charter petitioners’ inability to successfully implement the program set forth in the OPA Rise charter petition and the overall instability of the OPA charter school organization.

OPA Recovery Plan Corrective Action Regarding “Other Issues”
“Transparency”

- ***“Conducting numerous parent outreach meetings to provide transparency to our families.”*** (Recovery Plan, page 4.)

OPA has held “parent outreach meetings” but has failed to “provide transparency to [OPA] families.”

While the OPA Board of Directors has conducted “parent outreach meetings,” the District is aware of multiple OPA parent complaints regarding the OPA Board’s lack of transparency.

An OPA parent made the following statement at the September 21, 2017 special meeting of the OPA Board of Directors to former OPA Managing Director Andrew Crowe:

“It feels like this board is very controlling, restrictive, not inclusive, not communicative, not involving us as parents. And it

feels like at the last board meeting when we had wanted... expressed concern that we didn't have representation from SOC and SV on the board it seems very deliberate of her, Ms. Garner, to say the order in which she did things, it seems sneaky. It seemed...it felt very calculated, is a good word. So to me it feels like we're kind of slipping back down the slope of mismanagement, of nontransparency. We've got great site admin at both campuses. I've worked with Ms. Lohoff, I've worked with Ms. Pascoe. I've worked with you less, but I trust it seems, it feels, good, and we just take 20 steps back. And as a parent community, it feels scary. To hear as the President of SOC to hear parents confide in me or say things to me like, 'this doesn't feel right, it's scary, and I'm afraid that were going to have great families jump ship.'" (Emphasis added.)

The OPA Recovery Plan's many material misstatements of fact demonstrates that under California Code of Regulations, title 5, section 11967.5.1(f)(4)(B)(3), the OPA Rise charter petition fails to include evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that the charter school will become and remain a viable enterprise.

The OPA Board of Directors Members' Personal Lack of Experience in Areas Critical to Proposed OPA Rise Charter School's Success.

The Recovery Plan is further undermined by the OPA Board of Directors members' personal lack of experience in the areas critical to the proposed OPA Rise charter school's success.

The OPA Rise charter petition Cover Letter states at page 4 that "*Oxford Prep's Board of Directors is currently comprised of diverse individuals with relevant background and experience in education, teaching, curriculum, instruction, professional development, finance, and business and management, and who are passionate about education in the Chino community.*"

Further, OPA Bylaws provide: "*The purpose of this corporation is to manage, operate, guide, direct and promote one or more California public charter schools.*" (Appendix H – Bylaws, page 1.)

Because the OPA Rise charter petitioners have placed the OPA Board members' qualifications at issue and because the OPA Board of Directors is tasked with managing, operating, directing, and promoting the proposed OPA Rise charter school, the qualifications and backgrounds of the OPA Board's members are relevant to the CVUSD Board of Education's review of the September 8, 2017 OPA Rise charter petition.

Based on the resumes submitted in *Appendix D – Resumes* of the OPA Rise and publicly available information, the OPA Board of Directors lack qualifications in the areas claimed by the OPA Rise charter petition Cover Letter at page 4 as follows:

(1) Alberto Diaz

Alberto Diaz was a Founding Member of the non-renewed OPA-Chino charter school and has been a member of the OPA Board of Directors since October 26, 2016.

According to Mr. Diaz' *"Bio"* on the OPA *"Corporate Board of Directors"* webpage (<https://oxfordpreparatoryacademy.com/board/>), Mr. Diaz has been involved with OPA since May 2010, *"devoting years of service to coordinate internet and phone services for the Chino Valley SOC campuses."*

At the October 26, 2016 OPA Board of Directors special meeting, Mr. Diaz was nominated and elected, without any parental input, by the same OPA Board of Directors that were implicated in the November 22, 2016 FCMAT Report.

Mr. Diaz is a *"Sr. CRM Specialist / Business Solutions Manager / Network Engineer / Application Trainer"* according to his resume included in *Appendix D*. **Mr. Diaz' experience is in Information Technology, not *"education, teaching, curriculum, instruction,"* as claimed by the OPA Rise charter petition Cover Letter at page 4.**

(2) Sandra Garner

Sandra Garner has been a member of the OPA Board of Directors since January 3, 2017.

Ms. Garner *"has devoted more than 40 years to working with public sector and educational organizations to help resolve issues and overcome challenges"*, according to her *"Bio"* on the OPA *"Corporate Board of Directors"* webpage. (<https://oxfordpreparatoryacademy.com/board/>, accessed October 24, 2017.)

Ms. Garner's resume, as included in *Appendix D – Resume* of the OPA Rise charter petition, however, fails to identify when and for how long she served as President of the Chaffey Community College Governing Board, Chief of Staff for a U.S. Congressman of the U.S. House of Representatives, Senior Director of the Office of Medical Simulation of the College of Osteopathic Medicine of the Pacific, and Teacher at Don Lugo High School.

Accordingly, the District conducted research into Ms. Garner's experience and qualifications to determine whether she had the *"relevant background and experience in education, teaching, curriculum, instruction, professional development, finance, and business and management,"* as the OPA Rise charter petition Cover Letter claims at page 4.

In researching Ms. Garner's role at the College of Osteopathic Medicine of the Pacific, the District could not confirm Ms. Garner's title of *"Senior Director"* as stated in her resume included in *Appendix D – Resumes* of the OPA Rise charter petition.

Rather, Ms. Garner was only listed in the Western University of Health Science's College of Osteopathic Medicine of the Pacific's 2015/2016 Catalog as an *"Instructor of Social Medicine and Administrative Services."*

Notably, none of Ms. Garner’s experience is in California charter school TK-8 curriculum and instruction, or in elementary education or administration, as claimed by the OPA Rise charter petition Cover Letter at page 4.

(3) Joseph Haney

Joseph Haney was appointed to OPA’s Board of Directors on August 24, 2017.

Mr. Haney has been a licensed attorney in the State of California since 2001, with an emphasis on business law, real property law, and tax law. (The State Bar of California, Attorney Search, accessed October 24, 2017).)

According to Mr. Haney’s resume, as included in *Appendix D – Resumes* of the OPA Rise charter petition, Mr. Haney is qualified to:

“Represent real estate developers, owners and investors in all aspects of real estate, including purchases, sales, finance, leasing and land use and preparation and negotiation of associated documents including purchase and sale agreements, leases, management agreements, licenses and franchise agreements.

“Counsel real estate investors and developers regarding tax implications and strategies of and for the acquisition, financing, ownership and sale of real property, including like-kind exchanges and tenants in common arrangements.”

“Advise clients on taxation, formation, operation and dissolution of entities.”

“Serve as outside general counsel to local businesses, providing commercial and business advice and strategy.”

While Mr. Haney has experience in advising for-profit businesses in taxation and real property leasing and acquisition, he lacks the necessary experience “in education, teaching, curriculum, instruction,” as claimed by the OPA Rise charter petition Cover Letter at page 4.

(4) Raymond Jackson

Raymond Jackson was appointed to the OPA Board of Directors on August 24, 2017.

According to Mr. Jackson’s resume, as included in *Appendix D – Resume* of the OPA Rise charter petition, Mr. Jackson is a *“Skilled Executive with experience leading rapidly growing companies during both expanding and contracting economics. Sector experience includes construction, smart building, technology, and distance learning.”*

Mr. Jackson has been the President of Protek Integration Inc., “a full spectrum Integration and Technology services company serving many of largest and most sophisticated land owners in Southern California” since 2002.

Like Mr. Haney, Mr. Jackson appears to have experience in the for-profit business sector; however, **Mr. Jackson’s background in Integration and Technology services, repurposing content and delivering streamlining media training, and security services fails to equip him with the necessary background in “in education, teaching, curriculum, instruction,” as claimed by the OPA Rise charter petition Cover Letter at page 4.**

The OPA Rise charter Cover Letter’s claim that “*Oxford Prep’s Board of Directors is currently comprised of diverse individuals with relevant background and experience in education, teaching, curriculum, instruction, professional development, finance, and business and management, and who are passionate about education in the Chino community*” is therefore demonstrably false.

The OPA Board of Directors members’ personal lack of experience in the areas critical to the charter school and non-profit corporation’s success is especially concerning, because the OPA Rise charter petition Board of Directors is alleged to have “*delegated executive authority to itself and is making decisions without any management contribution*” by the Capistrano Unified School District’s September 15, 2017 Notice of Concern.

The CVUSD Board of Education therefore finds that the OPA Rise charter petition fails to include evidence that the organizational and technical designs of the governance structure reflect a seriousness of purpose necessary to ensure that the charter school will become and remain a viable enterprise.

1. The OPA Rise charter petition fails to provide a reasonably comprehensive description of the process to be followed by the proposed charter school to ensure parent involvement [California Code of Regulations, title 5, section 11967.5.1(f)(4)(B)(2)]

Education Code section 47605(b)(4)(D) requires that charter petitions contain a reasonably comprehensive description of “[t]he governance structure of the charter school, including, but not limited to, **the process to be followed by the charter school to ensure parent involvement.**” (Emphasis added.)

California Code of Regulations, title 5, section 11967.5.1(f)(4)(B)(2) requires “*active and effective representation of interested parties, including, but not limited to parents (guardians).*”

As submitted to the District on September 8, 2017, the OPA Rise charter petition’s governance structure fails to ensure there will be active and effective representation of interested parties, including but not limited to **all** parents and guardians as required by Education Code section 47605(D) and California Code of Regulations, title 5, section 11967.5.1(f)(4).

The is because although the OPA Rise charter petition refers to strategies for engaging parents, OPA’s governance structure actually diminishes the nature and quality of the parental involvement required by the Education Code. The two existing OPA charter schools and the proposed OPA Rise charter school are governed by only one OPA Board of Directors, whose members, according to OPA’s corporate bylaws, are elected by the existing OPA Board of Directors.

Article VII of The Seventh Amended Bylaws of Oxford Preparatory Academy, as included in *Appendix H – Bylaws of the OPA Rise charter petition*, states:

“Section 3. DESIGNATED DIRECTORS AND TERMS. The number of directors shall be no less than three (3) and no more than seven (7), unless changed by amendments to these bylaws. All directors shall have full voting rights, including any representative appointed by the charter authorizer as consistent with Education Code Section 47604(b). All directors shall be nominated and elected by the existing Board of Directors.” (Emphasis added.)

“Section 6. NOMINATIONS BY COMMITTEE. The Chairman of the Board of Directors of, if none, the President will appoint a committee to designate qualified candidates for election to the Board of Directors at least thirty (30) days before the date of any election of directors. The nominating committee shall make its report at least seven (7) days before the election or at such other time as the Board of Directors may set and the Secretary shall forward to each Board member, with the notice of meeting required by these bylaws, a list of all candidates nominated by committee.” (Emphasis added.)

“Section 11. REMOVAL OF DIRECTORS. Any director may be removed, with or without cause by a vote of the majority of the members of the entire Board of Directors ... Any vacancy caused by the removal of a director shall be filled as provided in Section 12.

Section 12. VACANCIES FILLED BY BOARD. Vacancies on the Board of Directors may be filled by nomination and election of the Board of Directors or, if the number of directors then in office is less than a quorum, by (a) the affirmative vote of a majority of the directors then in office at a regular or special meeting of the Board or (b) a sole remaining director.” (Emphasis added.)

The OPA Bylaws vest all authority to determine the composition of the OPA Board of Directors in the existing OPA Board of Directors.

- The OPA Board of Directors nominates its own “qualified candidates”;

- The OPA Board of Directors votes on and elects its own directors; and
- The OPA Board of Directors may remove with or without cause members of the OPA Board of Directors.

As a result, OPA Bylaws fail to provide any means for the parents of OPA Rise students to determine or affect the composition of the OPA Board of the Directors, even though the OPA Board makes all financial and policy decisions for both the two existing and the proposed OPA Rise charter school that impact students and parents at all three OPA charter schools located in three different geographically and demographically diverse areas.

Moreover, Pages 98 through 100 of the OPA Rise charter petition identify the following groups as “*formal opportunities for input on schoolwide operations and school involvement activities*” for OPA Rise parents:

- The OPA Rise Advisory Counsel,
- The OPA Rise Founding Members Group,
- The OPA Rise English Learner Advisory Committee, and
- The OPA Rise Honour Society.

However, absent from the OPA Rise charter petition’s description of any of these parent groups are any direct means for the parents of OPA Rise students to influence or to access the OPA Board of Directors, including any procedures allowing OPA Rise parents to evaluate the OPA Board of Directors or to address OPA Rise parent’s concerns regarding the actions of the OPA Board of Directors. As a result, the committees set out in the OPA Rise charter petition have no real influence over the OPA Board of Directors’ operations of the proposed OPA Rise charter school.

The District notes that several parents of the two existing OPA charter schools have expressed dissatisfaction at the OPA Board of Directors’ failure to involve OPA parents in OPA’s governance.

In fact, several parents of the existing Oxford Preparatory Academy-Saddleback Valley and Oxford Preparatory Academy-South Orange County charter schools have recently accused the OPA Board of Directors of failed transparency and communication:

Transcription of Audio from July 27, 2017 Regular Meeting of the OPA Board of Directors Posted on OPA of Directors Webpage:

- OPA Parent: “*I’d like to see a breakdown of the fees. Chino was billed 130 SOC 75 SV 48. I’d like a breakdown of what those are for. I think that would help in the transparency and to communicate with the families because it*

looks like in that report Saddleback and SOC are absorbing a good portion of the fees and I don't know about that." (Emphasis added.)

- OPA Parent: *"From what I see, I'm not getting a lot of it. I'm just getting a lot of talking, but I need to see it. I think that would ease people a little bit with the transparency issue that a lot of people feel. I'd like to see those things, and I'll follow up with you on it."* (Emphasis added.)

Transcription of Audio from September 21, 2017 Special Meeting of the OPA Board of Directors:

- OPA Parent to former OPA Managing Director Mr. Crowe: *"So obviously, you're in the middle. You're sensing trust issues, for lack of a better word. Between the parents and the board. So do you not...does the board not care that the parents have these issues?"* (Emphasis added.)

OPA parents and a former member of the OPA Board of Directors have also expressed concern regarding the OPA Board of Directors' appearance of impropriety in the fiscal management and governance of the existing and closed OPA charter schools:

Transcription of Audio from August 24, 2017 Regular Meeting of the OPA Board of Directors Posted on OPA of Directors Webpage:

- OPA Parent reading a question from an OPA-Saddleback Valley parent: *"I have a concern regarding a staff member that was brought on that's last name was Roche. The relationship with Sue Roche was supposed to be severed and now we have a family member of hers at our campus. How is this good for our school?"*
- Former OPA Board member Neveen Adly speaking to Andy Stern of Charter Impact, OPA's back office services provider:

"Unless there is a strong reason why not, I would rather revise the SOC budget to reflect, in the spirit of transparency. Unless there is a reason why we shouldn't I think the authorizers will not want it. That's my recommendation.

...

It's just because it's so significant. Saddleback's smaller so I'm not too concerned about that but this is just a big number. I just don't want it to appear misleading. My next question is about depreciation for SOC. We knew that the construction was happening. Did we not plan the depreciation when we did the budget?

...

Okay, so we'll adjust it I'm assuming. Ok. My next question is about legal fees. The June numbers are final right? In here.

...

Who holds this account on these numbers? Because these are alarming to me. Are you guys alerting us and saying 'Hey, this is, there is a lot of expense in any given month' or how are we notified before the month closes?

...

*I can't. **I just don't feel comfortable that we're just writing checks without really being accountable.** So . . . Just in the spirit of everyone else not knowing.*

...

I guess my question is more, if we are overspending in this line it's coming from somewhere else and that concerns me. How are we alerted?"
(Emphasis added.)

Sandra Garner responding to Ms. Adly: *"Let me give you background going into the new year. We have talked to our lawyers and basically we have put ourselves on a legal diet. We have to conform to what our monthly is. We are asking for regular updates reports throughout the month."*

Neveen Adly: *"I wasn't aware of that. Any of that."* (Emphasis added.)

Transcription of Audio from August 24, 2017 Meeting of the OPA Board of Directors Posted on OPA of Directors Webpage:

- OPA Parent: *"Why are we working on a renewal for a school that's closed? Let's get our priorities straight and work on the one we need now. **The favoritism continues, backroom deals appear to keep happening. This is what we dealt with before with prior administration, prior leaders. It continues.**"*
(Emphasis added.)

Transcription of Audio from September 21, 2017 Special Meeting of the OPA Board of Directors:

- OPA Parent: *"And on that note, you know, it seems kind of painfully obvious to me that in hindsight, we might not be in the mess we're in now if we had a **CFO on board all along.** If we had someone with financial credentials and professional expertise being able to oversee and that could have identified potential areas of concern. That could have eliminated or mitigated the...mess that we're in right now. **So I'm really concerned about the judgment of the board at this point**—that should have been the first thing they did, is bring a CFO on board. We still have questions about our finances obviously CUSD...so*

that to me seems even a glaring, even if it's just the optics of the situation, that should have been the first thing they did." (Emphasis added.)

- OPA Parent: *"My question is very simple. Do the board meeting make the decision between governance and managing? Because to me, since I joined OPA- unfortunately that's when things started to downfall. . . . But my experience as a former educator and dealing with boards, and this, this is the first to time, I have to say, over the past 18 years of my experience, I'm frustrated. I'm seeing a board that is not really governing, but trying to control and manage, and that's your job. Not their job. So I have the impression that they don't let you do your job, and you need to do your job, and unfortunately it's not happening. So, do they really know what they're doing?"* (Emphasis added.)

OPA parents also expressed concern regarding the recent election of Joseph Haney and Raymond Jackson to the OPA Board of Directors, and the resignation of Neveen Adly and Debra Tarver from the OPA Board of Directors:

Transcription of Audio from August 24, 2017 Special Meeting of the OPA Board of Directors Posted on OPA of Directors Webpage:

- OPA Parent: *"I don't even believe that Tarver resigned tonight. I think it was held. I think it was ... She resigned some time ago. As far as I can tell, she wasn't here. Why wasn't that brought forward? I'm tired of it. I can't believe that we're in this position once again and now it's going to get ugly is what I'm afraid. And be very public. And that hurts everybody. And it hurts the children."* (Emphasis added.)
- OPA Parent: *"This has been a disappointing evening. I feel like the board has moved very quickly. I couldn't even tell who was being voted on to the board. There's a notice about removing a board members that we all have listed."*

Transcription of Audio from September 21, 2017 Special Meeting of the OPA Board of Directors:

- OPA Parent: *"Ok, so then building off of that, the board's decision to vote out Neveen Adly, who was the only board member—the only person in the entire organization with financial credentials, was ousted. We don't need to talk about the specifics of how that happened, but that's clearly what happened."*

...

Which obviously it's only fair to have representation from all campuses on board. Which you don't have. Again, the optics of that was that it was something punitive. This is not the time to make that. However, the bigger picture is that's its very concerning that we don't have a single person in the entire organization anywhere that has any financial credentials. And we're

getting questioned on our finances. So I want to know how we're addressing that." (Emphasis added.)

- OPA Parent: *"Adly was voted out and she resigned. **That's not transparency!** She resigned! I am thinking, why did this woman resign? My goodness, I felt so bad, and here I am, thinking, this poor woman, we need you! And she was going to be voted off. **We had...as a new parent, I had no idea. So that's not transparency,** so I'm sorry, I feel like I am attacking you right now, but I'm Italian so I'm not, to hear that and then to witness what happened two weeks ago, with another board member not getting nominated for reason. He could have been up there! **And then to have somebody resign, and not be told that she really was going to be voted off, is not transparency.**"* (Emphasis added.)

The CVUSD Board of Education therefore finds that the OPA Rise charter petition fails under Education Code section 47605(b)(D) to contain a reasonably comprehensive description of the governance structure of the proposed OPA Rise charter school.

C. The OPA Rise Charter Petition Fails To Contain A Reasonably Comprehensive Description Of The Qualifications To Be Met By Individuals To Be Employed By The Proposed OPA Rise Charter School. [Education Code section 47605(b)(5)(E)]

Education Code section 47605(b)(5)(E) requires that the OPA Rise charter renewal petition contain a reasonably comprehensive description of "[t]he qualifications to be met by individuals to be employed by the school."

California Code of Regulations, title 5, section 11967.5.1(f)(5) requires, at a minimum, the qualifications to be met by individuals employed by the school:

"(A) Identify general qualifications for the various categories of employees the school anticipates (e.g., administrative, instructional, instructional support, non-instructional support). The qualifications shall be sufficient to ensure the health, and safety of the school's faculty, staff, and pupils.

(B) Identify those positions that the charter school regards as key in each category and specify the additional qualifications expected of individuals assigned to those positions.

(C) Specify that the requirements for employment set forth in applicable provisions of law will be met, including, but not limited to credentials as necessary." (Emphasis added.)

The OPA Rise charter petition states at page 104 that the "[j]ob descriptions for the school's key positions are located in Appendices."

However, the OPA Rise charter petition and Appendices fail to “[i]dentify those positions that the charter school regards as key **in each category**” as required by California Code of Regulations, title 5, section 11967.5.1(f)(5)(B). (Emphasis added.)

The OPA Rise charter petition contains job descriptions for the following positions in *Appendix O – Job Descriptions*:

- | | |
|------------------------------|---|
| ▪ Executive Director | ▪ Attendance Clerk |
| ▪ Managing Director | ▪ Health Technician |
| ▪ Chief Academic Officer | ▪ Receptionist |
| ▪ Chief Operations Officer | ▪ Playground Proctor |
| ▪ Chief Financial Officer | ▪ Facilities Manager |
| ▪ Chancellor | ▪ Custodian |
| ▪ Dean | ▪ School Psychologist |
| ▪ Teacher | ▪ Occupational Therapist |
| ▪ Band/Music Instructor | ▪ Special Education Teacher, Education Specialist – Mild/Moderate |
| ▪ Choral Music Instructor | ▪ Special Education Teacher, Education Specialist – Moderate/Severe |
| ▪ Teacher Physical Education | ▪ Special Education Instructional Aid Health or Moderate/Severe |
| ▪ Computer Lab Instructor | ▪ Special Education Instructional Aide |
| ▪ Science Lab Instructor | ▪ Speech and Language Pathologist |
| ▪ World Language Instructor | |
| ▪ Office Manager | |
| ▪ Office Assistant | |

However, the OPA Rise charter petition states at pages 103 and 104:

“Oxford Rise assumes it will employ: one (1) Principal (Chancellor); two (2) Deans; thirty-three (33) teachers for grades TK-8; five (5) Music/Band, Choir, Physical Education, Computers Lab Instructor, Science Lab Instructor; four (4) part-time World Language Instructors; one (1) Office Manager; two (2) Office Assistants; one (1) Attendance Clerk; one (1) Health Technician; part-time (0.5) Receptionist; six (6) part-time Playground Proctors; one (1) Facilities Manager; and three (3) Custodians.”

*“The following positions currently split their time and the costs are shared by the organization in proportion to each school’s ADA: one (1) **Executive Director** shared by the organization’s charter schools; one (1) **Managing Director** shared by the organization’s charter schools; one (1) **Chief Academic Officer** shared by the organization’s charter schools; one (1) **Chief Operations Officer** shared by the organization’s charter schools; one (1) **Chief Financial Officer** shared by the organization’s charter schools; and additional support staff (i.e. coordinators).”* (Emphasis added.)

The OPA Rise charter petition contains material misrepresentations of fact because the OPA organization does not currently share “*in proportion to each school’s ADA*” an Executive Director, a Managing Director, a Chief Academic Officer, a Chief Operations Officer, or a Chief Financial Officer, as these positions are vacant.

While Dr. Hall has been appointed OPA’s Interim Managing Director, OPA is still without a permanent Managing Director. This concern was echoed by the Capistrano Unified School District’s October 24, 2017 Follow Up to Notice of Concern re OPA’s Fiscal Management:

*“With the resignation of Mr. Andrew Crowe, OPA is now without an Executive Director **or a Managing Director** with authority to ensure that OPA is fiscally sound and stable.*

*...
Please also provide OPA’s plan to hire an Executive Director and/or Managing Director, including an expected timeline of when those positions will be filled.”*

With regards to the absence of an OPA Chief Financial Officer, the Capistrano Unified School District’s October 24, 2017 Follow Up to Notice of Concern re OPA’s Fiscal Management states:

“Despite OPA’s reassurances that it does not need a CFO because OPA’s finances undergo multiple layers of review (i.e. staff, Charter Impact, Gilbert Associates, and the Board), significant errors are still being made.”

“Please explain how, even with these multiple layers of review that OPA has, funds are being misplaced, given to former employees inadvertently, or inappropriately used for other schools.”
(Emphasis added.)

Further, the OPA Rise charter petition fails to describe how support staff will “*support all schools within the organization,*” including how shared support staff will be utilized and paid for by all OPA charter schools.

At the September 21, 2017 special meeting of the OPA Board of Directors, an OPA parent questioned the division of labor to the different OPA schools:

OPA Parent: *“So, when you say like we pay 60% and they pay 40%, well whose working on the charter for Chino? Are we paying for those employees working on that charter too?”*

Mr. Crowe: *“Well the Chino charter is done and finished. But yeah, technically, you know...”*

OPA Parent: *“Parent: So SOC is paying for that?”*

Mr. Crowe: *“Right, right for that employee. For however many hours that employee will work on the charter.”*

The District notes that Mr. Crowe’s comment at the September 21, 2017 special meeting of the OPA Board of Directors admits that the two existing OPA schools, OPA-South Orange County and OPA-Saddleback Valley, are paying for OPA’s efforts to establish the proposed OPA Rise charter school.

The *“Oxford Preparatory Academy Leadership Support Team”*, according to OPA’s website, includes:

1. Carrie Birchler, Coordinator of Communication and Public Relations
2. Lisa Czarnocki, Coordinator of Attendance
3. Rachel Czarnocki, Coordinator of Human Resources
4. Rachel Foy, Coordinator of Multimedia Design and Digital Communication
5. Lisa Hall, Coordinator of Educational Programs

* The District notes its concern that Dr. Hall’s appointment to OPA’s Interim Managing Director on November 1, 2017 leaves OPA without a Coordinator of Educational Programs.

6. Jennifer Laddaga, Coordinator of Administrative Services
7. Fox Lejhika, Coordinator of World Language
8. Christian Marquez, Coordinator of Facilities
9. Carrie Thiret, Coordinator of Business Services

(<https://rise.oxfordpreparatoryacademy.com/leadership/>, accessed October 24, 2017.)

However, the OPA Rise charter petition and supporting documents fail to contain job descriptions for all of the above-mentioned members of OPA’s *“Leadership Support Team.”*

Therefore, it is unclear which general, additional, and necessary qualifications are required of the employee performing these *“Coordinator”* positions, in violation of California Code of Regulations, title 5, section 11967.5.1(f)(5).

The District notes that the individuals identified above, with the no identified job descriptions in the OPA Rise charter petition, are also, in FCMAT’s language, *“relatives, friends*

and longtime associates” and/or “close associates” of OPA founder and former Executive Director Sue Roche.

The OPA Rise charter petition’s job descriptions also fail to provide reasonably comprehensive employee qualifications for the following positions:

Executive Director

The OPA Rise charter petition’s job description of OPA’s Executive Director only requires “*an advanced degree from an accredited college/university.*”

It is unclear from the OPA Rise charter petition what constitutes “*an advanced degree,*” whether “*an advanced degree*” includes a Master’s Degree or Doctoral Degree. The difference in depth and quality of study between a Master’s Degree and a Doctoral Degree is substantial enough that the OPA Rise charter petition’s failure to specify a minimum type of “*advanced degree*” renders the job description seriously deficient.

The District is concerned that the OPA Rise charter petition allows the “*advanced degree*” to be in any area of study, while the Executive Director job description requires an “*understanding of charter school operations, and organization, rules, regulations, and laws governing charter school*” and a thorough understanding of finance and business management to “*ensure[] that the school is fiscally sound . . . with an understanding of the relationship between the instructional program and the budget process and rely on cost-benefit analysis for budgetary decisions.*” (Appendix O – Job Descriptions.)

Moreover, despite requiring the Executive Director have a “*minimum of five years administrative experience in addition to a minimum of five years successful teaching*”, OPA Rise’s employee qualifications do not require a valid administrative teaching credential or that the candidate’s “*successful teaching*” experience be in the grades TK-8 charter school educational and operational setting.

Managing Director

OPA Rise’s job description for OPA’s Managing Director requires that the individual “*work closely with Chief Academic Officer*” on a variety of academic, instructional, and testing tasks, “*work closely with the Chief Operations Officer*” on a variety of facilities and operations tasks, and “*work closely with the Chief Financial Officer in the management of the financial operations of the charter school organization.*”

Because OPA’s Chief Academic Officer, Chief Operations Officer, and Chief Financial Officer positions are currently vacant, OPA Interim Managing Director Lisa Hall cannot satisfy the “*primary responsibilities of the position*”, as set out in the OPA Rise charter petition.

Further, the OPA Rise charter petition does not require any minimum educational qualifications for the OPA Managing Director. Instead, *Appendix O – Job Descriptions* of the OPA Rise charter petition states that the qualifications for Managing Director include:

*“Master’s degree from an accredited college/university **preferred**”*
(Emphasis added.)

*“Valid California Teaching credential **preferred**”* (Emphasis added.)

*“Valid administrative credential **preferred**”* (Emphasis added.)

Because the OPA Managing Director is not **required** to provide evidence of any educational degree or credential, it is possible that under the OPA Rise charter petition, OPA could hire a Managing Director that lacks a high school diploma, so long as the candidate satisfies the OPA Board of Director’s subjective interpretation of having “*successful experience*” and a “*proven track record*” in charter school policy, governance, public relations, and petitions.

Chief Academic Officer & Chief Operations Officer

Despite having different primary responsibilities, the credentialing and “*Essential Experience*” required of OPA’s Chief Academic Officer and Chief Operations Officer are exactly the same as the requirements for OPA’s Managing Director.

The OPA Rise charter petition does not require minimum education qualifications for the OPA Chief Academic Officer or OPA Chief Operations Officer. Instead, *Appendix O – Job Descriptions* of the OPA Rise charter petition states that the qualifications for Chief Academic Officer and Chief Operations Officer include:

*“Master’s degree from an accredited college/university **preferred**”*
(Emphasis added.)

*“Valid California Teaching credential **preferred**”* (Emphasis added.)

*“Valid administrative credential **preferred**”* (Emphasis added.)

Because the OPA Chief Academic Officer and OPA Chief Operations Officer are not **required** to provide evidence of any educational degree or credential, it is possible that under the OPA Rise charter petition, OPA could hire a Chief Academic Officer or Chief Operations Officer that lacks a high school diploma, so long as the candidate satisfies the OPA Board of Director’s subjective interpretation of having “*successful experience*” and a “*proven track record*” in charter school policy, governance, public relations, and petitions.

Chancellor (Principal)

Although *Appendix O – Job Descriptions* of the OPA Rise charter petition enumerates the Chancellor’s primary responsibilities and identifies some required, subjective qualifications, such as the ability to “[d]emonstrate leadership qualities and utilize motivational techniques and strategies,” the OPA Rise charter petition fails to specify any objective academic qualifications for an OPA Chancellor, such as a minimal level of education.

The OPA Rise charter petition also sets a lower expectation of OPA Chancellors than OPA's charter petitions have set in the past. An "*administrative credential and master's degree from an accredited college/university*" is merely preferred instead of required.

Further, despite the Chancellor being the "*educational leader*" and being "*responsible for the management of the daily operation of the school plant*" at the proposed OPA Rise charter school, no administrative credential is required.

Dean (Assistant Principal)

Conversely, OPA Deans are required to "*have a minimum of a Bachelor of Arts degree from an accredited college/university*" while no California Teaching Credential or administrative credential is required, despite being "*accountable . . . for the quality of teaching, curriculum, instruction, and the achievement of students.*"

The OPA Rise charter petition's failure to require college degrees of several key members of OPA's Executive Leadership team is incompatible with the OPA Rise charter petition's vision, as stated at page 13 of the OPA Rise charter petition, to "*establish a center for higher learning in Chino Valley Unified School District where students from transitional kindergarten (TK) to eighth grade are inspired to pursue university level academic studies*" and to "*create[] a collegiate-inspired atmosphere that supports [OPA Rise's] vision.*"

The CVUSD Board of Education therefore finds that the OPA Rise charter petition fails to contain a reasonably comprehensive description of the qualifications to be met by individuals employed by the proposed OPA Rise charter school, as required by Education Code section 47605(b)(5)(E),

D. The OPA Rise Charter Petition Fails To Contain A Reasonably Comprehensive Description Of The Procedures To Ensure The Health And Safety Of OPA Rise Pupils And Staff [Education Code Section 47605(b)(5)(F)]

California Code of Regulations, title 5, section 11967.5.1(f)(6) requires that "[t]he procedures that the school will follow to ensure the health and safety of pupils and staff, as required by Education Code section 47605(b)(5)(F), at a minimum:

(A) *Require that each employee of the school furnish the school with a criminal record summary as described in Education Code section 44237.*

(B) *Include the examination of faculty and staff for tuberculosis as described in Education Code section 49406.*

(C) *Require immunization of pupils as a condition of school attendance to the same extent as would apply if the pupils attended a non-charter public school.*

(D) Provide for the screening of pupils' vision and hearing and the screening of pupils for scoliosis to the same extent as would be required if the pupils attended a non-charter public school.”
(Emphasis added.)

While the OPA Rise charter petition states at page 110 that all faculty and staff will provide records documenting immunizations against appropriate diseases and tuberculosis clearance as required by Education Code section 49406, the OPA Rise charter petition fails to specifically state that the OPA Rise charter petitioners will comply with the requirements set forth in Education Code section 44830.1.

The OPA Rise charter petition also fails to require that contractors and consultants working on campus to show proof of tuberculosis testing within 60 days, as mandated by Education Code 49406.

The District notes that the California Department of Education explicitly identified these deficiencies in the September 30, 2017 OPA-Chino charter renewal petition in its report for the Advisory Commission on Charter Schools' April 5, 2017 meeting:

“The petition states that all faculty and staff will provide records documenting immunizations against appropriate diseases and tuberculosis clearance as required by EC Section 49406, but does not specifically state that it will comply with the requirements set forth in EC Section 44830.1 . . . However, the petition does not state that contractors and consultants working on campus will be required to show proof of tuberculosis testing within 60 days as mandated by EC Section 49406. Additionally, the petition does not state that volunteers will be required to have on file with OPACV a certificate showing that, upon initial volunteer assignment, the volunteer submitted a tuberculous risk assessment and if tuberculous risk was identified, was examined and found to be free of infectious tuberculosis.” (Emphasis added.)

The OPA Rise charter petitioners' failure to implement this technical amendment identified by the CDE despite their statement in the OPA Rise charter petition cover letter that “[t]his new charter incorporates the following proposed technical amendments from the CDE's petition review form: compliance with EC Section 49406 regarding volunteer and contractor tuberculosis assessment/testing (Element 6)” further evidences the OPA Rise charter petition's failure to provide a reasonably comprehensive description of the proposed OPA Rise charter school's procedures to ensure the health and safety of OPA Rise pupils and staff.

The CVUSD Board of Education therefore finds that the OPA Rise charter petition fails to contain a reasonably comprehensive description of the procedures to ensure the health and safety of OPA Rise pupils and staff, as required by Education Code section 47605(b)(5)(F).

E. The OPA Rise Charter Petition Fails To Contain A Reasonably Comprehensive Description Of The Means By Which The Proposed OPA Rise Charter School Will Achieve A Racial And Ethnic Balance Among Its Pupils That Is Reflective Of The General Population Residing Within The Territorial Jurisdiction Of The District. [Education Code Section 47605(b)(5)(G)]

Education Code section 47605(b)(5)(G) requires charter petitions to contain a reasonably comprehensive description of “*the means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.*”

The OPA Rise charter petition states at page 113 that “*Oxford Rise will strive to have a broad representation of student demographics similar to that of the District.*”

The OPA Rise charter petition fails to provide a reasonably comprehensive description of the means by which the proposed OPA Rise charter school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the Chino Valley Unified School District because “*a broad representation of student demographics similar to that of the District*” is not the legal standard required by Education Code section 47605(b)(5)(G).

The OPA Rise charter petition also states:

“Oxford Rise will use a multitude of strategies, prior to the open enrollment period each Spring and may also do so throughout the year, to communicate with local families, organizations, and community leaders in an effort to reach a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the Chino Valley Unified School District. For examples of previous outreach attempts, see Appendix N – Recruitment Efforts.”

However, OPA’s historical inability to “*achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction*” of:

- (1) The Capistrano Unified School District (“CUSD”) at the existing Oxford Preparatory Academy-South Orange County (“OPA-SOC”) charter school,
- (2) The Orange County Department of Education (“OCDE”) and Saddleback Valley Unified School District (“SVUSD”) at the existing Oxford Preparatory Academy-Saddleback Valley (“OPA-SV”) charter school, and
- (3) The Chino Valley Unified School District at the closed OPA-Chino charter school

demonstrates that the OPA Rise charter petitioners will be unable to achieve a racial and ethnic balance that is reflective of CVUSD’s general population at the proposed OPA Rise charter school.

(1) OPA-SOC’s inability to achieve a racial and ethnic balance among its pupils that is reflective of the general population residing in the CUSD

Chart 2 below demonstrates OPA’s failure to achieve a racial and ethnic balance among its OPA-SOC pupils that is reflective of the general population residing within the territorial jurisdiction of the Capistrano Unified School District:

Chart 2: CUSD Demographics compared to OPA-SOC (2014-2017)						
Demographics	CUSD			OPA-SOC		
School Year	14-15	15-16	16-17	14-15	15-16	16-17
African American	1.3%	1.4%	1.4%	0.7%	0.8%	0.9%
American Indian/Alaska Native	0.3%	0.2%	0.2%	0.4%	0.3%	0.4%
Asian	5.6%	5.7%	5.7%	10.3%	10.1%	10.2%
Filipino	1.8%	1.8%	1.8%	1.6%	1.8%	1.5%
Hispanic/Latino	25.6%	26%	26.3%	15.4%	15.1%	16.7%
Pacific Islander	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%
White	57.4%	57.3%	56.6%	1.2%	61.5%	60.0%
Two or more races	6.2%	6.4%	6.8%	8.5%	10.1%	10.3%
Not reported	1.7%	1.0%	1.1%	62.0%	0.0%	0.0%

*Source: CDE DataQuest

Chart 2 evidences a significant disparity between OPA-SOC’s Hispanic/Latino student population and the general population of students residing within the territorial jurisdiction of CUSD who are Hispanic/Latino. The percentage of Hispanic/Latino students enrolled at OPA-SOC is 9.6 points less than the Hispanic/Latino student population of the CUSD.

Chart 2 also shows a disparity between OPA-SOC’s Asian student population and the general student population of students residing within the territorial jurisdiction of CUSD who are Asian. OPA-SOC has almost twice the percentage of Asian student population that CUSD does.

OPA’s failure to “*achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction*” at OPA-SOC as compared to CUSD, as required by Education Code section 47605(b)(5)(G), is particularly concerning because OPA-SOC opened on September 6, 2011 and has been in operation for over six years.

Further, according to the CDE’s web-based data reporting system for publicly reporting information, DataQuest, OPA-SOC failed to report 62.0% of its student population demographics in the 2014-2015 school year, OPA-SOC’s fourth year of operation.

(2) OPA-SV's inability to achieve a racial and ethnic balance among its pupils that is reflective of the general population residing in OCDE and the SVUSD

There is also a marked difference in the percentage of Hispanic/Latino students enrolled at OPA-SV as compared to those within the territorial jurisdiction of OCDE and the SVUSD:

Chart 3: OCDE Demographics compared to OPA-SV (2014-2017)			
Demographics	OCDE	OPA-SV	SVUSD
School Year	16-17	16-17	16-17
African American	1.4%	3.5%	1.4%
American Indian/Alaska Native	0.3%	0.0%	0.2%
Asian	15.9%	14.8%	7.6%
Filipino	2.1%	2.5%	3.6%
Hispanic/Latino	49.1%	18.0%	34.7%
Pacific Islander	0.4%	0.5%	0.2%
White	26.9%	52.8%	45.7%
Two or more races	3.4%	7.8%	6.1%
Not reported	0.5%	0.0%	0.6%

*Source: CDE DataQuest

Chart 3 demonstrates OPA's inability to open a charter school with a student population reflective of either the general population of students residing within the territorial jurisdiction of the school district to which the charter school submitted its petition (SVUSD), or the general population of students residing within the territorial jurisdiction of the charter school's authorizer (OCDE).

Chart 3 shows a large disparity between OPA-SV's Hispanic/Latino student population and the general population of students residing within the territorial jurisdictions of the OCDE and SVUSD who are Hispanic/Latino. The percentage of Hispanic/Latino students enrolled at OPA-SV is 31.1 points less than the Hispanic/Latino student population of the OCDE and 16.7 points less than the Hispanic/Latino student population of the SVUSD.

Chart 3 further demonstrates a large disparity between OPA-SV's White student population as compared to the OCDE, and OPA-SV's Asian student population as compared to the SVUSD. The percentage of White students enrolled at OPA-SV is 25.9 points higher than the White student population of the OCDE, and the percentage of Asian students enrolled at OPA-SV is 7.2 points higher than the Asian student population of the SVUSD.

(3) OPA-Chino’s inability to achieve a racial and ethnic balance among its pupils that is reflective of the general population residing in the CVUSD

With regards to the OPA’s prior recruiting efforts, the OPA Rise charter petitioners and OPA Board of Directors failed to achieve demographics similar to the CVUSD at the now closed OPA-Chino charter school.

The OPA Rise charter petition Cover Letter states at page 1 states:

*“Thousands of Chino parents have spoken loud and clear in favor of our exceptional public charter school program for their children. Many of those children are the most under-served in traditional school models: students with disabilities, **socioeconomically disadvantaged students, English Learners, and students from various racial and ethnic pupil groups.** Our charter school will provide a safe, free, and public learning environment they simply cannot find elsewhere, where all students equally can thrive.”* (Bold emphasis added, underlined emphasis in original.)

However, Chart 4 below demonstrates OPA-Chino’s failed efforts to achieve a racial and ethnic balance among its former OPA-Chino pupils that was reflective of the general population residing within the territorial jurisdiction of the Chino Valley Unified School District:

Chart 4: CVUSD Demographics compared to OPA-Chino (2014-2017)						
Demographics	CVUSD			OPA-Chino		
School Year	14-15	15-16	16-17	14-15	15-16	16-17
African American	3.4%	3.4%	3.3%	2.7%	2.7%	2.2%
American Indian/Alaska Native	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Asian	12.6%	13.2%	14.2%	14.3%	13.8%	13.4%
Filipino	4.6%	4.6%	4.7%	5.4%	5.9%	5.9%
Hispanic/Latino	57.6%	57.8%	57.5%	47.5%	47.4%	49.5%
Pacific Islander	0.2%	0.2%	0.2%	0.1%	0.0%	0.0%
White	19.4%	18.6%	17.8%	0.0%	23.7%	22.1%
Two or more races	1.9%	2.0%	1.9%	4.8%	6.4%	6.9%
Not reported	0.1%	0.1%	0.1%	25.0%	0.0%	0.0%

*Source: CDE DataQuest

Chart 4 above shows that even in OPA-Chino’s seventh and final year of operation, OPA failed to “achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction” of the Chino Valley Unified School District, the same territorial jurisdiction that encompasses the proposed OPA Rise charter school.

The closed OPA-Chino charter school also failed to enroll a percentage of Socioeconomically-Disadvantaged pupils, English Learners, Homeless Youth at OPA-CV that was reflective of the CVUSD, even after seven years of operation within the CVUSD:

Chart 5: OPA-Chino’s Socioeconomically Disadvantaged, English Learner, and Homeless Youth Enrollment Compared to CVUSD		
	OPA-Chino	CVUSD
School Year	2016-2017	
Socioeconomically Disadvantaged	25.0%	47.4%
English Learner	5.1%	11.3%
Homeless Youth	0.0%	7.3%

*Source: CDE DataQuest

Chart 5 above evidences that even in OPA-Chino’s seventh and final year of operation, OPA-Chino failed to serve “[m]any of those children are the most under-served in traditional school models.” (OPA Rise charter petition Cover Letter, page 1.)

According to CDE’s web-based data reporting system for publicly reporting information, DataQuest, OPA-Chino failed to serve a single homeless or foster youth in the 2016-2017 school year.

Given the large percentage of Hispanic/Latino students currently served by the Chino Valley Unified School District, the District is concerned that the CDE DataQuest data shows the two existing and one closed OPA charter schools’ historical failure to serve Hispanic/Latino students.

The CVUSD Board of Education therefore finds that under Education Code section 47605(b)(5)(G), the OPA Rise charter petition fails to contain a reasonably comprehensive description of the method by which the proposed OPA Rise charter school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the CVUSD’s territorial jurisdiction.

F. The OPA Rise Charter Petition Fails To Contain A Reasonably Comprehensive Description Of The Proposed OPA Rise Charter School’s Admission Requirements [Education Code section 47605(b)(5)(H)]

Education Code section 47605(b)(5)(H) requires charter petitions to contain a reasonably comprehensive description of pupil admission requirements, if applicable.

California Code of Regulations, title 5, section 11967.5.1(f)(8) requires:

“To the extent admission requirements are included in keeping with Education Code section 47605(b)(5)(H), the requirements shall be in compliance with the requirements of Education Code section 47605(d) and any other applicable provision of law.”

Pages 117-118 of the OPA Rise charter petition set forth OPA Rise’s open enrollment and application process.

Education Code section 47605(d)(2)(A) mandates that “[a] charter school shall admit all pupils who wish to attend the school.”

However, the OPA Rise charter petition states the proposed OPA Rise charter school’s admission preferences at page 119 as:

“Admission preferences in the case of a public random lottery will be given to the following students in the order below:

- a. Currently enrolled students (exempt from lottery);*
- b. Siblings of currently enrolled students (**exempt from lottery**; the purpose of this exemption is to keep families together and is permissible if approved by the chartering authority pursuant to Education Code section 47605(d)(2)(B));*
- c. **Children of Oxford Rise staff and children of Founding Members combined (exempt from lottery; shall not exceed 10% of total enrollment);***
- d. Children residing within the District (3:1 weighting in lottery); and*
- e. If the Charter School is physically located in the attendance area of a District public elementary school in which at least 50% of the enrollment is eligible for free and reduced price lunch, then students currently enrolled in that school and students who reside in that elementary school attendance area will be given preference in accordance with Education Code Section 47605.3 (5:1 weighting in lottery)” (Emphasis added.)*

Education Code section 47605(d)(2)(B) states:

“If the number of pupils who wish to attend the charter school exceeds the school’s capacity, attendance, except for existing pupils

of the charter school, shall be determined by a public random drawing. Preference shall be extended to pupils currently attending the charter school and pupils who reside in the district except as provided for in Section 47614.5. Other preferences may be permitted by the chartering authority on an individual school basis and only if consistent with the law.”

Education Code section 47605(d)(2)(B) permits admission preferences at the discretion of the chartering authority on an individual school basis and only if consistent with the law.

Education Code section 47614.5(c)(2)(A) specifically provides for an admissions preference where:

“The charter schoolsite is located in the attendance area of a public elementary school in which 55 percent or more of the pupil enrollment is eligible for free or reduced-price meals and the charter schoolsite gives a preference in admissions to pupils who are currently enrolled in that public elementary school and to pupils who reside in the elementary school attendance area where the charter schoolsite is located.”

Therefore, the decision to permit a lottery admission preference for children of OPA Rise “faculty or staff and children of Founding Members” or “siblings of currently enrolled students” is to be made by the CVUSD Board of Education, as the OPA Rise charter petition correctly states at page 118: “this exemption . . . is permissible if approved by the chartering authority pursuant to Education Code 47605(d)(2)(B).”

The CVUSD Board of Education hereby declines to authorize any of the OPA Rise’s proposed admissions preferences that are not expressly provided for by the California Education Code, because the OPA Rise admission preferences are not consistent with sound educational practice.

The OPA Rise charter petition’s exemption of siblings of currently enrolled students and children of Oxford Rise staff and Founding Members prior from the public random lottery altogether violates the mandate under Education Code section 47605(d)(2)(B) that “[p]reference **shall be extended to pupils currently attending the charter school and pupils who reside in the district[.]**”

Education Code section 75 states: “‘shall’ is mandatory and ‘may’ is permissive.”

Under the OPA Rise charter petition’s illegal and unfair admissions preferences, students who reside in the CVUSD are denied an admission preference in favor of other students, including the children of OPA Rise staff members, the children of OPA Rise Founding Members and the siblings of enrolled OPA Rise students.

The extension of admissions preferences to children of OPA Rise staff members and/or OPA Rise Founding Members also violates Education Code section 49011(b)(4) because “*privileges related to educational activities*” (i.e. enrollment preference) are “*based on whether or not the school received money or donations of goods or services from a pupil or a pupil’s parents or guardians.*”

OPA Rise staff members and OPA Rise Founding Members provide OPA Rise with goods or services by way of their employment with and/or other support of OPA Rise.

Further, *Appendix L – Lottery Protocols* of the OPA Rise charter petition provides:

“With the exceptions listed above, all students who enrolled during the Open Enrollment Period will participate in one lottery.

Due to the “weighted” preference, an in-district student will have multiple entries whereas an out-of-district student would have only one (1) entry.

As the student names/numbers are randomly selected:

- *They will be displayed and recorded.*
- *If there is an opening for the student selected:*
 - *The student will be placed in their designated grade level;*
 - ***Siblings** will be placed, provided space is available, in their designated grade level; and*
 - ***Remaining siblings not placed in their designated grade levels will be placed on the Sibling Priority List at his/her grade level.*** (Emphasis added.)

The OPA Rise charter petition’s random public lottery procedures are internally inconsistent because the admissions preferences identified at page 119 of the OPA Rise charter petition **exempt** siblings from the public random lottery, while the procedures identified in *Appendix L* of the OPA Rise charter petition evidence that siblings are given a priority and can potentially be placed on an unexplained “*Sibling Priority List*.”

It is therefore unclear exactly which students are exempt from the OPA Rise public random lottery and which are provided enrollment preferences. Thus, the OPA Rise charter petition fails to provide a reasonably comprehensive description of the proposed OPA Rise charter school’s admission preferences.

The District also has concerns about OPA Rise’s proposed exemption of children of Founding Members Group from the public random lottery.

Appendix F – Founders of the OPA Rise charter petition provides the “*Founding Members Agreement*”, which states that “*Oxford Rise shall designate . . . Founders of the charter school who have contributed **substantial personal time, effort, and resources**, prior to or during the first year of operation[.]*”

The process by which parents become OPA Rise Founding Members is unclear.

The OPA Rise charter petition states:

*“The Executive Administration Team, along with Site Administrators and Coordinators will form a Founding Member Group Nomination Committee to review and recommend new Founding Member applicants. The Founding Member Group Nomination Committee **will review applications and recommend an individual who has displayed exceptional dedication to Oxford Rise at a formal Founding Member Nomination Committee meeting.** . . . In the event that the majority of the Founding Members Group Nomination Committee agree with the recommendation, . . . (1) The Founding Member Group Nomination Committee Secretary . . . **will provide the recommended individual with a Founding Member’s application to complete[.]**”* (Emphasis added.)

Under OPA Rise’s “*Process for Adding New Founding Members*,” parents complete a Founding Member’s application after a recommendation by the Founding Member Nomination Committee; however, the Founding Member Nomination Committee makes recommendations based on parent applications.

Moreover, because parents may not be aware of the “*formal Founding Member Committee meeting[s]*” unless a member of OPA Rise’s Executive Administration Team, a Site Administrator, or a Coordinator specifically informs them, there exists a strong possibility that only the parents who remained dedicated and loyal to the closed OPA-Chino charter school will be informed of these committee meetings and have an opportunity to become OPA Rise Founding Members.

Parents must also sign the Founding Members Agreement, which requires a significant amount of volunteer hours through attending bi-monthly meetings, participating or working at OPA Rise events, serving on at least one major OPA Rise start-up committee, attending training, and supporting decisions made by the majority of the founding members.

The OPA Rise Founding Members Agreement states that “[e]ach members must give **adequate time and effort** . . . to ensure Oxford Rise’s vision, mission, and values are communicated effectively throughout the community.”

It is unclear what the “adequate” amount of “time and effort” is for parents wanting an exemption from OPA Rise’s public random lottery. The only explanation the OPA Rise “Founding Members Agreement” regarding the required time commitment is that “[t]he role of a Founding Member generally requires a commitment of availability for several nights and weekends”, in addition to the bi-monthly meetings.

While the OPA Rise Founding Members Agreement states that “[d]esignation as a charter school founder will not be conferred upon any individual due solely to a significant financial donation to the school”, the Founding Members Agreement requires that parents:

“Use personal and professional contacts and expertise for the financial, political, and organizational benefit of Oxford Rise.”
(Emphasis added.)

The District is concerned that this preference could give an unfair advantage to pupils whose parents can donate significant time and resources and are well-connected to people or organizations that can benefit the proposed OPA Rise charter school, to the detriment of prospective OPA Rise students within the territorial jurisdiction of the CVUSD denied admission because of the Founding Members preference.

The CDE’s report to the Advisory Commission on Charter Schools regarding the unsuccessful OPA-Chino’s September 30, 2017 charter renewal petition confirms the District’s concerns:

“Parents can become founding members only through recommendation by a current founding member. Parents must have their applications approved by the founding member group review committee and the OPA Executive Director, and must sign a Founding Member Agreement, which requires a significant amount of volunteer hours through attending bi-monthly meetings, participating or working at OPACV events, serving on at least one major OPACV start-up committee, attending training, and supporting decisions made by the majority of the founding members. Founding members can be removed if they fail to adhere to the agreement and their pupil will lose preferential enrollment status (Attachment 5, pp. 69–74). The CDE finds that this preference potentially could give an unfair advantage to pupils whose parents are able to donate a significant amount of time and resources to the OPACV.” (Emphasis added.)

The CVUSD Board of Education therefore finds that the OPA Rise charter petition’s admission requirements are not in compliance with Education Code section 47605(d), and that the OPA Rise charter petition therefore fails to contain a reasonably comprehensive description of the pupil admission requirements for the proposed OPA Rise charter school, as required by Education Code section 47605(b)(5)(H).

G. The OPA Rise Charter Petition Fails To Contain A Reasonably Comprehensive Description Of The Procedures By Which Pupils Can Be Suspended Or Expelled. [Education Code section 47605(b)(5)(J)]

Education Code section 47605(b)(5)(J) requires that the OPA Rise charter petition contain a reasonably comprehensive description of “[t]he procedures by which pupils can be suspended or expelled.”

California Code of Regulations, title 5, section 11967.5.1(f)(10) requires that charter petition suspension and expulsion procedures at a minimum:

“(A) Identify a preliminary list, subject to later revision pursuant to subparagraph (E), of the offenses for which students in the charter school must (where non-discretionary) and may (where discretionary) be suspended and, separately, the offenses for which students in the charter school must (where non-discretionary) or may (where discretionary) be expelled, providing evidence that the petitioners reviewed the offenses for which students must or may be suspended or expelled in non-charter public schools.

(B) Identify the procedures by which pupils can be suspended or expelled.

(C) Identify the procedures by which parents, guardians, and pupils will be informed about reasons for suspension or expulsion and of their due process rights in regard to suspension or expulsion.

(D) Provide evidence that in preparing the lists of offenses specified in subparagraph (A) and specified in subparagraphs (B) and (C), the petitioners reviewed the lists of offenses and procedures that apply to students attending non-charter public schools, and provide evidence that the charter petitioners believe their proposed lists of offenses and procedures provide adequate safety for students, staff, and visitors to the school and serve the best interests the school's pupils and their parents (guardians).

(E) If not otherwise covered under subparagraphs (A), (B), (C), and (D):

1. Provide for due process for all pupils and demonstrate an understanding of the rights of pupils with disabilities in regard to suspension and expulsion.

2. Outline how detailed policies and procedures regarding suspension and expulsion will be developed and periodically reviewed, including, but not limited to, periodic review and (as

necessary) modification of the lists of offenses for which students are subject to suspension or expulsion.” (Emphasis added.)

The proposed OPA Rise charter school’s suspension and expulsion policies fail to “*demonstrate an understanding of the rights of pupils with disabilities in regard to suspension and expulsion*” and deny OPA Rise pupils with disabilities their legal right to due process as required by California Code of Regulations, title 5, section 11967.5.1(f)(10).

This is because the OPA Rise charter petition states at page 132:

“The pupil will have no right of appeal from expulsion from the Charter School as the Oxford Preparatory Academy Board of Director’s decision to expel will be final.”

The proposed OPA Rise charter school’s failure to provide pupils an opportunity to be heard on appeal clearly violates OPA Rise pupils’ due process rights under California Code of Regulations, title 5, section 11967.5.1(f)(10)(E)(1), which requires that charter petitions provide for due process for all pupils.

The proposed OPA Rise charter school’s suspension and expulsion policies also deny OPA Rise’s students with disabilities their legal right to due process because the OPA Rise charter petition fails to comply with federal law governing the procedures for a “*manifestation determination*.”

Code of Federal Regulations, title 34, section 300.530(e) states:

“(e) Manifestation determination. (1) Within 10 school days of any decision to change the placement of a child with a disability because of a violation of a code of student conduct, the LEA, the parent, and relevant members of the child’s IEP Team (as determined by the parent and the LEA) must review all relevant information in the student’s file, including the child’s IEP, any teacher observations, and any relevant information provided by the parents to determine—

(i) If the conduct in question was caused by, or had a direct and substantial relationship to, the child’s disability; or

(ii) If the conduct in question was the direct result of the LEA’s failure to implement the IEP.

(2) The conduct must be determined to be a manifestation of the child’s disability if the LEA, the parent, and relevant members of the child’s IEP Team determine that a condition in either paragraph (e)(1)(i) or (1)(ii) of this section was met.

(3) If the LEA, parent, and relevant members of the child’s IEP Team determine the condition described in paragraph (e)(1)(ii) of this section was met, the LEA must take immediate steps to remedy those deficiencies.” (Emphasis added.)

The OPA Rise charter petition fails to state that the proposed OPA Rise charter school will comply with the Code of Federal Regulations, title 34, section 300.530(e)(3)’s requirement that “*immediate steps*” will be taken “*to remedy [the] deficiencies*” of the OPA Rise charter school’s failure to implement the IEP.

The OPA Rise charter petition also states at page 128:

“If it is determined by the Administrative Panel and/ or Board of Directors that a student has brought a fire arm or destructive device, as defined in Section 921 of Title 18 of the United States Code, on to campus or to have possessed a firearm or dangerous device on campus, the student will be expelled for one year, pursuant to the Federal Gun Free Schools Act of 1994.” (Emphasis added.)

The OPA Rise charter petitioners are correct that the Federal Gun Free Schools Act of 1994 requires “*local educational agencies to expel from school for a period of not less than 1 year a student who is determined to have brought a firearm to a school.*” (20 U.S.C. § 7961(b)(1).)

However, the OPA Rise charter petition fails to comply with the Gun-Free Schools Act’s requirement that schools have “*a policy requiring referral to the criminal justice or juvenile delinquency system of any student who brings a firearm or weapon to a school served by such agency.*” (20 U.S.C. § 7961(h). The OPA Rise charter petition therefore fails to comply with federal law.

The CVUSD Board of Education therefore finds that the OPA Rise charter petition’s pupil suspension and expulsion procedures fail to meet the minimum requirements of California Code of Regulations, title 5, section 11967.5.1(f)(10), and the OPA Rise charter petition therefore fails to contain a reasonably comprehensive description of the pupil suspension and expulsion policies and procedures to be used at the proposed OPA Rise charter school, as required by Education Code section 47605(b)(5)(J).

H. The OPA Rise Charter Petition Fails To Meet The Minimum Requirements For Providing A Reasonably Comprehensive Description Of Dispute Resolution Procedures. [Education Code section 47605(b)(5)(N)]

Education Code section 47605(b)(5)(N) requires charter petitions to include the “*procedures to be followed by the charter school and the entity granting the charter to resolve disputes relating to provisions of the charter.*”

The OPA Rise charter petition fails to provide a reasonably comprehensive description of its dispute resolution procedures because the OPA Rise charter petition does not clearly define

“controversy,” “claim” or “dispute” as the terms are used in the OPA Rise charter petition’s description of dispute resolution procedures.

Page 140 of the OPA Rise charter petition states: “*Internal disputes at Oxford Rise, including disputes among students, staff, parents, and Corporate Board members, will be resolved pursuant to the policies and processes developed by the school to be included in the Oxford Rise Informational Handbook.*”

However, the OPA Rise charter petition fails to contain the “*Informational Handbook*” containing the “*policies and procedures*” that will be used to resolve such disputes.

The OPA Rise charter petition also fails to define “*internal disputes*” that will be resolved under the school’s internal policies, including whether complaints of bullying, unauthorized student fees, or other complaints constitute “*internal disputes*.”

The OPA Rise charter petition also unlawfully attempts to limit the lawful expression of free speech by providing at page 139:

“*Both parties will not make public comment during this process.*”

Additionally, Education Code section 47605(b)(5)(N) requires the OPA Rise charter petition to describe the “*procedures to be followed by the charter school and the entity granting the charter to **resolve** disputes relating to provisions of the charter.*” (Emphasis added.)

The OPA Rise charter petition states at page 139:

“*If the dispute remains unresolved after mediation, both Oxford Rise and the District will be deemed to have exhausted their administrative remedies, thus allowing either party to pursue any further legal remedy under the law.*”

The OPA Rise charter petition fails to provide procedures to actually **resolve** disputes because there may be no “*further legal remedy under the law*” to resolve the dispute.

Further, the OPA Rise charter petition states at page 139 that “*either party **may request** that matters be resolved by mediation,*” but then states at page 140 that “*Any party who fails or refuses to submit to mediation will bear all costs and expenses incurred by such other party in compelling mediation of any controversy, claim, or dispute.*”

By stating that either party “*may request*” mediation, the OPA Rise charter petition suggests that participation in the mediation process is voluntary.

However, by next stating that “*any party who fails or refuses to submit to mediation will bear all costs and expenses incurred by such other party in compelling mediation of any controversy, claim, or dispute,*” the OPA Rise charter petition imposes financial penalties on the party refusing to submit to mediation, indicating that mediation is instead effectively mandatory.

The CVUSD Board of Education therefore finds that the OPA Rise charter petition fails to provide a reasonably comprehensive description of the proposed OPA Rise charter school's dispute resolution procedures, as required by Education Code section 47605(b)(5)(N).

NOW THEREFORE, BE IT FURTHER RESOLVED that the terms of this Resolution are severable. Should it be determined that one or more of the findings and/or the factual determinations supporting the findings are invalid, the remaining findings and/or factual determinations and the denial of the September 8, 2017 OPA Rise charter petition shall remain in full force and effect. In this regard, the CVUSD Board of Education specifically finds that each factual determination, in and of itself, is a sufficient basis for the finding it supports, and that each such finding, in and of itself, is a sufficient basis for denial.

The foregoing Resolution No. 2017/2018-27 was considered, passed and adopted by this Board at its regular meeting of November 2, 2017.

DENYING THE SEPTEMBER 8, 2017 OXFORD PREPARATORY ACADEMY RISE CHARTER SCHOOL PETITION.

AYES: NOES: ABSENT: ABSTAIN:

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

Wayne M. Joseph, Secretary, Board of Education of the Chino Valley Unified School District of San Bernardino County, California, hereby certifies that the above foregoing Resolution was duly and regularly adopted by said Board at a regular meeting thereof held on the 2nd of November 2017 and passed by a _____ vote of said Board.

IN WITNESS WHEREOF I have hereunto set my hand and seal this November 2, 2017.

Wayne M. Joseph
Secretary, Board of Education

Exhibit A

PAUL S. HORVAT
Certified Public Accountant
6786 Angus Drive
La Verne, CA 91750

Telephone (909) 240-2843
Fax (909) 593-4512
phorvat_cpa@yahoo.com

October 25, 2017

Members of the Chino Valley Unified School District Board of Education
Mr. Wayne Joseph
Superintendent
Chino Valley Unified School District
5130 Riverside Drive
Chino, CA 91710

Re: Review and Analysis of the Oxford Preparatory Academy – Rise Charter Petition and Budget as Submitted on September 8, 2017

Dear Members of the Chino Valley Unified School District Board of Education and Mr. Joseph:

Thank you for providing the Oxford Preparatory Academy - Rise (OPA-RISE) September 8, 2017 charter school petition and Budget for my review.

As you requested, I have reviewed the OPA-RISE September 8, 2017 charter school petition and Budget as submitted by the OPA-RISE charter petitioners.

My findings after my review and analysis are presented in this report.

EXECUTIVE SUMMARY

After a comprehensive review of the Oxford Preparatory Academy – Rise charter petition and Budget as submitted to the Chino Valley Unified School District on September 8, 2017, I conclude that the Oxford Preparatory Academy-Rise charter petition's Budget presents an unrealistic financial and operational plan for the proposed Oxford Preparatory Academy - Rise charter school.

My findings can be summarized as follows:

- 1) The September 8, 2017 OPA-RISE charter petition includes an unrealistic and unsupported enrollment of 1,226 students in the 2018-19 budget (Year 1). The OPA-RISE charter petitioners failed to present any comparative benchmark or historical data from charter schools or school districts of similar type, size, and location.
- 2) The OPA-RISE Budget at Expenditures lists 2017-18 Year 0 expense amounts of \$109,958 and \$102,083 for Certificated and Classified Salaries respectively; however, no Certificated and Classified Budgeted Full Time Equivalent (FTE) employees are identified. Therefore, this analysis cannot determine if Year 0 Certificated and Classified salaries should be zero or \$109,958 and \$102,083.

The OPA-RISE charter petition Budget failed to present any detailed Staffing and Benefits schedules or a position control report describing the medical and retirement benefits each staffing category or classification of employee will receive.

- 3) The OPA-RISE Cash Flow Monthly Detail report identifies that as of July 2017 there is a prior year payable of \$1,299,047.

Neither the OPA-RISE charter petition nor Budget present any budget notes or assumptions explaining how a new start-up charter school can have a \$1,299,047 prior year payable liability when the charter school was not in existence in the prior year.

Why OPA-RISE is responsible for such a liability and what the liability represents is not disclosed by the OPA-RISE charter petition or Budget.

- 4) The OPA-RISE charter petition's Budget fails to present sufficient detailed Budget notes that clearly describe OPA-RISE financial budget projections as is required by California Code of Regulations, Title 5, section 11967.5.1(c)(3)(B).

OPA-RISE fails to provide necessary supplementary information describing how the proposed OPA-RISE charter school's revenues, costs, and cash flows were projected, either through historical data or comparative analytics from other charter schools or school districts of similar type, size and location.

- 5) The OPA-RISE charter petition's Budget fails to specify the required criteria for the selection of contractors as required by California Code of Regulations, Title 5, section 11967.5.1(c)(3)(A).

The OPA-RISE Budget notes fail to identify and present the names and detailed descriptions of the services to be provided by OPA-RISE's budgeted professional and consulting service providers, especially those vendors that may be affiliated or related to the OPA-RISE charter petitioners in any way.

- 6) The OPA-RISE charter petition Budget's facilities expense information and Budget failed to conform to California Code of Regulations, Title 5 section 11967.5.1(c)(3)(D) and therefore presents an unrealistic financial and operational plan for the proposed charter school.
- 7) The OPA-RISE charter petitioners fail to provide detailed explanations or budget notes and assumptions describing the beginning cash balance of \$1,080,782 in their Cash Flow reports.

The OPA-RISE charter petitioners also failed to provide any budget notes under cash flow year-end accruals and failed to explain why no accruals for expenses are included.

The OPA-RISE charter petitioners budgeted \$8,000 per month in Other Local Revenue for the Champion Village afterschool program; however, OPA-RISE charter petitioners failed to explain how this monthly amount was determined and how they know that the amount will be \$8,000 every month.

- 8) The OPA-RISE charter petition's Budget failed to identify special education encroachment costs in the OPA-RISE Budget or to explain why special education encroachment costs are not budgeted. Unbudgeted special education encroachment costs were calculated as \$1,001,176.
- 9) The OPA-RISE charter petition and budget fail to present any budget assumptions or notes explaining how a new start-up charter school can have a \$2,487,499 prior year beginning fund balance in Year 0 when the charter school was not in existence in the prior year.

Why the OPA-RISE Budget has a \$2,487,499 Year 0 beginning fund balance and what the fund balance represents failed to be disclosed by the OPA-RISE charter petitioners.

- 10) The OPA-RISE Budget may be a compilation of multiple previous charter petition budgets, budget notes and assumptions.

OPA-RISE's Budget notes at page 4 of 22 identifying "RWCC" and OPA-RISE budget notes at page 12 of 22 identifying "OPOCVNC" represent evidence that the OPA-RISE charter petition Budget may consist of budget notes assumptions and amounts specific to other previously published charter school petitions.

Therefore, the OPA-RISE Budget cannot be relied on.

- 11) OPA to date has not yet issued the OPA-Chino closure audit required by Education Code Section 47605(b)(5)(0).

Although OPA has had since July 24, 2017 to complete a final closure audit of OPA-Chino's financial records, the CVUSD has not received a closure audit report as of the date of this report.

An OPA-Chino closure audit would have presented an independently audited financial report of the disposition of OPA-Chino's assets, liabilities and financial condition and provided a basis for the OPA-RISE Budget.

OPA's failure to present an OPA-Chino closure audit report within the OPA-RISE charter petition:

- Continues OPA's history of a lack of financial transparency, and
- Creates doubt as to the validity of the OPA-RISE budget.

- 12) The OPA-RISE charter petitioners have a past history of involvement in the unsuccessful OPA-Chino charter school such that they fail to conform to California Code of Regulations, Title 5 section 11967.5.1(c)(1) and therefore are demonstrably unlikely to successfully implement the proposed OPA-RISE charter school program.

Additionally, despite the OPA-RISE charter petition's statement that "*This new charter is a clean slate,*" OPA has failed to address all of the concerns stated in the November 22, 2016 FCMAT report.

- The OPA-RISE charter petitioners and the Oxford Preparatory Academy Board of Directors consist of many of the same individuals who were involved as charter petitioners and Board of Directors members of the now closed, non-renewed OPA-Chino charter school.
- OPA-Chino was not renewed by the Chino Valley Unified School District (CVUSD) in part, because of the financial findings in the Fiscal Crisis & Management Assistance Team (FCMAT) AB139 Extraordinary Audit report dated November 22, 2016. The FCMAT report recommendation concluded that "fraud, misappropriation of assets or other illegal activities may have occurred."
- The FCMAT report and OPA's own auditor, Vicenti, Lloyd & Stutzman have stated that OPA should reissue OPA's 2013-2016 audit reports with disclaimed audit opinions.
- A disclaimed audit opinion results because of a material departure from Generally Accepted Accounting Principles (GAAP).
- A departure from GAAP exists because OPA's auditor was not granted access to Edlighten Learning Solutions' (ELS) financial records. ELS was OPA's charter management organization which controlled OPA.
- To date the 2013-2016 audit reports for OPA still have not been reissued with disclaimed audit opinions.

CHINO VALLEY UNIFIED SCHOOL DISTRICT STANDARDS FOR REVIEWING THE OXFORD PREPARATORY ACADEMY – RISE CHARTER PETITION AND BUDGET

The Chino Valley Unified School District’s (CVUSD) standards for reviewing charter petitions comply with Education Code 47605(g) and the California Code of Regulations, Title 5, sections 11960-11969.

Education Code Section 47605(g) states, *“The governing board of a school district shall require that the petitioner or petitioners provide information regarding the proposed operation and potential effects of the charter school, including, but not limited to, the facilities to be used by the school, the manner in which administrative services of the school are to be provided, and potential civil liability effects, if any, upon the school and upon the school district. The description of the facilities to be used by the charter school shall specify where the school intends to locate. The petitioner or petitioners shall also be required to provide financial statements that include a proposed first-year operational budget, including startup costs, and cash flow and financial projections for the first three years of operation.”*

The California Code of Regulations (“CCR”) identifies the critical importance in the charter petition review process of a charter school’s budget, budget notes and assumptions at Title 5, Subchapter 19-Charter Schools, Article 2-General Provisions.

CCR, Title 5, section 11967.5.1(c)(3)(B) states that an unrealistic financial and operational plan for the proposed charter exists when the charter or supporting documents do not adequately include:

1. *“[A]t a minimum, the first-year operational budget, start-up costs, and cash flow, and financial projections for the first three years.*
2. *Include in the operational budget reasonable estimates of all anticipated revenues and expenditures necessary to operate the school, including, but not limited to, special education, based, when possible, on historical data from schools or school districts of similar type, size, and location.*
3. *Include budget notes that clearly describe assumptions on revenue estimates, including, but not limited to, the basis for average daily attendance estimates and staffing levels.*
4. *Present a budget that in its totality appears viable and over a period of no less than two years of operations provides for the amassing of a reserve equivalent to that required by law for a school district of similar size to the proposed charter school.*
5. *Demonstrate an understanding of the timing of the receipt of various revenues and their relative relationship to timing of expenditures that are within reasonable parameters, based, when possible, on historical data from schools or school districts of similar type, size, and location.”*

My findings, after a comprehensive review and analysis of the OPA-RISE charter petition and Budget are as follows:

1. Unrealistic and Unsupported Enrollment

The September 8, 2017 OPA-RISE charter petitioners present an enrollment of 1,226 students in their 2018-19 Budget (Year 1). According to the CVUSD, the enrollment of 1,226 students matches the non-renewed OPA-Chino’s 2016-2017 final year enrollment. The OPA-RISE charter petitioners fail to present any Budget Notes or Budget Assumptions describing in detail how the OPA-RISE charter petitioners can know they will achieve exactly the same enrollment as the non-renewed OPA-Chino charter school.

The OPA-RISE charter petitioners wrote at Appendix A page 2 of 22 that:

“Oxford operated a school in Chino for 5 years ending in 2017 that was at full enrollment each year with a robust waitlist, and, therefore, has high confidence in its ability to recruit and enroll this level of students based on its historical success and the substantial waitlists that were maintained”.

By not presenting any comparative enrollment documentation supporting OPA-RISE’s Year 1 enrollment, the enrollment cannot be confirmed and presents an unrealistic projected enrollment. The OPA-RISE charter petitioners are associated with the non-renewed OPA-Chino charter school which was identified in the November 22, 2016 FCMAT audit of OPA-Chino as an organization where fraud, misappropriation of assets or other illegal activities may have occurred.

Because of OPA-RISE’s association with OPA and OPA-Chino, OPA-RISE should have, but failed to document and explain in detail how OPA-RISE can know the same enrollment of 1,226 students of the non-renewed OPA-Chino charter school will enroll in OPA-RISE. Further, the OPA-RISE charter petitioners also failed to provide any evidence that the projected OPA-RISE enrollment in Year 1 can be achieved in Fall 2018 when the previous OPA-Chino charter school will have been closed for over one year.

Detailed Budget Notes and Assumptions are a critical component of the basis upon which approval of the OPA-RISE charter petition is granted. The OPA-RISE charter petitioners failed to provide in their charter petition Budget any historical experience or Budget analysis comparing OPA-RISE and other start-up charter school budgets in California with the proposed OPA-RISE Budget.

2. Deficient and Conflicting Certificated and Classified Staffing Schedules

The OPA-RISE Budget at page 5 Total Compensation – Salaries and Employee Benefits states:

“OXFORD RISE’s teacher staffing levels are based upon enrollment projections. Ratios of Certificated Staff to Students is expected to be approximately 27:1 over the course of the full 5 years of operations. However, that ratio is slightly below 21:1 when including all staff who are in Student/Program support roles.”

The OPA-RISE Budget at Table F, Summary of Projected Expenses, lists the following 2017-18, Year 0, expense amounts of \$109,958 and \$102,083 for Certificated and Classified Salaries respectively:

OPA-RISE Budget

Table F: Summary of Projected Expenses

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Summary of Projected Expenses						
Certificated Salaries	\$109,958	\$3,151,150	\$3,196,467	\$3,242,464	\$3,289,151	\$3,336,538
Classified Salaries	102,083	1,708,372	1,733,998	1,760,008	1,786,408	1,813,204
Employee Benefits	99,634	1,546,359	1,649,521	1,719,561	1,731,241	1,740,861
Total Compensation	\$311,675	\$6,405,882	\$6,579,986	\$6,722,034	\$6,806,801	\$6,890,603

However, on page 6 of the OPA-RISE Budget at Table G, as below shows there are no Certificated and Classified Budgeted Full Time Equivalent (FTE) employees.

Table G: Teachers – Instructional Staff Ratio

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Instructional Staff Ratio						
School Attendance (includes 50% of Independent Study)		1,126	1,126	1,126	1,126	1,126
Certificated Teachers (including SPED)		37	37	37	37	37
Certificated Pupil Support (FTE)		2	2	2	2	2
Classified Instructional Support (FTE)		15.1	15.1	15.1	15.1	15.1
Total Instructional Staff		54.1	54.1	54.1	54.1	54.1
<i>Student : Instructional Staff Ratio</i>		<i>20.8</i>	<i>20.8</i>	<i>20.8</i>	<i>20.8</i>	<i>20.8</i>

Therefore, this analysis cannot determine if the OPA-RISE Year 0 Certificated and Classified salaries should be zero or \$109,958 and \$102,083.

Still other OPA-RISE salary costs Budget deficiencies are:

- The OPA-RISE Budget at page 5 states:

“Total compensation costs (salary and benefits) remain relatively constant at just approximately 65-66% of total expenditures for all operating years 1-5. “Compensation” includes the salary costs of all staff, including those who work full-time and part-time, and includes all staff benefits including social security, STRS, PERS, Medicare, and workers’ compensation.”

However, OPA-RISE fails to provide detailed compensation costs, Staffing and Benefits schedules, or position control analysis.

Because only average salaries and no position control or Payroll and Staffing Detail schedule documentation were provided, this analysis cannot determine which positions the OPA-RISE charter petitioners have budgeted for or not budgeted for.

3. Deficient Employee Benefits Schedules

The OPA-RISE charter petition Budget fails to present any detailed Staffing and Benefits schedules or position control report describing the medical and retirement benefits each staffing category or classification of OPA-RISE employees will receive.

The OPA-RISE Budget at page 8 states:

“... most benefits are statutory and are determined by either state or federal mandate and are based on current rate factors.”

However, the OPA-RISE Budget failed to describe:

- How OPA-RISE’s Health & Welfare Benefits 2018-19 costs of \$484,125, STRS retirement costs of \$513,007 and PERS retirement costs of \$302,382 were determined
- Which OPA-RISE employees qualify as eligible employees for medical and retirement benefits

- Which classifications of OPA-RISE employees will receive medical or retirement benefits or why certain OPA-RISE employees will not be eligible for medical or retirement benefits
- What OPA-RISE's federal statutory benefits will be, what OPA-RISE's state statutory benefits will be and what OPA-RISE's discretionary employee benefits will be
- Which health plans will be offered by the proposed OPA-RISE charter school
- How OPA-RISE determined health and welfare and retirement benefits for each classification of OPA-RISE employee
- How OPA-RISE employees will qualify and vest for health and welfare and retirement benefits, and
- How OPA-RISE's projected per employee benefits costs compare to other similar charter school's or school district's employee benefits costs.

5 CCR section 11967.5.1(c)(3)(B) requires the OPA-RISE charter petitioners to present detailed budget notes and assumptions that clearly describe how all of OPA-RISE's budget amounts were determined.

OPA-RISE should have, but failed to, present detailed Budget notes and assumptions, and documentation based on historical data from charter schools or school districts of similar type, size, and location for its enrollment, staffing, and health and welfare benefits.

4. OPA-RISE Unexplained Prior Year Payable Liability of \$1,299,047

The OPA-RISE charter petition cover letter dated September 8, 2017 states that the charter petition is for the establishment of OPA-RISE which will be a *"a new public charter school."*

The OPA-RISE charter petition's budget at Appendix A, page 17 of 22 presents the year zero 2017-2018 Cash Flow Monthly Detail report.

However, the Cash Flow Monthly Detail report identifies that as of July 2017 that OPA-RISE has a prior year payable of \$1,299,047. Neither the OPA-RISE charter petition nor the OPA-RISE Budget present any Budget assumptions or notes explaining how a new start-up charter school can have a \$1,299,047 prior year payable liability when the charter school was not in existence in the prior year.

Why OPA-RISE is responsible for a \$1,299,047 liability and what the liability represents failed to be disclosed by the OPA-RISE charter petitioners.

Under California Code of Regulations, Title 5, section 11967.5.1, the OPA-RISE charter petitioner's failure to present any budget notes or assumptions and documentation supporting the unexplained liability balance means the OPA-RISE charter petitioners have presented an unrealistic financial plan for the proposed OPA-RISE charter school.

5. Insufficient Budget Notes and Budget Assumptions

Detailed Budget Notes and supporting schedules are a critical component of constructing and implementing a charter school budget.

Explaining throughout OPA-RISE's Budget how OPA-RISE arrived at each of its presented Budget line item amounts would have demonstrated that the OPA-RISE charter petitioners are competent, transparent, understand financial accounting, the timing of charter school cash flow, and how OPA-RISE will receive and spend the

proposed OPA-RISE charter school's funds. However, the OPA-RISE charter petitioners failed to provide the detailed budgetary explanations required by 5 CCR section 11967.5.1(c)(3)(B).

For example, at page 5 of 22, the OPA-RISE Budget under Other Local Revenues states:

“OXFORD RISE will operate an after-school program called Champion Village. Prior experience indicates that it can expect to receive approximately \$80,000 per year from participants.”

The OPA-RISE charter petition, and Budget failed to present any other charter school or similar education agency historical data of similar type, size, and location supporting how the OPA-RISE charter petitioners determined they will receive “\$80,000 per year from participants” in the Champion Village program.

6. Deficient Account Level Budget Notes

The OPA-RISE charter petitioners failed to provide detailed explanations or Budget notes and assumptions describing how they arrived at OPA-RISE's expenditure costs. Each budgeted cost line item should describe in detail how each amount was determined.

Examples of OPA-RISE expenditures that the OPA-RISE charter petitioners failed to provide detailed explanations or Budget notes and assumptions supporting the Budgeted amount for are:

a. Unexplained Other Expenses:

- SPED Consultants at \$90,000

The OPA-RISE Budget notes state:

- a) *“Many of the operating cost projections are based upon historical averages experienced at other Oxford Schools, such as communication costs, utilities, insurance, rent, and copier lease costs. Costs for insurance are an enrollment based allocation of Oxford's commercial insurance package that covers all Oxford schools.”*

However, there is no documentation presented within the OPA-RISE charter petition Budget or Budget notes documenting the OPA-RISE charter petitioners' operating cost experience at other Oxford schools.

- b) *“Special Education Consultant costs include all outside service provider costs estimated at \$90,000 per year (plus COLA adjustments after year 1). This includes psychological, speech language and occupational therapy services to OXFORD RISE's students with IEPs. These costs are based on historical experience at Oxford schools.”*

However, there is no documentation presented within the OPA-RISE charter petition Budget or Budget notes documenting the OPA-RISE charter petitioners' outside service provider costs experience at other Oxford schools.

Transparent and detailed descriptions of all professional and consulting service providers, especially information identifying any affiliated or related service providers, should have been but failed to be presented in OPA-RISE's charter petition or Budget notes.

b. Unexplained Professional Services:

- Legal and General Consulting at \$360,000 and \$60,000

The OPA-RISE charter petitioners failed to describe how they determined that OPA-RISE's Budgeted legal and general consulting amounts are sufficient. The OPA-RISE Budget notes also fail to identify the law firm(s), consultant(s), accountant(s), auditors, technology service providers, etc. services on which OPA-RISE's costs are based; and whether any of the consultants are affiliated or related parties to any of the OPA-RISE charter petitioners.

Because the November 22, 2016 FCMAT report identified significant deficiencies concerning OPA failing to identify related parties, the OPA-RISE charter petition and Budget and notes should have but failed to fully disclose the individuals and consultants associated with \$420,000 (\$360,000 + \$60,000 = \$420,000) of legal and general consulting costs.

OPA-RISE's professional, consulting, and contracted services, including auditors, attorneys, and other service providers, should have been but failed to be fully disclosed within the OPA-RISE charter petition or Budget. The identities of all OPA-RISE's consultants and their service companies, and as much of the following information as is known to the OPA-RISE charter school petitioners should have but failed to be included in the OPA-RISE charter petition and Budget:

- i. The names of all individual professionals, consultants and service companies,
- ii. The Internal Revenue Service income tax form, under which the individual and/or organization files federal income taxes, such as 1120 Corporation or 990 Not-for-Profit, etc.
- iii. State of incorporation,

(This is particularly important because according to the November 22, 2016 FCMAT report, OPA-Chino engaged in undisclosed related party transactions with an out-of-state Nevada vendor who was the son of OPA's founder.)
- iv. How long the service companies and individuals have been in business, copies of professional licenses, and areas of expertise,
- v. Number of California clients served and references from a representative sample of California clients,
- vi. Names and relationships of principals and full disclosure of any pre-existing relationships or potential conflicts of interest with any of the OPA-RISE charter school petitioners or OPA-RISE staff members,
- vii. The financial terms of each attorney, consultant and service company contract with the proposed OPA-RISE charter school petitioners, as well as comparison data from other similar service companies such as service cost agreements, fee agreements, etc.,
- viii. Copies of actual or prospective MOU's and contracts between each attorney, consultant and service companies and the proposed OPA-RISE charter school,
- ix. Contract termination rights of the proposed OPA-RISE charter school, if any,
- x. Organizational and operational contract terms between the service companies and the proposed OPA-RISE charter school, and
- xi. All service company and consultant's employee's limits of authorization.

California Code of Regulations, Title 5 section 11967.5.1(c)(3)(A) states:

“An unrealistic financial and operational plan is one to which any or all of the following applies:

(A) In the area of administrative services, the charter or supporting documents do not adequately:

- 1. Describe the structure for providing administrative services, including, at a minimum, personnel transactions, accounting and payroll that reflects an understanding of school business practices and expertise to carry out the necessary administrative services, or a reasonable plan and time line to develop and assemble such practices and expertise.*
- 2. For any contract services, describe criteria for the selection of a contractor or contractors that demonstrate necessary expertise and the procedure for selection of the contractor or contractors.”*

The OPA-RISE charter petition and Budget failed to comply with CCR, Title 5 section 11967.5.1(c)(3)(A) by failing to describe the required criteria for the selection of contractors; therefore, the OPA-RISE charter petition and Budget present an unrealistic financial and operational plan for the proposed OPA-RISE charter school.

c. Unexplained Facilities, Repairs and Other Lease Expenses:

- Rent at \$120,000

The OPA-RISE charter petitioners have budgeted for \$120,000 in Year 1 rent expense.

OPA- RISE Charter Petition Budget at page 10

Table M: Facilities, Repairs and Other Leases Expenses						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Facilities, Repairs and Other Leases						
Rent		\$120,000	\$122,400	\$124,848	\$127,345	\$129,892

The OPA-RISE charter petition at page144 states: *“In the event that Proposition 39 facilities are not requested or provided, Oxford Rise will locate in a private facility in compliance with the California State Building Code. At this time, Oxford Rise anticipates it would need approximately 75,625 square feet in order to house the number of students anticipated to enroll in the school during its first charter term.”*

The OPA-RISE charter petition, Budget or Budget notes and assumptions failed to present any supporting documentation of how the OPA-RISE charter petitioners know that 75,625 square feet is sufficient for the proposed OPA-RISE charter school.

The OPA-RISE charter petition, Budget or Budget notes and assumptions also failed to present any supporting documentation showing how \$10,000 per month (\$120,000 Year 1 rent ÷ 12 months) is a sufficiently budgeted lease amount for 75,625 square feet.

OPA-RISE’s proposed rent on a monthly basis equates to \$0.13 cents per square foot (\$10,000 per month rent ÷ 75,625 square feet = \$0.13 per square foot); however, the OPA-RISE charter petitioners failed to present any documentation demonstrating that 75,625 square feet of suitable space for OPA-RISE’s educational program at \$0.13 cents per square foot is available or obtainable within the Chino Valley Unified School District geographical boundaries or surrounding area.

The OPA-RISE charter petition and Budget or Budget notes and assumptions also fail to identify the following:

- 1) Comparative rents of facilities containing 75,625 square feet.
- 2) A detailed description of the proposed type of facility to be leased by OPA-RISE identifying the following:
 - a) If the proposed facility to be leased is suitable for all of the programs to be offered by OPA-RISE, including classroom instruction, special education services, physical education, administration, food services, and all other OPA-RISE programs,
 - b) The number of bathrooms and whether the bathrooms are ADA compliant to meet the needs of all of OPA-RISE's students,
 - c) The size, capacity and type of cafeteria, kitchen and food service facilities,
 - d) Proximity to incompatible business establishments,
 - e) Proximity to residential neighborhoods,
 - f) If the potential landlord is related or affiliated in any way to any of the OPA-RISE petitioners, petitioners' friends or family members, and
 - g) If or when such a facility will be available or if the tenant improvements of the proposed OPA-RISE facility can be completed and ready for OPA-RISE students and staff to safely occupy when the proposed OPA-RISE charter school opens for its year one in fall 2018.

Without any facilities expense budget notes or assumptions being provided by the OPA-RISE charter petitioners, this analysis cannot determine whether the OPA-RISE budgeted facilities lease amount reflects market rents in the Chino Valley Unified School District area, what competitive lease prices are in the surrounding cities, or if the monthly lease cost identified by OPA-RISE represents a competitive dollar amount per square foot.

The OPA-RISE charter petition, Budget and assumptions failed to describe how OPA-RISE's rent is or will be calculated, if rents are tied to the Consumer Price Index (CPI), or if there are any additional Common Area Maintenance (CAM) charges, etc.

The OPA-RISE charter petition, Budget and assumptions failed to identify what type of lease deposit may be required, whom if anyone is guaranteeing OPA-RISE's lease, if any collateral is required, and if so, what the collateral may be comprised of, or, if there is an exit provision for early termination of the lease in the event the charter school closes.

The California Code of Regulations, Subchapter 19-Charter Schools, Article 2-General Provisions describes the criteria for Review and Approval of Charter School Petitions.

California Code of Regulations, Title 5, section 11967.5.1(c)(3) states: "An unrealistic financial and operational plan is one to which any or all of the following applies:

(D) In the area of facilities, the charter and supporting documents do not adequately:

1. Describe the types and potential location of facilities needed to operate the size and scope of educational program proposed in the charter.

2. In the event a specific facility has not been secured, provide evidence of the type and projected costs of the facilities that may be available in the location of the proposed charter school.
3. Reflect reasonable costs for the acquisition or leasing of facilities to house the charter school, taking into account the facilities the charter school may be allocated under the provisions of Education Code section 47614.”

The OPA-RISE charter petition Budget’s facilities expense Budget fails to conform to California Code of Regulations, Title 5 section 11967.5.1(c)(3)(D) and therefore presents an unrealistic financial and operational plan for the proposed OPA-RISE charter school.

d. Unexplained Taxes and Fees Expenses:

At Table N on page 11 of 22, the OPA-RISE Budget lists an expenditure for:

- Other taxes and fees at \$100,000

There are no OPA-RISE Budget notes associated with the Other taxes and fees expenditures and the OPA-RISE charter petitioners failed to provide any detailed information describing the types of taxes and fees comprising the \$100,000 expenditure.

7. Insufficient Cash Flow Assumptions

Unsupported Beginning Cash Balance of \$1,080,782

The OPA-RISE charter petitioners failed to provide detailed explanations or Budget notes and assumptions describing the Year 0 beginning cash balance of \$1,080,782 stated in their Cash Flow report.

Neither the OPA-RISE charter petition nor the OPA-RISE Budget present any Budget assumptions or notes explaining how a new start-up charter school can have a \$1,080,782 beginning cash balance when the charter school was not in existence in the prior year.

The OPA-RISE Budget should have but failed to present any financial documents supporting an available cash balance of \$1,080,782.

Without a detailed Budget and Budget notes explaining in detail how the OPA-RISE charter petitioners can have a beginning cash balance of \$1,080,782 exclusive to the new OPA-RISE charter school, the OPA-RISE Budget presents an unrealistic financial and operational plan for the proposed OPA-RISE charter school.

Unsupported and Insufficient Cash Flow Accruals

The OPA-RISE charter petitioners also failed to provide any Budget notes or assumptions in their Cash Flow Projection supporting their year-end revenue accruals and failed to explain why there are no accruals for expenses. Revenue accrual amounts were provided in the Cash Flow Projection; however, no expenditure accruals were presented.

Unsupported After School Program Cash Flow

At page 18 of 22 of the Budget at 2018-2019 Cash Flow Monthly Detail, as set out below the OPA-RISE charter petitioners budgeted \$8,000 per month in Other Local Revenue for the Champion Village afterschool program; however, the OPA-RISE charter petitioners failed to explain how this monthly amount was determined and how the OPA-RISE charter petitioners can know that the amount will be exactly \$8,000 every month.

2018 – 2019 Cash Flow Monthly Detail													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2019	2018-19
Other Local Revenue													
Other Fees and Contracts			8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	80,000
Total Other Local Revenue	0	0	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	80,000

8. Special Education (SPED) Encroachment

Special Education Encroachment occurs when a school district's or charter school's special education costs exceed special education revenue. The resulting excess costs over the revenue received that must then be supported from other sources is referred to as "encroachment".

The OPA-RISE charter petition fails to provide a budget amount for special education encroachment or describe why an encroachment amount was not included in the budget.

OPA-RISE's special education costs do not encroach on other charter school funds because, based on the limited information included in the OPA-RISE Budget, the proposed OPA-RISE charter school's special education revenue exceeds expenses by \$20,562.

The \$20,562 of special education revenue that exceeded OPA-RISE's special education costs is calculated as follows:

Excess SPED Revenue over SPED Costs			
State Special Education			\$574,710
6 Special Education Specialists (Table H) x \$60,000 Average salary (Table I)		\$360,000	
Estimated Benefits		\$104,148	
SPED Consultants (Subagreement Services (Budget at p.9)		\$90,000	
Total SPED Costs			\$554,148
Excess SPED Revenue over SPED Costs			\$20,562

However, using comparable special education enrollment data from the Chino Valley Unified School District (CVUSD), the CVUSD experiences excess special education costs exceeding revenue in its special education program. This means the CVUSD special education program operates at a program deficit or loses money and requires financial contributions from the CVUSD general fund for encroachment.

Because OPA-RISE expects to enroll a similar student population as the CVUSD, OPA-RISE should also experience special education encroachment as does the CVUSD. OPA-RISE should have but failed to budget for any special education encroachments costs from a similar student population as the CVUSD.

Using comparable special education encroachment costs from the CVUSD and OPA-RISE's projected year one ADA of 1,164.7, this report calculates OPA-RISE's year one special education encroachment as \$1,001,176.

- OPA-RISE's projected special education encroachment of \$1,001,176 is determined by dividing the 2016-2017 CVUSD total unfunded special education costs of \$23,123,792 by Chino Valley Unified School District's total ADA of 26,902 which results in \$859.60 per ADA of special education encroachment.
- Applying \$859.60 per ADA of encroachment costs to OPA-RISE's similar student population total ADA of 1,164.7 results in \$1,001,176 of total projected OPA-RISE encroachment costs.

In order to calculate OPA-RISE's special education encroachment amount of \$1,001,176, the OPA-RISE special education excess revenue over expenses of \$20,562 is added into the adjustment to yield a total special education adjustment of \$1,021,738.

SPECIAL EDUCATION ENCROACHMENT						
Using Chino Valley USD 2016-17 data						
YEAR 1						Year-One 2018-19
Total Unfunded Spec. Ed. Costs /				\$	23,123,792.00	
Total District ADA					26,902.00	
Unfunded / District ADA Total				\$	859.60	
OPA - RISE Charter School ADA - Year 1 = 2018-2019					1,164.70	
Projected Special Education Encroachment Year One				\$	1,001,176.00	\$ 1,001,176
Excess SPED Revenue over SPED Costs						20,562
Un-budgeted Excess SPED Encroachment						\$ 1,021,738

When any special education amount is budgeted in a charter petition's budget, how that amount is calculated should be explained in detail. The OPA-RISE charter petitioners failed to explain and document how they know their budgeted special education costs are sufficient to meet the proposed OPA-RISE charter school's special education costs.

9. Unexplained Beginning Fund Balance

The OPA-RISE charter petition cover letter dated September 8, 2017 states that the charter petition is for the establishment of OPA-RISE which will be a *"a new public charter school."*

However, the OPA-RISE charter petition's Budget at Appendix A, page 15 of 22 presents at Table O: Statement of Fund Balance report, as set out below a Year Zero 2017-2018 beginning fund balance of \$2,487,499.

The OPA-RISE charter petition and Budget failed to present any Budget Narrative, Budget notes or assumptions explaining how a new start-up charter school can have a \$2,487,499 beginning fund balance when the charter school was not in existence in the prior year.

The OPA-RISE charter petition failed to disclose or support by detailed documentation why OPA-RISE has a beginning fund balance of \$2,487,499 or what the \$2,487,999 beginning fund balance represents.

OPA- RISE Charter Petition Budget at page 15

Table O: Statement of Fund Balance						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	<i>Year 0</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Fund Balance						
Beginning Fund Balance	\$2,487,499	\$1,774,323	\$2,900,734	\$4,207,523	\$5,534,750	\$6,671,920
Increase/(Decrease) in Net Assets	-713,176	1,126,411	1,306,788	1,327,228	1,137,170	982,176
Ending Fund Balance	\$1,774,323	\$2,900,734	\$4,207,523	\$5,534,750	\$6,671,920	\$7,654,096
Fund Balance (% of Expenditures)	137.7%	28.9%	41.2%	53.1%	63.0%	71.2%

The OPA-RISE charter petition and Budget notes and assumptions failed to explain how a start-up new charter school's beginning fund balance at Year 0 can be more than zero dollars when the proposed charter school has no prior financial history.

Because the OPA-RISE charter petitioners failed to explain how their beginning fund balance of \$2,487,499 can exist, the OPA-RISE Budget presents an unrealistic financial and operational plan for the proposed charter school.

Because OPA-RISE's unsubstantiated beginning fund balance is unrealistic it should be removed from the OPA-RISE Budget.

When OPA-RISE's unsubstantiated and unrealistic beginning fund balance of \$2,487,499 in Year 0 is removed, OPA-RISE's Year 0 beginning Fund Balance becomes zero.

This results in a Year 0 OPA-RISE ending fund balance of negative (\$713,176), not a positive \$1,774,323 as presented in the OPA-RISE Budget.

Table O: Statement of Fund Balance "Adjusted"						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	<i>Year 0</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Fund Balance						
Beginning Fund Balance	\$0	(\$713,176)	\$413,235	\$1,720,024	\$3,047,251	\$4,184,421
Increase/(Decrease) in Net Assets	-713,176	1,126,411	1,306,788	1,327,228	1,137,170	982,176
Ending Fund Balance	(\$713,176)	\$413,235	\$1,720,024	\$3,047,251	\$4,184,421	\$5,166,597
Fund Balance (% of Expenditures)	-55.4%	4.1%	16.9%	29.2%	39.5%	48.0%

As a result, a negative Year 0 ending fund balance of (\$713,176) replaces OPA-RISE's Year 1 beginning fund balance.

The effects of this Year 0 beginning fund balance adjustment are presented below in the table titled **Fund Balance Adjustment Effects**.

FUND BALANCE ADJUSTMENT EFFECTS					
Adjusted Fund Balance, Beginning of Year 1				\$ (713,176)	
Total Revenues				11,153,219	
					\$ 10,440,043
Total Expenditures				(10,026,808)	
Un-budgeted excess special education encroachment				(1,021,738)	
Total Adjusted Expenditures					(11,048,546)
Adjusted Net Fund Balance Deficit					\$ (608,503)
Fund Balance (Deficit) Reserve as a percentage of total expenses					-5.5%

Removing OPA-RISE's unsubstantiated beginning fund balance of \$2,487,499 decreases the OPA-RISE beginning fund balance to zero. The adjustment for OPA-RISE's unbudgeted special education encroachment costs of \$1,021,738 increases total Year 1 expenditures. This results in decreasing OPA-RISE's ending fund balance from a \$413,235 surplus to a (\$608,503) deficit.

The above adjustments also affect OPA-RISE's calculated fund balance reserve by decreasing it from 4.1% to a negative **-5.5%**.

OPA-RISE's 2018-2019 year one ADA is 1,164.7, therefore to meet the 5 California Code of Regulations §15450 Reserves requirement, OPA-RISE's Budget reserve requirement is 3%.

Because OPA-RISE's reserve is negative (5.5%), the OPA-RISE Budget has insufficient reserves and fails to meet the Title 5, California Code of Regulations section 1540 Budget reserve requirement of 3%.

The OPA-RISE charter petitioners therefore have submitted an unrealistic financial and operational plan for the proposed OPA-RISE charter school.

10. Lottery & Mandated Block Grant

The OPA-RISE Budget assumptions at page 4 states:

*"Since funding is dependent on the previous year's ADA, **RWCC** will not be eligible to receive this funding until the second year of operations."*(emphasis added)

The OPA-RISE charter petition and Budget failed to explain who or what **RWCC** is and how **RWCC** can affect OPA-RISE's lottery and mandated block grant revenue.

11. Previously Published Charter Petition Budgets

Evidence exists within the OPA-RISE charter petition's Budget that the OPA-RISE charter petition's Budget may not be a new Budget created for OPA-RISE charter petition but instead may be a compilation of multiple previously published charter petition budgets, budget notes and assumptions.

The OPA-RISE Budget notes at page 4 of 22 identifying **RWCC** and Budget notes at page 12 of 22 identifying **OPOCVNC** provide evidence that the OPA-RISE Charter Petition Budget may consist of previously published budget notes, budget assumptions and budget amounts specific to other previous charter school petitions.

Therefore, the OPA-RISE Budget cannot be relied on.

12. The OPA-RISE Charter Petitioner's Past History Of Involvement In An Unsuccessful Charter School

- a) The OPA-RISE charter petitioners submitted the Oxford Preparatory Academy-Rise charter school charter petition to the Chino Valley Unified School District on September 8, 2017.

The OPA-RISE charter petition cover letter dated September 8, 2017 states the charter petition is for the establishment of OPA-RISE which will be a *“new public charter school...This new charter is a clean slate.”*

California Code of Regulations, title 5, section 11967.5.1(c)(1) states that a factor to be considered in determining whether charter petitions are “demonstrably unlikely to successfully implement the program” is whether the charter petitioners have a past history of involvement in unsuccessful charter schools.

The OPA-RISE charter petitioners and the Oxford Preparatory Academy Board of Directors consist of many of the same individuals who were involved as charter petitioners and Board of Directors members of the now closed, non-renewed Oxford Preparatory Academy-Chino (OPA-Chino) charter school.

OPA-Chino was not renewed by the Chino Valley Unified School District (CVUSD) on November 28, 2016 in part, because of the financial findings in the Fiscal Crisis & Management Assistance Team (FCMAT) AB139 Extraordinary Audit report dated November 22, 2016.

The FCMAT report found:

“[a] significant material weakness exists in the charter school’s internal control environment which increases the probability of fraud and/or abuse.”

The FCMAT report recommendation concluded the county superintendent should,

“Notify the governing board of Oxford Preparatory Academy charter school, the governing board of the Chino Valley Unified School District, the State Controller, the Superintendent of Public Instruction, and the local district attorney that fraud, misappropriation of assets or other illegal activities may have occurred.”

The OPA-RISE charter petitioners are demonstrably unlikely to successfully implement their program because the OPA-RISE charter petitioners have a past history of involvement in an unsuccessful charter school, namely, OPA-Chino.

- b) The Christy White Associates Reports Failed to Address All Concerns in the November 22, 2016 FCMAT Report of OPA.

The OPA-RISE charter petition cover letter dated September 8, 2017 states at page 4 that:

“Oxford Preparatory Academy has squarely addressed each and every issue raised by FCMAT in 2016, has hired financial and management firms (Gilbert & Associates and Christy White) to confirm the issues have been addressed, and has addressed any and all claims and unknown liabilities to the maximum extent possible.”

However, the OPA-RISE charter petition cover letter also states at page 2 that:

“Our organization’s Board of Directors has:

- ✓ *Hired Christy White Associates to perform a third-party audit of the status is the organization’s Governance and Administrative Recovery Plan that addresses all the concerns in the November 22, 2016 FCMAT report.” (emphasis added)*

The Christy White Associates (CWA) “third-party audit” is not a financial statement audit.

OPA and CWA entered into an agreed-upon procedures engagement on April 18, 2017, which means that OPA and CWA agree upon which procedures and information will or will not be examined and the type of procedures that will be applied. The May 2017 and August 2017 CWA reports included in the OPA-RISE charter petition are therefore not financial statement audits.

CWA issued two agreed-upon procedures reports, dated May 2017 and August 2017.

Both of the CWA cover letters describe the sufficiency of the procedures as:

“The agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. **Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.**” (*emphasis added*)

The CWA May 11, 2017 agreed-upon procedures report states at page 4:

“...VLS is in the process of reviewing necessary information in order to re-issue the audit reports for the fiscal years 2014-15 and 2015-16. According to VLS, the firm stance will be to re-issue to include required footnote information on related party transactions as provided by management and known as a result of the FCMAT extraordinary audit. The professional opinion of VLS was that consolidation of financial statements with Edlighten is not necessary given wording noted within the organizational documents for the Organization as well as lack of access to any financial data from Edlighten.” (*emphasis added*)

The Christy White report’s alleged “professional opinion” statement by Vicenti, Lloyd & Stutzman (VLS) to CWA that consolidation of OPA’s financial statements with Edlighten is not necessary is contradicted within VLS’s December 2, 2016 issued 2015-2016 OPA audit report.

Further, if VLS does not have access to Edlighten Learning Solutions (ELS) records, the auditor cannot audit ELS’ records, which results in a disclosable material departure from Generally Accepted Accounting Principles (GAAP). This disclosable material departure from GAAP should therefore be disclaimed in the OPA VLS audit opinion letters.

A material departure from GAAP exists because the auditor was denied access to the financial data of ELS resulting in OPA’s failure to consolidate into their financial statements OPA’s related party controlled and contractual economic interest relationship with ELS.

The CWA August 10, 2017 report, at page 2, item 1, “Lack of Internal Control Lead to Possible Fraud, Organization Corrective Actions”, first bullet point, “Requested that Oxford Prep’s auditor reissue annual audits” is addressed per the agreed-upon procedures in the Results section as follows,

“Revised independent audit reports were issued by Vicenti, Lloyd & Strutzman (*sic*) LLP for the fiscal years 2012-13, 2013-14 and 2014-15. The audit opinions were dated as originally reported with an exception of a March 15, 2017 date concerning the footnote disclosure on related party transactions. The footnote was included to accurately disclose the relationship with Edlighten Learning Solutions...”

Missing from the CWA agreed-upon procedures analysis and from the Vicenti, Lloyd & Stutzman reissued 2013-2016 audit reports are any revised audit opinion letters disclaiming an opinion on the financial statements for OPA’s material departure from GAAP.

Reissued audit reports with footnote disclosures do not carry the significance of revised audit report opinion letters disclaiming an opinion for a material departure from GAAP.

The OPA financial statements should have been consolidated as described in the FCMAT report at page 35.

The FCMAT report referenced the 2012 Fiscal Oversight Memorandum of Understanding (MOU) between the CVUSD and OPA. As described in the FCMAT report at page 35, the CVUSD and OPA's MOU states:

“OPA shall cause a consolidated independent audit to be performed by an auditor on the State's list of approved auditors of the consolidated operations of each charter school under OPA and any OPA affiliates as well as OPA as a whole.” (*emphasis added*)

The FCMAT report identifies at pages 34 - 39 OPA's failure to consolidate ELS into OPA's financial statements and ELS' refusal to provide access to its financial records.

ELS is described in the FCMAT report as OPA's charter management organization which makes ELS an OPA affiliate requiring consolidation of the audit reports.

The FCMAT report described in detail at page 39 the VLS auditor's statement in an email to FCMAT:

“Barbara Black has emailed me regarding re-issuing the audits. They left the ball in my court, so since I can't gain access to the records of Edlighten, I am thinking I will be issuing revised reports with a scope limitation for the non-consolidation issue.” (*emphasis added*)

The FCMAT audit also described in detail at page 39 the requirement of consolidation when both “control” and an “economic interest” are present. Both of the CWA May 2017 and August 2017 agreed-upon procedures reports only reference the VLS' reissued audit reports specific to audit report footnote disclosures concerning related parties, while consolidation is not addressed. It may be that consolidation and material departures from GAAP procedures were not part of the agreed-upon procedures between OPA and CWA.

Even though the May 2017 CWA report states that VLS does not consider consolidation necessary, the VLS 2015-2016 audit report dated, December 2, 2016 states otherwise. And neither the CWA May 2017 nor the August 2017 CWA reports explain why consolidation may not be required. Both the FCMAT report and 2015-2016 VLS audit report dated December 2, 2016 identify the requirements for consolidation of ELS and OPA and the material departure from GAAP.

The OPA 2015-2016 VLS audit report dated December 2, 2016 schedule of findings and questioned costs, finding number 2016-001, pages 24 -25 identifies the following:

“**Condition:** The former Executive Director established, with the knowledge of management and the Board, a separate non-profit Charter Management Organization (CMO) – Edlighten Learning Solutions. During the year, it was discovered that the Academy's bylaws had been amended and contractual agreements entered into that created a requirement for consolidation of CMO into the financial statements of the Academy. (*emphasis added*) During the year, current management amended the bylaws and the contracts with CMO were terminated.

Notwithstanding these actions, it is clear that management had withheld these facts in prior years, which resulted in financial reporting not in conformity with GAAP. (*emphasis added*) Furthermore, the CMO exercised significant influence over transactions and contracts between these entities, and secured considerable financial benefit through contracts that required management service fees up to 10% of apportionment revenue and charging for services that might have already existed. At June 30, 2016, unexpended funds, estimated to be approximately \$900,000, remain in the custody of the CMO as a result of fees charged under the contracts.

Effect: By not properly consolidating the CMO into the financial statements of the Academy, management concealed the use of these funds from the auditors, governing board, the District as the oversight agency, and the state for purposes of conflict of interest and full disclosure reporting requirements. Related party relationships must be transparent and fully disclosed to ensure that agreements between the District and charter school are enforced.

Presenting the CMO as a vendor circumvented the District's agreements contained in the charter petition and Memorandum of Understanding (MOU). It also prevented the District and the auditor from performing their due diligence; fiscal oversight responsibilities; and prevented all concerned from seeing the true financial picture of Academy. (*emphasis added*)

Recommendation: Institutional internal controls should be established to properly identify all related parties as well as potential conflicts of interest. In addition, the Academy auditor will re-issue the audited financial statements of the Academy with 2012-13 and through the 2014-15 fiscal year. Specific to GAAP, without consolidation of the related parties represents an audit scope limitation and a material departure from GAAP, culminating in an auditor's disclaimer opinion of the financial statements. (*emphasis added*)

Management Response: The current management of the Academy requested and is in agreement the prior year's financial statements be re-issued to include the relationship with Edlighten Learning Solutions. We understand the auditor's conclusion that the school's founder withheld facts in prior years which resulting in financial reporting not in compliance with GAAP." (*emphasis added*)

The November 22, 2016 FCMAT report at page 39 states:

"The auditor wrote in an email to FCMAT on August 30, 2016:

However, because ELS refuses to make its financial records available to the auditor, making it impossible to consolidate the financial statements, the auditor will need to issue a disclaimer opinion (*emphasis added*) with proper notation in the Notes to the Financial Statements section of the report."

The CVUSD has not been provided any past OPA reissued audit reports for the four years ending June 30, 2013 through 2016 that contain disclaimed opinion letters citing material departures from GAAP even though the VLS June 30, 2016 audit report dated December 2, 2016 and FCMAT audit both identify the GAAP departure because ELS financial records were withheld.

Further, the OPA-RISE charter petition and CWA May 2017 and August 2017 agreed upon procedures reports fail to present any disclosure or explanation of why:

- OPA can ignore the consolidation requirement in the 2012-2017 Fiscal Oversight Memorandum of Understanding (MOU) between CVUSD and OPA,
- Disclaimed OPA re-issued audit opinion letters were not issued, and
- Material departures from GAAP and the inability to access ELS financial records no longer requires consolidation.

Therefore, the OPA Board of Directors has failed to "*squarely address each and every issue raised by FCMAT in 2016*".

Additionally, the OPA-RISE charter petitioners have a past history of involvement in the unsuccessful OPA-Chino charter school such that the OPA-RISE charter petitioners fail to conform to CCR, Title 5 section 11967.5.1(c)(1) and therefore the OPA-RISE charter petitioners are demonstrably unlikely to successfully implement the proposed OPA-RISE charter school program.

CONCLUSIONS AFTER COMPREHENSIVE REVIEW

When providing the OPA-RISE charter petition's Budget as required by Education Code section 47605(g) and California Code of Regulations, Title 5, section 11967.5.1(c)(3)(B), the OPA-RISE charter school petitioners should have but failed to provide complete and accurate Budget Notes and assumptions describing in detail how the amounts presented in OPA-RISE's Budget were calculated.

Detailed Budget Notes and OPA-RISE's documentation supporting OPA-RISE's Budget amounts are a critical component of the basis upon which approval of the OPA-RISE charter petition may be granted. The OPA-RISE charter petitioners submitted the OPA-RISE charter petition on September 8, 2017 even though OPA has not yet submitted the OPA-Chino closure audit required by Education Code Section 47605(b)(5)(0).

The OPA-RISE charter petitioners also failed to comply with California Code of Regulations, Title 5 as follows:

- The September 8, 2017 OPA-RISE charter petitioners included an unrealistic and unsupported enrollment of 1,226 students in their 2018-19 budget (Year 1).
- The OPA-RISE charter petitioners failed to provide any historical experience or budget analysis comparing the OPA-RISE Budget with other start-up charter school budgets in California.

The OPA-RISE charter petition and Budget fail to present any Budget assumptions or notes explaining how a new start-up charter school can have a \$2,487,499 beginning fund balance when the charter school was not in existence in the prior year.

Also, why OPA-RISE has a beginning fund balance of \$2,487,499 and what that beginning fund balance represents failed to be disclosed by the OPA-RISE charter petitioners.

- The OPA-RISE charter petition Budget failed to present any detailed Staffing and Benefits schedules or position control report describing the medical and retirement benefits each staffing category or classification of employee will receive.
- The OPA-RISE charter petition's Budget fails to specify the required criteria for the selection of contractors as required by California Code of Regulations, Title 5, section 11967.5.1(c)(3)(A).
- The OPA-RISE charter petition Budget's facilities expense fails to conform to California Code of Regulations, Title 5 section 11967.5.1(c)(3)(D) and therefore presents an unrealistic financial and operational plan for the proposed charter school.

The OPA-RISE charter petition Budget fails to present any comparative facilities rent expense analysis correlating with the size of the OPA-RISE charter petition's stated requirement of rental space.

- The OPA-RISE charter petitioners failed to provide a budget amount for Special Education Encroachment or to describe why this amount was not included in the OPA-RISE budget.
- The OPA-RISE Budget presents a Cash Flow report which has a Year 0, month of July 2017 prior year payable of \$1,299,047.

The OPA-RISE charter petitioners failed to explain how the new start-up charter school can have a \$1,299,047 prior year liability when the charter school was not in existence in the prior year.

Also, why OPA-RISE is responsible for the \$1,299,047 prior year liability and what the liability represents failed to be disclosed by the OPA-RISE charter petitioners.

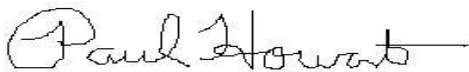
- The OPA-RISE charter petitioners have a past history of involvement in the unsuccessful OPA-Chino charter school such that they fail to conform to California Code of Regulations, Title 5 section 11967.5.1(c)(1) and therefore the OPA-RISE charter petitioners are demonstrably unlikely to successfully implement the OPA-RISE charter school program.

Additionally, despite the OPA-RISE charter petition's statement that "*Oxford Preparatory Academy has squarely addressed each and every issue raised by FCMAT in 2016*", OPA has failed to address all of the concerns stated in the November 22, 2016 FCMAT report.

Overall, in my professional opinion, because of the material nature of the OPA-RISE charter petitioners' omissions from the OPA-RISE Budget and Budget Notes and Assumptions, and the OPA-RISE charter petitioners' multiple failures to conform to the Title 5, California Code of Regulation's requirements, the OPA-RISE charter petition and Budget present an unrealistic financial and operational plan for the proposed OPA-RISE charter school.

Thank you for allowing me to be of service to the Chino Valley Unified School District.

Sincerely,

A handwritten signature in black ink that reads "Paul Horvat". The signature is written in a cursive style with a horizontal line extending from the end of the name.

Paul S. Horvat, CPA

Exhibit B



5000 E. Spring Street Suite 200
Long Beach, California 90815-5213
Telephone (562) 420-3100
Facsimile (562) 420-3232

October 20, 2017

Members of the Chino Valley Unified School District Board of Education
Mr. Wayne Joseph
Superintendent
Chino Valley Unified School District
5130 Riverside Drive
Chino, CA 91710

Re: Review of Re-Issued Oxford Preparatory Academy Audit Reports

Dear Mr. Joseph and Members of the Chino Valley Unified School District Board of Education:

We have reviewed the audit reports of Oxford Preparatory Academy (OPA-NP) for the years ended June 30, 2013 through 2016 issues as you requested. Our analysis is below:

Issues

1. Should the re-issued 2013 through 2015 “Independent Auditors Reports” be modified or disclaimed as determined by the auditors in the June 30, 2016 audit?¹
2. Should the 2016 “Independent Auditors Report” be reissued as modified or disclaimed?

Introduction

On January 10, 2012, Oxford Preparatory Academy President/Executive Director Susan D. Roche signed a Fiscal Oversight Memorandum of Understanding (MOU) with the District².

This MOU provided:

“OPA shall cause a consolidated independent audit to be performed by an auditor on the State’s list of approved auditors of the consolidated operations of each charter school under OPA and any OPA affiliates as well as OPA as a whole. The consolidated independent audit report will be made available to the District promptly upon request.”

¹ Exhibit 1, Independent Auditors Reports and Financial Statements for the Year Ended June 30, 2016 issued by Vicenti, Lloyd Stutzman, CPAs on December 2, 2016 page 25.

² Exhibit 2, MOU

A consolidated audit combines affiliated organizations into one set of financial statements so the users of the financial statements are not misled³.

The Fiscal Oversight MOU defined “affiliated organizations” to mean:

“the Oxford Preparatory Academy nonprofit public benefit corporation, all charter schools operated by the Oxford Preparatory Academy nonprofit public benefit corporation, and any foundations that may later be formed by Oxford Preparatory Academy to support the nonprofit organization and/or one or more of its charter schools.”

On November 22, 2016, a California state agency, the Fiscal Crisis & Management Assistance Team (FCMAT) issued an Extraordinary Audit to the San Bernardino County Superintendent of Schools (the County) regarding the Oxford Preparatory Academy Charter School at Chino Valley (OPA-CV)⁴.

The FCMAT report was a result of the San Bernardino County Superintendent of Schools determining there was reason to believe that fraud, misappropriation of funds or other illegal fiscal practices had occurred that merited examination under Education Code section 1241.5(c) / Assembly Bill 139. In July 2016, FCMAT and the San Bernardino County Superintendent of Schools entered into an agreement to provide an Assembly Bill 139 Extraordinary Audit of the Oxford Preparatory Academy Charter School.

The November 22, 2016 FCMAT Extraordinary Audit, at page 43, *Ethical Values and Fiduciary Duty*, states,

“...When the oversight agency and independent auditor are misled by acts of corruption, concealment, and misrepresentation of financial statements through collusion by senior management and others, there is a complete breakdown of internal controls that makes it easy for the diversion of funds to occur...”

Based on the evidence presented to FCMAT, there is sufficient documentation to demonstrate that fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred. A significant material weakness exists in the charter school’s internal control environment, which increases the probability of fraud and/or abuse. These findings should be of great concern to the Chino Valley Unified School District governing board, and require immediate intervention to limit the risk of fraud and/or misappropriation of assets in the future.”

Vicenti, Lloyd & Stutzman, CPAs (VLS) was the independent auditor of Oxford Preparatory Academy, a California nonprofit public benefit corporation (OPA-NP) for fiscal years ended June 30, 2013 to 2016.

³ FASB 958-810-20 Consolidation - The presentation of a single set of amounts for an entire reporting entity. Consolidation requires elimination of intra-entity transactions and balances

⁴ Exhibit 3, Extraordinary Audit

OPA-NP was organized to manage and operate public charter schools and operates three charter schools: Oxford Preparatory Academy Chino Valley (now closed), Oxford Preparatory Academy South Orange County, and Oxford Preparatory Academy Saddleback Valley.

On December 2, 2016 VLS issued their independent audit report of OPA-NP's three charter schools, including OPA-CV⁵.

The VLS audit report issued one finding in the Schedule of Findings and Questioned Costs. Finding number 2016-001, *"Institutional Controls Related to Financial Reporting of Related Parties/Conflicts of Interest,"* at Condition states⁶,

"The former Executive Director established, with the knowledge of management and the Board, a separate non-profit Charter Management Organization (CMO) – Edlighten Learning Solutions. During the year, it was discovered that the Academy's bylaws had been amended and contractual agreements entered into that created a requirement for consolidation of CMO into the financial statements of the Academy. During the year, current management amended the bylaws and the contracts with CMO were terminated.

Notwithstanding these actions, it is clear that management had withheld these facts in prior years, which resulted in the financial reporting not in conformity with GAAP. (emphasis added) Furthermore, the CMO exercised significant influence over transactions and contracts between these entities, and secured considerable financial benefit through contracts that required management service fees up to 10% of apportionment revenue and charging for services that might have already existed. At June 30, 2016, unexpended funds, estimated to be approximately \$900,000, remain in the custody of the CMO as a result of fees charged under the contracts."

The VLS December 2, 2016 audit report finding continued to describe the Effect of their Finding, the Cause of their Finding and issued recommendation as follows:

*"**Effect:** By not properly consolidating the CMO into the financial statements of the Academy, management concealed the use of these funds from the auditors, governing board, the District as the oversight agency, and the state for purposes of conflict of interest and full disclosure reporting requirements. (emphasis added) Related party relationships must be transparent and fully disclosed to ensure that agreements between the District and charter school are enforced.*

Presenting the CMO as a vendor circumvented the District's agreements contained in the charter petition and Memorandum of Understanding (MOU). It also prevented the District and the auditor from performing their due diligence; fiscal oversight responsibilities; and prevented all concerned from seeing the true financial picture of [the] Academy.

⁵ Exhibit 1, 2016 Audit

⁶ Exhibit 1, 2016 Audit page 24

Cause: *The Academy did not have adequate institutional controls related to proper financial reporting of related parties and did not follow sound conflicts of interest policies and procedures.*

Questioned Costs: *None.*

Recommendation: *Institutional internal controls should be established to properly identify all related parties as well as potential conflicts of interest. In addition, the Academy auditor will re-issue the audited financial statements of the Academy with 2012-13 and through the 2014-15 fiscal year. Specific to GAAP, without consolidation of the related parties represents an audit scope limitation and a material departure from GAAP, culminating in an auditor's disclaimer opinion of the financial statements.* (emphasis added)

At Note 6: Related Party Transactions the December 2, 2016 VLS OPA audit states⁷:

*“A separate non-profit Charter Management Organization (CMO) – Edlighten Learning Solutions was considered a related party for most of the year ended June 30, 2016. As of June 20, 2016, the Academy eliminated the related party relationship and these financial statements reflect the updated status. **Accordingly, the CMO has not been considered for consolidation into the Academy’s financial statements.** Notwithstanding, certain financial transactions are being disclosed as related party transactions.*

During the year ended June 30, 2016, \$826,991 (Chino Valley) and \$624,867 (South Orange County) in contractual CMO fees were paid by the Academy for charter replication and renewal process, business planning, facility oversight and planning, human resources, and professional development.

During the year, Chino Valley was reimbursed for \$63,776 in travel expenses advanced to the CMO for travel expenses paid.

During the year, the CMO leased back several employees from the Academy. The total amount of reimbursement were \$183,897 for the year ended June 30, 2016.

At June 30, 2016 the Academy owed the CMO \$73,415 (Chino Valley) and \$89,295 (South Orange County).” (Emphasis added.)

⁷ Exhibit 1, 2016 Audit page 12

Opinions

1. The June 30, 2013, 2014, 2015 “Independent Auditors Reports” of OPA-NP were reissued without modifications or disclaimers of opinions. This is contrary to the determination of the auditors in the 2016 audit. It is our opinion that each of these reports should be modified or disclaimed because of a “scope limitation”.
2. The June 30, 2016 audit opinion reports of OPA-NP should be modified or disclaimed because of a “scope limitation”.

Basis for Opinions

Background

Per Financial Accounting Standards Board (FASB) 958-810-25-1⁸, a nonprofit organization must consolidate a nonprofit entity in which it has either a direct or indirect controlling financial interest. A sole corporate member is considered a controlling financial interest. Consolidation is required if control is given by contract or an agreement between organizations.

Control

Per the FCMAT report, Edlighten Learning Solutions (ELS) was the sole statutory member of OPA. The sixth amended bylaws of OPA gave ELS the power to remove all OPA board members.⁹

Per the FCMAT report, information was reviewed relating to the application for tax exempt status filed with the IRS. ELS is arguing it should be exempt as a school because of its close and intimate relationship with OPA¹⁰.

Scope Limitation

A “Scope Limitation” exists when an auditor is unable to obtain sufficient appropriate audit evidence necessary to form an opinion¹¹.

ELS did not give the auditors access to their financial information. Thus, VLS was unable to examine or audit the information. This creates a “Scope Limitation”.

When a “Scope Limitation” exists, an auditor must modify or disclaim an opinion¹².

VLS clearly outlined a “Scope Limitation” but did not modify or disclaim their opinions.

⁸ Exhibit 4, FASB 958-810-25-1

⁹ Exhibit 3, page 18

¹⁰ Exhibit 3, page 19

¹¹ Exhibit 5, AU-C 705.A8

¹² Exhibit 5, AU-C 705.10

Misrepresentations

OPA misrepresented facts to VLS as stated in the 2016-001 finding from the audit report page 24. These misrepresentation further lead us to recognize this issue as a “Scope Limitation”.

The VLS December 2, 2016 audit report findings of OPA-NP, for the fiscal year ending June 30, 2016, states:

“During the year, it was discovered that the Academy’s bylaws had been amended and contractual agreements entered into that created a requirement for consolidation of CMO into the financial statements of the Academy”

and

“In addition, the Academy auditor will re-issue the audited financial statements of the Academy with 2012-13 and through the 2014-15 fiscal year. Specific to GAAP, without consolidation of the related parties represents an audit scope limitation and a material departure from GAAP, culminating in an auditor’s disclaimer opinion of the financial statements.”

The November 22, 2016 FCMAT report at page 39, *Revised Audit Reports*, states,

“Based on the OPA and district MOU language alone, the auditor agreed that consolidation of OPA and OPAS/ELS was required beginning with 2012-13 and through the 2015-16 fiscal year. Specific to GAAP, without consolidation of the related parties represents an audit scope limitation and a material departure from GAAP, culminating in an auditor’s disclaimer opinion of the financial statements.”

The auditor stated he was not fully informed of OPA’s related parties and would discuss these issues with OPA.

The auditor wrote in an email to FCMAT on August 30, 2016:

‘Barbara Black has emailed me regarding re-issuing the audits. They left the ball in my court, so since I can’t gain access to the records of Edlighten, I am thinking I will be issuing revised reports with a scope limitation for the non-consolidation issue.’

The auditor has determined that the audited financial statements for 2012-13 through 2014-15 were misstated and should be reissued with proper disclosure. To date, the audited financial statements have not been reissued. However, because ELS refuses to make its financial records available to the auditor, making it impossible to consolidate the financial statements, the auditor will need to issue a disclaimer opinion with proper notation in the Notes to the Financial Statements section of the report.”

The November 22, 2016 FCMAT report at page 25, *Payments to ELS*, states,

“From January 1, 2013 through June 2016, OPA schools paid management fees of \$4,253,406 to OPAS/ELS...”

The means OPA-NP and its charter schools had a relationship with the related party, Edlighten Learning Solutions (ELS) from January 1, 2013 into June 2016, the last month of OPA-NP’s fiscal year end of June 30, 2016.

Even though OPA-NP allegedly terminated its relationship with ELS before the end of the June 30, 2016 fiscal year, the termination does not change the facts that ELS was an uncooperative related party and did not make its financial records available to the auditor for any of the 2013, 2014, 2015, and 2016 fiscal years.

The same conditions between OPA-NP and related parties existed as of June 30, 2016. Without consolidation of the related parties, an audit scope limitation exists, meaning there is a material departure from GAAP and the auditor’s opinion should have been disclaimed but was not.

The June 30, 2013, 2014, 2015, and 2016 OPA-NP “Independent Auditors Reports” are not disclaimed as the auditor stated they should be, nor is there any explanation in the any of the audit reports why a disclaimer of opinions were not issued.

Orisko & Schelsky, LLP

Documents Considered

A list of documents considered is contained in Appendix A.

Appendix A

List of Documents Considered

1. Oxford Preparatory Academy Audited Financial Statements for the Year Ended June 30, 2016 dated December 2, 2016
2. Fiscal Oversight Memorandum of Understanding By and Between Chino Valley Unified School District and Oxford Preparatory Academy 2012-2017 dated January 10, 2012
3. Fiscal Crisis & Management Assistance Team Extraordinary Audit of Oxford Preparatory Academy Charter School dated November 22, 2016
4. Oxford Preparatory Academy Audited Financial Statements for the Year Ended June 30, 2013 dated December 2, 2013
5. Oxford Preparatory Academy Audited Financial Statements for the Year Ended June 30, 2013 dated December 2, 2013, except for Footnote 6, which is dated March 3, 2017
6. Oxford Preparatory Academy Audited Financial Statements for the Year Ended June 30, 2014 dated November 14, 2014
7. Oxford Preparatory Academy Audited Financial Statements for the Year Ended June 30, 2014 dated November 14, 2014, except for Footnote 6, which is dated March 3, 2017
8. Oxford Preparatory Academy Audited Financial Statements for the Year Ended June 30, 2015 dated November 10, 2015
9. Oxford Preparatory Academy Audited Financial Statements for the Year Ended June 30, 2015 dated November 10, 2015, except for Footnote 6, which is dated March 3, 2017

Exhibit 1

OXFORD PREPARATORY ACADEMY

**Independent Auditor's Report
and Financial Statements
For the Year Ended
June 30, 2016**

Operating:

**Oxford Preparatory Academy – Chino Valley
Oxford Preparatory Academy – South Orange County
Oxford Preparatory Academy – Saddleback Valley (Opening in 16-17)**

OXFORD PREPARATORY ACADEMY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Oxford Preparatory Academy
Chino, CA

Report on the Financial Statements

We have audited the accompanying financial statements of Oxford Preparatory Academy (the Academy), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to on page one present fairly, in all material respects, the financial position of the Academy as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Academy's financial statements as a whole. The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 2, 2016 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
December 2, 2016

OXFORD PREPARATORY ACADEMY

STATEMENT OF FINANCIAL POSITION
June 30, 2016

	<u>Chino Valley</u>	<u>South Orange County</u>	<u>Saddleback Valley</u>	<u>Total</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 24,441	\$ 1,657,508	\$ 334,434	\$ 2,016,383
Accounts receivable - federal and state	1,505,267	674,247	-	2,179,514
Accounts receivable - other	79,230	58,285	-	137,515
Prepaid expenses and other assets	7,947	-	52,500	60,447
Total current assets	<u>1,616,885</u>	<u>2,390,040</u>	<u>386,934</u>	<u>4,393,859</u>
LONG-TERM ASSETS:				
Property, plant and equipment, net	<u>1,388,742</u>	<u>411,725</u>	<u>42,616</u>	<u>1,843,083</u>
Total long-term assets	<u>1,388,742</u>	<u>411,725</u>	<u>42,616</u>	<u>1,843,083</u>
Total assets	<u><u>\$ 3,005,627</u></u>	<u><u>\$ 2,801,765</u></u>	<u><u>\$ 429,550</u></u>	<u><u>\$ 6,236,942</u></u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	\$ 1,168,109	\$ 1,102,202	\$ 90,116	\$ 2,360,427
Deferred revenue	47,878	-	-	47,878
Notes payable	<u>372,700</u>	<u>50,000</u>	<u>150,000</u>	<u>572,700</u>
Total current liabilities	<u>1,588,687</u>	<u>1,152,202</u>	<u>240,116</u>	<u>2,981,005</u>
LONG-TERM LIABILITIES:				
Notes payable	<u>-</u>	<u>150,002</u>	<u>200,000</u>	<u>350,002</u>
Total long-term liabilities	<u>-</u>	<u>150,002</u>	<u>200,000</u>	<u>350,002</u>
NET ASSETS:				
Unrestricted	<u>1,416,940</u>	<u>1,499,561</u>	<u>(10,566)</u>	<u>2,905,935</u>
Total net assets	<u>1,416,940</u>	<u>1,499,561</u>	<u>(10,566)</u>	<u>2,905,935</u>
Total liabilities and net assets	<u><u>\$ 3,005,627</u></u>	<u><u>\$ 2,801,765</u></u>	<u><u>\$ 429,550</u></u>	<u><u>\$ 6,236,942</u></u>

The accompanying notes are an integral part of these financial statements.

OXFORD PREPARATORY ACADEMY

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

	<u>Chino Valley</u>	<u>South Orange County</u>	<u>Saddleback Valley</u>	<u>Total</u>
REVENUES:				
State revenue:				
State aid	\$ 6,796,431	\$ 1,158,503	\$ -	\$ 7,954,934
Other state revenue	1,550,627	1,197,981	-	2,748,608
Federal revenue:				
Grants and entitlements	145,750	139,582	-	285,332
Local revenue:				
In-lieu property tax revenue	1,778,032	5,013,080	-	6,791,112
Other revenue	483,383	639,222	23,984	1,146,589
Total revenues	<u>10,754,223</u>	<u>8,148,368</u>	<u>23,984</u>	<u>18,926,575</u>
EXPENSES:				
Program services	8,076,833	6,265,888	-	14,342,721
Management and general	1,757,258	1,080,335	34,550	2,872,143
Total expenses	<u>9,834,091</u>	<u>7,346,223</u>	<u>34,550</u>	<u>17,214,864</u>
Change in unrestricted net assets	920,132	802,145	(10,566)	1,711,711
Beginning unrestricted net assets	496,808	697,416	-	1,194,224
Ending unrestricted net assets	<u>\$ 1,416,940</u>	<u>\$ 1,499,561</u>	<u>\$ (10,566)</u>	<u>\$ 2,905,935</u>

The accompanying notes are an integral part of these financial statements.

OXFORD PREPARATORY ACADEMY

STATEMENT OF CASH FLOWS For the Year Ended June 30, 2016

	<u>Chino Valley</u>	<u>South Orange County</u>	<u>Saddleback Valley</u>	<u>Total</u>
CASH FLOWS from OPERATING ACTIVITIES:				
Change in net assets	\$ 920,132	\$ 802,145	\$ (10,566)	\$ 1,711,711
Adjustments to reconcile change in net assets to net cash flows from operating activities:				
Depreciation	182,028	76,171	-	258,199
Change in operating assets:				
Accounts receivable - federal and state	(240,223)	(477,453)	-	(717,676)
Accounts receivable - other	(49,501)	(57,334)	-	(106,835)
Prepaid expenses and other assets	206,429	144,549	(52,500)	298,478
Change in operating liabilities:				
Accounts payable and accrued liabilities	351,628	679,231	90,116	1,120,975
Deferred revenue	47,878	-	-	47,878
Net cash flows from operating activities	<u>1,418,371</u>	<u>1,167,309</u>	<u>27,050</u>	<u>2,612,730</u>
CASH FLOWS from INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	<u>(690,305)</u>	<u>(141,855)</u>	<u>(42,616)</u>	<u>(874,776)</u>
Net cash flows from investing activities	<u>(690,305)</u>	<u>(141,855)</u>	<u>(42,616)</u>	<u>(874,776)</u>
CASH FLOWS from FINANCING ACTIVITIES:				
Proceeds from notes payable	1,000,000	-	350,000	1,350,000
Repayments of notes payable	<u>(2,027,300)</u>	<u>(149,998)</u>	<u>-</u>	<u>(2,177,298)</u>
Net cash flows from financing activities	<u>(1,027,300)</u>	<u>(149,998)</u>	<u>350,000</u>	<u>(827,298)</u>
Net change in cash and cash equivalents	(299,234)	875,456	334,434	910,656
Cash and cash equivalents at the beginning of the year	<u>323,675</u>	<u>782,052</u>	<u>-</u>	<u>1,105,727</u>
Cash and cash equivalents at the end of the year	<u>\$ 24,441</u>	<u>\$ 1,657,508</u>	<u>\$ 334,434</u>	<u>\$ 2,016,383</u>
SUPPLEMENTAL CASH FLOW INFORMATION:				
Cash paid for interest during the fiscal year	<u>\$ 69,369</u>	<u>\$ 2,180</u>	<u>\$ -</u>	<u>\$ 71,549</u>

The accompanying notes are an integral part of these financial statements.

OXFORD PREPARATORY ACADEMY

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2016

	Program	Management	Total
	Services	and General	Expenses
Salaries and wages	\$ 8,101,060	\$ 1,295,414	\$ 9,396,474
Pension expense	903,470	117,928	1,021,398
Other employee benefits	889,327	132,034	1,021,361
Payroll taxes	230,719	84,002	314,721
Management fees	-	330,900	330,900
Legal expenses	-	318,110	318,110
Accounting expenses	-	13,334	13,334
Instructional materials	302,720	-	302,720
Other fees for services	2,078,604	103,004	2,181,608
Advertising and promotion expenses	10,306	35,374	45,680
Office expenses	2,913	32,703	35,616
Printing and postage expenses	2,406	8,450	10,856
Information technology expenses	70,625	1,633	72,258
Occupancy expenses	922,548	10,740	933,288
Travel expenses	-	75,538	75,538
Conference and meeting expenses	5,075	7,171	12,246
Interest expense	-	71,549	71,549
Depreciation expense	258,199	-	258,199
Insurance expense	-	46,093	46,093
Other expenses	564,749	188,166	752,915
	<u>\$ 14,342,721</u>	<u>\$ 2,872,143</u>	<u>\$ 17,214,864</u>

The accompanying notes are an integral part of these financial statements.

OXFORD PREPARATORY ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Oxford Preparatory Academy (the Academy) is a California nonprofit public benefit corporation and is organized to manage and operate public charter schools. The Academy is funded principally through State of California public education monies received through the California Department of Education.

Oxford Preparatory Academy - Chino Valley

The charter may be revoked by the Chino Valley Unified School District (the Sponsor) for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Oxford Preparatory Academy - South Orange County

The charter may be revoked by the Capistrano Unified School District (the Sponsor) for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Oxford Preparatory Academy – Saddleback Valley – Opening in 16-17

The charter may be revoked by the Orange County Department of Education (the Sponsor) for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Cash and Cash Equivalents – The Academy defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Accounting – The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

Functional Allocation of Expenses – Costs of providing the Academy's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

Basis of Presentation – The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States as prescribed by the Financial Accounting Standards Board.

OXFORD PREPARATORY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Asset Classes – The Academy is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Net assets of the Academy are defined as:

- Unrestricted: All resources over which the governing board has discretionary control to use in carrying on the general operations of the Academy.
- Temporarily restricted: These net assets are restricted by donors to be used for specific purposes. The Academy does not currently have any temporarily restricted net assets.
- Permanently restricted: These net assets are permanently restricted by donors and cannot be used by the Academy. The Academy does not currently have any permanently restricted net assets.

Receivables – Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2016. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

Property, Plant and Equipment – Property, plant and equipment are stated at cost if purchased or at estimated fair market value if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset.

Property Taxes – Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of the Academy is required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Revenue Recognition – Amounts received from the California Department of Education are recognized as revenue by the Academy based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as temporarily restricted. Restricted contributions that are received and released in the same period are reported as unrestricted revenue. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair market value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

OXFORD PREPARATORY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Taxes – The Academy is a non-profit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Academy files informational returns in the U.S. federal jurisdiction, and the state of California. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Evaluation of Subsequent Events – The Academy has evaluated subsequent events through December 2, 2016, the date these financial statements were available to be issued.

NOTE 2: CONCENTRATION OF CREDIT RISK

The Academy maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The Academy has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

The Academy also maintains cash in the County Treasury (the County). The County pools these funds with those of other educational organizations in the county and invests the cash. These pooled funds are carried at cost which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The funds maintained by the County are either secured by federal depository insurance or collateralized.

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment in the accompanying financial statements is presented net of accumulated depreciation. The Academy capitalizes all expenditures for land, buildings and equipment in excess of \$5,000. Depreciation expense was \$258,199 for the year ended June 30, 2016.

The components of property, plant and equipment as of June 30, 2016 are as follows:

Building and improvements	\$ 987,973
Furniture, fixtures, equipment	<u>1,786,002</u>
	2,773,975
Less accumulated depreciation	<u>(930,892)</u>
Property, plant and equipment, net	<u>\$ 1,843,083</u>

OXFORD PREPARATORY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended June 30, 2016

NOTE 4: NOTES PAYABLE

Revenue Anticipation Notes

The Academy issued its \$1,500,000 2014 Revenue Anticipation Notes, Series A (“2014A RANs”) on July 28, 2014 to cover working capital needs during the 2014-15 year, which were repaid in full without penalty on September 15, 2015. The 2014A RANs carry an interest rate of 6.25%.

The Academy issued its \$1,000,000 2015 Revenue Anticipation Notes, Series A (“2015A RANs”) in September 2015 to cover working capital needs during the 2015-16 year, which were repaid in installments ending on September 15, 2016. The 2015A RANs carry an interest rate of 6.25%. The balance at June 30, 2016 was \$372,700.

California Department of Education

The Academy received two revolving loans from the California Department of Education (CDE) in the amount of \$250,000 each. The loans have terms of 5 years and carries a nominal interest rate. Annual payments of principal and interest are deducted from Academy’s apportionment.

The loan repayment by year is as follows:

Year Ended June 30,	South Orange County	Saddleback Valley	Total
2017	\$ 50,000	\$ 50,000	\$ 100,000
2018	50,000	50,000	100,000
2019	50,000	50,000	100,000
2020	50,002	50,000	100,002
2020	-	50,000	50,000
Total	<u>\$ 200,002</u>	<u>\$ 250,000</u>	<u>\$ 450,002</u>

Edlighten Learning Solutions Loan

The Academy received at start-up for the Saddleback Valley charter school from Edlighten Learning Solutions (a related party – see Note 6) in the amount of \$100,000. The loan requires semi-annual repayment and carries a 4 percent interest rate.

NOTE 5: EMPLOYEE RETIREMENT

Multi-employer Defined Benefit Pension Plans

Qualified employees are covered under multi-employer defined benefit pension plans maintained by agencies of the State of California.

OXFORD PREPARATORY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended June 30, 2016

NOTE 5: EMPLOYEE RETIREMENT

The risks of participating in these multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature, and (c) if the Academy chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. The Academy has no plans to withdraw from this multi-employer plan.

State Teachers' Retirement System (STRS)

Plan Description

The Academy contributes to the State Teachers' Retirement System (STRS), a cost-sharing multi-employer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2015, total plan net assets are \$181 billion, the total actuarial present value of accumulated plan benefits is \$244 billion, contributions from all employers totaled \$2.55 billion, and the plan is 68.5% funded. The Academy did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826 and www.calstrs.com.

Funding Policy

Active plan members hired before December 31, 2012 are required to contribute 9.20% of their salary and those hired after are required to contribute 8.56% of their salary. The Academy is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. Under the 2014 funding plan, employer contributions on compensation creditable to the program will increase every year for the next seven years, up to 19.10% in 2020–21. The required employer contribution rate for year ended June 30, 2016 was 10.73% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

The Academy's contributions to STRS for the past three years are as follows:

Year Ended	Required	Percent
<u>June 30,</u>	<u>Contribution</u>	<u>Contributed</u>
2014	\$ 403,061	100%
2015	\$ 506,735	100%
2016	\$ 733,302	100%

OXFORD PREPARATORY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended June 30, 2016

NOTE 5: EMPLOYEE RETIREMENT

Public Employees' Retirement System (PERS)

Plan Description

The Academy contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multi-employer public employee retirement system defined benefit pension plan administered by CalPERS. Plan information for PERS is not publicly available. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. According to the most recently available Actuarial Valuation Report for the year ended June 30, 2015, the School Employer Pool total plan assets are \$56.8 billion, the total actuarial present value of accumulated plan benefits is \$86 billion, contributions from all employers totaled \$1.3 billion, and the plan is 77.5% funded. The Academy did not contribute more than 5% of the total contributions to the plan.

Copies of the CalPERS' annual financial reports may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814 and www.calpers.ca.gov.

Funding Policy

Active plan members are required to contribute 7.0% of their salary while new members after January 1, 2013 are required to contribute 6.0% of their salary. The Academy is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for year ended June 30, 2016 was 11.847%. The contribution requirements of the plan members are established and may be amended by State statute.

The Academy's contributions to PERS for each of the last three years are as follows:

Year Ended	Required	Percent
<u>June 30,</u>	<u>Contribution</u>	<u>Contributed</u>
2014	\$ 183,490	100%
2015	\$ 253,797	100%
2016	\$ 288,096	100%

NOTE 6: RELATED PARTY TRANSACTIONS

A separate non-profit Charter Management Organization (CMO) – Edlighten Learning Solutions was considered a related party for most of the year ended June 30, 2016. As of June 20, 2016, the Academy eliminated the related party relationship and these financial statements reflect the updated status. Accordingly, the CMO has not been considered for consolidation into the Academy's financial statements. Notwithstanding, certain financial transactions are being disclosed as related party transactions.

OXFORD PREPARATORY ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016**

NOTE 6: RELATED PARTY TRANSACTIONS

During the year ended June 30, 2016, \$826,991 (Chino Valley) and \$624,867 (South Orange County) in contractual CMO fees were paid by the Academy for charter replication and renewal process, business planning, facility oversight and planning, human resources, and professional development.

During the year, Chino Valley was reimbursed for \$63,776 in travel expenses advanced to the CMO for travel expenses paid.

During the year, the CMO leased back several employees from the Academy. The total amount of reimbursement were \$183,897 for the year ended June 30, 2016.

At June 30, 2016 the Academy owed the CMO \$73,415 (Chino Valley) and \$89,295 (South Orange County).

NOTE 7: CONTINGENCIES

The Academy has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

SUPPLEMENTARY INFORMATION

OXFORD PREPARATORY ACADEMY

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE For the Year Ended June 30, 2016

Oxford Preparatory Academy (the Academy) is a California non-profit public benefit corporation and is organized to manage and operate public charter schools.

The Oxford Preparatory Academy - Chino Valley began serving students in September 2010 and is sponsored by the Chino Valley Unified School District (the Sponsor).

The Sponsor has renewed the charter through June 30, 2017.

Charter School number authorized by the State: 1178

The Oxford Preparatory Academy - South Orange County began serving students in September 2011 and is sponsored by the Capistrano Unified School District (the Sponsor).

The Sponsor has renewed the charter through June 30, 2019.

Charter School number authorized by the State: 1324

The Oxford Preparatory Academy – Saddleback Valley began serving students in September 2016 and is sponsored by the Orange County Department of Education (the Sponsor).

The Sponsor has granted the charter through June 30, 2021.

Charter School number authorized by the State: 1784

OXFORD PREPARATORY ACADEMY

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (continued)
For the Year Ended June 30, 2016

The Board of Directors and the Administrators as of the year ended June 30, 2016 were as follows:

BOARD OF DIRECTORS

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Bob Kuhnert, Esq.	Chairman	2 year term expires 6/30/19
Albert Chang	Vice Chairman	3 year term expires 6/30/16
Dr. Greg Maddex	Secretary	2 year term expires 6/30/19
Robert G Lehmeyer	Treasurer	3 year term expires 6/30/16
Michael Delgado	Member	3 year term expires 6/30/16

ADMINISTRATORS

Barbara Black	Executive Director
Juliette Ugartechea	Chief Financial Officer
Nick Califato	Coord. of Business Services

OXFORD PREPARATORY ACADEMY

**SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2016**

	Instructional Minutes		Instructional Days	Status
	Requirement	Actual		
Chino Valley:				
T-Kindergarten	36,000	38,040	175	In compliance
Kindergarten	36,000	41,070	175	In compliance
Grade 1	50,400	54,340	175	In compliance
Grade 2	50,400	54,340	175	In compliance
Grade 3	50,400	54,340	175	In compliance
Grade 4	54,000	54,340	175	In compliance
Grade 5	54,000	54,340	175	In compliance
Grade 6	54,000	54,340	175	In compliance
Grade 7	54,000	54,340	175	In compliance
Grade 8	54,000	54,340	175	In compliance
South Orange County:				
T-Kindergarten	36,000	42,000	175	In compliance
Kindergarten	36,000	42,000	175	In compliance
Grade 1	50,400	54,340	175	In compliance
Grade 2	50,400	54,340	175	In compliance
Grade 3	50,400	54,340	175	In compliance
Grade 4	54,000	54,340	175	In compliance
Grade 5	54,000	54,340	175	In compliance
Grade 6	54,000	54,340	175	In compliance
Grade 7	54,000	54,340	175	In compliance
Grade 8	54,000	54,340	175	In compliance

See independent auditor's report and the notes to the supplementary information.

OXFORD PREPARATORY ACADEMY

**SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2016**

	<u>Second Period Report</u>		<u>Annual Report</u>	
	Classroom		Classroom	
	<u>Based</u>	<u>Total</u>	<u>Based</u>	<u>Total</u>
Chino Valley:				
Grades K-3	421.62	530.56	421.42	530.11
Grades 4-6	361.95	409.41	360.91	409.47
Grades 7-8	199.68	238.76	199.82	238.60
ADA Totals	<u>983.25</u>	<u>1,178.73</u>	<u>982.15</u>	<u>1,178.18</u>
South Orange County:				
Grades K-3	266.50	383.47	267.07	384.17
Grades 4-6	317.50	344.11	317.21	342.53
Grades 7-8	123.12	135.01	123.31	134.95
ADA Totals	<u>707.12</u>	<u>862.59</u>	<u>707.59</u>	<u>861.65</u>

See independent auditor's report and the notes to the supplementary information.

OXFORD PREPARATORY ACADEMY

**RECONCILIATION OF ANNUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2016**

	<u>Chino Valley</u>	<u>South Orange County</u>
June 30, 2016 Annual Financial Report		
Fund Balances (Net Assets)	\$ 1,423,898	\$ 1,677,753
Adjustments and Reclassifications:		
Increasing (Decreasing) the Fund Balance (Net Assets):		
Cash and cash equivalents	(373)	2,139
Accounts receivable - federal and state	-	(166,667)
Accounts receivable - other	43,228	9,481
Prepaid expenses and other assets	(234,710)	(147,822)
Property, plant and equipment, net	166,224	145,684
Accounts payable and accrued liabilities	66,551	(21,007)
Deferred revenues	(47,878)	-
Net Adjustments and Reclassifications	<u>(6,958)</u>	<u>(178,192)</u>
June 30, 2016 Audited Financial Statement		
Fund Balances (Net Assets)	<u>\$ 1,416,940</u>	<u>\$ 1,499,561</u>

See independent auditor's report and the notes to the supplementary information.

OXFORD PREPARATORY ACADEMY

NOTES TO THE SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2016

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the Academy and whether the Academy complied with the provisions of the Education Code.

Schedule of Average Daily Attendance

Average daily attendance is a measurement of the number of pupils attending classes of the Academy. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

Reconciliation of Annual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited financial statements.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Oxford Preparatory Academy
Chino, CA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Oxford Preparatory Academy (the Academy), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated December 2, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs in Finding 2016-001, we identified certain deficiencies in internal control that we consider to be material weaknesses.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Academy's Response to Findings

The Academy's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Academy's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
December 2, 2016

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Directors
Oxford Preparatory Academy
Chino, CA

We have audited Oxford Preparatory Academy's (the Academy) compliance with the types of compliance requirements described in the *2015-2016 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2016. The Academy's State compliance requirements are identified in the table below.

Management's Responsibility

Management is responsible for the compliance with the State laws and regulations as identified below.

Auditor's Responsibility

Our responsibility is to express an opinion on the Academy's compliance based on our audit of the types of compliance requirements referred to below. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2015-2016 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on state compliance. Our audit does not provide a legal determination of the Academy's compliance.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the Academy's compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Not applicable
After School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

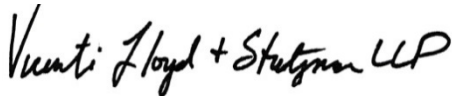
<u>Description</u>	<u>Procedures Performed</u>
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-based instructional/independent study	Yes
Determination of funding for nonclassroom-based instruction	Not applicable
Annual instructional minutes – classroom based	Yes
Charter School Facility Grant Program	Not applicable

Opinion on State Compliance

In our opinion, the Academy complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2016.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2015-2016 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.



VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
December 2, 2016

OXFORD PREPARATORY ACADEMY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2016

All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

2016-001 Institutional Controls Related to Financial Reporting of Related Parties/ 30000
Conflicts of Interest

Criteria: The management of the Academy have the responsibility to document in detail and fully disclose to the auditors, governing board, the District as the oversight agency, and the state, for purposes of conflict of interest and full disclosure reporting requirements, any and all potential related party transactions to comply with Generally Accepted Accounting Principles (GAAP).

Condition: The former Executive Director established, with the knowledge of management and the Board, a separate non-profit Charter Management Organization (CMO) – Edlighten Learning Solutions. During the year, it was discovered that the Academy's bylaws had been amended and contractual agreements entered into that created a requirement for consolidation of CMO into the financial statements of the Academy. During the year, current management amended the bylaws and the contracts with CMO were terminated.

Not withstanding these actions, it is clear that management had withheld these facts in prior years, which resulted in financial reporting not in conformity with GAAP. Furthermore, the CMO exercised significant influence over transactions and contracts between these entities, and secured considerable financial benefit through contracts that required management service fees up to 10% of apportionment revenue and charging for services that might have already existed. At June 30, 2016, unexpended funds, estimated to be approximately \$900,000, remain in the custody of the CMO as a result of fees charged under the contracts.

Effect: By not properly consolidating the CMO into the financial statements of the Academy, management concealed the use of these funds from the auditors, governing board, the District as the oversight agency, and the state for purposes of conflict of interest and full disclosure reporting

OXFORD PREPARATORY ACADEMY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2016

requirements. Related party relationships must be transparent and fully disclosed to ensure that agreements between the District and charter school are enforced.

Presenting the CMO as a vendor circumvented the District's agreements contained in the charter petition and Memorandum of Understanding (MOU). It also prevented the District and the auditor from performing their due diligence; fiscal oversight responsibilities; and prevented all concerned from seeing the true financial picture of Academy.

Cause: The Academy did not have adequate institutional controls related to proper financial reporting of related parties and did not follow sound conflicts of interest policies and procedures.

Questioned Costs: None.

Recommendation: Institutional internal controls should be established to properly identify all related parties as well as potential conflicts of interest. In addition, the Academy auditor will re-issue the audited financial statements of the Academy with 2012-13 and through the 2014-15 fiscal year. Specific to GAAP, without consolidation of the related parties represents an audit scope limitation and a material departure from GAAP, culminating in an auditor's disclaimer opinion of the financial statements.

Management Response: The current management of the Academy requested and is in agreement the prior year's financial statements be re-issued to include the relationship with Edlighten Learning Solutions. We understand the auditor's conclusion that the school's founder withheld facts in prior years which resulting in financial reporting not in compliance with GAAP.

Furthermore, we are in agreement that institutional internal controls and practices need to be revised and enforced to ensure the organization properly and transparently identifies related parties as well as potential conflicts of interest. The most immediate Corrective Actions that have been identified include (but are not limited to):

CORRECTIVE ACTIONS

Target	Action	Purpose
Board of Directors	Replace existing board members with unbiased individuals who do not have a history or relationship to previous or current employees	To bring in individuals with a variety of experience and knowledge, to provide a fresh and unbiased perspective to the organization. Individuals who will question and challenge the information brought before them; ensuring the decisions made are in the best interest of the organization.

OXFORD PREPARATORY ACADEMY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2016

Target	Action	Purpose
		To appoint individuals who have the ability and experience to function as the ultimate ‘checks and balances’ of the organization; to ensure sound accounting practices are in place, full compliance with GAAP is enforced and complete transparency is in practice.
Executive Director	The replacement of the Executive Director with an individual who has no ties to the founder.	<p>The replacement of the Executive Director is intended to bring in new leadership. The ideal candidate will have education experience and will oversee the daily operations of the organization. The preferred candidate will also have business and/or charter experience.</p> <p>The candidate will work closely under the Board’s direction to ensure the decisions and recommendations of the Board are fully implemented.</p> <p>The ideal candidate will be a strong leader and have the ability to implement change effectively and efficiently ensuring transparency, compliance and sound fiscal/management practices.</p>

OXFORD PREPARATORY ACADEMY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

Target	Action	Purpose
		<p>The Executive Director will report directly to the Board.</p> <p>The Board of Directors will review and revise the duties and authorities of the Executive Director to ensure there are adequate levels of control and approval in place.</p>
Audit Committee	Elect a committee on a fiscal basis to oversee the annual audit and any special audits that arise during the year	The audit committee will ensure an independent group review is established to provide oversight to the financial and audit practices of the organization; ensure any recommendations from said audits are proactively addressed and incorporated; to assess the effectiveness of said actions to the recommendations; to provide additional recommendations to ensure the utmost transparency and compliance.
Nepotism Policy	<p>Implement a disclosure policy to ensure any employee and or vendor relationships defined as 'nepotism', is disclosed to the Board prior to entering into a contract; Board Approval required for hiring said employees/vendor.</p> <p>Additionally, full disclosure will be required from all potential employees//vendors should they</p>	<p>The policy and code will ensure the Board is aware of relationships that may already exist within the organization.</p> <p>The Board will ensure that said relationships do not hinder transparency, accountability and compliance; nor subject</p>

OXFORD PREPARATORY ACADEMY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2016

Target	Action	Purpose
	enter into a relationship creating nepotism subsequent to their employment with the organization.	<p>the organization to fraud, mismanagement or misappropriation of funds.</p> <p>The Board will actively review, monitor and participate in contract negotiations to ensure there is no personal gain or Conflict of Interest as a result of agreements entered into by the Organization.</p>
Conflict of Interest Code	Review and possibly revise the existing Conflict of Interest Code to ensure active enforcement.	<p>The Board and Administration is actively called to review and revise, as necessary, to bolster and strengthen the existing Conflict of Interest Code.</p> <p>The Board and Administration is then called to actively comply with and enforce the Code by identifying, disclosing and reporting potential conflicts, and avoiding conflicts of interest.</p>
Annual Update	<p>As part of the annual audit, we request a meeting with the auditor at the onset of the audit to discuss changes/issues that have occurred throughout the fiscal year. Said discussion items include:</p> <ol style="list-style-type: none"> 1. Administration/Staffing: review/update changes to the Administration/Staffing 2. Corporate Structure: site additions/deletions 3. Policy: significant policy changes 	<p>A kick-off meeting with Auditor and Key Executives to address the status/changes within the organization is recommended. Through the course of interviews with key executives and administration, the auditor will obtain more comprehensive insight as to what has transpired through the course of the</p>

OXFORD PREPARATORY ACADEMY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

Target	Action	Purpose
	4. Legal: existing/pending legal matters	audit year.
Committees/Working Groups	Committees to assist with the selection and oversight of critical tasks/needs that occur throughout the year and may not be a routine need. Examples: <ul style="list-style-type: none">• Audit Committee• Hiring of Key Employee• Special Construction Projects• Fiscal Policy Review/Update• Volunteer Policy	The intent of the Committees/Working Groups is to provide additional expertise, outside experience, and a non-partisan perspective to key decisions that affect the organization.

OXFORD PREPARATORY ACADEMY

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

There were no findings and questioned costs related to the basic financial statements or state awards for the prior year.

Exhibit 2



Oxford Preparatory Academy Charter Schools

5862 C Street, Chino, California 91710 • Phone: (909) 464-2672 • FAX: (909) 248-0459 • www.oxfordchampions.com

Sue Roche, Executive Director

Jason Watts, Director of Educational Services

Barbara Black, Director of School Development

January 11, 2012

Mr. Wayne Joseph
Superintendent
Chino Valley Unified School District
5130 Riverside Drive
Chino, CA 91710

JAN 11 2012
RECEIVED
Superintendent's Office
Chino Valley Unified School District

RE: Memorandums of Understanding

Dear Mr. Joseph:

Please find enclosed the following items approved by OPA's board and executed by Sue Roche for your records:

- 1) Fiscal Oversight Memorandum of Understanding By and Between Chino Valley Unified School District and Oxford Preparatory Academy 2012-2017;
- 2) Special Education Memorandum of Understanding By and Between Chino Valley Unified School District and Oxford Preparatory Academy and
- 3) Facilities Memorandum of Understanding By and Between Chino Valley Unified School District and Oxford Preparatory Academy 2012-2017.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Nicholas J. Califato
Coordinator of Business Services

Hand Delivered

**FISCAL OVERSIGHT MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
CHINO VALLEY UNIFIED SCHOOL DISTRICT
AND
OXFORD PREPARATORY ACADEMY
2012-2017**

THIS LOAN OVERSIGHT MEMORANDUM OF UNDERSTANDING (“Agreement”) is made by and between the Chino Valley Unified School District (“District”) or (“CVUSD”), a public school district organized and operated under the laws of the State of California, and the Oxford Preparatory Academy (“OPA” or “Charter School”), a California public charter school. The District and Charter School are collectively referred to as the “parties.”

RECITALS

WHEREAS, the Charter School is a California nonprofit public benefit corporation that operates public charter schools serving students enrolled in kindergarten to eighth grade; and

WHEREAS, the parties desire through this Agreement to set forth the terms and conditions pursuant to which OPA can borrow funds for its operations or make interfund transfers or loans between charter schools or OPA affiliated organizations operated by OPA in compliance with the District’s statutory duty under Education Code section 47604.32(d) to “Monitor the fiscal condition of each charter school under its authority”; and

WHEREAS, in order to preserve the Charter School’s independent status so that the Charter School can qualify for Public Charter School Grant Program funding it must be considered "highly autonomous"; and

WHEREAS, the parties have agreed that District pre-approval of any financial transactions of OPA is not required, including interfund transfers or loans between charters; and

WHEREAS, the Charter School agrees to make the financial statements and audits of the entire nonprofit organization, all affiliates, and each of the charter schools operated by OPA fully available to the District promptly upon request as is required by Education Code section 47604.3. For purposes of this MOU, “promptly” shall mean within 10 business days of the District’s request; and

WHEREAS, as a single nonprofit, the entire nonprofit corporation is subject to the annual independent audit requirement, which audits not only the individual financial condition of each school within the corporation, but also the overall financial condition of the consolidated entity; and

WHEREAS, “affiliated organizations,” for purposes of this Agreement, shall mean the Oxford Preparatory Academy nonprofit public benefit corporation, all charter schools operated by the Oxford Preparatory Academy nonprofit public benefit corporation, and any foundations that may

later be formed by Oxford Preparatory Academy to support the nonprofit organization and/or one or more of its charter schools. It shall not include parent organizations so long as Oxford Preparatory Academy does not control the Board of such organizations.

NOW, THEREFORE, the parties agree as follows:

1. All fiscal years of all OPA charter schools, any OPA affiliated organizations and of OPA itself shall end June 30.
2. OPA shall cause a consolidated independent audit to be performed by an auditor on the State's list of approved auditors of the consolidated operations of each charter school under OPA and any OPA affiliates as well as OPA as a whole. The consolidated independent audit report will be made available to the District promptly upon request.
3. All preliminary (July 1) budgets, interim financial reports, and final unaudited reports shall contain both individual budgets and a consolidated budget of all OPA and any OPA affiliated organizations financial activity. All of these documents are available for CVUSD review promptly upon the District's request following OPA Board approval of the documents.
4. Any revenue anticipation notes or similar borrowings of OPA shall include an initial allocation of funds across all OPA charters. Initial estimates would meet the individual cash flow needs of each charter, and be repaid by each charter's revenues, although the overall obligation would be of the OPA nonprofit corporation as a whole.
5. In the case that an interfund cash transfer or interfund loan was required from one OPA charter school or OPA affiliated organization to another, all such transfers or loans transfer shall require:
 - a) A description of the proposed interfund transfer or loan and the need for such transfer or loan;
 - b) A statement that the interfund transfer or loan is necessary and in the best interests of the OPA organization as a whole;
 - c) A clear plan and timeline of the corresponding transfer back or loan repayment to the original charter school or OPA affiliated organization from funds received within the same fiscal year (including accruals received after June 30 but attributable to the fiscal year just ended);
 - d) Amended budgets and cash flow statements for any unbudgeted interfund transfers or loans.
 - e) All documents identified in items # 3, 4, 5, 6 and 7 of this MOU will be made available to the District promptly upon request.

- f) Notice to the District, including copies of all documents involving the above five items, shall be provided to within 10 business days of approval by OPA.
6. The Charter School shall maintain a list of all employees who will provide services to more than one charter school, and the allocation of the cost of all such employees among OPA charter schools. This information shall also be contained in the budget.
7. OPA shall report all preliminary budgets and interim financial reports to the OPA nonprofit corporate board using both a consolidated and individual format, where the Board can see the individual fiscal performance of each school as well as the performance of OPA as a whole. The District shall be provided access to all of these budget documents promptly upon timely approval of the documents by the Board.
8. This MOU shall be in full force and effect from the effective date of the renewal of OPA's charter on July 1, 2012, through the five year term of OPA's charter renewal and until the five year term expires on June 30, 2017.
9. The District's 3% oversight fee payable under Education Code section 47613 will be paid to the CVUSD by OPA quarterly with payment due on October 1st, January 1st, April 1st and July 1st of each year.
10. The District shall invoice OPA for Special Education encroachment payments quarterly on September 30th, December 30th, March 31st and June 30th. Payment from OPA to the District will be due in 15 calendar days from the date of the invoice.
11. All notices required by this Agreement may be sent by United State mail; postage pre-paid, to the parties as follows:

DISTRICT:

Chino Valley Unified School District
5130 Riverside Drive
Chino, CA 91710

CHARTER SCHOOL:

Oxford Preparatory Academy
5862 C Street
Chino, CA 91710

Each person below warrants and guarantees that she/he is legally authorized to execute this Agreement on behalf of the designated entity and that such execution shall bind the designated entity to the terms of this Agreement. This Agreement may be signed in counterpart such that the signatures may appear on the separate signature pages. Facsimile or photocopy signatures shall have the same force and effect as original signatures.

DISTRICT:

Wayne M. Joseph Date
Superintendent

CHARTER SCHOOL:

Susan D. Roche *1-10-2012*
Susan D. Roche Date
President/Executive Director

Approved and ratified this 29th day of December, 2011, by the Board of Education of the Chino Valley Unified School District by the following vote:

AYES: _____

NOES: _____

Abstentions _____

Clerk of the Board of Education

mc
10th day of January 2012
Approved and ratified this 10th day of January, 2012, by the Board of Directors of the Oxford Preparatory Academy by the following vote:

AYES: 3

NOES: 0

Abstentions 0

Mary Chladni

Secretary to the Corporate Board of Directors



CSIS California School Information Services

San Bernardino County Superintendent of Schools

regarding the

Oxford Preparatory Academy Charter School

Extraordinary Audit

November 22, 2016

Joel D. Montero
Chief Executive Officer





November 22, 2016

Ted Alejandre, Superintendent
San Bernardino County Superintendent of Schools
601 North E Street
San Bernardino, CA 92410

Dear Superintendent Alejandre:

In July 2016, the Fiscal Crisis and Management Assistance Team (FCMAT) and the San Bernardino County Superintendent of Schools entered into a study agreement to provide an Assembly Bill 139 extraordinary audit of the Oxford Preparatory Academy Charter School. Specifically, the agreement stated that FCMAT would:

1. Evaluate attendance practices and review supporting documentation for school years 2014-15 and 2015-16 to determine if attendance apportionment claimed against the state of California is substantiated.
2. Determine whether the charter school engaged in related-party transactions and if those transactions were conducted in accordance with established national and state policies, standards and procedures and were transparent in nature.
 - a. To the best of our ability, identify related parties.
 - b. Conduct a review of articles of incorporation and bylaws.
 - c. Conduct a review of contracts, purchase orders, memorandums of understanding for fiscal years 2012-13 through 2015-16.
 - d. Conduct a review of financial transactions (cash disbursements, cash receipts, loan payments, loan receipts, accounts payable and accounts receivable) for fiscal years 2012-13 through 2015-16 of the charter school and any related party considered consolidatable.
 - e. Conduct a review of plant, property and equipment ownership and transfers of the charter school and any related party considered consolidatable.
 - f. Review the independent annual audits for fiscal years ending June 30, 2012; June 30, 2013; June 30, 2014; June 30, 2015 and, if available, June 30, 2016.

FCMAT

Joel D. Montero, Chief Executive Officer

1300 17th Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647
755 Baywood Drive, 2nd Floor, Petaluma, CA 94954 • Telephone: 707-775-2850 • Fax: 707-636-4647 • www.fcmat.org

Administrative Agent: Christine L. Frazier - Office of Kern County Superintendent of Schools

November 2, 2017

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3. Determine if expenditures made by the charter school are for legitimate educational purposes and in accordance with approved contracts, purchase orders and memorandums of understanding.

This final report contains the study team's findings and recommendations in the above areas of review. FCMAT appreciates the opportunity to serve the [district name], and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel D. Montero". The signature is fluid and cursive, with a large initial "J" and "M".

Joel D. Montero
Chief Executive Officer

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About FCMAT

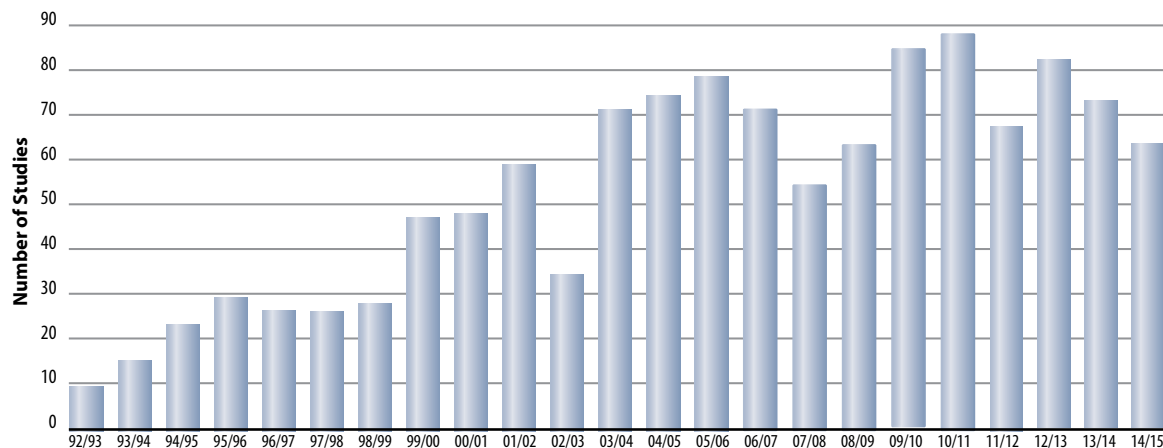
FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices, support the training and development of chief business officials and help to create efficient organizational operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and inform instructional program decisions.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the LEA to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-14 LEAs and the implementation of major educational reforms.

Studies by Fiscal Year



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website (www.ed-data.org) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

FCMAT was created by Assembly Bill (AB) 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its state-wide data management work. AB 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. AB 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, Senate Bill 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform more than 1,000 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

In June 2016, the Fiscal Crisis and Management Assistance Team (FCMAT) received a request from the San Bernardino County Superintendent of Schools Office for an Assembly Bill (AB) 139 extraordinary audit of the Oxford Preparatory Academy Charter School located in Chino, California. The county office had received allegations of multiple fiscal irregularities, questionable expenditures and inappropriate related-party transactions at the charter school. Concerned that these allegations may have violated various government and education codes related to fraud and/or misappropriation of assets, the county superintendent initiated an investigation to determine whether sufficient evidence of criminal activity exists to report the matter to the local district attorney's office for further investigation. Under the provisions of Education Code (EC) Section 1241, FCMAT entered into a contract with the county office to conduct an AB 139 extraordinary audit.

Study Guidelines

FCMAT provides a variety of services to school districts and county offices of education upon request. Education Code Section 1241.5(b)(c) permits a county superintendent of schools to review or audit the expenditures and internal controls of any school district or charter in that county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination. The Education Code provides for a review or audit conducted by the county superintendent focused on the alleged fraud, misappropriation of funds, or other illegal fiscal practices to be conducted in a timely and efficient manner. In addition, Education Code Section 42638 (b) states as follows:

If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing board of the school district, the State Controller, the Superintendent of Public Instruction, and the local district attorney.

Therefore, FCMAT focused on the allegations of misappropriation of assets, questionable contracts with third-party vendors and conflict of interest to determine whether Oxford Preparatory Academy Charter School and/or its personnel were involved in or committed fraudulent activities.

Audit Fieldwork

Investigating allegations of fraud requires several steps that include interviewing potential witnesses and assembling evidence from internal and external sources. The FCMAT study team conducted initial county office and school district interviews in August 2016 and then visited the Oxford Preparatory Academy – Chino Valley campus located in Chino, CA to conduct interviews, collect data and review documents. Additional documents were collected in San Bernardino, Sacramento, Glendora and Corona at the business services office and by telephone with individuals that had significant knowledge of financial transactions, financial records and/or audited the financial records provided by the school.

Specifically, FCMAT reviewed, analyzed and tested records that included audited financial statements, financial records, support documentation, lease documents, board minutes, the charter petition, memorandums of understanding, emails, contracts, payroll records and other documentation from independent third party and governmental sources. The review also included

interviews with the current executive director and her executive team, and meetings with business office staff, current and former charter school employees, the back-office provider, and the independent auditor to evaluate information concerning any alleged mismanagement, fraud, or abuse.

The fieldwork focused on determining whether there is sufficient information to indicate fraud, the misappropriation of state funds, conflict of interest (particularly with related-party transactions), or self-dealing through other nonprofit public benefit and for-profit corporations by management and key employees of Oxford Preparatory Academy Charter School, particularly the former executive director of the charter school and several relatives and close associates.

Although there are many different types of fraud, a conflict of interest and breach of fiduciary duty exists when officers or employees of the organization have a personal financial interest in a contract(s) or transaction(s) and is a form of misappropriation of assets. Fraudulent disbursements include mischaracterized expenditures, personal purchases and establishing shell companies or separate nonprofit public benefit corporations and for-profit corporations.

All fraud has common elements including the following:

- Knowingly making an untrue representation or a false claim of a material fact
- Intent to deceive, or concealment of the act
- Reliance on untrue information
- Damages or a loss of money or property

This report is the result of that investigation and is divided into the following sections:

- Introduction
- Background
- Scope and Procedures
- Findings and Recommendations
 - Occupational Fraud
 - Internal Controls
 - Conflict of Interest
 - California Corporations Code Section 5233
 - Related-Party Transactions, Significant Influence, Self-Dealing
 - Oxford Preparatory Academy
 - The Academies of Oxford Prep
 - Oxford Preparatory Academy Schools aka Oxford Preparatory Academy-Alliance aka Edlighten Learning Solutions
 - Epic Youth Services, LLC
 - Educational Excellence, LLC
 - Oxford Learning Group, LLC and Collegiate Learning Group, LLC
 - Diversion of Funds

- Attendance
- Receipts and Business Purpose
- Ethical Values and Fiduciary Duty
- Recommendation
- Subsequent Events
- Appendices

Study Team

The FCMAT study team was composed of the following members:

Deborah Deal, CICA, CFE
FCMAT Intervention Specialist
Los Angeles, California

Michael W. Ammermon, CPA, CFE, DABFA
FCMAT Consultant
Laguna Niguel, CA

Laura Haywood
FCMAT Technical Writer
Bakersfield, CA

Background

In 2009, Oxford Preparatory Charter Academy, Inc. (OPA) was granted status as a nonprofit public benefit corporation, or 501(c)(3), in California. The Chino Unified School District approved the charter's petition in 2010 for two years and approved the second petition for five years from July 1, 2012 through June 30, 2017 to operate as a classroom-based charter school occupying a previously closed campus in the Chino Valley Unified School District. A district administrator who wanted to duplicate a successful educational program for students in the Chino Valley area originated the petition. The original petition was overwhelmingly approved and supported by the school district having seen the success of this educational program developed in two of the Chino Valley schools.

At approximately the same time, Chino Valley USD experienced declining enrollment and eventually closed one elementary campus and struggled with budgetary reductions as result of the Great Recession in California. The superintendent and school board welcomed the opportunity to have a former administrator start a charter school using a proven educationally sound program.

OPA later expanded operations in two other school districts Capistrano in south Orange County and San Marcos in northern San Diego County in accordance with the original petition.

OPA commenced operations during the 2010-11 fiscal year. The first campus opened in Chino Valley in September 2010; the campus in South Orange County was approved in 2011; and the San Marcos campus opened in 2013.

On November 23, 2015, the Chino Unified School District superintendent wrote a letter to the San Bernardino County superintendent of schools expressing concerns regarding conflict of interest and self-dealing by the OPA. The concern focused on the involvement of the former executive director and the master services agreement with a charter management organization in violation of the memorandum of understanding between the charter school and the district.

Based on these allegations, the county office evaluated the preliminary investigation conducted by the district. After review of the allegations, the county office requested the Fiscal Crisis & Management Assistance Team (FCMAT) in July 2016 to provide for the assignment of professionals to study specific aspects of alleged fraud, misappropriation of funds and possible illegal activity in the OPA organization.

Education Code Section 42638(b) requires action by the county superintendent to include the following:

If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing board of the school district, the State Controller, the Superintendent of Public Instruction and the local district attorney.

Scope and Procedures

The fraud investigation consisted of gathering adequate information on specific allegations, establishing an audit plan, and performing various audit test procedures to determine whether fraud occurred, and if so, evaluate the loss and determine who was involved and how it occurred. During interviews, FCMAT study team members asked questions pertaining to levels of authority to enter contracts, governing board oversight, financial management internal controls,

job duties and responsibilities. Questions also were asked specifically regarding the related-party transactions between the founder/executive director and companies she initiated, managed, controlled or were closely affiliated where substantial fees were paid to these companies. Following commencement of the FCMAT audit, OPA self-disclosed some activities.

The primary focus of this review is to determine and report to the county office and the district whether there is reasonable assurance, based on the testing performed, that the academy has adequate management controls for its reporting and monitoring of financial transactions and whether fraud, misappropriation of funds or other illegal activities may have occurred. Management controls include the processes for planning, organizing, directing, and controlling program operations, including systems for measuring, reporting, and monitoring performance.

The FCMAT study team utilized fraud risk assessment checklists for conflict of interest by management/key employees in addition to conducting sample tests of financial transactions, other data and contracts to determine if fraud, misappropriation of funds or other illegal activities have occurred. Testing for this review is based on sample selection and does not include the testing of the complete list of all transactions and records for this period. Sample testing and review results are intended to provide reasonable but not absolute assurance as to the accuracy of the charter organization's transactions and financial activity.

To accomplish this audit's objectives, several audit test procedures were developed to provide an in-depth analysis and understanding of the allegations and potential outcomes. The team had access to the general ledger records, including supporting documentation provided by school personnel, the back-office provider and the independent auditor in addition to third-party and publicly accessible documents. FCMAT performed audit tests and reviews related to general ledger transactions, payroll records, credit card transactions, disbursements, and scrip including the following:

- Charter schools' petition documents and assurances.
- Governing board minutes.
- General ledger records from 2011-12 through June 2016.
- Various payroll records and employment contracts.
- Proper authorization and available supporting documentation for lease agreements, contracts and inter-company transactions.
- Meal receipts, travel, scrip, credit card transactions and related payments.
- Supporting documentation for transactions.
- Master contracts with the charter management organization and other vendors.
- Independent financial audits for the calendar years 2012 through 2015.
- IRS Form 990 tax returns and management engagement letters 2012-13 through 2014-15.

The following findings are the result of the audit procedures and review performed.

Findings and Recommendations

Occupational Fraud

An organization's owners, executives, managers or employees may commit occupational fraud, which has three primary classifications: schemes related to asset misappropriation, corruption, and financial statements.

Asset misappropriation fraud includes cash skimming, falsifying expense reports and/or forging company checks. Corruption schemes involve an employee(s) using his or her influence in business transactions to obtain a personal benefit that violates that employee's duty to the employer or the organization; conflicts of interest fall into this category. Financial statement fraud includes the intentional misstatement or omission of material information in the financial reports.

Occupational fraud is one of the most difficult types of fraud and abuse to detect. However, the most common method of detection is receiving tips by telephone, email or online forms, accounting for three times the number of any other fraud prevention method for this type of scheme, and for 39.1% of detection methods overall. According to the 2016 Report to the Nations on Occupational Fraud and Abuse prepared by the Association of Certified Fraud Examiners, Inc., corruption schemes accounted for 35.4% of all occupational fraud cases reported, with a median loss of \$200,000.

Based on this study, the perpetrator's position and authority in the organization have a direct correlation with the losses incurred. Approximately 40.9% were employees; 36.8% were managers; 3.4% other categories, and 18.9% were owner/executives. Although the second lowest percentage is from owner/executives, this group generated the largest median loss of \$703,000 of the 2,410 cases reported worldwide between January 2014 and October 2015.

The lack of internal controls at Oxford Preparatory Academy Charter School and relationships between the founder, relatives and close associates and her other nonprofit public and private corporations created an environment made it possible for the essential elements of fraud to occur, including motivation and opportunity.

Internal Controls

Internal controls are among the most important aspects of any fraud prevention program. Managers in a position of authority have a higher standard of care to establish the ethical tone and serve as examples to other employees. Employees with administrative responsibility have a fiduciary duty to the organization in the course of their employment to ensure that activities are conducted in compliance with all applicable board policies, laws, regulations, and standards of conduct. Management personnel are entrusted to safeguard the school's assets and ensure that internal controls function as intended.

While the governing board and all employees in OPA have some responsibility for internal controls, the founder/former executive director and family members and close associates holding key administrative positions have a higher ethical standard, fiduciary duty and responsibility to safeguard the assets of OPA and fully disclose all related-party or affiliated organizations and companies to the school's auditor and district.

Conflict of Interest

A conflict of interest exists when an individual who has a private financial interest in the outcome of a contract or a public decision does either of the following:

1. Participates in the decision-making process.
2. Influences, or attempts to influence, others making a contract or decision.

Statutes that govern conflicts of interest include the Political Reform Act, Government Code 1090, Government Code 87100, and Corporations Code Section 5233 for nonprofit organizations.

Governing board members and administrators should abstain from all discussions, negotiations and votes that are related to a contract in which they have a personal financial interest by removing themselves from the meeting and ensuring that abstention and departure are recorded in the board minutes.

A conflict of interest can still exist with subsequent action on the contract, such as authorizing payment under a contract, negotiating disputes or contract terms; therefore, the governing board member or administrator should abstain from all discussions, negotiations and/or votes related to the contract in which he or she has a personal interest.

This report will demonstrate that conflict of interest exists at the academy, with charter officials participating in the decision-making process and exercising considerable influence that had major financial implications without full disclosure to the charter's governing board. Additionally, multiple transactions involved self-dealing with the founder's nonprofit public benefits and for-profit corporations that allowed the founder, relatives and close associates to gain financially from these decisions and contracts. These individuals participated in subsequent actions to contracts, including signatory authority and approval of payments on behalf of the charter school.

California Corporations Code Section 5233

The purpose of California Corporations Code Section 5233 is to define self-dealing transactions where the corporation is a party "to which one or more of its directors has a material financial interest ..." An extension of this code is included in new requirements in Part VI of the federal Form 990 entitled, Governance, Management and Disclosure, which can lead to questions regarding the continuance of tax-exempt status. According to California Attorney General Kamala D. Harris, "the IRS considers such policies and procedures generally to improve tax compliance. The absence of appropriate policies and procedures may lead to opportunities for excess benefit transactions, inurement, operation for non-exempt purposes, or other activities inconsistent with exempt status."

This report will establish that an affiliated and related party relationship exists between the founder of OPA and her nonprofit public benefit corporations and for-profit companies that provided services through a daisy chain of companies evidenced by contracts, master agreements and consulting arrangements. Conclusive documentation supports that the founder, several relatives and close associates exercised significant personal involvement and financial interest, violating conflict-of-interest statutes, the memorandum of understanding between the charter

school and school district as well as their own board policies as adopted by the academy's governing board.

Related-Party Transactions, Significant Influence, Self-Dealing

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-50 contains the disclosure requirements for related party relationships and transactions as follows:

- Affiliates of the entity.
- Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity.
- Trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management.
- Principal owners of the entity and members of their immediate families.
- Management of the entity and members of their immediate families.
- Other parties with which the entity may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.
- Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests. The FASB ASC glossary also defines the terms: affiliate, control, immediate family, management, and principal owners.

The executive management of OPA have the responsibility to document in detail and fully disclose to the auditors, governing board, the district as the oversight agency, and the state for purposes of conflict of interest and full disclosure reporting requirements any and all potential related party transactions to comply with Generally Accepted Accounting Principles (GAAP). Failure to disclose related party transactions may be a departure from GAAP that could result in a qualified or adverse audit opinion and the potential for civil and criminal prosecution.

Interviews indicate that following the petition renewal in 2012, the founder created a complex structure of charter management corporations that exercised significant influence over transactions and contracts between these entities, and secured considerable financial benefit through contracts that charged management service fees up to 10%, funneling charter school dollars from OPA schools while leasing OPA employees and charging for services that already existed.

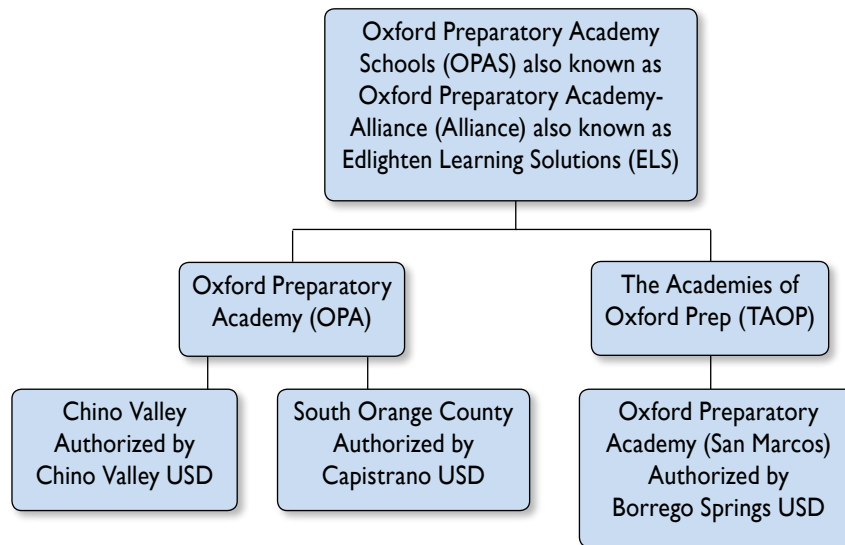
Several related-party transactions exist between the founder and several nonprofit and for-profit corporations, as shown below.

Related Parties and Affiliates

The organizational relationships associated with Oxford Preparatory Academy Schools are complex. FCMAT establishes that the nonprofit and for-profit entities created to support Oxford Preparatory Academy and other Oxford Preparatory Academy entities are affiliated organizations and related parties that have a material or significant common control and a material economic interest.

These organizations are affiliated and are related parties:

Figure 1



This report provides sufficient evidence that affiliated and/or related party organizations were intentionally created to divert and launder funds from Oxford Preparatory Academy and conceal the use of these funds from the oversight agency, Chino Valley Unified School District, (district), the independent auditor of Oxford Preparatory Academy (OPA), and all others that relied of the financial statements and independent financial audits.

Related party relationships must be transparent and fully disclosed to ensure that agreements between the district and charter school are enforced. Reliance on the audited financial statements provides the oversight agency, investors, banks and others assurance that the information contained is accurately portrayed. The independent auditor is prohibited from presenting audit reports without full disclosure, consolidation, and review of financial records of the related or affiliated entities.

Presenting the affiliated entities and related parties as simply vendors circumvented the district's agreements contained in the charter petition and memorandum of understanding. It also prevented the district and the auditor for OPA from performing their due diligence; fiscal oversight responsibilities; and prevented all concerned from seeing the true financial picture of OPA.

Affiliated and related parties are specific terms that are embedded in the framework and plain language of GAAP, Generally Accepted Auditing Standards (GAAS), the IRS, the Franchise Tax Board, Business and Professional Code, and Government Code. It is crucial that audited financial statements are presented fairly and disclosed for appropriate transparency and disclosure of financial reporting. The management representation letters to the auditors that are signed

by OPA administration are intended to prompt specific disclosures that are imperative for the proper presentation of financial statements; yet OPA management intentionally hid the related parties by not being truthful in these letters.

Affiliated Parties

The Merriam-Webster dictionary defines affiliate (verb) as:

- To closely connect (something or yourself) with or to something (such as a program or organization) as a member or partner.
- To bring or receive into close connection as a member or branch.
- To associate as a member.
- To connect or associate oneself.

The district and OPA entered into a memorandum of understanding (MOU) that defined affiliated organizations as:

“...any foundations that may later be formed by Oxford Preparatory Academy to support the nonprofit organization and/or more of its charter schools...”

The district MOU definition of affiliated organizations is met by the related parties of OPA. The nonprofit related parties were created to support OPA and its two charter schools: OPA-Chino Valley and OPA-South Orange County.

Related Parties

U.S. GAAP AU Section 334, Related Parties, FASB ASC 850-10-50 contains the disclosure requirements for related party relationships and transactions. Selected FASB ASC terms related to this organizational structure that define related parties include:

- Affiliates of the entity.
- Principal owners of the entity and members of their immediate families.
- Management of the entity and members of their immediate families.
- Other parties with which the entity may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.
- Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The FASB ASC master glossary defines affiliate, affiliated entity, and immediate family as:

Affiliate: A party that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with an entity.

Affiliated Entity: An entity that directly or indirectly controls, is controlled by, or is under common control with another entity; also, a party with which the entity may deal if one party has the ability to exercise significant influence over the other's operating and financial policies.

Immediate Family: Family members who might control or influence a principal owner or a member of management, or who might be controlled or influenced by a principal owner or a member of management, because of the family relationship.

FCMAT's analysis concludes management of OPA failed to disclose affiliated or related parties to the district and OPA's auditor, concealing the true nature of related party relationships and misleading independent auditors to file incorrect financial statements and audit reports.

Oxford Preparatory Academy

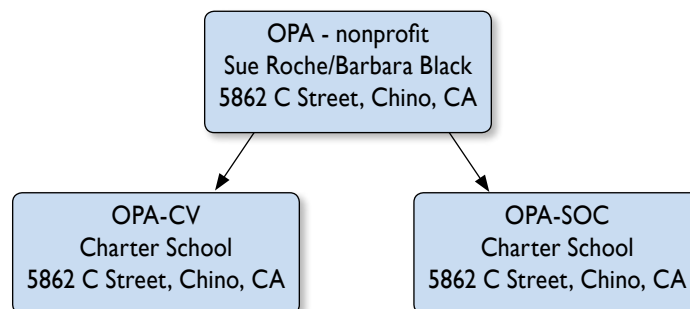
Oxford Preparatory Academy is organized under Internal Revenue Code 501(c)(3) as a nonprofit California public benefit corporation formed in 2009 to manage and operate charter schools. Susan D. Roche (or Sue Roche) is the founder of OPA, former chief executive officer (CEO), and former executive director. Barbara Black is the current executive director.

OPA operates two charter schools:

1. Oxford Preparatory Academy – Chino Valley (OPA-CV) sponsored by the Chino Valley Unified School District.
1. Oxford Preparatory Academy – South Orange County (OPA-SOC) sponsored by the Capistrano Unified School District.

IRS nonprofit tax return Form 990 lists the address of OPA as 5862 C Street, Chino, California.

Figure II



OPA issues one consolidated annual financial report and audit report for its two charter schools but fails to disclose its related party relationships. The 2012-13 through 2014-15 consolidated audit reports of the financial statements for OPA include notes to the financial statements with supplementary information for both schools individually and combined.

Supplementary information of the audit reports contains the names and positions of board members and administrators as listed below:

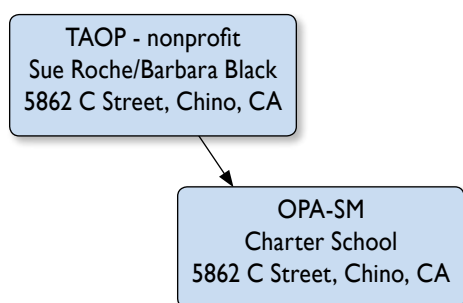
Table I

OPA			
Administrators	2012-13	2013-14	2014-15
Executive Director	Sue Roche	Sue Roche	Sue Roche
Director of School Development	Barbara Black	Barbara Black	Not listed
Coordinator of Business Services	Nick Califato*	Nick Califato*	Nick Califato*
Director of Educational Services	Jason Watts	Not listed	Not listed
Chief Financial Officer	Not listed	Not listed	Juliette Ugartechea
* Sue Roche's cousin			

The Academies of Oxford Prep

The Academies of Oxford Prep (TAOP or AOP) is organized under Internal Revenue Code 501(c)(3) as a nonprofit California public benefit corporation formed in 2012 to manage and operate one charter school: Oxford Preparatory Academy – San Marcos (OPA-SM) sponsored by the Borrego Springs Unified School District. Sue Roche is the founder, former chief executive officer, and former executive director of TAOP. The IRS nonprofit tax return Form 990 lists the address also as 5862 C Street, Chino, California.

Figure III



TAOP only has one charter school – San Marcos; therefore, consolidation of multiple charter schools under the nonprofit status for this organization would not normally be required. However, because OPAS (later renamed Edlighten Learning Solutions) is the CMO and a controlling related party for OPA Chino and OPA South Orange County schools, consolidation is required.

The nonprofit tax returns and audit reports of TAOP present the financial statements, notes to the financial statements, and supplementary information of OPA-SM without reference to related or affiliated parties. The TAOP administrators are as follows:

Table II

TAOP			
Administrators	2013-14	2014-15	2015-16
Executive Director	Sue Roche	Sue Roche	Barbara Black

FCMAT's review of TAOP's accounting records revealed that OPAS, upon changing its name to Edlighten Learning Solutions, loaned TAOP \$376,000 between December 2, 2013 and February 6, 2015, and this balance was repaid between April 6, 2015 and June 1, 2015. A separate loan in the amount of \$31,368 was recorded as of June 30, 2016 and remains outstanding, bringing the total TAOP loans to \$407,368.

Oxford Preparatory Academy Schools aka Oxford Preparatory Academy-Alliance aka Edlighten Learning Solutions



Oxford Preparatory Academy Schools (OPAS) is organized under Internal Revenue Code 501(c)(3) as a nonprofit California public benefit corporation formed in 2013 to promote, support, benefit, and replicate the OPA educational model in newly formed charter schools. Sue Roche is the founder and former chief executive officer of OPAS.

Oxford Preparatory Alliance (OPA-Alliance): OPAS was renamed Oxford Preparatory Academy-Alliance.

Edlighten Learning Solutions (ELS): OPA-Alliance was subsequently renamed Edlighten Learning Solutions.

OPAS, OPA-Alliance, and ELS are the same organization simply renamed between 2012 and 2014, and operates as a nonprofit public benefit corporation to oversee charter schools under the same federal identification number. The current name for the CMO is ELS.

OPA management explained to FCMAT that to expand the organization they needed to create a charter management organization (CMO) to protect the brand and were advised to include language for the CMO to have sole statutory status in the event one of the charter schools were to close. OPAS, the CMO, was originally organized to brand the OPA name and educational model created at the OPA-Chino charter school; acquire property; expand the brand to new charter schools; achieve economies of scale; and provide services to all OPA charter schools.

FCMAT sent certified return receipt letters to the former executive director and current director of OPA/ELS to discuss the relationship between the CMO, OPA and TAOP and to gain access to the financial records. In response, FCMAT received the following correspondence from ELS legal counsel via email on September 15, 2016:

“We represent Edlighten Learning Solutions. Edlighten no longer has any contractual or other relationship with Oxford Preparatory Academy – Chino Valley (OPA). Moreover, FCMAT’s jurisdiction extends only to “the fiscal or administrative condition of a school district or charter school under [the superintendent’s] jurisdiction.” Edlighten does not fall within the scope of FCMAT’s audit authority. Edlighten respectfully declines to make its personnel or books and records available for purposes of the FCMAT audit of OPA.”

Because ELS has declined to cooperate with this AB 139 extraordinary audit and has not made available the financial records or access to personnel, FCMAT auditors relied on third-party information including publicly available nonprofit IRS tax returns and interviews with OPA auditors and back office providers about OPAS, OPA-Alliance, and ELS.

CMO Agreements

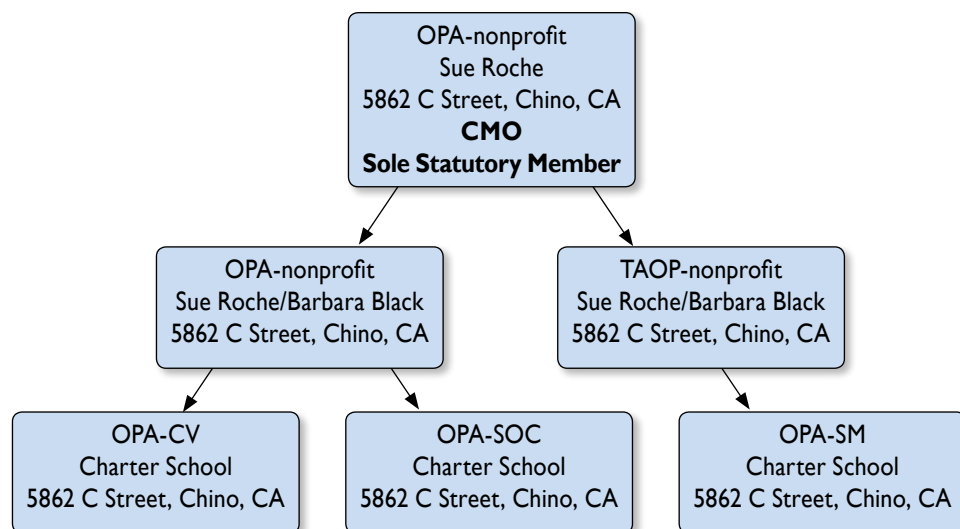
A master agreement for services dated September 7, 2012 designated OPAS as the CMO over OPA the nonprofit public benefit corporation. This agreement is superseded by the First Amended Master Agreement for Management signed January 1, 2013 by the current executive director of OPA as the CEO of OPAS and authorizing sole statutory member over OPA.

In separate agreements dated September 23, 2012 and November 19, 2013, OPAS and TAOP enter similar agreements establishing OPAS as the CMO and sole statutory member for TAOP. TAOP, the CMO over OPA-SM, is thereby under the control of OPAS, placing all OPA schools under the control of the founder.

OPAS's IRS tax return Form 990 address is listed as 5862 C Street, Chino, CA, the same as OPA and TAOP. Figure IV presents the growing complexity and relationships of the OPA related parties and affiliate organizations.

During calendar year 2013 OPA schools paid a total of \$821,489 to the OPAS CMO. OPA-CV paid \$444,523 and OPA-SOC paid \$376,966.

Figure IV



Common Management – Employee Lease Agreement

Evidence from internal and external documents, contracts, and tax returns provides that OPA, TAOP, and OPAS are affiliated and related parties with common management that have an economic interest in each other. Furthermore, the founder and current principal of OPAS has significant control over all the entities as both the CMO and a sole statutory member. The relationships between the related entities becomes more defined as OPAS evolves, changing its name to OPA-Alliance and finally ELS.

FCMAT examined transactions between both TAOP and OPA, which showed on March 28, 2016, check numbers 10096 and 10097, each for \$33,000, were prepared by TAOP to OPA and deposited into OPA's bank account for an Employee Lease Agreement. (The ELS section of this report identifies this employee as the founder and former executive director.)

In an email dated November 12, 2013, Sue Roche was cautioned about post retirement work and California State Teachers Retirement System (CalSTRS) covered work. The email states:

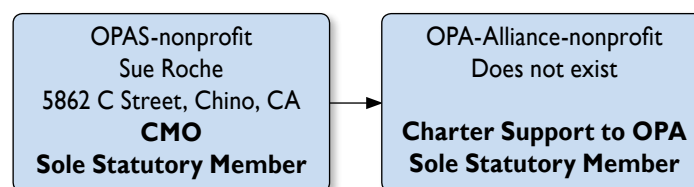
“Remember that STRS is on the warpath regarding STRS abuses. This includes especially high earnings as well as situations in which a STRS member retires but then continues to be paid by the California public school system either directly or indirectly. You will be in a situation in which OPA is paying OPAS about \$1 million per year for services, and you will be the CEO of OPAS. If STRS reviews this situation, they will be looking very closely at what you are doing and whether any of it is STRS-covered work – and if so, how much that work is worth. While it is technically acceptable for you to be the CEO of OPAS post-retirement, and performing only non-CalSTRS-covered work, you’ll need to convince STRS that you aren’t basically still managing the school at the same time you are getting full retirement benefits. If you are still spending most of your time post-retirement working in California with California public schools, this may be a difficult thing to prove.”

Oxford Preparatory Academy - Alliance

OPAS became Oxford Preparatory Academy - Alliance (OPA - Alliance) on June 9, 2014 when the governing board of TAOP approved a master agreement between OPA and OPA - Alliance for essentially the same services that were provided by OPAS to OPA. This agreement was signed on June 12, 2014.

FCMAT’s research indicates that OPA - Alliance was never formed or recognized as a California nonprofit public benefit corporation, and a review of OPA and TAOP accounting records confirmed no payments from OPA nor TAOP to OPA - Alliance were ever made. Instead payments for the services continued to be paid by OPA to OPAS until the OPAS name changed a third time to Edlighten Learning Solutions.

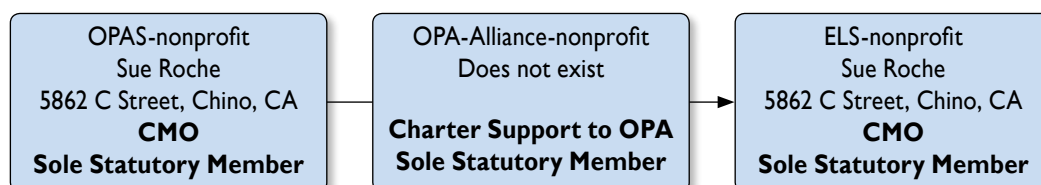
Figure V



Edlighten Learning Solutions (ELS)

OPAS/OPA-Alliance evolved into Edlighten Learning Solutions (ELS), a California nonprofit public benefit corporation.

Figure VI



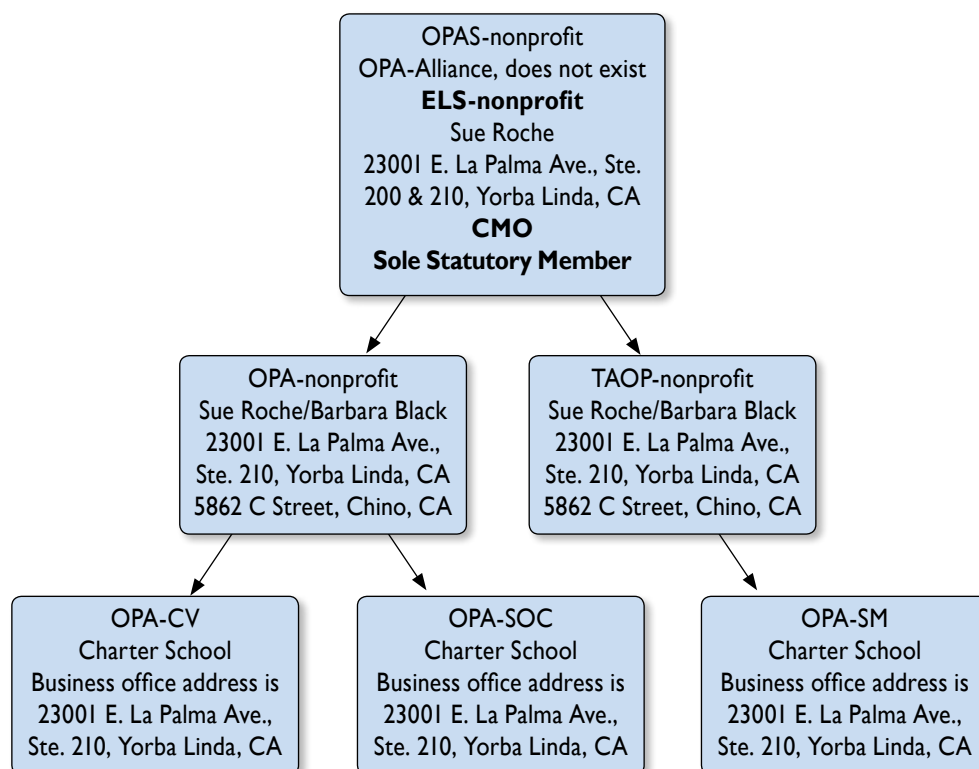
ELS’s original filed 2014 IRS Form 990 tax return address was 5862 C Street, Chino, CA, but when ELS amended its 2014 IRS Form 990 tax return in June 2016, the address was changed to 23001 E. La Palma Ave., Suite 210, Yorba Linda, CA.

The Yorba Linda address is the same address used on the 2014 IRS Form F tax returns for OPA and TAOP as well as all business office services for OPA-CV, OPA-SOC, and OPA-SM. In fact, the OPA charter school business office (suite 200) was located directly across the hallway from ELS (suite 201). Both offices were leased under the ELS name and ELS was subleasing to OPA and TAOP, although no sublease agreements were legally entered into per OPA management.

OPA paid \$42,037 in rent to ELS between May 1, 2014 and May 1, 2016. The first rent payment by OPA was a check for \$21,114 in July 2015. The remaining months up to April 2016 were payments of \$1,989 except for May 2016, which was \$1,032.75.

Essentially, ELS, OPA, and TAOP share the same office space, equipment and leasing personnel. Figure VII shows the list of affiliated and related entities:

Figure VII



The officers, directors and key employees of ELS are also listed in the tax returns of OPAS and ELS. Table III shows that Sue Roche is part of OPAS and ELS along with a key employee, Jason Watts, who is listed on the tax return as working for ELS although he only worked for OPA.

Table III – IRS Form 990 for the years 2013-14

Officers, Directors, Key Employees	OPAS - 2013	ELS - 2014
CEO/Member	Sue Roche	
President/CEO/Chief Executive Director		Sue Roche
President	Mike Red	Mike Red
Secretary	Patti Ricci	Patti Ricci
Treasurer	Mary Chladni	Mary Chladni
Manager/School Development Director		Jason Watts
Manager/Chief Academic Officer		Rebecca Baty*
*Sue Roche's daughter		

ELS continued to strengthen its common control over OPA through amended bylaws. Previous bylaws of OPA recognized ELS as the sole statutory member of OPA and stated that ELS had the power to remove all OPA board members.

Specific to the sole statutory member, OPA's Sixth Amended Bylaws state:

“Article VI MEMBERS

Section 1. MEMBERS, Edlighten Learning Solutions, a California nonprofit public benefit corporation, shall be the sole statutory member of this corporation,

Section 3. RIGHTS OF SOLE STATUTORY MEMBER. The Sole Statutory Member shall have the right to vote, as set forth in these bylaws, approving this corporation's elected trustees of the board, on the disposition of all or substantially all of this corporation's assets, on any merger and its principal terms and any amendment of these terms, and on any election to dissolve this corporation, and as otherwise required under the California nonprofit public benefit corporation law or set forth in these bylaws,

Article VII BOARD OF DIRECTORS

Section I. GENERAL POWERS, Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, subject to the powers of the Sole Statutory Member, and subject to any limitations of the articles of incorporation or bylaws, the corporations shall be managed, and all corporate powers shall be exercised, by or under the direct of the Board of Directors (“Board”). The Board may delegate the management of the corporation's activities to any person(s), management company or committees, however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board, subject to the powers of the Sole Statutory Member.

Section II. REMOVAL OF DIRECTORS. Any director may be removed, with or without cause, by the Sole Statutory Member, or by a vote of the majority of the members of the Entire Board of Directors ...” (emphasis added)

The amended bylaws give ELS broad legal power and ultimate control to remove any director with or without cause within the OPA organization. The two entities are affiliated and related parties under common control, or an alter ego of each other.

The legal dictionary at <http://dictionary.law.com> defines alter ego as:

“a corporation, organization or other entity set up to provide a legal shield for the person actually controlling the operation. ... A parent corporation is the alter ego of a subsidiary corporation if it controls and directs activities so that it will have limited liability for its wrongful acts.”

Further compounding ELS’s control over OPA is that:

- ELS is the CMO of OPA.
- ELS has broad legal rights as sole statutory member of OPA.
- The CEO of ELS, Sue Roche, exercises significant influence and control over the board members of both ELS and OPA.
- ELS applied for recognition of tax exemption pursuant to Section 501(c)(3) of the IRS Code under the integral part doctrine because ELS was an integral part of the school.
- ELS has a material economic interest in OPA by which OPA pays substantial CMO management fees to ELS.
- The sole source of revenue for ELS is OPA.

Additional documentation and corroborating evidence of the related, affiliated, integral part, and close and intimate relationship between ELS and OPA was obtained from OPA.

In a letter dated September 12, 2012, OPA’s law firm discusses “Representation of Oxford Preparatory Academy Schools and Conflict Waiver by Oxford Preparatory Academy.” The following is an excerpt where the attorney for OPA and OPAS states:

“Enclosed is a copy of our firm’s letter of engagement for Oxford Preparatory Academy Schools (OPAS), the parent company of Oxford Preparatory Academy (OPA). ... The purpose of this letter is to request OPA’s consent to our separate, subsequent representation of OPAS notwithstanding our continuing representation of OPA. ... We recognize that, as related corporations, their purposes overlap and are designed to complement and support each other.” (emphasis added)

In a letter dated March 4, 2015, the same law firm responded to questions from the IRS on behalf of ELS regarding the IRS Form 1023 application for recognition of exemption because ELS asserted to the IRS that it should be recognized not just as a nonprofit organization 501(c)(3), but as a school under IRC 509(a)(1) and 170(b)(1)(A)(iii.)

Clearly, the ELS arguments concludes under penalty of perjury that OPA and ELS are related corporations.

The March 4, 2015 letter to the IRS continues to argue that ELS and OPA have a close and intimate relationship:

“As explained in its Form 1023, Edlighten believes it qualifies as a school pursuant to the integral part doctrine. ... Courts have consistently held that where an organization bears a “close and intimate relationship” to the operation of one or more tax exempt organizations, or provides a “necessary and indispensable” service solely to those tax exempt organizations, it will take on the tax exempt status of those organizations.

“A nonprofit public benefit corporation like Edlighten, therefore, qualified for tax exemption as a school if it (1) has a “close and intimate relationship” to or more tax exempt schools, or (2) provides “necessary and indispensable” services to those schools.

Edlighten's status as an integral part of these schools means that Edlighten has taken over essential school tasks ...

"Edlighten accepted sole statutory membership in Oxford, which provides Edlighten the right to vote on approving Oxford's elected board of directors, on the disposition of all or substantially all of Oxford's assets, on any merger and its principal terms and any amendment to those terms, and on any election to dissolve Oxford.

"Edlighten holds certain assets of Oxford in a charitable trust to further Oxford's charitable and educational purposes. These assets include the personal property of Oxford including temporary modular buildings (portable classrooms), furniture, equipment and fixtures that are necessary for Oxford to operate its public charitable programs." (emphasis added)

Attorneys representing the ELS organization to the IRS claimed under penalty of perjury that ELS is necessary, indispensable, has a close personal relationship and hold assets. Yet ELS refused to provide FCMAT access to its books, records, and personnel.

Contrary to the IRS letter, OPA wrote a letter dated May 11, 2016 in response to the school district's inquiry about the ELS relationship with OPA asserting that "Edlighten does not hold any of OPA's assets," yet the 2014 IRS tax return Form 990 for ELS lists assets of buildings and equipment totaling \$60,645. Following are written responses to IRS:

- "Edlighten entered into a master agreement for management services with Oxford whereby Edlighten provides necessary and indispensable services to Oxford and the public charter schools operated by Oxford."
- "Edlighten therefore maintains its close and intimate relationship with Oxford through each of the business relationships between the organizations that are described above."
- "In fact, Edlighten was initially formed as Oxford Preparatory Academy Schools before changing its corporate name to Edlighten. Together Edlighten and Oxford are considered the Oxford Preparatory Academy family of schools."
- "Through its master agreement for management services, referenced above, Edlighten provides necessary and indispensable services and support ..."
- "Edlighten established a contractual relationship with The Academies of Oxford Prep. ...Edlighten has ensured that it maintains a close and intimate relationship with The Academies of Oxford Prep, and its public charter schools, under the same analysis above."

The FCMAT audit evidence includes:

1. OPA and ELS share employees originally employed by OPA: Employees are leased between OPA and ELS as part of the master agreement for personnel services stating that employees of "Oxford Preparatory Academy shall be provided to Edlighten Learning Solutions, Inc. pursuant to the terms of the Third Amended Master Agreement for Provision of Personnel Services from Oxford Preparatory Academy to Edlighten Learning Solutions."

When ELS and OPA's business relationship was dissolved in June 2016, the two employees who were originally employed by OPA returned to OPA, and a third (a relative of the founder) was moved to ELS. ELS leased and reassigned employees from

OPA, then provided services back to OPA and charged a management fee for services that OPA was already providing for itself. OPA did not require the ELS-CMO services because OPA already had the capacity.

2. OPA leased employees to TAOP: Even though ELS (previously OPAS) is the CMO and sole statutory member agreement for TAOP to provide services, OPA was leasing employees directly to TAOP even though OPA and TAOP are two separate, independent nonprofit public benefit corporations.

FCMAT traced two checks from TAOP to OPA dated March 28, 2016, check numbers 10096 and 10097, each for \$33,000, that were deposited into OPA's bank account for Employee Lease Agreement. Sue Roche, the founder of ELS and OPA, is the employee leased for \$66,000 from OPA to TAOP.

3. District Inquiries and IRS Amended Form 990 - 2014: When the school district learned of OPA's relationship with ELS, the district sent several requests for information to OPA about ELS. OPA's management maintained that ELS was a separate entity "just like any other vendor" and therefore, did not have access to ELS's records.

The original filed ELS IRS Form 990 contained very few disclosures and no disclosure about a relationship between ELS or other individuals or organizations. After the district began its review and requested a FCMAT audit, ELS amended its 2014 IRS Form 990 dated June 13, 2016 disclosing more information, but still omitted pertinent disclosures and information about the funds received from OPA and limited the information on how these dollars were spent.

The following is obtained from ELS amended IRS Form 990 – 2014:

- The related organization method is used for compensation, which means ELS is calling itself a related organization to OPA but also asserts in its supplementary information that it is not disclosing related party information because ELS does not believe itself to be a related party.
 - Sue Roche's salary was \$55,971 from ELS for 20 hours per week of work, \$260,022 from OPA, and \$27,000 from TAOP totaling \$342,993. (It is unclear what amounts OPA and TAOP paid in these totals because FCMAT did not have access to the support documentation from ELS.)
4. Management Disclosure and Governing Board Oversight: OPA, ELS, and TAOP are affiliated and controlled by the founder/executive director, making proper internal controls and appropriate disclosures to the governing board easy to circumvent.
 5. Nepotism: Several employees in these affiliated organizations are longtime associates, friends or relatives of the founder. Many of these individuals have received generous compensation and bonuses.

The revised tax return revealed that ELS paid \$108,333 to Educational Excellence, LLC, a Nevada for-profit corporation. Educational Excellence, LLC is also known as E2. According to the articles of organization filed with the Nevada Secretary of State dated August 14, 2014, this limited liability company is organized and managed by Brian Roche, the founder's son.

The articles of organization were filed just three months earlier than Sue Roche signed the ELS Form 1023 on November 13, 2014. (E2 will be discussed in greater detail later in this report.)

ELS IRS Form 990

Table IV compares the original ELS IRS Form 990 - 2014 dated August 28, 2015 with the revised tax return dated June 10, 2016.

Table IV

Calendar Year 2014 ELS IRS Form 990			
	Original Dated	Revised Dated	
	8/28/2015	6/10/2016	Difference
Part VIII Statement of Revenue			
Local Source - Oxford (OPA)	\$1,243,847	-	\$1,243,847
Local Source	-	1,360,163	(1,360,163)
Total Revenue	1,243,847	1,360,163	(116,316)
Part IX Statement of Functional Expenses			
Compensation of current officers, directors, trustees and key employees	409,621	55,971	353,650
Other salaries and wages	212,386	511,374	(298,988)
Other employee benefits	36,676	36,676	-
Payroll taxes	-	38,015	(38,015)
Fees for services (non-employees):			
Management	-	75,929	(75,929)
Legal	40,755	40,755	-
Other	202,356	126,083	76,273
Office expenses	14,196	35,452	(21,256)
Occupancy	-	57,168	(57,168)
Travel	126,025	21,239	104,786
Interest	-	174	(174)
Depreciation, depletion, and amortization	5,153	5,153	-
Insurance	12,983	12,983	-
Other expenses:			
Contract expense	50,110	-	50,110
Rent expense	12,226	-	12,226
Copier expense	5,848	-	5,848
Telephone	3,437	-	3,437
Staff development	-	39,715	(39,715)
Charter replication	-	12,788	(12,788)
Data processing	-	6,549	(6,549)
Donations - clients	-	4,350	(4,350)
All other expenses	1,960	25,763	(23,803)
Total functional expenses	1,133,732	1,106,137	27,595
Revenue less expenses	\$ 110,115	\$ 254,026	\$ (143,911)

ELS's only source of income is fees from OPA and TAOP, most of which is from OPA. ELS uses OPA and TAOP and its status as a CMO to move money from a public charter school, asserting that the CMO expenditures are not required to be part of the FCMAT audit. ELS is a closely related party and integral part of OPA and therefore should be available to the FCMAT audit and to the district.

Because ELS did not cooperate with the FCMAT audit, many questions remain unanswered. The following are major discrepancies and concerns:

- Local Source Income: Additional income totaling \$116,316 and representing 9.5% of the total income previously reported is included in the amended IRS Form 990 without explanation. It is unclear if the understatement of funds was inadvertently left off the initial return, or if these are revenues from other sources. This calls into question the ability of ELS to provide accurate financial reporting paid for as part of the master services agreement.
- Payroll Taxes: New expense type not previously reported to the IRS in the amount of \$38,015, with no explanation for the change.
- Fees for Services (non-employee) – Other: The original IRS Form 990 shows \$108,333 paid for other service fees. However, the amended return shows \$126,083, \$108,333 of which was paid to E2. E2 is managed by Brian Roche, Sue Roche's son. The difference of \$17,750 is not explained.
- Fees for Services (non-employee) – Management: New expense type not previously reported to the IRS in the amount of \$75,929, with no explanation for the change. ELS fails to disclose on IRS Form 990 in the supplementary information the names of the independent contractors or vendors totaling \$116,684 which now includes legal services of \$40,755.
- Travel: Travel decreased by \$104,786, from \$126,025 to \$21,239. The amended tax return failed to disclose the reason, purpose, or define how ELS reallocated these funds into other expense categories.
- Staff Development: New expense type not previously reported to the IRS in the amount of \$39,715, with no explanation for the change.
- Charter Replication: New expense type not previously reported to the IRS in the amount of \$12,788, with no explanation for the change.
- Data Processing: New expense type not previously reported to the IRS in the amount of \$6,549, with no explanation for the change.
- Donations – Clients: New expense type not previously reported to the IRS in the amount of \$4,350, with no explanation for the change.
- All Other Expense: No explanation for increases totaling \$23,803.

Gift of Public Funds

FCMAT found several examples where expenditures for ELS health premiums, equipment leases, travel cost, and other payments were paid with OPA's school funds, invoiced to the CMO and subsequently reimbursed. OPA's school funds are considered public funds under a separate tax identification number and nontaxable status. These funds cannot be used to advance pay expen-

ditures for a separate nonprofit corporation (ELS). Therefore, these payments on behalf of ELS are prohibited by Article XVI, Section 6 of the California Constitution as a gift of public funds.

Health Insurance Premiums: OPA pays for ELS and TAOP Anthem Blue Cross medical insurance premiums then subsequently invoices the CMOs for their respective portions.

School funds cannot be used to advance payment for a separate nonprofit organization; this is a gift of public funds.

Copier Leases: OPA leased copier equipment under which ELS received five machines. OPA staff informed FCMAT that “OPA has a leasing agreement with Kyocera for copier and printing equipment. For value pricing and bundled services, five additional devices were added to OPA’s leasing agreement in order to furnish the needs of the ELS office and staff. OPA started to receive invoices for the Kyocera lease in January 2016. OPA’s business office generated invoices and sent them to ELS for payment for the equipment that they were using.”

School funds cannot be used to advance payment for a separate nonprofit organization; this is a gift of public funds.

Travel Expenditures: OPA accounting records and discussions with OPA staff showed that the school prepaid travel costs on behalf of ELS totaling \$63,776 to foreign countries, New Orleans, Las Vegas and other destinations. These costs were reimbursed to OPA by ELS; nevertheless, this is a gift of public funds.

Loans

TAOP fiscal year 2013-14 and 2014-15 accounting records identify the following loans totaling \$376,000 from ELS to TAOP using fees collected from OPA schools. ELS charged management fees to OPA schools and made loans to another charter school under a separate nonprofit status. Sue Roche, executive director (2013-14 and 2014-15) had full access to use fee income from public funds for any purpose under the CMO structure. These transactions lack arm’s-length dealings between nonprofit corporations that are affiliated and related parties:

- December 2, 2013 for \$30,000
- June 24, 2014 for \$141,000
- December 9, 2014 for \$60,000
- December 31, 2014 for \$115,000
- February 6, 2015 for \$30,000

These loans were repaid in full with no interest: \$126,000 on April 6, 2015; \$125,000 on May 18, 2015; and \$125,000 on June 1, 2015. An additional loan payment of \$31,368 was recorded as of June 30, 2016, bringing the total TAOP borrowed from ELS to \$407,368.

An email was all it took for money to be transferred from the CMO to a separate business connected to the CMO. The following email dated December 8, 2014 came to the OPA business coordinator, Nick Califato, from Josh Brock of Epic Youth Services, consultant to ELS (Epic Youth Services is discussed later in this report): “I just spoke with Sue, I am needing to transfer some money over to the San Diego account. Can you assist with the account number, bank, etc.?”

While Epic Youth Services is the consulting company contracted with ELS for financial services, it is apparent from the email above that Nick Califato, employed by OPA, also assists with transactions between the two CMOs that charge OPA management fees for this work.

The documents, contracts, and tax returns obtained demonstrate that ELS and the OPA family of schools are:

- Related and affiliated.
- Meet the definition of an alter ego entity with common management.
- Have an economic interest with each other.

In addition, ELS, the CMO, exercises influence over OPA schools and TAOP with sole statutory member control.

FCMAT requested and ELS denied access to its financial records and personnel even though it is evident that these are affiliated and related parties. Education Code Sections 1241.5 (b) says “The review or audit conducted by the county superintendent shall be focused on the alleged fraud, misappropriation of funds, or other illegal fiscal practices and shall be conducted in a timely and efficient manner.” 47604.3 requires that “A charter school shall promptly respond to all reasonable inquiries, including, but not limited to, inquiries regarding its financial records ...” Failure to provide access to the ELS financial records is in violation of Education Code provisions.

The relationship between OPA and its family of organizations and CMO should be transparent and should be fully disclosed in OPA and TAOP’s independently audited financial statements and to its authorizing district. Because ELS management did not make its books and records available to the FCMAT investigation, FCMAT cannot confirm the disposition of the buildings and equipment in possession of ELS, or if these assets have been diverted.

Payments to ELS

From January 1, 2013 through June 2016, OPA schools paid management fees of \$4,253,406 to OPAS/ELS as detailed in the table below.

FCMAT has identified an additional \$449,405 from loans and rent, bringing total revenues of \$4,702,811 to ELS from OPA schools. FCMAT estimates that ELS has \$569,773 cash on hand as of June 30, 2016 that should be returned to OPA schools based on the reported expenditures in the tax return and the amount of revenues received.

Table V – Fees Paid by Calendar Year (except 2016 - partial year)

Calendar Year	OPA		TAOP	Paid to ELS Total
	OPA-CV	OPA-SOC	OPA-SM	
2013	\$ 444,524	\$ 376,966	-	\$ 821,490
2014	714,484	528,413	-	1,242,897
2015	787,116	567,381	-	1,354,497
2016	409,955	293,217	131,350	834,522
Totals	\$ 2,356,079	\$ 1,765,977	\$ 131,350	\$ 4,253,406

Epic Youth Services, LLC

Epic Youth Services, LLC is referenced in the IRS Form 1023 application filed by ELS, which states:

“Epic Youth Services, LLC has provided the following services to Edlighten Learning Solutions:

- Financial services, such as bookkeeping, accounting and tax services;
- Governance and board meeting support; and
- Consulting services for business planning activities.

“The specifics of these services will be set forth in a final contract between Edlighten Learning Solutions and Epic Youth Services, LLC. Epic Youth Services, LLC is compensated \$5,000 monthly for these services.”

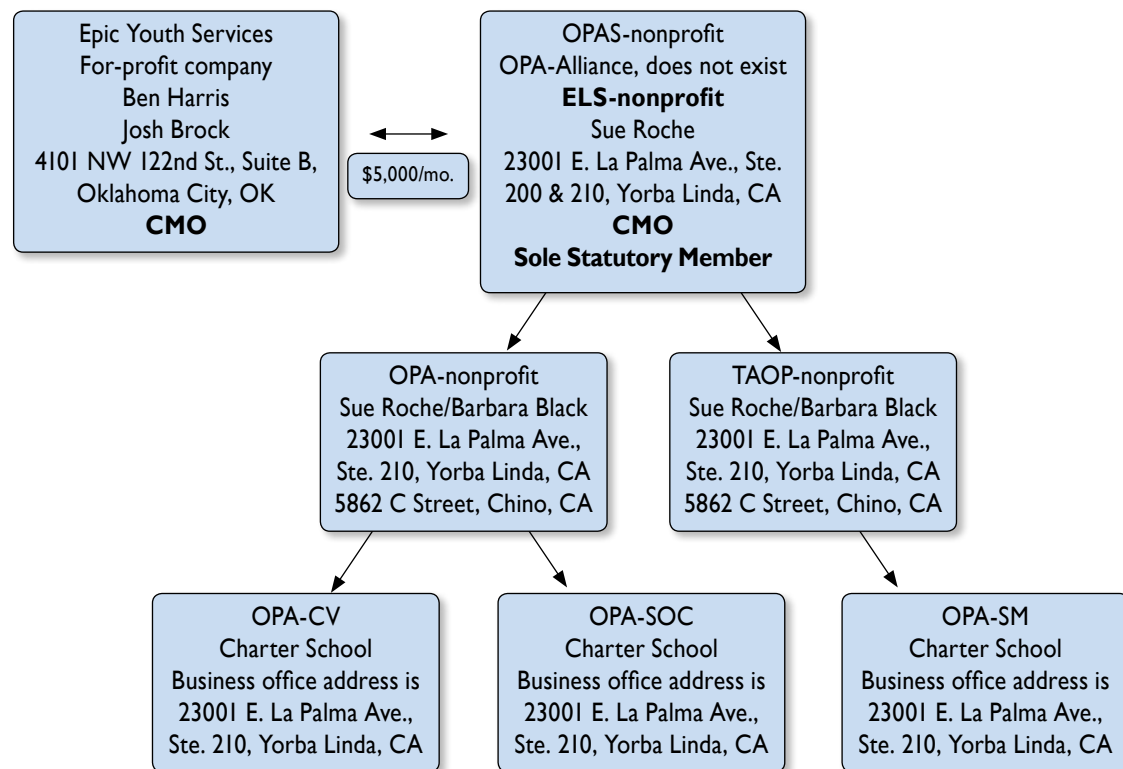
Oklahoma Secretary of State filing identifies the principal place of business for Epic as 4101 NW 122nd Street, Suite B, Oklahoma City, OK. However, there is a second address per the Statement of Information dated January 24, 2015 with the state of California Secretary of State listing Josh Brock as the chief financial officer of ELS as well as the chief financial officer of ELS located at 4508 Applegate Drive, Moore, OK.

FCMAT has identified payments from OPA-CV to Epic dated August 15, 2015 and November 15, 2012 totaling \$6,485.99 for organizational and management consulting, yet Epic has a contract for these same services with ELS. Therefore, these charges should have been under the ELS contract.

FCMAT reviewed invoices from OPAS (now ELS) to OPA-CV for services. The invoices from OPAS have the same exact address (4101 NW 122nd Street, Suite B, Oklahoma City, OK) as Epic. Invoice allocations between OPA-CV and OPA-SOC from Epic are determined by the charter school back office service provider paid under a separate contract for accounting and bookkeeping services.

Epic services add another layer of management and consulting services to OPA schools and to ELS for the same services ELS purports to provide to OPA schools. Figure VIII adds the relationship with Epic to the list of OPA schools' affiliated and related parties.

Figure VIII



FCMAT obtained September 2014 emails between Epic, ELS, E2, and the OPA business coordinator that describe how they were moving employees between these organizations, removing a board member from payroll because he was board member in one of the related organizations, assisting the founder's son and setting up a new credit card under the OPA name.

The following emails are between:

- Sue Roche, ELS board member and OPA executive director
- Terry Roche, husband of Sue Roche
- Rebecca Baty (daughter of Sue Roche), ELS manager/chief academic officer
- Brian Roche (Sue Roche's son), founder of Educational Excellence – E2
- Nick Califato (cousin of Sue Roche), business coordinator - OPA
- Ben Harris, Epic Youth Services
- Josh Brock, chief financial officer, Epic Youth Services

Re: Oxford Preparatory Academy - Tax Exempt Determination Letters

September 28, 2014 10:59 AM From Ben Harris

To Susan Roche

Ok I will let you know tomorrow as I don't have the online access, only you and Josh do. Ben

On Sun, Sep 28, 2014 at 1:53 PM, Susan Roche <sueroche@me.com> wrote: CMO Account.

Sent from my iPhone

On Sep 28, 2014, at 11:40 AM, Ben Harris <ben.harris@epiccharterschools.org> wrote:

When you say the balance of the CMO account do you mean the cc account or the bank account? Ben

On Sat, Sep 27, 2014 at 9:53 AM, Susan Roche <sueroche@me.com> wrote:

See below. I'll ask Nick about the credit card. Thanks! What is the balance of the CMO account now?

Sent from my iPad

On Sep 26, 2014, at 9:15 PM, Ben Harris <ben.harris@epiccharterschools.org> wrote: Nick has your credit card. Josh overnighted it to him. I text you that on Wed.

As I have said before nobody, including Nick, should work for both the school and the CMO. You are right. I will take a picture of receipts and send to Josh. I can do that easily. Will that work? Then at least he's not doing that for me. Then I will mail the originals to Josh once a month. Let me know if this sounds OK.

I have not developed a title yet because Josh and I are modeling to determine if the CMO can even afford to expand our role, etc.

Maybe help us expand and get a bonus for every new school you help get approved. Then you have an incentive and we can afford that with the increased income the schools will generate. Also, we can always move Jason to OPA.

I am sure we can figure it out but we need to stop spending money until we can project out what we have already committed to.

PLEASE send me a balance sheet of the account monthly. We must get Joel off the payroll. When? Of course, he may be able to help with charters, somehow. I'll ask Becky.

Have been trying to track down Becky and talk to her regarding Joel and will continue to do so. Ben

On Fri, Sep 26, 2014 at 3:27 PM, Susan Roche <sueroche@me.com> wrote: Brian continues to help us behind the scenes and take things off my plate.

Questions:

when will my new credit card be ready? Very important!

need to add Nick to payroll. He has been handling many money transaction over the last year. I'm thinking \$10,000 for the year. Thoughts? Please confirm so I can tell him.

now that we are paying Joel, what are next steps you would like to implement, and when can he sign a contract with OPA? Please discuss with Becky and handle while I'm gone.

your title? Ideas?

we are staying over and going to go to Rome after cruise to look into travel guides for a new Oxford Trip. We teach Italian and need new pizzazz for parents. Remember, we have a grant from the Italian embassy with UCLA. We are trying to schedule a meeting with our benefactors and visit embassy while in Rome for documentation.

Terry did such agreed job in Costa Rica with our students! The SOC KIDS and parents loved him. We want him to be in charge of money and itinerary with Mr. Fox, our foreign language coordinator. Our regular guy may not be able to make it. Having taught history for over years, he is perfect. Thinking Jared, Monica, and Barbara can also help.

Please call soon, but phone out of charge. Maybe 5:00 my time, if available.

From: Nick Califato <nick.califato@oxfordchampions.com>

Date: September 23, 2014 at 11:19:56 AM PDT

To: Sue Roche <sueroche@me.com>

Cc: Rebecca Baty <rbaty@opaschools.org>

Subject: Fwd: Oxford Preparatory Academy - Tax Exempt Determination Letters

We don't need to worry about the Business License! Brian did a great job and she is pro-charter. She was happy we were there. We have at least one fan at the city.

----- Forwarded message -----

From: Brian Roche <br@rohecorp.com> Date: Tue, Sep 23, 2014 at 11:15 AM

Subject: Re: Oxford Preparatory Academy - Tax Exempt Determination Letters To: Nick Califato <nick.califato@oxfordchampions.com>

Cc: Jackie Bickford <JBickford@ci.oceanside.ca.us>

She's a Chargers fan of course she's going to have a great day Kind Regards,

Brian Roche

Moving Staff between Organizations: During the 2013-14 school year, an OPA employee was moved from OPA to ELS payroll. Although located in the same building and doing the same exact duties, this employee was given a new title. According to statements to FCMAT from this employee, the only change was that his desk was physically moved across the hallway.

Table I earlier in this report shows that during 2012-13, his title was director of educational services for OPA. Table III shows his new title as manager/school development director for ELS.

Board Member of OPA Also on ELS Payroll: FCMAT was informed during an interview that the individual named in the email is thought to be paid by ELS while serving as a board member for OPA. OPA did have a board member by the same name during fiscal years 2012-13 and 2013-14. However, FCMAT was told during interviews that the board member was employed by ELS but not during the same period of time he was an OPA board member.

Educational Excellence, LLC

Educational Excellence, LLC (E2) was formed in Nevada by Brian Roche, son of Sue Roche. E2 is a for-profit limited liability company. The school district questioned OPA about having any knowledge of E2, and Barbara Black responded on May 18, 2016:

“Dear Mr. Joseph: This letter responds to your request dated April 20, 2016, which asks for information and documents related to “Educational Excellence, LLC, a Nevada LLC also known as E2.” Oxford Preparatory Academy (“OPA”) has no relationship with or information about this entity. OPA has never contracted with this company nor does OPA have any of the LLC documents.”

In fact, OPA paid E2 \$2,205.64 on December 16, 2015, check number 30647, for reimbursement of app hosting. The payment was allocated 60% to OPA-CV and 40% to OPA-SOC. In a separate transaction, OPA paid Brian Roche \$1,098.32 on December 8, 2015 by manual check for app payment reimbursement. In total, OPA paid E2 \$3,303.96.

Following the commencement of the FCMAT audit, OPA-CV discovered that E2 had been paid by OPA and a second clarifying letter was sent to the school district August 15, 2016:

“Upon further review of the IT-related services paid for by Oxford Preparatory Academy-Chino Valley, it has come to my attention that payment was, in fact, rendered to Educational Excellence, LLC ...”

E2’s original Nevada articles of organization for E2 dated August 14, 2014 identifies Brian Roche as the organizer. The following year, the Nevada articles of organization dated August 17, 2015 lists Troy Baughman as the manager or managing member. On August 27, 2016, FCMAT sent a certified return receipt letter to Troy Baughman and Brian Roche at their 2510 E. Sunset Road. Suite 5-518, Las Vegas, NV address. Verification of receipt of the certified mailing was returned to FCMAT providing evidence that E2 received FCMAT’s request for information. Neither Mr. Baughman nor Mr. Roche has responded to FCMAT’s request.

E2 Contract with ELS

Barbara Black, current executive director for OPA, continues to defend the level of services provided by ELS. FCMAT has obtained an unsigned copy of a contract between ELS and E2 dated August 1, 2014 where ELS is identified as the CMO. The contract states:

“CMO currently provides services to three (3) California public charter schools for Oxford Preparatory Academy (“OPA”) within three authorizer districts ... CMO is the Sole Statutory Member of OPA ... CMO and E2 desire to enter into this Agreement so that E2 may perform business services on behalf of CMO and OPA.”

The amended 2014 ELS IRS Form 990 disclosed the relationship between E2 and ELS, providing clarity and insight into the organization's income and various expense categories. OPA and ELS assert that ELS's services are extremely vital to OPA even though ELS and OPA management agree to share OPA employees. As previously noted, OPA paid for and ELS shared in costs for travel and medical premiums, acting as one organization. ELS, along with individuals from E2, Epic and OPA, make joint decisions on bonuses, credit cards, and other financial matters in the general course of business.

FCMAT compared the E2 master agreements with OPA dated August 1, 2014 and December 9, 2015, and noted that E2 performs similar services to ELS on behalf of OPA. Therefore, ELS charges fees to OPA while subcontracting most of these services to another company. Table IV compares the ELS and E2 listed master services by placing an "X" where both agreements are similar. In a few instances, the agreements differ by a few simple words.

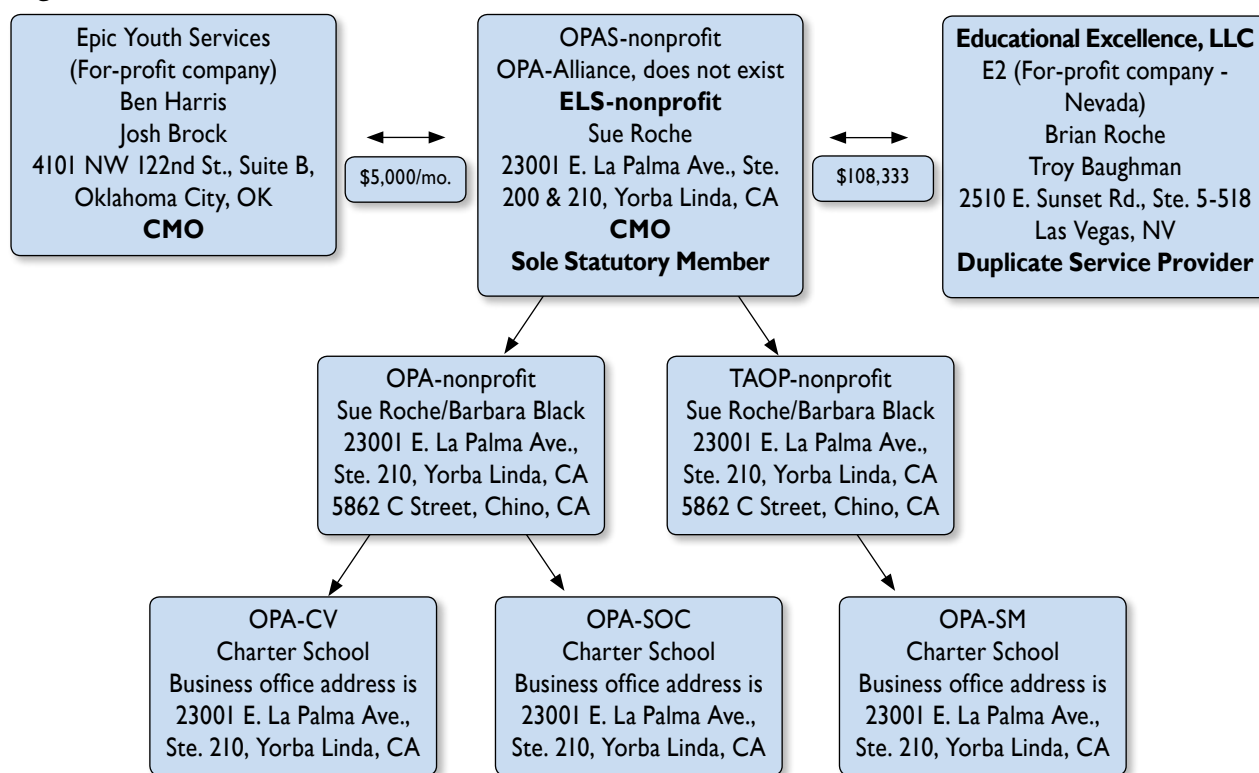
Table VI

Edlighten Learning Solutions (ELS) vs. Educational Excellence, LLC, a Nevada Corporation (E2) Services Compared		
	12/9/2015	8/1/2014
	ELS	E2
ELS's contract with E2 refers to itself as the CMO and Sole Statutory Member of OPA		
Comparison of ELS and E2 Contract Services to Each Other and OPA		
Scope of Services:		
Leadership and professional development / legal and business services:		
Technical assistance	X	X
Professional leadership	X	X
Assist OPA board in building and maintaining stakeholder satisfaction	X	-
Assist school board in building and maintaining stakeholder satisfaction	-	X
Legal services		X
Consulting services		X
Business services		X
Administrative services:		
Marketing strategies	X	X
Manage public relations	X	X
Oversee local community relationship building	X	X
Political advocacy	X	X
Develop and oversee school practices	X	-
Business planning consultation to senior management	X	X
Develop long term financial goals and plans	X	X
Administer Proposition 39 process	X	X
Charter petition amendments, grant applications, charter renewals	X	-
Consultation of human resources practices and facilities management	X	-
Conduct data analysis	X	-
New school development:		
Generate local support and foster relationships with district trustees	X	X
Assist in submitting new charter petitions	X	X
Parent workshops, international expansion, and foreign exchange		
Facilitate the international expansion and foreign exchange programs of OPA	-	X
Conduct parent information meetings	X	-
Compensation:		
OPA will pay ELS 10% of each OPA school	10% of revenue	
ELS as CMO will pay E2 \$140,000 per annum	-	\$ 141,000
ELS as CMO will pay E2 a success fee of \$50,000 for each successful new campus	-	\$ 50,000
ELS and Sue Roche compensation agreement:		
Term of July 15, 2014 - July 15, 2015 = \$241,200		
Work year is 90 days, which is \$2,680/day (\$241,200/90 = \$2,680)		

FCMAT is unable to determine the E2 level of assistance to OPA for legal, consulting, and business services when OPA already has a full business staff, third party external consulting back office service provider, and a full complement of services by ELS master services. Using fees from OPA, ELS will pay E2 \$141,000 per year plus a bonus of \$50,000 for each newly formed charter school.

Figure IX adds E2 to the list of OPA affiliated and related parties.

Figure IX



Oxford Learning Group, LLC and Collegiate Learning Group, LLC

Oxford Learning Group, LLC (OLG) is a for-profit company formed by Sue Roche as a Nevada limited liability company with articles of organization dated April 6, 2012. On April 30, 2012, the OLG articles of organization were amended to change the name to Collegiate Learning Group, LLC (CLG.)

On August 27, 2016, FCMAT sent a certified return receipt letter to Sue Roche at CLG at 2620 S. Maryland Pkwy., Unit 14-136, Las Vegas, NV with a copy to Sue Roche's personal residence. The certified return receipt mail documents were returned indicating that the FCMAT letter was received by CLG.

The CLG letter requested assistance with the FCMAT audit and included information about how to get in contact with the FCMAT team. Legal counsel retained by Sue Roche informed FCMAT that she may not be contacted directly, the company has been dissolved, and if there is a transaction in question to let them know.

Without cooperation by Sue Roche and other related parties or access to the ELS, E2, and GLG's financial records, FCMAT is unable to determine the nature of transactions that are questionable, or CLG's involvement with OPA, TAOP, ELS, and/or E2.

Diversion of Funds

Schemes that involve the diversion of funds require three steps to be successful unless there is a general lack of oversight.

In an article prepared by the Center for Popular Democracy; The Alliance of Californians for Community Empowerment (ACCE) Institute; and Public Advocates Inc. titled *Risking Public Money: California Charter School Fraud – Best Practices to Protect Public Dollars & Prevent Financial Mismanagement* dated March 2015, "California has failed to implement a system that proactively monitors charters for fraud, waste and mismanagement. While charter schools are subject to reporting requirements and monitoring by oversight bodies, including chartering entities, county superintendents and the State Controller, no oversight body regularly conducts audits."

The article cites inadequate staffing by the authorizing entities charged with the oversight function as one of the "fundamental flaws with California's oversight of charter schools."

Steps for diversion of funds related specifically to OPA audit:

Step 1: Remove or Interfere with Effective Oversight: To successfully divert, launder or convert funds or assets requires the removal or interference with effective oversight from the school district, limiting its ability to inspect contractual agreements. The district had the ability per Education Code to have one member on the governing board and did not exercise this option. In addition, the district had no presence at each charter board meeting where contracts and agreements were presented to the governing board for approval to ensure that the memorandum of understanding (MOU) dated January 10, 2012 prohibiting affiliated organizations was enforced.

The district and OPA defined affiliated organizations in the MOU by stating, "any foundations that may later be formed by Oxford Preparatory Academy to support the nonprofit organization and/or more of its charter schools ..."

OPAS and ELS are nonprofit public benefits corporations that support OPA and meet the definition provided in the district's MOU with OPA as affiliates:

The following key elements are listed in the MOU between OPA and the district:

"WHEREAS, the Charter School agrees to make the financial statements and audits of the entire nonprofit organization, all affiliates, and each of the charter schools operated by OPA fully available to the District promptly upon request ..." (emphasis added)

"WHEREAS, 'affiliated organizations,' for purposes of this Agreement, shall mean the Oxford Preparatory Academy nonprofit public benefit corporation, all charter schools operated by the Oxford Preparatory Academy nonprofit public benefit corporation, and any foundations that may later be formed by Oxford Preparatory Academy to support the nonprofit organization and/or more of its charter schools ..."

and

"NOW, THEREFORE, the parties agree as follows:

1. All fiscal years of all OPA charter schools, any OPA affiliated organizations and of OPA itself shall end June 30.
2. OPA shall cause a consolidated independent audit to be performed by an auditor on the State's list of approved auditors of the consolidated operations of each charter school under OPA and any OPA affiliates as well as OPA as a whole." (emphasis added)

The OPA-CV violated the terms of the MOU by failing to disclose affiliated organizations to the district and failure to consolidate by including the affiliated or related party organizations in the school's audited financial statement reports.

When the school district discovered that OPA transferred a significant amount of funding to ELS, senior management of OPA asserted that ELS was a vendor and claimed the request for information by the district was unreasonable. The following are excerpts from a letter dated May 11, 2016 from OPA-CV management:

Page 13

"As for how and when funds have been spent by Edlighten, just like our other vendors, contractors, and service providers, Edlighten is a separate entity with separate records. OPA cannot document, and it is unreasonable for the District to ask OPA to document, 'how and when all funds were spent' by a separate entity."

Page 19

"When Edlighten (or any of our vendors) provides the contracted-for, cost-effective, and much-needed supports for our organization ..."

Pages 23 and 28

"As for how and when funds have been spent by Edlighten, just like our other vendors, contractors, and service providers, Edlighten is a separate entity with separate records."

Page 32

"As for the remainder of this request, just like our other vendors, contractors, and service providers, Edlighten is a separate entity with separate records and OPA does not have Edlighten's employee and/or consultant files."

ELS is not "just like" other vendors for OPA because other vendors are unlikely to share employees, lend money, or allow for reimbursement of insurance and travel costs. The school's own statement on page 3 of its May 11, 2016 letter states:

"To be very clear, OPA Chino Valley's business relationship with Edlighten is that Edlighten provides extra and unduplicated services to OPA Chino Valley at fair market rate. That is, ELS, the corporate parent of OPA, provides a bundle of support service to OPA under a contract." (emphasis added)

ELS's and OPA's concealment of the related nature of their relationship from the district prevented the district from performing its oversight duties. As an affiliated and related party to OPA, ELS was required to be audited and consolidated in the OPA annual financial audit.

Barbara Black presented a term sheet to FCMAT dated November 7, 2014 as evidence that the district was aware of the ELS relationship between the OPA, and an agreement between Turner-Agassi for facilities construction and improvements. The term sheet is a document defining terms

of the Turner-Agassi Charter School Facilities Fund for a proposed OPA high school located at 4477 Phillips Boulevard in Chino, CA. The term sheet states:

“Following are the basic business terms on which Turner-Agassi Charter School Facilities Fund ... proposes to provide a school facility ... and enter into a long-term, “triple net” lease ... of the Facility to a non-profit entity to be formed by Oxford Preparatory Academy (“CMO Sponsor”) ...” (emphasis added)

The project description in the term sheet identifies the CMO sponsor as “Oxford Preparatory Academy, a non-profit entity ...” and the tenant in the term sheet is described as the same.

The term sheet fails to describe OPAS or ELS as the CMO sponsor. Instead, it states that the CMO sponsor is “to be formed,” yet OPAS/ELS existed in 2012 and should have been but was not identified as the CMO sponsor in the term sheet.

Regardless of any other conditions, rules, or accounting pronouncements, the MOU contract between OPA and the district requires consolidation of affiliated organizations related to OPA. Affiliated or related party organizations OPAS and ELS were never consolidated, disclosed or included in the OPA audited financial reports. In addition, TAOP, Epic, E2, and CLG were never disclosed as related parties.

Step 2: Mislead or Misinform the Independent Auditor: The second step to successfully divert or launder money is to mislead and misinform the auditor by limiting or qualifying information given to the auditor. If the auditor is not informed by OPA management about related party vendor relationships or is led to believe the relationships are nonexistent, then proper disclosure does not exist in the audited financial statements. The district relied on the audited financial statement, unaware that related-party relationships existed.

Part of the standard annual audit process involves direct questions regarding related parties and internal controls. It is the responsibility of OPA management to disclose pertinent information to the auditor regarding the true nature of related parties, and management failed in its fiduciary duty to disclose these relationships.

FCMAT interviewed the auditor and was told that the extensive relationship between OPA, OPAS and ELS was not fully disclosed until after the district began detailed inquiry and FCMAT commenced the audit.

On June 8, 2016, the auditor responded to a district request on behalf of OPA regarding ELS:

“Our work-papers have documented that certain OPA board members and the management of OPA has consistently represented ... that Edlighten was not a related party, based upon no shared employees (compensated) or Board members. Furthermore, additional representations led VLS to conclude that the two separate nonprofit organizations were engaged in an ‘arms-length’ contractual arrangement to provide educational consulting and services that represented the OPA education model. Based upon these representations, VLS did not believe Edlighten to be a related party that required a footnote disclosure or consolidation under Generally Accepted Accounting Principles.” (emphasis added)

When directly asked, both OPA management and OPA board members told the auditor that ELS was not a related party even though the OPA management and governing board members approved a master agreement to share employees, and commingle work spaces and expenditures.

Management representation letters are statements and assertions that OPA management, typically the executive director, write and sign on OPA letterhead addressed to the auditor. The auditor explained in an interview with FCMAT that OPA management issued a typical 2012-13 management representation letter. When the auditor became more aware of ELS (formerly OPAS), the auditor requested a new management representation letter including a representation specific to relationship between OPA and ELS. As far back as 2012-13, OPA management failed to disclose the true nature of the CMO relationship with OPA schools.

The auditor responded to the district's request dated June 8, 2016 as well as FCMAT's request for copies of the management representation letters signed by OPA for the fiscal years 2012-13 and 2013-14. FCMAT also requested and received the audit reports.

OPA's updated 2012-13 management representation letter to the auditor contained related party declarations from OPA management as follows:

- "Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP ...
- "We have disclosed to you the identity of the organization's related parties and all the related party relationships and transactions of which we are aware ...
- "We represent that OPAS is not a related party, as of the date of this letter, and that OPAS is a nonprofit corporation that has an unrelated management team and unrelated volunteer board of directors. None of the employees of OPAS are dually employed with OPA. The services OPAS provides to OPA are 'arms length' transactions whose value is commensurate with market rates for similar services." (emphasis added)

OPA, management, staff and board members continue to conceal the true relationship of affiliated and related parties to the auditor; therefore, the original audited financial statements do not conform to GAAP.

FCMAT obtained a copy of an email dated October 24, 2013 to Sue Roche warning her that continuing with OPAS as the sole statutory member equates to control over OPA and required consolidation in the audit. Clearly, OPA knew as early as the 2012-13 school year the requirements of consolidating OPA and OPAS (later ELS). The email states:

"The issue with the OPA/OPAS conflict is two-fold – one issue is the board overlap, which you have now solved, and the other is the fact that OPAS is the 'sole statutory member' of OPA, meaning for all intents and purposes it still controls OPA even with no board member overlap. Either one of those would require OPAS to be consolidated into OPA's audit. This is fine for 2012-13 but I don't think that's something you want for 2013-14 on. This means you'll need to remove OPAS as the sole statutory member of OPA as well as the board changes." (emphasis added)

2012-13 OPA Management Representation Letter

As executive director of OPA, Sue Roche signed OPA's 2012-13 management representation letter, written on OPA letterhead, dated December 2, 2013. OPA represents to the auditor that OPA has accounted for and disclosed related parties and specifically that OPAS is not a related party. The following facts support that affiliated and related party disclosure was required in the management representation letter:

- Simultaneously and commonly controlled by Sue Roche, which is related management.

- During interviews, FCMAT was told that OPAS and OPA shared certain common board members for a short time.
- OPAS is the CMO and a sole statutory member of OPA.
- OPA pays fees to OPAS evidenced only by invoices created based on a percentage of OPA's revenue, with no market rate analysis available for similar services.
- The entities share a common address.

Once OPAS was formed and financial transactions occurred, Sue Roche, the founder of OPA, failed to disclose the complete, transparent, and true nature of the relationship to the auditor and district; failed to provide the MOU between OPA and the district; and failed to present accurate audited financial statements.

During FCMAT's interview with Barbara Black, executive director of OPA, Black wanted to make sure that FCMAT knew she had been paid \$10,000 by ELS for services. The services for ELS were described as establishing ELS structure, bylaws and other miscellaneous tasks.

2013-14 OPA Management Representation Letter

Sue Roche signed OPA's 2013-14 management representation letter, written on OPA letterhead and dated November 24, 2014, as executive director. Unique to this management representation letter is that the OPAS disclosure is completely missing and no other related party disclosure is presented. OPA represents there are no related parties, and even the previous disclosure language that OPAS is not a related party is missing.

2014-15 OPA Management Representation Letter

A new executive director, Barbara Black, who had previous experience with the school district as an administrator and colleague of Sue Roche agreed to return to public service for an interim period while Sue Roche expanded her role in ELS.

Barbara Black signed the management representation letter as executive director, dated November 10, 2015. FCMAT discussed the management representation letters with her. In a statement to FCMAT, Black explained that she was not familiar with the exact meaning of the management representation letter but noticed Sue Roche had removed the OPAS paragraph from the 2012-13 management representation letter that stated OPAS was not a related party. Black also noticed that the subsequent year, the 2013-14 management representation letter made no mention of related parties and continued with the same format as the previous year.

2013-14 and 2014-15 TAOP Management Representation Letters

Sue Roche and Barbara Black signed the auditor's management representation letters on TAOP letterhead, dated December 15, 2014 and November 6, 2015, respectively. Both OPA and TAOP have the same audit firm. Both management representation letters fail to disclose related party relationships even though ELS is the CMO for TAOP. In fact, TAOP paid fees to and received loans from ELS.

Three years of OPA and two years of TAOP management representation letters fail to identify related party relationships and transactions, resulting in omitted disclosure in the audited financial statements of OPAS, ELS, Epic, and E2.

Revised Audit Reports

Based on the OPA and district MOU language alone, the auditor agreed that consolidation of OPA and OPAS/ELS was required beginning with 2012-13 and through the 2015-16 fiscal year. Specific to GAAP, without consolidation of the related parties represents an audit scope limitation and a material departure from GAAP, culminating in an auditor's disclaimer opinion of the financial statements.

The auditor stated he was not fully informed of OPA's related parties and would discuss these issues with OPA. The auditor wrote in an email to FCMAT on August 30, 2016:

"Barbara Black has emailed me regarding re-issuing the audits. They left the ball in my court, so since I can't gain access to the records of Edlighten, I am thinking I will be issuing revised reports with a scope limitation for the non-consolidation issue."

Consolidation is required if there is "control" and an "economic interest" and, as with all audits, is subject to auditor judgment and consideration of all the facts.

An ***economic interest*** in another not-for-profit entity exists when another entity holds or provides significant services to the organization or the organization is responsible for another entity's liabilities.

Control is the direct or indirect ability to determine the direction of an organization's management and policies. An organization is determined to have a majority voting interest in the Board of another entity, and thus control of that entity, if it has the direct or indirect ability to appoint individuals that together constitute a majority of votes of that entity's governing board. Thus, if one organization approves a majority of another entity's governing board, there is the indirect ability to determine the direction of that entity's management and policies.

ELS's sole statutory member in OPA provides control. And as early as 2012 when OPAS was formed, Sue Roche represented controlling management of OPA and ELS. This report has demonstrated that OPA, TAOP, OPAS and ELS are related parties, and these entities have an economic interest in each other. Finally, OPAS/ELS and Sue Roche exercise significant influence and significant control over the OPA family of organizations. ELS also has broad and ultimate control from sole statutory member rights and authority as described in OPA's sixth amended bylaws, which grants ELS the ability to remove any OPA director with or without cause.

The auditor has determined that the audited financial statements for 2012-13 through 2014-15 were misstated and should be reissued with proper disclosure. To date, the audited financial statements have not been reissued. However, because ELS refuses to make its financial records available to the auditor, making it impossible to consolidate the financial statements, the auditor will need to issue a disclaimer opinion with proper notation in the Notes to the Financial Statements section of the report.

Step 3: Dilute Transparency: Successful dilution of transparency occurred when the founder changed names of the CMO three separate times, and hired relatives, friends and longtime associates. This strategic process involves creating loyal followers and placing family members and/or close associates in key positions, with high salaries, stipend payments and other incentives.

Sue Roche, the founder, created the appearance of legitimacy by:

1. Entering into numerous contracts and contract amendments to keep up the appearance that the entities are different, contracts are legitimate, and

contracts list numerous services to justify the fees. Issuing percentage-based contracts resulted in equal monthly invoices and payments without documenting services.

2. Modifying the bylaws often so that every addition to the bylaws was just a simple addition to the previous addition. OPA had six amended sets of bylaws before the district began questioning transactions and relationships.
3. Commingling the organizations' accounting by paying expenditures for each organization such as rent, health insurance, and travel costs.
4. Forming a daisy chain of companies to pay them through OPA and ELS. This process acclimates everyone who may be concerned about the entities and pacifies questions by implying that these companies are familiar and acceptable. The ELS business office lists addresses in multiple states such as Oklahoma, Nevada and California, giving the appearance of credibility and distance.

Sue Roche ignored warnings and advice from advisors and shopped around for the answers she wanted to hear going from vendor to vendor, and advisor to advisor – several legal firms and at least four back-office services providers.

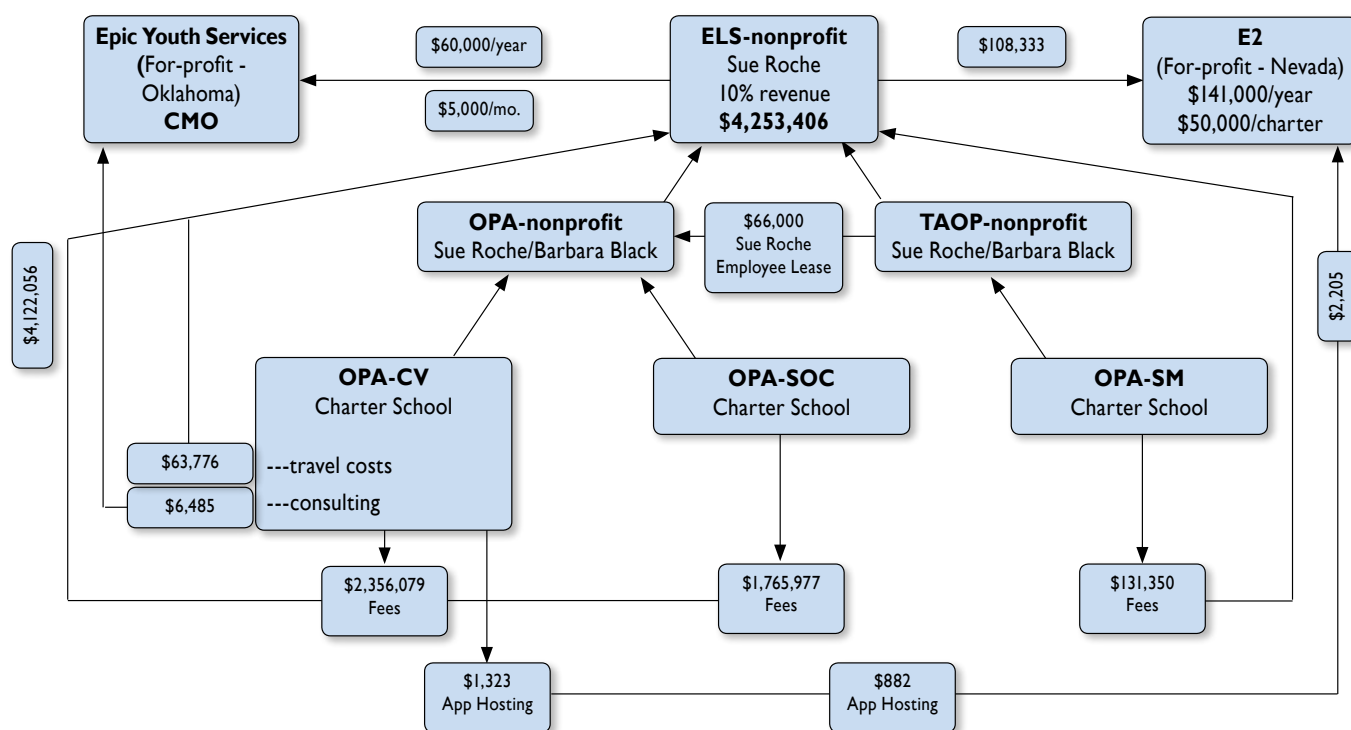
For example, in an email October 6, 2013 to Sue Roche, OPA's back-office service provider experienced with charter school finance warned Sue Roche about misuse of funds in wake of the Ivy Academy, AIMS, and FAME charter school AB 139 extraordinary audits involving misappropriation of funds, fraud and self-dealing when "founders overstep their authority" and have the ability to impede internal controls for personal benefit. The back-office provider was concerned especially because Sue Roche had several members of her immediate family working in key positions in the OPA organization.

Sue Roche maintained and Barbara Black continued to assert that the services received from ELS are valuable and needed for the success of the OPA family of schools; that to expand this educational model required establishing a CMO, thereby protecting the brand.

This diversion scheme channeled \$4,253,406 in fees plus \$449,405 in loans and rents totaling \$4,702,811 of public charter school money from OPA-CV, OPA-SOC, and OPA-SM to OPAS/ELS and into a daisy chain of other companies all affiliated with the founder, Sue Roche.

Figure X depicts how money flowed from public charter school funds to other organizations:

Figure X



FCMAT determined from the financial records of OPA and TAOP that at least \$4,253,406 in fees plus \$449,405 in loans and rents of public school dollars were moved between the CMO organizations (TAOP and OPAS/ELS) from the OPA family of charter schools.

Attendance

FCMAT examined student attendance transactions of OPA for the 2014-15 and 2015-16 school years. To test attendance compliance, confirmation letters with students' attendance records were sent to OPA-CV parents. The letter asked parents to confirm if the attendance record was correct, if the parent had been contacted by anyone to instruct them how to respond to the confirmation letter, or if they were required to pay any tuition or fee to attend OPA.

Table VII shows what FCMAT sampled:

Table VII

Description	2014-15	2015-16	Total
Total Number of Attendance Records	1,066	1,100	2,166
Number of Attendance Records Sampled	69	85	154
Percent Confirmation of Student Attendance Records Sent	6.5%	7.7%	7.1%

The sample includes individual students, students with siblings also attending OPA-CV, and students who have left OPA-CV. The attendance records were sampled across grades kindergarten through eighth grade.

FCMAT received 73 responses, for a 47.4% response rate. Of those who responded, all but one of the confirmations received stated that the attendance was accurate, they had not been instructed in how to respond, and they were not required to pay any tuition or fee to attend OPA-CV. The one confirmation response that was different stated that the one absence listed in their student's attendance record should have been an excused absence.

Based on the results of testing, FCMAT concludes that OPA-CV appears to keep accurate attendance records.

Receipts and Business Purpose

FCMAT examined transactions including receipts for meals, and scrip used for travel, gasoline, merchandise, and other expenditures.

Meal Receipts

Several samples of meal receipts had little or no support documentation or statement of business purpose and those in attendance. Proper documentation is needed to support receipts and justify that these are legitimate meal expenditures. FCMAT noted that many meal receipts were for a single meal, indicating a personal benefit rather than a legitimate school expenditure.

Scrip

Scrip is a way to fund-raise through retailers. Scrip is earned when schools sign up with retailers and invite community members to purchase gift cards at full face value. Depending on the retailer, the purchase of these gifts cards earns an immediate rebate of anywhere from 3% to 15%. Rebates, in the form of cash cards, are sent to the school to purchase supplies and other items at that retailer's establishment.

Scrip was used extensively at OPA. FCMAT reviewed the OPA accounting records and requested vendor transactions to sample including: Albertson's, Amazon, Best Buy, Chevron, Exxon Mobil, Groupon.com, Home Depot, Little Caesars, Lowe's, Office Depot, Safeway/Vons, Shell, Smart & Final, Staples, Stater Bros., Target, Walmart, Arco, and Barnes & Noble.

Scrip earnings were traditionally allocated evenly between OPA-Chino and OPA-SOC until 2015-16, when 100% of the scrip was applied to OPA-CV exclusively.

Table IX illustrates the scrip transactions FCMAT identified in the school's vendor records attributable to \$106,292.25 in scrip from Great Lakes Scrip Center.

Table IX

School Year	OPA-Chino	OPA-SOC	Total
2013-14	\$ 20,750.55	\$ 20,750.35	\$ 41,500.90
2014-15	16,000.24	16,000.21	32,000.45
2015-16	32,790.90	-	32,790.90
Total	\$ 69,541.69	\$ 36,750.56	\$ 106,292.25

FCMAT's review of scrip identified that Sue Roche signed out several scrip cash cards and many did not have receipts or explanation as support documentation, yet there were no other exceptions from other employees that check out cash cards.

As the FCMAT audit continued, OPA commenced its own internal investigation into scrip and credit card purchases and found \$5,950 in gasoline and \$1,625 in other scrip purchases identi-

fied by OPA management as personal expenses. Currently, OPA management is working through the school's legal counsel to seek reimbursement of those amounts.

Additional Requests for Reimbursement

Through its own internal investigation, OPA-CV has determined and requested reimbursement for other personal expenditures from Sue Roche including her personal internet service; credit card miles used for gasoline; the personal telephone for her husband, Terry Roche; car lease payments; auto insurance; and vehicle registration not part of her contract with OPA-CV and OPA-SOC totaling an additional \$38,733.

FCMAT reviewed check number 1743, dated June 19, 2015. "Bonus Annual Performance" was printed in the memorandum section of the check to Sue Roche for a net payment of \$25,834.54 based on gross pay of \$51,875, which was never ratified by the governing board.

Based on assurances from OPA management FCMAT is aware that OPA schools have requested \$98,183 total in reimbursement from Sue Roche for personal expenses.

Ethical Values and Fiduciary Duty

A properly functioning internal control environment includes ethical values and integrity displayed by the governing board and management as well as the underlying tone set by the organization's site administrators. The tone of the organization set by management through its words and actions demonstrates to others that dishonest or unethical behavior will not be tolerated. An atmosphere in which employees feel safe to communicate concerns is a fundamental component of a strong and effective internal control environment.

The control environment is an essential element and provides the foundation for other internal controls to be effective in achieving the goals and objectives of the organization, and to prevent and/or deter fraud or illegal acts. Regular external audits are a strong deterrent to mismanagement and fraud, but they cannot serve as the only method of ensuring accountability. When the oversight agency and independent auditors are misled by acts of corruption, concealment, and misrepresentation of financial statements through collusion by senior management and others, there is a complete breakdown of internal controls that makes it easy for the diversion of funds to occur.

It is imperative for the county office and Chino Unified School District and OPA governing boards to review the findings and recommendations of this audit to implement the appropriate internal controls and hold the responsible parties accountable for their actions.

Based on the evidence presented to FCMAT, there is sufficient documentation to demonstrate that fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred. A significant material weakness exists in the charter school's internal control environment, which increases the probability of fraud and/or abuse. These findings should be of great concern to the Chino Valley Unified School District governing board, and require immediate intervention to limit the risk of fraud and/or misappropriation of assets in the future.

Education Code Section 42638(b) states that action by the county superintendent shall include the following:

If the county superintendent determines that there is evidence that fraud or misappropriation of funds has occurred, the county superintendent shall notify the governing

board of the charter school, the State Controller, the Superintendent of Public Instruction, and the local district attorney.

Recommendation

The county superintendent should:

Notify the governing board of Oxford Preparatory Academy charter school, the governing board of the Chino Valley Unified School District, the State Controller, the Superintendent of Public Instruction, and the local district attorney that fraud, misappropriation of assets or other illegal activities may have occurred.

Subsequent Events

After FCMAT completed fieldwork and resulting from or related to FCMAT's audit of OPA, the following events occurred:

- Four OPA board members have resigned and three new board members have been appointed. It is not known if any of the new board members are associated with any of the current or former OPA management.
- According to current OPA management, two top-level personnel changes have been made; at least one is a relative of Sue Roche.

Appendices

Appendix A - Study Agreement

**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
AB139 STUDY AGREEMENT
July 20, 2016**

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the San Bernardino County Superintendent of Schools, hereinafter referred to as the COE, mutually agree as follows:

1. BASIS OF AGREEMENT

The team provides a variety of services to local educational agencies (LEAs). Pursuant to the provisions of Education Code (EC) Section 1241.5 (c), a county superintendent of schools may 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. The extraordinary audits conducted by the county superintendent shall be focused on the alleged fraud, misappropriation of funds, or other illegal fiscal practices and shall be conducted in a timely and efficient manner.

All work shall be performed in accordance with the terms and conditions of this agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The San Bernardino County Superintendent of Schools has requested that the team assign professionals to conduct an extraordinary audit on behalf of the Chino Valley Unified School District/Oxford Preparatory Academy Charter School. Per Education Code Section 1241.5(c), the superintendent has reason to believe that fraud, misappropriation of funds, or other illegal practices may have occurred. The review of the district will include but not be limited to the following:

1. Evaluate attendance practices and review supporting documentation for school years 2014-15 and 2015-16 to determine if attendance apportionment claimed against the state of California is substantiated.
2. Determine whether the charter school engaged in related-party transactions and if those transactions were conducted in accordance with established national and state policies, standards and procedures and were transparent in nature.

- a. To the best of our ability, identify related parties.
 - b. Conduct a review of articles of incorporation and bylaws.
 - c. Conduct a review of contracts, purchase orders, memorandums of understanding for fiscal years 2012-13 through 2015-16.
 - d. Conduct a review of financial transactions (cash disbursements, cash receipts, loan payments, loan receipts, accounts payable and accounts receivable) for fiscal years 2012-13 through 2015-16 of the charter school and any related party considered consolidatable.
 - e. Conduct a review of plant, property and equipment ownership and transfers of the charter school and any related party considered consolidatable.
 - f. Review the independent annual audits for fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015 and, if available, June 30, 2016.
3. Determine if expenditures made by the charter school are for legitimate educational purposes and in accordance with approved contracts, purchase orders and memorandum of understandings.

B. Services and Products to be Provided

1. Orientation Meeting - The team will conduct an orientation session at the district to brief management and supervisory personnel on the team's procedures and the purpose and schedule of the study.
2. On-site Review - The team will conduct an on-site review at the district office and at school sites if necessary; and will continue to review pertinent documents off-site.
3. Progress Reports - The team will inform the COE of material issues as the review is performed.
4. Exit Meeting – The team will hold an exit meeting at the conclusion of the on-site review to inform the COE of any significant findings to that point.
5. Draft Report – When appropriate, electronic copies of a preliminary draft report will be delivered to the COE's administration for review and comment on a schedule determined by the team.
6. Final Report - Electronic copies of the final report will be delivered to the COE and/or district following completion of the review. Printed copies are available from the FCMAT office upon request.
7. Follow-Up Support – If requested, the team will meet with the COE and/or district to discuss the findings and recommendations of the report.

3. **PROJECT PERSONNEL**

The study team will be supervised by Michael H. Fine, Chief Administrative Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- | | | |
|----|-------------------------|--------------------------------------|
| A. | Deborah Deal, CICA, CFE | FCMAT Fiscal Intervention Specialist |
| B. | Michael Ammermon, CPA | FCMAT Consultant |

Other equally qualified staff or consultants will be substituted in the event one of the above individuals is unable to participate in the study.

4. **PROJECT COSTS**

The cost for studies requested pursuant to EC 42127.8 (d) (1) shall be:

- A. \$800 per day for each staff team member while on site, conducting fieldwork at other locations, presenting reports, or participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate for all work performed.
- B. All out-of-pocket expenses, including travel, meals and lodging.

Based on the elements noted in Section 2A, the total estimated cost of the study will be \$51,000.

- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services may be reimbursed from funds pursuant to EC 1241.5 set aside for this purpose. Other payments, when deemed necessary, are payable to Kern County Superintendent of Schools - Administrative Agent.

5. **RESPONSIBILITIES OF THE COE AND/OR DISTRICT**

- A. The district will provide office and conference room space during on-site reviews.
- B. The district will provide the following if requested:
 - 1. Policies, regulations and prior reports addressing the study request
 - 2. Current or proposed organizational charts
 - 3. Current and two prior years' audit reports
 - 4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in an electronic format

5. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository where the district shall upload all requested documents.

- C. The COE and/or district's administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with pupils. The district shall take appropriate steps to comply with EC 45125.1(c).

6. **PROJECT SCHEDULE**

The following schedule outlines the planned completion dates for different phases of the study and will be established upon the receipt of a signed study agreement:

<i>Orientation:</i>	<i>To be determined</i>
<i>Staff Interviews:</i>	<i>To be determined</i>
<i>Exit Meeting:</i>	<i>To be determined</i>
<i>Preliminary Report Submitted</i>	<i>To be determined</i>
<i>Final Report Submitted</i>	<i>To be determined</i>

7. **COMMENCEMENT, TERMINATION AND COMPLETION OF WORK**

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the district and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a preliminary draft report and a final report. Prior to completion of fieldwork, the district may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the district does not provide written notice of termination prior to completion of fieldwork, the team will complete its work and deliver its report and the district will be responsible for the full costs. The district understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the district shall not request that it do so.

8. **INDEPENDENT CONTRACTOR**

FCMAT is an independent contractor and is not an employee or engaged in any manner with the district. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the district in any manner without prior express written authorization from an officer of the district.

9. **INSURANCE**

During the term of this agreement, FCMAT shall maintain liability insurance of not less than \$1 million unless otherwise agreed upon in writing by the district, automobile liability insurance in the amount required under California state law, and workers compensation as required under California state law. FCMAT shall provide certificates of insurance, with San Bernardino County Superintendent of Schools named as additional insured, indicating applicable insurance coverages upon request.

10. **HOLD HARMLESS**

FCMAT shall hold the district, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement. Conversely, the district shall hold FCMAT, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement.

11. **CONTACT PERSON**

Contact: Richard De Nava, Assistant Superintendent
Telephone: (909) 386-2459
E-mail Address: richard_denava@sbcss.k12.ca.us



Ted Alejandre, Superintendent
San Bernardino County Superintendent of Schools

7/21/16

Date



Michael H. Fine
Chief Administrative Officer
Fiscal Crisis & Management Assistance Team

July 20, 2016

Date

Exhibit 4

General

FASB AU-C 958-810-25-1 A relationship with another not-for-profit entity (NFP) can take any one of the following forms, which determines the appropriate reporting:

1. a. A controlling financial interest through direct or indirect ownership of a majority voting interest or sole corporate membership in the other NFP (see the following paragraph)
2. b. [Subparagraph Not Used]
3. c. Control of a related but separate NFP through a majority voting interest in the board of that NFP by means other than ownership or sole corporate membership and an economic interest in that other NFP (see paragraph 958-810-25-3)
4. d. An economic interest in the other NFP combined with control through means other than those listed in (a) through (c) (see paragraph 958-810-25-4)
5. e. Either an economic interest in the other NFP or control of the other NFP, but not both (see paragraph 958-810-25-5).

Exhibit 5

AU-C Section 705 – Modifications to the Opinion in the Independent Auditor’s Report

Nature of an Inability to Obtain Sufficient Appropriate Audit Evidence

705.A8 The auditor's inability to obtain sufficient appropriate audit evidence (also referred to as a limitation on the scope of the audit) may arise from the following:

- a.* Circumstances beyond the control of the entity
- b.* Circumstances relating to the nature or timing of the auditor's work
- c.* Limitations imposed by management

Disclaimer of Opinion

705.10 The auditor should disclaim an opinion when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Lea Fellows, Assistant Superintendent, Human Resources

**SUBJECT: PUBLIC HEARING AND VARIABLE TERM WAIVER FOR
DORINDA SULLIVAN**

=====

BACKGROUND

A Variable Term Waiver is a document issued for employers who meet the waiver criteria when a fully credentialed teacher is not available for the assignment. It allows the employer to fill the assignment while searching for a fully credentialed teacher in the subject area of the assignment and gives the waiver holder additional time to complete requirements. Waivers are generally only issued for one school year to enable the Commission to monitor and verify that the individual has made progress toward their credential goal. Subsequent waivers need supporting documentation to verify that progress has been made and that the subsequent waiver conditions have been met.

A Variable Term Waiver is being requested for Dorinda Sullivan to authorize her to provide services as a District Librarian for the period of November 3, 2017, through June 30, 2018. Ms. Sullivan does not currently possess a Teacher Librarian Services Credential and is working towards it. She currently holds a clear Career Technical Education Teaching Credential. Ms. Sullivan is expected to complete her courses for the Librarian Services Credential by May 2018. She is currently hired with Rim of the World as a Library Media Technician.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education:

- a) Conduct a public hearing, and
- b) Approve the Variable Term Waiver for Dorinda Sullivan.

FISCAL IMPACT

None.

WMJ:LF:mcm

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

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DATE: November 2, 2017
TO: Members, Board of Education
FROM: Wayne M. Joseph, Superintendent
PREPARED BY: Sandra H. Chen, Assistant Superintendent, Business Services
Liz Pensick, Director, Business Services
SUBJECT: WARRANT REGISTER

=====

BACKGROUND

Education Code 42650 requires the Board to approve and/or ratify all warrants. These payments are made in the form of warrants, and the warrant (check) form is approved by the County Superintendent.

All items listed are within previously budgeted amounts. There is no fiscal impact beyond currently available appropriations.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve/ratify the warrant register, provided under separate cover.

FISCAL IMPACT

\$1,512,003.79 to all District funding sources.

WMJ:SHC:LP:wc

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

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DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Sandra H. Chen, Assistant Superintendent, Business Services
Liz Pensick, Director, Business Services

SUBJECT: FUNDRAISING ACTIVITIES

=====

BACKGROUND

Board Policy 3452 Business and Noninstructional Operations – Student Activity Funds and Board Policy 1230 Community Relations – School Connected Organizations require that fundraising activities be submitted to the Board of Education for approval.

Approval of this item supports the goals identified within the District’s Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve/ratify the fundraising activities.

FISCAL IMPACT

None.

WMJ:SHC:LP:wc

CHINO VALLEY UNIFIED SCHOOL DISTRICT
November 2, 2017

<u>SITE/DEPARTMENT</u>	<u>ACTIVITY/DESCRIPTION</u>	<u>DATE</u>
<u>GATE</u>		
AdvoGATE	Christmas Play Ticket Sale	12/3/17
<u>Country Springs ES</u>		
Student Council	School Supplies Sale	2/26/18 - 3/9/18
<u>Glenmeade ES</u>		
PTA	Yogurtland Family Night Out	11/3/17
<u>Rhodes ES</u>		
PEP Club	Off Campus See's Candy Sale	11/3/17 - 11/30/17
PEP Club	Tupperware Sale	11/3/17 - 11/30/17
PEP Club	Harkins Theater Drink/Popcorn Voucher Sale	11/3/17 - 12/4/17
PEP Club	Juice-It-Up Family Night Out	11/14/17
PEP Club	Someone Special Dance	2/23/18
<u>Walnut ES</u>		
PFA	Holiday Gram Sale	12/1/17 - 2/14/18
<u>Ramona JHS</u>		
Travel Club	Chipotle Family Night Out	12/12/17
<u>Townsend JHS</u>		
PTSA	Turkey Trot Sponsorship Drive	11/16/17
<u>Ayala HS</u>		
Athletics	Athletic Apparel	11/6/17 - 11/19/17
Girl Up Club	Chipotle Family Night Out	12/7/17
Wrestling Team	Valentine Gram Sale	2/5/18 - 2/14/18
<u>Chino HS</u>		
Boys Basketball Boosters	Wood Mountain Christmas Tree Sale	11/3/17 - 11/14/17
Pep Squad Boosters	New York Pizzeria Family Night Out	11/7/17

CHINO VALLEY UNIFIED SCHOOL DISTRICT
November 2, 2017

<u>SITE/DEPARTMENT</u>	<u>ACTIVITY/DESCRIPTION</u>	<u>DATE</u>
<u>Chino HS</u> (cont.)		
Girls Basketball Boosters	Sports Apparel Sale	11/9/17 - 11/20/17
Girls Basketball Boosters	Off Campus See's Candy Sale	11/13/17 - 12/1/17
Girls Soccer Boosters	Applebee's Pancake Breakfast	1/20/18
<u>Chino Hills HS</u>		
Softball Team	Snap! Raise Donation/Sponsorship Drive	11/3/17 - 11/29/17
<u>Don Lugo HS</u>		
FFA	Christmas Tree Sale	11/3/17 - 11/15/17
Boys Basketball Team	Snap! Raise Donation/Sponsorship Drive	11/15/17 - 12/15/17
We Remember Club	Key Chain Sale	11/20/17 - 4/19/18
Boys Basketball Team	Off Campus See's Candy Sale	12/1/17 - 12/15/17
Renaissance	Snap! Raise Donation/Sponsorship Drive	12/1/17 - 12/30/17
Baseball Team	U Fund 4 Us Donation Drive	1/1/18 - 1/30/18
Leo Club	Popcorn Sale	3/2/18 - 3/26/18

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

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DATE: November 2, 2017
TO: Members, Board of Education
FROM: Wayne M. Joseph, Superintendent
PREPARED BY: Sandra H. Chen, Assistant Superintendent, Business Services
Liz Pensick, Director, Business Services
SUBJECT: DONATIONS

=====

BACKGROUND

Board Policy 3290 Business and Noninstructional Operations - Gifts, Grants, and Bequests states the Board of Education may accept any bequest or gift of money or property on behalf of the District. All gifts, grants, and bequests shall become property of the District. Use of the gift shall not be impaired by restrictions or conditions imposed by the donor. Approximate values are determined by the donor.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education accept the donations.

FISCAL IMPACT

Any cost for repairs of donated equipment will be a site expense.

WMJ:SHC:LP:wc

CHINO VALLEY UNIFIED SCHOOL DISTRICT
November 2, 2017

<u>DEPARTMENT/SITE DONOR</u>	<u>ITEM DONATED</u>	<u>APPROXIMATE VALUE</u>
<u>Cattle ES</u>		
Cattle PFA	Cash	\$1,490.00
<u>Eagle Canyon ES</u>		
ESL 4 Asia Educational Services	Cash	\$500.00
<u>Canyon Hills JHS</u>		
Alice Kao	Cash	\$100.00
Tyrone Liu	Cash	\$250.00
ESL 4 Asia Educational Services	Cash	\$500.00
<u>Townsend JHS</u>		
Pepsi Bottling Group	Cash	\$156.00
<u>Chino Hills HS</u>		
Veritas Health Services, Inc.	Cash	\$2,000.00
<u>Don Lugo HS</u>		
R & R Auto & Marine, Inc.	Cash	\$120.00
Chino Police Officers Foundation	Cash	\$250.00
Kiwanis Club of Chino	Cash	\$450.00
Best Western Pine Tree	Cash	\$500.00
Jack Hinchman	Cash	\$1,000.00
Zoetis	Cash	\$2,500.00

CHINO VALLEY UNIFIED SCHOOL DISTRICT
Our Motto:
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Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Sandra H. Chen, Assistant Superintendent, Business Services
Liz Pensick, Director, Business Services

SUBJECT: LEGAL SERVICES

=====

BACKGROUND

The following law firms provide services to the Chino Valley Unified School District and have submitted their invoices. The current invoice amounts, along with the fiscal year-to-date totals for each individual law firm, are listed below.

FIRM	MONTH	INVOICE AMOUNTS	2017/2018 YEAR-TO-DATE
Atkinson, Andelson, Loya, Ruud & Romo	September 2017	\$20,474.96	\$ 62,255.78
Margaret A. Chidester & Associates	-	-	\$105,583.46
McCune & Harber, LLP	-	-	\$ 45.00
Parker & Covert LLP	-	-	\$ 247.50
	Total	\$20,474.96	\$168,131.74

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve payment for legal services to the law office of Atkinson, Andelson, Loya, Ruud & Romo.

FISCAL IMPACT

\$ 20,474.96 to the General Fund.

WMJ:SHC:LP:wc

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017
TO: Members, Board of Education
FROM: Wayne M. Joseph, Superintendent
PREPARED BY: Sandra H. Chen, Assistant Superintendent, Business Services
SUBJECT: SIGNATURE AUTHORIZATIONS FOR CHINO VALLEY UNIFIED SCHOOL DISTRICT

=====

BACKGROUND

Signature authorization items are routinely brought to the Board for approval based on changes in the organization. Signature authorization allows employees and Board members to perform designated functions in the course of their assigned duties. Approval of the list authorizes designated employees and Board members specific signature authority.

This updated signature list adds signature authorization for Beverly Beemer, Director, Planning.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve the signature authorizations for Chino Valley Unified School District.

FISCAL IMPACT

None.

WMJ:SHC:wc

CHINO VALLEY UNIFIED SCHOOL DISTRICT
AUTHORIZED SIGNATURE LIST
November 2, 2017

In accordance with provisions of legal codes for the State of California, the Board of Education of the Chino Valley Unified School District hereby delegates authority to sign documents on their behalf, subject to the conditions noted below.

No contract signed pursuant to this delegation shall be valid until such approval has been granted by the governing body of this school district. The duration of this delegation shall extend until revoked or amended.

DOCUMENTS	NAMES
Certificated Notice of Employment**	Wayne M. Joseph Norm Enfield Lea Fellows Suzanne Hernandez Richard Rideout
Classified Notice of Employment**	Wayne M. Joseph Norm Enfield Lea Fellows Suzanne Hernandez Richard Rideout
Notice of Intent Not to Re-Employ	Wayne M. Joseph Norm Enfield Lea Fellows Suzanne Hernandez Richard Rideout
Notice of Employment – Youth Work Experience**	Wayne M. Joseph Norm Enfield Grace Park Julian Rodriguez Daniel Sosa
Temporary Teaching Credentials and Credential Applications	Wayne M. Joseph Norm Enfield Lea Fellows Suzanne Hernandez Richard Rideout
Statements of Need	Wayne M. Joseph Norm Enfield Lea Fellows Suzanne Hernandez Richard Rideout
Inter District and Intra District Attendance Agreements	Wayne M. Joseph Sandra H. Chen Norm Enfield Lea Fellows Grace Park Stephanie Johnson
Claim of Plaintiff Statements	Wayne M. Joseph Sandra H. Chen Norm Enfield Lea Fellows Greg Stachura Craig Frame

DOCUMENTS	NAMES
Small Claims Court Representatives**	Wayne M. Joseph Sandra H. Chen Norm Enfield Lea Fellows Suzanne Hernandez Craig Frame Richard Rideout
Forms/Report/Claims for Workers' Compensation Risk Management	Wayne M. Joseph Sandra H. Chen Norm Enfield Lea Fellows Suzanne Hernandez Craig Frame Richard Rideout
Payroll Orders	Wayne M. Joseph Sandra H. Chen Norm Enfield Liz Pensick Patti Newton
Payroll Connected District Orders	Wayne M. Joseph Sandra H. Chen Norm Enfield Liz Pensick Patti Newton
Custodian of Revolving Cash Fund for the General Fund*	Wayne M. Joseph Sandra H. Chen (custodian) Norm Enfield Liz Pensick Patti Newton
District Orders for Employee Mileage Reimbursement and Transportation Reports	Wayne M. Joseph Sandra H. Chen Norm Enfield Liz Pensick
Purchase Orders**	Wayne M. Joseph Sandra H. Chen Norm Enfield Lea Fellows Grace Park Greg Stachura Anna G. Hamilton Liz Pensick Patti Newton
All Other Special Projects Applications and Report Documents	Wayne M. Joseph Sandra H. Chen Norm Enfield Lea Fellows Grace Park Greg Stachura Beverly Beemer*** Liz Pensick

DOCUMENTS	NAMES
Special Projects Funding Applications, Funding Certifications	Wayne M. Joseph Sandra H. Chen Norm Enfield Grace Park Greg Stachura Beverly Beemer***
Miscellaneous Receipts Checking Account*	Wayne M. Joseph Sandra H. Chen Norm Enfield Liz Pensick Patti Newton
Forms, Reports, Checks for Nutrition Service Cafeteria Account*	Sandra H. Chen Liz Pensick Patti Newton Javier Quirarte
Briggs Fundamental Associated Student Body*	Wayne M. Joseph Sandra H. Chen Norm Enfield Grace Park Liz Pensick Patti Newton
Buena Vista HS Associated Student Body*	Wayne M. Joseph Sandra H. Chen Norm Enfield Grace Park Liz Pensick Patti Newton
Cal Aero Preserve Academy Associated Student Body*	Wayne M. Joseph Sandra H. Chen Norm Enfield Grace Park Liz Pensick Patti Newton
Canyon Hills JHS Associated Student Body*	Wayne M. Joseph Sandra H. Chen Norm Enfield Grace Park Liz Pensick Patti Newton
Magnolia JHS Associated Student Body*	Wayne M. Joseph Sandra H. Chen Norm Enfield Grace Park Liz Pensick Patti Newton
Ramona JHS Associated Student Body*	Wayne M. Joseph Sandra H. Chen Norm Enfield Grace Park Liz Pensick Patti Newton
Townsend JHS Associated Student Body*	Wayne M. Joseph Sandra H. Chen Norm Enfield Grace Park Liz Pensick Patti Newton

DOCUMENTS	NAMES
Woodcrest JHS Associated Student Body*	Wayne M. Joseph Sandra H. Chen Norm Enfield Grace Park Liz Pensick Patti Newton
Elementary Student Bodies*	Wayne M. Joseph Sandra H. Chen Norm Enfield Grace Park Liz Pensick Patti Newton
Travel Advances	Wayne M. Joseph Sandra H. Chen Norm Enfield
Housing Construction Impact Reports	Wayne M. Joseph Sandra H. Chen Norm Enfield Greg Stachura Beverly Beemer***
District Orders, Contracts and in Lieu of Transportation Payments**	Wayne M. Joseph Sandra H. Chen Norm Enfield Lea Fellows Grace Park Greg Stachura Anna G. Hamilton Liz Pensick
Approval of the Release of Commercial Warrants as Payments to Vendors**	Wayne M. Joseph Sandra H. Chen Norm Enfield Greg Stachura Beverly Beemer*** Liz Pensick Patti Newton
Bank Documents	Sandra H. Chen Liz Pensick
Electronic Signature Key Authorization	Sandra H. Chen Liz Pensick Patti Newton
Budget and Expenditure Transfers or Adjustments**	Wayne M. Joseph Sandra H. Chen Norm Enfield Greg Stachura Beverly Beemer*** Liz Pensick
Necessary School Facilities Program Documents (State Allocation Board)	Wayne M. Joseph Sandra H. Chen Norm Enfield Greg Stachura Beverly Beemer***
Certification of Board of Education Minutes	Wayne M. Joseph Norm Enfield Sylvia Orozco - (President) James Na – (Clerk)

* Requires more than one signature
** Requires separate Board action
*** Name added

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Sandra H. Chen, Assistant Superintendent, Business Services
Liz Pensick, Director, Business Services

**SUBJECT: APPLICATION TO OPERATE FUNDRAISING ACTIVITIES AND
OTHER ACTIVITIES FOR THE BENEFIT OF STUDENTS**

=====

BACKGROUND

Administrative Regulation 1230 Community Relations – School Connected Organizations requires that any person or group of people desiring to raise money to benefit a student or students at one or more schools within the District shall request authorization to operate by applying to the Chino Valley Unified School District Board of Education.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve/ratify the application to operate fundraising activities and other activities for the benefit of students.

FISCAL IMPACT

None.

WMJ:SHC:LP:wc

CHINO VALLEY UNIFIED SCHOOL DISTRICT
November 2, 2017

**AUTHORIZATION TO OPERATE FUNDRAISING ACTIVITIES
AND OTHER ACTIVITIES FOR THE BENEFIT OF STUDENTS**

High School

Chino Hills

Organization

Baseball Boosters

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

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DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Norm Enfield, Ed.D., Deputy Superintendent
Stephanie Johnson, Director, Student Support Services

SUBJECT: STUDENT READMISSION CASE 16/17-09

=====

BACKGROUND

Administrative Regulation 5144.1 Students – Suspension and Expulsion/Due Process
Readmission after Expulsion state:

- The Superintendent or designee shall hold a conference with the parent/guardian and the student. At the conference, the student's rehabilitation plan shall be reviewed and the Superintendent or designee shall verify that the provisions of this plan have been met.
- School regulations shall be reviewed and the student and parent/guardian shall be asked to indicate in writing their willingness to comply with these regulations.
- The Superintendent or designee shall transmit his/her recommendation regarding readmission to the Board. The Board shall consider this recommendation, in closed session, if information disclosed would be in violation of Education Code 49073-49079. If a written request for open session is received from the parent/guardian or adult student, it shall be honored.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve student readmission case 16/17-09.

FISCAL IMPACT

None.

WMJ:NE:SJ:ss

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
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DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Grace Park, Ed.D., Assistant Superintendent, Curriculum, Instruction, Innovation, and Support

SUBJECT: SCHOOL-SPONSORED TRIPS

=====

BACKGROUND

The Board of Education recognizes that school-sponsored trips are an important component of a student's development and supplement and enrich the classroom learning experience. School-sponsored trips may be conducted in connection with the District's course of study or school related social, educational, cultural, athletic, school band activities, or other extracurricular or cocurricular activities. Resources will be identified and established at the school site to assist economically disadvantaged students in obtaining funding for field trips and, in some cases, student travel. School sponsored trips that require overnight stay or are in excess of 250 miles (one way) require board approval.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve/ratify the following school-sponsored trips for:

School-Sponsored Trips	Date	Fiscal Impact
Site: Butterfield Ranch ES Event: Pali Institute Science Camp Place: Running Springs, CA Chaperone: 90 students/19 chaperones	January 8-10, 2018	Cost: \$280.00 per student Funding Source: Parents
Site: Ayala HS Event: 2017 Western Band Association Grand Championships Place: Fresno, CA Chaperone: 224 students/23 chaperones	November 17-20, 2017	Cost: \$353.00 per student Funding Source: Parents

Site: Ayala HS Event: National Cheerleaders Association High School Nationals Place: Dallas, TX Chaperone: 25 students/6 chaperones	January 26-29, 2018	Cost: \$500.00 per student Funding Source: Parents
Site: Chino Hills HS Event: Drum Line Winter Guard International Championships Place: Beavercreek, OH Chaperone: 49 students/6 chaperones	April 17-22, 2018	Cost: \$1,580.00 per student Funding Source: Parents
Site: Don Lugo HS Event: Advancement Via Individual Determination San Diego College Tours Place: San Diego, CA Chaperone: 32 students/4 chaperones	November 6-7, 2017	Cost: \$100.00 per student Funding Source: AVID and Fundraising

FISCAL IMPACT

None.

WMJ:GP:rtt

CHINO VALLEY UNIFIED SCHOOL DISTRICT
Our Motto
Student Achievement • Safe Schools • Positive School Climate
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DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Grace Park, Ed.D., Assistant Superintendent, Curriculum, Instruction, Innovation, and Support
Sherri Johnson, Ph.D., Director, Health Services and Child Development

SUBJECT: PROCLAMATION FOR THE GREAT AMERICAN SMOKEOUT ON NOVEMBER 16, 2017

=====

BACKGROUND

Each year on the third Thursday in November, the American Cancer Society sponsors the Great American Smokeout. This is an annual social engineering event to encourage Americans to stop tobacco smoking for 24 hours with the hopes that this decision will continue on forever. About 36.5 million Americans still smoke cigarettes, and tobacco use remains the single largest preventable cause of disease and premature death in the United States. By quitting, even for one day, smokers taking an important step toward a healthier life, one that can lead to reducing cancer risks. It's a race for your health, and it starts today. Today's the day that quitters win.

The Chino Valley Unified School District is a tobacco-free district, and has a strong commitment to provide tobacco use prevention education to its students. The proclamation is a means of recognizing the District's support of the American Cancer Society's The Great American Smokeout on November 16, 2017.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education adopt the proclamation for The Great American Smokeout on November 16, 2017.

FISCAL IMPACT

None.

WMJ:GP:SJ:rtt

**Chino Valley Unified School District
Proclamation
The Great American Smokeout
November 16, 2017**

WHEREAS, the American Cancer Society's nationally recognized event, The Great American Smokeout, challenges people to stop using tobacco and raises awareness around the many effective ways to quit for good;

WHEREAS, increasing numbers of children are experimenting with a product that can produce lifetime addiction with an increased risk of cancer;

WHEREAS, more Americans die every year from tobacco-related diseases than from AIDS, alcohol, car accidents, fires, illegal drugs, murders, and suicides combined;

WHEREAS, the health benefits of not smoking are substantiated and well known;

WHEREAS, nicotine is an addictive drug; and

WHEREAS, youth-related promotions such as The Great American Smokeout Pledge encourages youth not to start smoking.

NOW, THEREFORE, BE IT RESOLVED the Board of Education of the Chino Valley Unified School District does hereby support November 16, 2017, as The Great American Smokeout day in this District, and in doing so, urges all smokers and smokeless tobacco users to demonstrate to themselves and our children that they can quit and to further encourage our children not to start smoking.

Wayne M. Joseph, Superintendent
Secretary, Board of Education

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Gregory J. Stachura, Asst. Supt., Facilities, Planning, and Operations
Anna G. Hamilton, Director, Purchasing

SUBJECT: PURCHASE ORDER REGISTER

=====

BACKGROUND

Board Policy 3310 Business and Noninstructional Operations – Purchasing requires approval/ratification of purchase orders by the Board of Education. A purchase order is a legal contract between a district and vendor, containing a description of each item listed and/or a statement to the effect that supplies, equipment or services furnished herewith shall be in accordance with specifications and conditions.

Purchase orders represent a commitment of funds. No item on this register will be processed unless within budgeted funds. The actual payment for the services or materials is made with a warrant (check) and reported on the warrant register report.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve/ratify the purchase order register, provided under separate cover.

FISCAL IMPACT

\$531,467.07 to all District funding sources.

WMJ:GJS:AGH:pw

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

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DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Gregory J. Stachura, Asst. Supt., Facilities, Planning, and Operations
Anna G. Hamilton, Director, Purchasing

SUBJECT: AGREEMENTS FOR CONTRACTOR/CONSULTANT SERVICES

=====

BACKGROUND

All contracts between the District and outside agencies shall conform to standards required by law and shall be prepared under the direction of the Superintendent or designee. To be valid or to constitute an enforceable obligation against the District, all contracts must be approved and/or ratified by the Board of Education.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve/ratify the Agreements for Contractor/Consultant Services.

FISCAL IMPACT

As indicated.

WMJ:GJS:AGH:pw

CURRICULUM, INSTRUCTION, INNOVATION, AND SUPPORT	FISCAL IMPACT
CIIS-1718-096 Embassy Consulting Service LLC. To provide staff development training. Submitted by: Health Services Duration of Agreement: November 3, 2017 – June 30, 2018	Contract amount: \$1,200.00 Funding source: General Fund
CIIS-1718-097 Essential Education. To provide GED Academy Study program 3 yr. license Submitted by: Adult School Duration of Agreement: September 1, 2017 - September 1, 2020	Contract amount: \$11,846.25 Funding source: School Site Budget

HUMAN RESOURCES	FISCAL IMPACT
HR-1718-010 Nancy Shomo. To provide consulting services. Submitted by: Human Resources Duration of Agreement: October 20, 2017 – June 30, 2018	Contract amount: \$2,880.00 Funding source: General Fund

MASTER CONTRACTS	FISCAL IMPACT
MC-1718-031 Kenneth Cabado dba ISO Elite. To provide basketball training sessions. Submitted by: Wickman ES Duration of Agreement: November 3, 2017 – June 30, 2020	Contract amount: Per rate sheet Funding source: Various

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

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DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Gregory J. Stachura, Asst. Supt., Facilities, Planning, and Operations

SUBJECT: SURPLUS/OBSOLETE PROPERTY

=====

BACKGROUND

The Board of Education recognizes that the District may own personal property which is unusable, obsolete, or no longer needed by the District. The Superintendent or designee shall arrange for the sale or disposal of District personal property in accordance with Board policy and the requirements of Education Code 17545.

Lists of surplus items are emailed to the Facilities/Planning Department to be placed on an upcoming Board agenda. After Board approval, items may be picked up by District warehouse or a liquidation company for public auction. Proceeds of the sale are deposited into the General Fund.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education declare the District property surplus/obsolete and authorize staff to sell/dispose of said property.

FISCAL IMPACT

Increase to the General Fund from proceeds of sale.

WMJ:GJS:pw

**CHINO VALLEY UNIFIED SCHOOL DISTRICT
SURPLUS/OBSOLETE PROPERTY**

November 2, 2017

<u>DESCRIPTION</u>	<u>MAKE/MODEL</u>	<u>I.D./SERIAL</u>	<u>DEPT/SITE</u>
Monitor	iMac	23075	Chaparral ES
Document Camera	AverMedia	26374	Chaparral ES
Document Camera	AverMedia	26378	Chaparral ES

CHINO VALLEY UNIFIED SCHOOL DISTRICT

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DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Gregory J. Stachura, Asst. Supt., Facilities, Planning, and Operations

SUBJECT: NOTICE OF COMPLETION FOR CUPCCAA PROJECTS

BACKGROUND

On May 9, 2013, the Board of Education adopted Resolution 2012/2013-71, Adoption of California Uniform Public Construction Cost Accounting Act (CUPCCAA). Per Public Contract Code 22030, the adoption of CUPCCAA allows the use of alternate bidding procedures for projects under \$175,000.00, while still ensuring the District receives the lowest pricing possible from responsible vendors and contractors. Utilizing CUPCCAA, the District has completed the projects listed below:

CUPCCAA Project	Project Description	Contractor	Original Quotation	Change Order	Total	Funding Source
CC2018-04	Carpet Replacement at Cortez ES	Rite-Way Flooring Inc.	\$50,960.00	\$1,178.00	\$52,138.00	14
CC2018-05	Carpet Replacement at Canyon Hills JHS	Rite-Way Flooring Inc.	\$33,040.00	\$1,110.00	\$34,150.00	14
CC2018-08	Installation of LED Lighting at Marshall ES	RDM Electric Co., Inc.	\$32,703.00	N/A	\$32,703.00	25

Documentation indicating satisfactory completion and compliance with specifications has been obtained from school site administrators; Sam Sousa, Supervisor, Maintenance, Operations, and Construction; and Martin Silveira, Director, Maintenance, Operations, and Construction.

Staff recommends approval of the Notice of Completion for these projects.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve the Notice of Completion for CUPCCAA Projects.

FISCAL IMPACT

\$86,288.00 to Deferred Maintenance Fund 14.

\$32,703.00 to RDA Fund 25.

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

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DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Gregory J. Stachura, Asst. Supt., Facilities, Planning, and Operations
Martin Silveira, Director, Maintenance and Operations

**SUBJECT: NOTICE OF COMPLETION FOR CUPCCAA BID 17-18-06I, ASPHALT
REPAIR AT CATTLE ES**

=====

BACKGROUND

On May 9, 2013, the Board of Education adopted Resolution 2012/2013-71, Adoption of California Uniform Public Construction Cost Accounting Act (CUPCCAA). Per Public Contract Code 22030, the adoption of CUPCCAA allows the use of alternate bidding procedures for projects under \$175,000.00, while still ensuring the District receives the lowest pricing possible from responsible vendors and contractors. Utilizing CUPCCAA, the District has completed the projects listed below:

On August 17, 2017, the Board of Education awarded CUPCCAA Bid 17-18-06I, Asphalt Repair at Cattle ES to Premier Paving, Inc. All contracted work was completed on October 9, 2017. Contract summary is provided below.

CUPCCAA Bid	Project Description	Contractor	Total Contract	Change Order	Total	5% Retention Amount	Funding Source
17-18-06I	Asphalt Repair at Cattle ES	Premier Paving Inc.	\$87,800.00	N/A	\$87,800.00	\$4,390.00	25

Documentation indicating satisfactory completion and compliance with specifications and project requirements has been obtained from the following individuals: school site administrators; James Costa, Construction Coordinator; and Martin Silveira, Director, Maintenance, Operations, and Construction.

Staff recommends approval of the Notice of Completion for this bid. The final retention payment of 5% of the value of work done under this contract shall be made 35 days after the Notice of Completion is recorded with the County Recorder.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve the Notice of Completion for CUPCCAA Bid 17-18-06I, Asphalt Repair at Cattle ES.

FISCAL IMPACT

\$87,800.00 to RDA Fund 25.

WMJ:GJS:MS:pw

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

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DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Gregory J. Stachura, Asst. Supt., Facilities, Planning, and Operations
Anna G. Hamilton, Director, Purchasing

**SUBJECT: RESOLUTION 2017/2018-25 AND 2017/2018-26 FOR
AUTHORIZATION TO UTILIZE PIGGYBACK CONTRACTS**

=====

BACKGROUND

Public Contract Code (PCC) 20111 requires school district governing boards to competitively bid and award any contracts involving an expenditure of more than \$86,000.00 to the lowest responsible bidder.

Notwithstanding PCC 20111, PCC 20118 and Administrative Regulation 3311 state that without advertising for bids and upon a determination that it is in the best interest of the District, the Board may authorize District staff by contract, lease, requisition, or purchase order of another public corporation or agency, to lease data-processing equipment, or to purchase materials, supplies, equipment, automotive vehicles, tractors and other personal property for the District in the manner that the other public corporation or agency is authorized to make the leases or purchases from a vendor (piggyback).

Alternatively, if there is an existing contract between a public corporation or agency and a vendor for the lease or purchase of personal property, the District may authorize the lease or purchase of personal property directly to the vendor under the same terms that are available to the public corporation or agency under the contract.

Staff requests approval of the following resolution to provide authorization for the District to participate by piggyback in contracts as itemized:

Resolution	Contract	Contractor	Description	Term
2017/2018-25	LA County Contract MA-IS-1740313-1	Motorola Solutions, Inc.	Radio Communications	7/1/2017-6/30/2020

Resolution	Contract	Contractor	Description	Term
2017/2018-26	DGS Participating Addendum 7-16-70-37	CDW Government LLC	Software Value Added Reseller (VAR)	10/12/2016-4/7/2018

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education adopt Resolution 2017/2018-25 and 2017/2018-26 for authorization to utilize piggyback contracts.

FISCAL IMPACT

Unknown.

WMJ:GJS:AGH:pw

**Chino Valley Unified School District
Resolution 2017/2018-25
Authorization to Utilize the LA County Contract MA-IS-1740313-1
With Motorola Solutions, Inc.
to Purchase Radio Communications
Through the Piggyback Contract**

WHEREAS, the Board of Education (Board) of the Chino Valley Unified School District (District) has determined that a true and very real need exists to procure radio communications for the District;

WHEREAS, LA County currently has a piggyback contract, Contract MA-IS-1740313-1, in accordance with Public Contract Code 20118 with Motorola Solutions, Inc. that contains the materials, supplies, equipment and/or other personal property the District currently requires;

WHEREAS, the board of education of a school district, without advertising for bids, if the board has determined it to be in the best interests of the district, may authorize by contract, lease, requisition, or purchase order of any public corporation or agency, including any county, city, town, or district, to lease data-processing equipment, purchase materials, supplies, equipment, automotive vehicles, tractors, and other personal property for the district in the manner in which the public corporation or agency is authorized by law to make the leases or purchases from a vendor;

WHEREAS, the board of education of a school district is required to make a determination that a purchase and/or lease through a public corporation or agency is in the best interests of the district to take advantage of this exception; and

WHEREAS, the Board has determined that it is in the best interest of the District to authorize the purchase of radio communications through the piggyback contract procured by the LA County Contract MA-IS-1740313-1.

NOW, THEREFORE, BE IT RESOLVED the Board hereby finds, determines, and declares as follows:

Section 1. Determination re: Recitals. All of the recitals set forth above are true and correct.

Section 2. Determination re: Purchase through Other Public Agency. Pursuant to Public Contract Code 20118, that authorizing the purchase of radio communications through the piggyback contract originally procured by the LA County Contract MA-IS-1740313-1 is in the best interests of the District because there is volume pricing that can be used to reduce the District's overall price.

Section 3. Authorization. The Board hereby authorizes the acquisition of radio communications in accordance with Public Contract Code 20118 through the piggyback contract originally procured by the LA County Contract MA-IS-1740313-1.

Section 4. Other Actions. The Superintendent or his designee are each hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the purchase, sale, and lease, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, and that any and all such prior actions by the District's Superintendent, or his designee, are hereby ratified by the Board.

Section 5. Effective Date. This resolution shall be effective as of July 1, 2017, for the term ending June 30, 2020.

APPROVED, PASSED, AND ADOPTED by the Board of Education of the Chino Valley Unified School District this 2nd day of November 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

I, Wayne M. Joseph, Secretary of the Chino Valley Unified School District Board of Education, do hereby certify that the foregoing is a full, true, and correct copy of the Resolution passed and adopted by said Board at a regularly scheduled and conducted meeting held on said date, which Resolution is on file in the office of said Board.

Wayne M. Joseph, Superintendent
Secretary, Board of Education

**Chino Valley Unified School District
Resolution 2017/2018-26
Authorization to Utilize the DGS Participating Addendum 7-16-70-37
With CDW Government LLC
to Purchase Software Value Added Reseller (VAR)
Through the Piggyback Contract**

WHEREAS, the Board of Education (Board) of the Chino Valley Unified School District (District) has determined that a true and very real need exists to procure VAR for the District;

WHEREAS, DGS Participating currently has a piggyback contract, Addendum 7-16-70-37, in accordance with Public Contract Code 20118 with CDW Government LLC that contains the materials, supplies, equipment and/or other personal property the District currently requires;

WHEREAS, the board of education of a school district, without advertising for bids, if the board has determined it to be in the best interests of the district, may authorize by contract, lease, requisition, or purchase order of any public corporation or agency, including any county, city, town, or district, to lease data-processing equipment, purchase materials, supplies, equipment, automotive vehicles, tractors, and other personal property for the district in the manner in which the public corporation or agency is authorized by law to make the leases or purchases from a vendor;

WHEREAS, the board of education of a school district is required to make a determination that a purchase and/or lease through a public corporation or agency is in the best interests of the district to take advantage of this exception; and

WHEREAS, the Board has determined that it is in the best interest of the District to authorize the purchase of VAR through the piggyback contract procured by the DGS Participating Addendum 7-16-70-37.

NOW, THEREFORE, BE IT RESOLVED the Board hereby finds, determines, and declares as follows:

Section 1. Determination re: Recitals. All of the recitals set forth above are true and correct.

Section 2. Determination re: Purchase through Other Public Agency. Pursuant to Public Contract Code 20118, that authorizing the purchase of VAR through the piggyback contract originally procured by the DGS Participating Addendum 7-16-70-37 is in the best interests of the District because there is volume pricing that can be used to reduce the District's overall price.

Section 3. Authorization. The Board hereby authorizes the acquisition of VAR in accordance with Public Contract Code 20118 through the piggyback contract originally procured by the DGS Participating Addendum 7-16-70-37.

Section 4. Other Actions. The Superintendent or his designee are each hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the purchase, sale, and lease, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, and that any and all such prior actions by the District's Superintendent, or his designee, are hereby ratified by the Board.

Section 5. Effective Date. This resolution shall be effective as of October 12, 2016, for the term ending April 7, 2018.

APPROVED, PASSED, AND ADOPTED by the Board of Education of the Chino Valley Unified School District this 2nd day of November 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

I, Wayne M. Joseph, Secretary of the Chino Valley Unified School District Board of Education, do hereby certify that the foregoing is a full, true, and correct copy of the Resolution passed and adopted by said Board at a regularly scheduled and conducted meeting held on said date, which Resolution is on file in the office of said Board.

Wayne M. Joseph, Superintendent
Secretary, Board of Education

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Gregory J. Stachura, Asst. Supt., Facilities, Planning, and Operations

SUBJECT: **COMMUNITY FACILITIES DISTRICT NO. 4 (COLLEGE PARK)
SPECIAL TAX ACCOUNTABILITY REPORT FOR FISCAL YEAR
2016/2017**

=====

BACKGROUND

The Local Agency Special Tax and Bond Accountability Act was enacted by California State Legislature through Senate Bill 165 to provide accountability measures for any local special tax and/or bond measure subject to voter approval on or after January 1, 2001. In accordance with the requirements of the Accountability Act, Sections 50075.1 and 53410 of the Government Code of the State of California, an annual report must be filed by the local agency levying a special tax and/or issuing a bond measure and shall contain a description of the amount of funds collected and expended and the status of any project required or authorized to be funded by the special tax and/or bond measure.

On July 20, 2006, the Board of Education adopted resolutions establishing Community Facilities District No. 4 (CFD 4, College Park) and the qualified electors within CFD 4 approved the levy of a special tax for the purpose of providing for public school and infrastructure facilities, and the incurrence of bonded indebtedness. No bonds have been issued as of this date.

Koppel & Gruber Public Finance, CFD administrator contracted by the District, prepared the Special Tax Accountability Report for Fiscal Year 2016/2017.

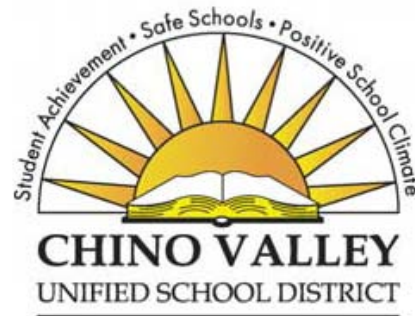
Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education accept and file the Community Facilities District No. 4 (College Park) Special Tax Accountability Report for Fiscal Year 2016/2017.

FISCAL IMPACT

None.



CHINO VALLEY UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 4 (COLLEGE PARK)

SPECIAL TAX ACCOUNTABILITY REPORT FISCAL YEAR 2016/17

KOPPEL & GRUBER
PUBLIC FINANCE

334 VIA VERA CRUZ, SUITE 256
SAN MARCOS
CALIFORNIA 92078

T. 760.510.0290
F. 760.510.0288

District Administration

Chino Valley Unified School District
Wayne M. Joseph, Superintendent
Gregory J. Stachura, Assistant Superintendent,
Facilities, Planning, and Operations
5130 Riverside Drive
Chino, CA 91710-4310
T. 909.628.1201
F. 909.548.6034

Special Tax Administrator

Koppel & Gruber Public Finance
Lyn Gruber/Douglas Floyd
334 Via Vera Cruz, Suite 256
San Marcos, CA 92078
T. 760.510.0290
F. 760.510.0288

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I. Background

The Local Agency Special Tax and Bond Accountability Act (“Accountability Act”) was enacted by California State Legislature through Senate Bill 165 to provide accountability measures for any local special tax and/or bond measure subject to voter approval on or after January 1, 2001. According to the requirements of the Accountability Act (*Sections 50075.1 and 53410 of the Government Code of the State of California*), an annual report must be filed by the local agency levying a special tax and/or issuing a bond measure on or before each January 1, commencing January 1, 2002 and shall contain a description of the following:

- (1) The amount of funds collected and expended to fund authorized facilities.
- (2) The status of any project required or authorized to be funded by the special tax and/or bond measure.

The information contained in this Special Tax Accountability Report has been compiled and is being presented for Fiscal Year (“FY”) 2016/17 pursuant to and in accordance with the requirements outlined in the Accountability Act.

II. Authorized Facilities

The qualified electors within CFD No. 4 authorized the School District to approve the levy of a special tax and the incurrence of bonded indebtedness in an amount not to exceed \$12,000,000 for Improvement Area A and \$18,000,000 for Improvement Area B to provide for the cost of the financing, design, construction, installation, rehabilitation and acquisition of certain school facilities, including repayment of existing indebtedness, the payment of statutory school fees, and incidental expenses.

The authorized school facilities are generally described as elementary, junior and high school buildings and facilities for grades kindergarten through twelve (12), including equipment and furnishing thereof, with an estimated useful life of five (5) years or more.

The construction, installation, rehabilitation and acquisition of certain authorized school facilities described have been financed through the use of lease payments, installment purchase payments or other payments (any such payments shall be hereinafter described as the “Certificates of Participation” or “COPs”). CFD No. 4 may repay in part or in full existing indebtedness, including COPs issued by the School District, to finance authorized facilities.

As of the date of this Report, no bonds have been issued. Special Taxes were levied by CFD No. 4 for the first time in FY 2007/08.

III. Collection of Special Taxes and Expenditures

A separate account is held by the School District for the deposit of special taxes levied by the CFD and for the disbursement of authorized expenditures. The following table provides a description of the collection of special taxes and the funds disbursed for authorized expenditures in FY 2016/17.

DESCRIPTION	AMOUNT ¹
BEGINNING BALANCE AS OF JULY 1, 2016	\$7,672,494.21
<i>Sources of Funds</i>	
Annual Special Tax Collections ²	2,119,094.16
Interest Earnings	57,155.00
<i>Subtotal Sources of Funds</i>	<i>\$2,176,249.16</i>
<i>Expenditures</i>	
Administrative Expenses	(39,509.16)
Facilities	0.00
<i>Subtotal Expenditures</i>	<i>\$ (39,509.16)</i>
ENDING BALANCE AS OF JUNE 30, 2017³	\$9,809,234.21

1 Amounts include transactions posted on an accrual basis and may not reflect actual cash on hand.

2 Represents the actual special tax collections received from the County, including any penalties and interest accrued from prior year delinquent special taxes that have been paid within the past fiscal year.

3 The ending balance on hand includes a minimum three (3) years of funds being reserved for payment of the COPs as required per the County of San Bernardino.

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Lea Fellows, Assistant Superintendent, Human Resources
Suzanne Hernandez, Ed.D., Director, Human Resources
Richard Rideout, Director, Human Resources

SUBJECT: CERTIFICATED/CLASSIFIED PERSONNEL ITEMS

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BACKGROUND

Board approval of personnel transactions is required by Board Bylaw 9324 Bylaws of the Board - Minutes and Recordings and Education Code 35163. Included are new hires based on need, which includes replacements, growth, and/or class size reduction.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve/ratify the certificated/classified personnel items.

FISCAL IMPACT

All personnel assignments are within the approved staffing ratio for the appropriate school year budget.

WMJ:LF:SH:RR:mcm

CERTIFICATED PERSONNEL

<u>NAME</u>	<u>POSITION</u>	<u>LOCATION</u>	<u>EFFECTIVE DATE</u>
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CERTIFICATED MANAGEMENT PERSONNEL FOR THE 2017/2018 SCHOOL YEAR**RESIGNATION**

MELENDEZ, Felix	Principal – High School	Chino HS	10/31/2017
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**HIRED AT THE APPROPRIATE PLACEMENT ON THE CERTIFICATED SALARY SCHEDULE
AND APPROPRIATE CREDENTIAL FOR THE 2017/2018 SCHOOL YEAR**

REYES, Kriselle	Special Education Teacher	Don Lugo HS	11/13/2017
SEARING-WILLIAMS, Lori	Special Education Teacher	Newman ES	11/03/2017
SULLIVAN, Dorinda	District Librarian	Secondary Curriculum	11/03/2017

APPOINTMENT – EXTRA DUTY – ACTIVITIES

PRESCOTT, Renay (NBM)	Pep Squad Advisor	Chino HS	11/03/2017
JONES, Brian (NBM)	Assistant Pep Squad	Chino Hills HS	11/03/2017
MAIZLAND, Marissa (NBM)	Assistant Pep Squad	Chino Hills HS	11/03/2017
MACKAY, Suzanne	Pep Squad Advisor	Chino Hills HS	11/03/2017
TOTAL:			\$6,673.00

APPOINTMENT – EXTRA DUTY

MARTINEZ TRINIDAD, Jesus (NBM)	Drill Team (B)	Ayala HS	11/03/2017
COLTON, Danny (NBM)	Track & Field (GF)	Chino HS	11/03/2017
SILVA, Kristine (NBM)	Color Guard (B)	Chino HS	11/03/2017
STANFORD, Summer (NBM)	Girls Water Polo (B)	Chino HS	11/03/2017
BALDOVINO, Joel (NBM)	Girls Basketball (B)	Chino Hills HS	11/03/2017
BERGMANN, James	Track & Field (GF)	Chino Hills HS	11/03/2017
BUTLER, Stephanie (NBM)	Girls Basketball (GF)	Chino Hills HS	11/03/2017
COTE, Thomas (NBM)	Wrestling (GF)	Chino Hills HS	11/03/2017
GARNICA, Alfred (NBM)	Boys Tennis (GF)	Chino Hills HS	11/03/2017
JONES, Vincent (NBM)	Girls Basketball (GF)	Chino Hills HS	11/03/2017
KENT, Shannon (NBM)	Girls Soccer (B)	Chino Hills HS	11/03/2017
LATIMORE, Dennis	Boys Basketball (GF)	Chino Hills HS	11/03/2017
MORALES Jr., Richard	Track & Field (GF)	Chino Hills HS	11/03/2017
VAUGHN Jr., Scott (NBM)	Boys Soccer (GF)	Chino Hills HS	11/03/2017
RANGEL, Meilessah (NBM)	Girls Soccer (B)	Chino Hills HS	11/03/2017
ROGERS, David (NBM)	Girls Basketball (GF)	Chino Hills HS	11/03/2017
SIMS, Melvin (NBM)	Boys Basketball (GF)	Chino Hills HS	11/03/2017
STANFORD, Ronald	Swim (GF)	Chino Hills HS	11/03/2017
STEWART, Stanley (NBM)	Girls Basketball (GF)	Chino Hills HS	11/03/2017

CERTIFICATED PERSONNEL (cont.)

<u>NAME</u>	<u>POSITION</u>	<u>LOCATION</u>	<u>EFFECTIVE DATE</u>
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APPOINTMENT – EXTRA DUTY (cont.)

TOBIN, Timothy (NBM)	Boys Water Polo (B)	Chino Hills HS	11/03/2017
WINTON, Bryce (NBM)	Boys Water Polo (GF)	Chino Hills HS	11/03/2017
HERNANDEZ, Carlos (NBM)	Wrestling (GF)	Don Lugo HS	11/03/2017
TORRES, Hector (NBM)	Girls Soccer (GF)	Don Lugo HS	11/03/2017
TOTAL:			\$55,848.00

APPOINTMENT – ELEMENTARY STIPENDS

ARVIZU-QUIROZ, Hilda	Awards Assembly/Talent Show Coordinator	Borba ES	11/03/2017
BOOTHROYD, Christa	No Excuses University Coordinator	Borba ES	11/03/2017
BOZIKIS-COCCIA, Tina	Talent Show Coordinator	Butterfield ES	11/03/2017
HERNANDEZ, Noel-Lauren	Student Council Advisor	Butterfield ES	11/03/2017
CLAUSEN, Traci	Site Webmaster	Chaparral ES	11/03/2017
DAVIS, Jason	Science Fair/STEM Coordinator	Chaparral ES	11/03/2017
NGUYEN, Chau	Safe School Ambassadors Coordinator	Chaparral ES	11/03/2017
PARROTT, Michaela	Safe School Ambassadors Coordinator	Chaparral ES	11/03/2017
GOSSETT, Natasha	Yearbook Coordinator	Cortez ES	11/03/2017
MOSS, Rochelle	Science Coordinator	Cortez ES	11/03/2017
HALL, Jennifer	Student Council	Country Springs ES	11/03/2017
LANDGRAF, Krista	Debate Club	Country Springs ES	11/03/2017
LEONG, Eileen	Kids Run the OC	Country Springs ES	11/03/2017
MACKLIFF, Carly	Student Council	Country Springs ES	11/03/2017
SHULER, Laurie	Student Council	Country Springs ES	11/03/2017
HERR, Tonia	Site Webmaster	Dickey ES	11/03/2017
HUM, Nadine	Yearbook Coordinator	Dickey ES	11/03/2017
GUZMAN, Rosemarie	Student Council Advisor	Dickson ES	11/03/2017
SMITH, Donna	Student Council Advisor	Dickson ES	11/03/2017
COKER, Ayodele	Eagle Canyon 120 Broadcast Coordinator	Eagle Canyon ES	11/03/2017
SOLIS, Gina	Safe School Ambassadors/ Talent Show Coordinator	Eagle Canyon ES	11/03/2017
GRAHAM, Cynthia	Science Fair Coordinator	Glenmeade ES	11/03/2017
LUND, Michele	Talent Show Coordinator	Glenmeade ES	11/03/2017
PRAIRIE, Nora	Site Webmaster	Glenmeade ES	11/03/2017

CERTIFICATED PERSONNEL (cont.)

<u>NAME</u>	<u>POSITION</u>	<u>LOCATION</u>	<u>EFFECTIVE DATE</u>
<u>APPOINTMENT – ELEMENTARY STIPENDS</u> (cont.)			
TOUGAS, David	History Day Coordinator	Glenmeade ES	11/03/2017
DAN, Richard	GATE/Science Olympiad/Spelling Bee	Hidden Trails ES	11/03/2017
HUNT, Miyuki	Debate/Math Counts/Sports Coordinator	Hidden Trails ES	11/03/2017
LINES, David	Computer/Math Lab	Litel ES	11/03/2017
VILLANUEVA, Terri	AM Extra Supervision Duty	Litel ES	11/03/2017
CASTILLO, Jimmie	ASB Coordinator	Marshall ES	11/03/2017
GALLEGOS, Elizabeth	Green Team Coordinator	Marshall ES	11/03/2017
BALDINI, Arianna	Talent Show Coordinator	Newman ES	11/03/2017
BLESSARD, Aaren	Talent Show Coordinator	Newman ES	11/03/2017
CUNNINGHAM, Courtney	Yearbook Advisor	Newman ES	11/03/2017
TOVALI, Jessica	Talent Show Coordinator	Newman ES	11/03/2017
WILSON, Lisa	Yearbook Advisor	Newman ES	11/03/2017
BANKER, Michelle	Student Council Advisor	Oak Ridge ES	11/03/2017
ODEHNAL, Tori	Student Council Advisor	Oak Ridge ES	11/03/2017
YU, Linda	Running Club Advisor/Safe School Ambassadors	Oak Ridge ES	11/03/2017
DAUGHERTY, Stephanie	Choir	Rhodes ES	11/03/2017
PURDY, Amy	Choir	Rhodes ES	11/03/2017
ROSSEN, Scott	Green Team Coordinator	Rhodes ES	11/03/2017
EDWARDS, Bryana	Debate/Science Olympiad Coordinator	Rolling Ridge ES	11/03/2017
GONZALES, Denise	Special Education Chairperson	Rolling Ridge ES	11/03/2017
MCKINNEY, Natalie	Debate/Science Olympiad Coordinator	Rolling Ridge ES	11/03/2017
KAHN, Lorraine	Student Council Advisor	Walnut ES	11/03/2017
WIND, Nicole	Science Fair Coordinator	Walnut ES	11/03/2017
ALTERMATT, Lauren	Safe School Ambassadors	Wickman ES	11/03/2017
FRESCAS, Nicholas	Noon Sports & Technology	Wickman ES	11/03/2017
ENCARNACION, Danielle	Science Fair Coordinator	Briggs K-8	11/03/2017
PLASCENCIA, Diana	History Day Coordinator	Briggs K-8	11/03/2017
TOTAL:			\$14,820.00

APPOINTMENT OF CERTIFICATED SUBSTITUTES EFFECTIVE JULY 1, 2017, THROUGH JUNE 30, 2018

REHRER, Katrina SALAZAR, Sean

CLASSIFIED PERSONNEL

<u>NAME</u>	<u>POSITION</u>	<u>LOCATION</u>	<u>EFFECTIVE DATE</u>
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HIRED AT THE APPROPRIATE PLACEMENT ON THE CLASSIFIED SALARY SCHEDULE**APPOINTMENT**

HARGROVE, Stephanie	IA/Childhood Education (CDF)	Dickey SOAR	11/03/2017
MALDONADO, Miguel	Custodian I (GF)	Eagle Canyon ES	11/03/2017
ROMAN, Candice	Elementary Library/Media Center Assistant (GF)	Glenmeade ES	11/06/2017
ACEVES, Lorraine	Custodian I (GF)	Cal Aero K-8	11/04/2017
AVILA, Veronica	IA/Special Education/SH (SELPA/GF)	Woodcrest JHS	11/03/2017
SEVILLA, Francisco	Security Person(GF)	Risk Management	11/06/2017

CHANGE IN ASSIGNMENT

FAGUNDES, Helena	FROM: Nutrition Services Assistant I (NS) 2 hrs./181 work days TO: Nutrition Services Assistant I (NS) 3 hrs./181 work days	Chaparral ES Dickey ES	11/03/2017
TRUJILLO, Robert	FROM: Grounds Equipment Operator II (GF) 8 hrs./261 contract days TO: Custodian II (GF) 8 hrs./261 contract days	Maintenance Marshall ES	11/03/2017

**APPOINTMENT OF SHORT TERM EMPLOYEES EFFECTIVE JULY 1, 2017, THROUGH
DECEMBER 31, 2017**

SACCONE, Dana	IA/Special Education/SH	Litel ES
LIM, Angie	IA/Special Education/SH	Cal Aero K-8

**APPOINTMENT OF CLASSIFIED SUBSTITUTES EFFECTIVE JULY 1, 2017, THROUGH
JUNE 30, 2018**

DORADO, Adrian	GARCIA, Nereida	GONZALES Jr., Steven
HUFF, Damian	JOHNSON, Justin	LOPEZ, Lorraine
MAGALLANES, David	MCCOOL, Bonnie	RAMAN, Padma
RAMOS, Jenny	WILLIAMS, Tramaine	

(504) = Federal Law for Individuals with Handicaps
 (ACE) = Ace Driving School
 (ABG) = Adult Education Block Grant
 (ASB) = Associated Student Body
 (ASF) = Adult School Funded
 (ATE) = Alternative to Expulsion
 (B) = Booster Club
 (BTSA) = Beginning Teacher Support & Assessment
 (C) = Categorically Funded
 (CAHSEE) = California High School Exit Exam
 (CC) = Children's Center (Marshall)
 (CDF) = Child Development Fund
 (CSR) = Class Size Reduction
 (CVLA) = Chino Valley Learning Academy
 (CWY) = Cal Works Youth
 (E-rate) = Discount Reimbursements for Telecom.
 (G) = Grant Funded
 (GF) = General Fund
 (HBE) = Home Base Education
 (MM) = Measure M – Fund 21
 (MAA) = Medi-Cal Administrative Activities
 (MH) = Mental Health – Special Ed.
 (NBM) = Non-Bargaining Member
 (ND) = Neglected and Delinquent
 (NS) = Nutrition Services Budget
 (OPPR) = Opportunity Program
 (PFA) = Parent Faculty Association
 (R) = Restricted
 (ROP) = Regional Occupation Program
 (SAT) = Saturday School
 (SB813) = Medi-Cal Admin. Activities Entity Fund
 (SELPA) = Special Education Local Plan Area
 (SOAR) = Students on a Rise
 (SPEC) = Spectrum Schools
 (SS) = Summer School
 (SWAS) = School within a School
 (VA) = Virtual Academy
 (WIA) = Workforce Investment Act

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Lea Fellows Assistant Superintendent, Human Resources
Suzanne Hernandez, Ed. D., Director, Human Resources
Richard Rideout, Director, Human Resources

SUBJECT: NEW JOB DESCRIPTION FOR NUTRITION SUPERVISOR

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BACKGROUND

Job descriptions are a statement of duties, qualifications, and responsibilities associated with a particular job. It is a matter of standard practice to modify and/or create job descriptions as new positions become necessary, jobs evolve, and responsibilities and duties change. Additionally, changes in organizational structure, student needs, and other factors require the revision of existing positions to support the District's mission of increased student achievement.

New language is provided in UPPER CASE.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education:

- a) Approve the new job description of Nutrition Supervisor, and
- b) Authorize the creation of Nutrition Supervisor.

FISCAL IMPACT

An impact of \$70,636.00 to the Nutrition Services fund.

WMJ:LF:SH:RR:mcm

CHINO VALLEY UNIFIED SCHOOL DISTRICT
Position Description

TITLE:	NUTRITION SUPERVISOR	REPORTS:	DIRECTOR, NUTRITION SERVICES
DEPARTMENT:	NUTRITION SERVICES	CLASSIFICATION:	CLASSIFIED MANAGEMENT
FLSA:	EXEMPT	WORK YEAR:	261
ISSUED:		SALARY:	RANGE 36

BASIC FUNCTION:

UNDER THE DIRECTION OF THE DIRECTOR OF NUTRITION SERVICES, PLAN, COORDINATE, SUPERVISE AND DIRECT THE FOOD SERVICE PROGRAMS, ASSURING EFFECTIVENESS RELATED TO NUTRITION, MENUS, COST, AND COMPLIANCE WITH DISTRICT, COUNTY, STATE, AND FEDERAL REQUIREMENTS.

DISTINGUISHING CHARACTERISTICS:

INCUMBENTS MAY PERFORM ANY COMBINATION OF THE ESSENTIAL FUNCTIONS SHOWN BELOW. THIS POSITION DESCRIPTION IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL DUTIES, KNOWLEDGE, OR ABILITIES ASSOCIATED WITH THIS CLASSIFICATION, BUT IT IS INTENDED TO ACCURATELY REFLECT THE PRINCIPAL JOB ELEMENTS.

REPRESENTATIVE DUTIES:

ASSURE COMPLIANCE WITH DISTRICT, COUNTY, STATE, AND FEDERAL REQUIREMENTS RELATED TO THE UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) SCHOOL BREAKFAST PROGRAM, NATIONAL SCHOOL LUNCH PROGRAM, AFTER SCHOOL MEAL PROGRAM, CHILDCARE AND ADULT FOOD PROGRAM, AND COMMODITY FOOD PROGRAM. (E)

PLAN AND MODIFY MENUS AND RECIPES FOR A VARIETY OF DIETARY NEEDS THAT MEET USDA AND STATE NUTRITIONAL STANDARDS. (E)

EVALUATE THE NUTRIENT CONTENT OF MENU ITEMS AND PERFORM RELATED COST ANALYSIS STUDIES. (E)

ESTABLISH AND ENFORCE PROTOCOL FOR FOOD ALLERGIES AND SPECIAL DIETARY NEEDS. (E)

VISIT SITE KITCHENS TO SUPERVISE, ANALYZE, DETERMINE AND RECOMMEND PROCEDURES AND METHODS OF EFFICIENT FOOD PREPARATION OPERATIONS. (E)

PROVIDE NUTRITIONAL INFORMATION, TRAINING, GUIDANCE, AND COUNSELING TO INDIVIDUALS AND DISTRICT PERSONNEL.

PREPARE AND MAINTAIN A VARIETY OF RECORDS, INCLUDING MENU PRODUCTION WORKSHEETS, PRODUCT SPECIFICATIONS, COST DATA REPORTS, NUTRITION AND WELLNESS ARTICLES, MEMORANDUMS AND DEPARTMENT OPERATING PROCEDURES RELATED TO NUTRITION AND WELLNESS. (E)

SERVE AS A REPRESENTATIVE OF THE NUTRITION SERVICES DEPARTMENT AT MEETINGS, AS REQUIRED, AND MAY SERVE AS A LIAISON TO OTHER DEPARTMENTS, COMMUNITY, AND CIVIC GROUPS; MEET WITH INDIVIDUALS, DISTRICT PERSONNEL, VENDORS, AND COMMUNITY GROUPS TO DISCUSS MENU ITEMS AND ENHANCING FOOD SERVICES ACTIVITIES. (E)

PLAN AND COORDINATE FOOD DEMONSTRATIONS AND PROMOTIONAL ACTIVITIES FOR SCHOOL EVENTS AND PROVIDE COMMUNICATION BETWEEN NUTRITION SERVICES AND COMMUNITY.

ASSIST IN HANDLING INDIVIDUAL AND PERSONNEL COMPLAINTS. (E)

PLAN, COORDINATE, AND IMPLEMENT A COMPREHENSIVE STAFF TRAINING PROGRAM IN FOOD PREPARATION, SANITATION, SAFETY, NUTRITION, AND RELATED AREAS; OVERSEE AND DEVELOP A DEPARTMENT FOOD SAFETY PLAN, AND HANDLE FOOD RECALLS.

ADHERE TO FOOD SAFETY AND SANITATION PRACTICES IN ACCORDANCE WITH DISTRICT, COUNTY, STATE, AND FEDERAL REQUIREMENTS.

ASSIST IN COMPILING GRANT APPLICATION PACKETS USED TO APPLY FOR NUTRITION AND FOOD SERVICE RELATED PROGRAM FUNDING.

ASSIST WITH THE PLANNING AND ORDERING OF USDA COMMODITY FOOD PRODUCTS TO BE UTILIZED IN THE FOOD PROGRAMS.

ASSIST WITH SCREENING, INTERVIEWING, SELECTING, ASSIGNING AND EVALUATING EMPLOYEES; AND PROVIDING EVALUATIVE FEEDBACK TO CURRENT EMPLOYEES.

OTHER DUTIES AS ASSIGNED.

E: ESSENTIAL FUNCTIONS

MINIMUM REQUIREMENTS:

EDUCATION, EXPERIENCE, LICENSES, AND OTHER REQUIREMENTS:

A FOUR YEAR DEGREE FROM AN ACCREDITED COLLEGE OR UNIVERSITY IN NUTRITION, DIETETICS, FOOD MANAGEMENT, OR A DIRECTLY RELATED COURSE OF STUDY.

TWO YEARS OF EXPERIENCE PERFORMING NUTRITIONAL ANALYSIS OF MENUS AND COST ANALYSIS OF RECIPES AND/OR MENUS FOR USDA SCHOOL MEAL PROGRAMS.

POSSESS AN APPROVED NATIONALLY RECOGNIZED FOOD SAFETY CERTIFICATE.

MINIMUM OF TWO YEARS OF SUPERVISORY EXPERIENCE IN A SCHOOL DISTRICT FOOD SERVICE ENVIRONMENT.

KNOWLEDGE AND ABILITIES:

KNOWLEDGE OF:

- NATIONAL SCHOOL LUNCH AND SCHOOL BREAKFAST PROGRAM, AFTER SCHOOL MEAL PROGRAM AND CHILDCARE AND ADULT FOOD PROGRAM, AND USDA COMMODITY FOOD PROGRAM;
- USDA AND STATE NUTRITIONAL STANDARDS AND REQUIREMENTS;
- ADVANCED PRINCIPLES OF NUTRITION ANALYSIS AND RELATED DIETARY GUIDELINES;
- DIETARY MODIFICATIONS FOR STUDENTS WITH SPECIALIZED NEEDS (I.E. WEIGHT, ALLERGIES, DISEASE OR ILLNESS);
- MENU PLANNING, RECIPE DEVELOPMENT AND STANDARDIZATION USED TO ADDRESS THE NEEDS OF A VARIETY OF STUDENTS FROM A VARIETY OF SOCIAL/CULTURAL BACKGROUNDS;
- FOOD SAFETY PROGRAMS (I.E. HAZARD ANALYSIS AND CRITICAL CONTROL POINTS (HACCP));
- SCHOOL DISTRICT WELLNESS POLICIES;
- PRINCIPLES OF KITCHEN SANITATION AND SAFETY;
- PRINCIPLES OF SUPERVISION, EVALUATION, EFFECTIVE TRAINING METHODS AND MOTIVATION, AND PROGRESSIVE DISCIPLINE;
- STANDARD COMPUTERIZED NUTRITIONAL ANALYSIS PROGRAMS;
- BASIC COMPUTER SYSTEMS AND USE OF COMPUTER SOFTWARE; AND
- SCHOOL FOOD SERVICE POINT OF SALE COMPUTER PROGRAMS.

ABILITY TO:

- ANALYZE THE NUTRITIONAL CONTENT OF RECIPES, MENUS AND FOOD PRODUCTS;
- DEVELOP RECIPES AND MENUS THAT MEET USDA, STATE AND/OR SPECIAL PROGRAM STANDARDS AND REQUIREMENTS, AS WELL AS, THE SPECIAL NEEDS OF IDENTIFIED STUDENTS;
- COMMUNICATE EFFECTIVELY, BOTH ORALLY AND IN WRITING;
- WRITE IN A CLEAR AND CONCISE MANNER FOR BROAD PUBLIC APPEAL AND INTERPRETATION;
- MOTIVATE STUDENTS TO ADHERE TO PROPER NUTRITIONAL STANDARDS AND DEVELOP PARENTAL SUPPORT;
- PREPARE BASIC REPORTS AND SUMMARIES;
- PLAN, ORGANIZE, COORDINATE AND SUPERVISE A LARGE FOOD SERVICE OPERATION AND RELATED PROGRAMS.
- ASSIST IN THE DEVELOPMENT OF MENUS IN ACCORDANCE WITH NUTRITIONAL REQUIREMENTS AND BUDGET LIMITATIONS;
- PLAN, ORGANIZE AND DIRECT THE WORK OF OTHERS;
- DEVELOP EFFECTIVE WORKING RELATIONSHIPS WITH INDIVIDUALS, PERSONNEL AND THE PUBLIC;
- DEVELOP PROTOCOLS, POLICIES, AND STANDARD OPERATING PROCEDURES;
- ANALYZE AND CONTROL FOOD AND LABOR COSTS;

- MAINTAIN CURRENT KNOWLEDGE OF PROGRAM RULES, REGULATIONS, REQUIREMENTS AND RESTRICTIONS;
- TEST PRODUCTS FOR STUDENT ACCEPTANCE AND COMPLIANCE WITH NUTRITION STANDARDS;
- SUPERVISE AND EVALUATE THE PERFORMANCE OF ASSIGNED STAFF; AND
- OPERATE A COMPUTER TERMINAL AND SOFTWARE RELATED TO NUTRITION.

WORKING CONDITIONS:

ENVIRONMENT:

- DISTRICT OFFICE ENVIRONMENT, SCHOOL SITES, AND KITCHEN ENVIRONMENT;
- DEMANDING TIMELINES AND VARYING WORK SCHEDULE;
- SUBJECT TO DRIVING TO A VARIETY OF LOCATIONS TO CONDUCT WORK DURING DAY AND EVENING HOURS;
- SUBJECT TO FREQUENT INTERRUPTIONS AND EXTENSIVE CONTACT WITH STUDENTS, STAFF, PARENTS, AND THE PUBLIC; AND
- INDOOR AND OUTDOOR ENVIRONMENT.

PHYSICAL DEMANDS:

- BENDING AT THE WAIST, KNEELING OR CROUCHING, AND REACHING TO RETRIEVE AND MAINTAIN FILES AND RECORDS;
- REACHING OVERHEAD, ABOVE THE SHOULDERS AND HORIZONTALLY;
- DEXTERITY OF HANDS AND FINGERS TO OPERATE STANDARD OFFICE EQUIPMENT, COMPUTER KEYBOARD, AND OTHER EQUIPMENT NECESSARY TO COMPLETE THE REQUIRED DUTIES;
- HEARING AND SPEAKING TO EXCHANGE INFORMATION IN PERSON AND ON THE TELEPHONE;
- VISUAL ABILITY TO READ, AND TO PREPARE/PROCESS DOCUMENTS AND TO MONITOR VARIOUS SERVICES AND PERSONNEL;
- SITTING FOR EXTENDED PERIODS;
- STANDING FOR EXTENDED PERIODS;
- WALKING OVER ROUGH OR UNEVEN SURFACES;
- CLIMBING, OCCASIONAL USE OF STEPLADDERS; AND
- PHYSICAL ACTIVITY MAY BE REQUIRED, WHICH COULD INCLUDE MODERATE LIFTING UP TO 50 POUNDS.

HAZARDS:

- WORKING AROUND AND WITH OFFICE EQUIPMENT AND KITCHEN EQUIPMENT WITH MOVING PARTS, AMBIENT TEMPERATURE FLUCTUATIONS (OVENS AND FREEZERS); AND
- EXTENDED VIEWING OF COMPUTER MONITOR.

SPECIAL REQUIREMENTS:

- MUST BE A REGISTERED DIETITIAN WITH THE COMMISSION ON DIETETIC REGISTRATION;
- CERTIFIED TRAINER FOR A NATIONALLY RECOGNIZED FOOD SAFETY COURSE OR OBTAIN AND MAINTAIN INSTRUCTOR FOOD SAFETY CERTIFICATION WITHIN 3-MONTHS OF EMPLOYMENT;
- SCHOOL FOOD SERVICE SPECIALIST CREDENTIAL DESIRABLE;
- MUST POSSESS A VALID CALIFORNIA DRIVER'S LICENSE DURING COURSE OF EMPLOYMENT; AND MUST HAVE THE ABILITY TO OBTAIN AND MAINTAIN INSURABILITY STATUS UNDER THE DISTRICT'S VEHICLE INSURANCE POLICY.

I HAVE READ THE ABOVE POSITION DESCRIPTION AND FULLY UNDERSTAND THE REQUIREMENTS SET FORTH THEREIN. I HEREBY ACCEPT THE POSITION OF NUTRITION SUPERVISOR AND AGREE TO ABIDE BY THE REQUIREMENTS AND DUTIES SET FORTH. I WILL PERFORM ALL DUTIES AND RESPONSIBILITIES TO THE BEST OF MY ABILITY.

(SIGNATURE OF EMPLOYEE)

(DATE)

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, THE CHINO VALLEY UNIFIED SCHOOL DISTRICT WILL PROVIDE REASONABLE ACCOMMODATIONS TO QUALIFIED INDIVIDUALS WITH DISABILITIES, AND ENCOURAGES BOTH PROSPECTIVE AND CURRENT EMPLOYEES TO DISCUSS POTENTIAL ACCOMMODATIONS WITH THE DIVISION OF HUMAN RESOURCES.

BOARD APPROVED:

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Lea Fellows, Assistant Superintendent, Human Resources
Suzanne Hernandez, Ed.D., Director, Human Resources
Richard Rideout, Director, Human Resources

**SUBJECT: STUDENT INTERNSHIP AGREEMENT WITH ALLIANT
INTERNATIONAL UNIVERSITY**

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BACKGROUND

Student Internship agreements provide a high quality of learning, support and practical classroom experience for professionals in training. The Chino Valley Unified School District has an opportunity to establish an internship agreement with Alliant International University.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve the student internship agreement with Alliant International University.

FISCAL IMPACT

None.

WMJ:LF:SH:RR:mcm



Alliant International University
California School
of Education

MEMORANDUM OF UNDERSTANDING
Between
ALLIANT INTERNATIONAL UNIVERSITY, INC. A CALIFORNIA BENEFIT
CORPORATION
And
CHINO VALLEY UNIFIED SCHOOL DISTRICT

Alliant International University, Inc. A California Benefit Corporation ("University") and Chino Valley Unified School District ("District") agree to the following conditions that apply to Practicum Students, Student Teachers, and Interns who are or will be enrolled in the Teacher Credential Program, the MA/PPS: School Psychology Program or School Counseling Program through the California School of Education at Alliant International University and will be serving their Practicum or Internship in the District. Interns nominated by either Alliant International University or the District shall be mutually acceptable by both Alliant International University and the District, and shall be subject to a mutually acceptable placement within the District. This Memorandum of Understanding shall become effective November 3, 2017 for a period of five (5) calendar years. This Memorandum of Understanding may be terminated by either party with sixty (60) days written notice, unless both parties agree to an earlier termination date. Any termination of the Memorandum of Understanding by either party shall not affect the status of any intern who has been placed with the district prior to the effective date of termination.

Alliant International University agrees and certifies that:

1. Each Candidate shall have passed the Basic Skills Requirement or California Educational Basic Skill Test (CBEST) and, for Student Teachers and Teacher Interns, required subject matter competency prior to assuming Intern services or responsibilities.
2. Each Candidate shall possess a B.A. Degree, documented by official transcripts with a minimum overall GPA of 3.0. Teacher Credential Interns shall have passed the subject matter requirement.
3. Each Teacher Intern shall have a minimum of 120 hours of verified pre-service experience with students in educational settings. Each School Psychology Intern shall have a minimum of 400 hours of verified Practicum experience and each School Counseling Intern shall have a minimum of 100 hours of verified Practicum experience.
4. Each Teacher Intern shall have passed U.S. Constitution coursework or examination.
5. Each Candidate shall be provided adequate supervision, advice, encouragement and support, as appropriate, by Alliant International University personnel, including but not limited to the University faculty and the University field supervisor as directed by California Commission on Teacher Credentialing Standards.
6. University Supervisors will observe and evaluate teacher interns at least six times during a semester and allocate time with each intern after each visit to discuss the observation.

7. University Supervisors will meet with District Support Providers at the beginning of the candidate's field placement in order to establish roles and duties in order to best support the candidate.
8. For Teacher Education programs, District Support Providers will be required to provide one evaluation per Alliant academic term (8 weeks) using Alliant's evaluative matrix based on the Teacher Performance Expectations (TPE) established by the Commission on Teacher Credentialing (CTC).

Chino Valley Unified School District agrees and certifies that:

1. The purpose of the Internship Program is to add to the pool of qualified teachers, school psychologists, or school counselors that the District has continually sought to maintain.
2. The Intern's services shall meet the instructional or service needs of the District.
3. Each Intern shall be assigned as an Intern under a contract with an appointment of at least .60 FTE of her/his workday, and placed in a job that shall allow for substantial experience in instructional or service duties.
4. No appointment shall be made unless the prospective employee provides proof of fingerprint clearance or photocopy of California teaching permit, and verification that he or she is free from tuberculosis.
5. No Intern shall displace any fully credentialed employee in the District.
6. Each Intern shall be provided adequate supervision, advice, encouragement and support, as appropriate, by District personnel, including but not limited to both an immediate field supervisor and an in-district mentor as directed by California Commission on Teacher Credentialing Standards.
7. The District and University, in partnership, must provide a total of 189 hours annually of support for each teacher intern (45 hours of which will be dedicated to ELL support).
8. The Intern's salary shall not be reduced to pay for the supervision of that Intern.
9. The Intern will apply to the California School of Education at Alliant International University for the Intern Credential within the first semester of coursework.
10. District Support Providers will meet with University Supervisors at the beginning of the candidate's field placement in order to establish roles and duties in order to best support the candidate.
11. The District Support Provider will observe and evaluate each intern teacher at least one time during a term (4 times in an academic year) and allocate time with each intern after each visit to discuss the observation. The District Support Provider will provide evidence of each observation and evaluation to the University Supervisor.
12. District Site Support Providers must hold credentials in the same areas as the interns they support and/or hold an Administrative Services Credential.
13. All intern teachers and student teachers must have experience working with diverse student populations including English Language Learners (ELLs), students with disabilities, and students from varying socioeconomic statuses. For Clinical Practice placements, at least 10% of the student body must comprise of ELLs, students with disabilities, and students from a low socio-economic background. If a candidate is in a Clinical Practice placement that falls short of the 10% threshold in any of the aforementioned areas,

the district understands that for each percentage point below that threshold, the candidate will be required to observe for two full days in either an ELL classroom, a Special Education classroom, or a classroom at a Title 1 school, depending on the area or areas, of deficient diverse student population group(s), to gain sufficient experience in those student population groups.

14. District Intern Support Providers, District Induction Support Providers (Education Specialist Clear Credential), and master teachers must have a minimum of three years teaching experience, have a Clear Credential in the credential area they are supervising (or an Administrative Service Credential), and have a Master's degree or equivalent. The district confirms that its Intern Support Providers and Induction Support Providers have been adequately trained in their supervisory roles.

INSURANCE

Alliant International University, Inc. shall maintain commercial general liability insurance from an insurance carrier with an AM Best rating of A- VII or better in the minimum amounts of \$1,000,000 per occurrence, \$3,000,000 general aggregate and shall furnish proof thereof in the form of a certificate of insurance within 30 days of the effective date of this Agreement.

Chino Valley Unified School District shall provide and maintain commercial general liability insurance acceptable to Alliant International University, Inc. or utilize a program of self-insurance in the minimum amounts of \$1,000,000 combined single limit, \$3,000,000 general aggregate and upon request shall furnish proof thereof in the form of a certificate of insurance within 30 days of the effective date of this Agreement.

Alliant International University does not furnish workers' compensation for students participating in this program. It is understood that Student Teachers are not employees of the Chino Valley Unified School District. Alliant International University, Inc., at its discretion, may maintain at its sole expense workers' compensation and employer's liability for students who are participating in its program.

MUTUAL HOLD HARMLESS AND INDEMNIFICATION

Alliant International University, Inc. shall hold harmless, defend and indemnify Chino Valley Unified School District and its officers, employees, and agents from any and all losses, demands, claims, damages (including costs and attorneys' fees), or causes of action arising from any negligent act or omission or willful misconduct of Alliant International University, Inc., its officers, employees, or student teachers incurred in the performance of this Agreement.

Chino Valley Unified School District shall hold harmless, defend and indemnify Alliant International University and its officers, employees, and agents from any and all losses, demands, claims, damages (including costs and attorneys' fees), or causes of action arising from any negligent act or omission or willful misconduct of Chino Valley Unified School District, its officers, employees, or agents incurred in the performance of this Agreement.

Alliant International University:

<hr/> Andy Vaughn, President Alliant International University	<hr/> Date
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<hr/> Dr. Mary Oling-Sisay, Dean California School of Education Alliant International University	<hr/> Date
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Chino Valley Unified School District:

<hr/> Lea Fellows, Assistant Superintendent, Human Resources Chino Valley Unified School District	<hr/> Date
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CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Lea Fellows, Assistant Superintendent, Human Resources
Suzanne Hernandez, Ed.D., Director, Human Resources
Richard Rideout, Director, Human Resources

**SUBJECT: DESIGNATED SUBJECTS ADULT AND CAREER TECHNICAL
EDUCATION CREDENTIALS PROGRAM AGREEMENT WITH THE
SAN DIEGO COUNTY SUPERINTENDENT OF SCHOOLS**

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BACKGROUND

A Designated Subjects Career Technical Education Teaching Credential authorizes the holder to teach in the subject or subjects named on the credential in grades twelve and below and in classes organized primarily for adults, in career technical, trade or vocational courses. The Chino Valley Unified School District has an opportunity to establish a Designated Subjects Adult and Career Technical Education Credentials Program agreement with the San Diego County Superintendent of Schools. This agreement will provide support to current employees working towards obtaining such a credential.

Approval of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education approve the Designated Subjects Adult and Career Technical Education Credentials Program agreement with the San Diego County Superintendent of Schools.

FISCAL IMPACT

None.

WMJ:LF:SH:RR:mcm

Memorandum of Understanding
2017 - 2022
Designated Subjects Adult and Career Technical Education Credentials Program

This Memorandum of Understanding (MOU), is entered into this 2nd day of November 2017 by and between the San Diego County Superintendent of Schools, herein called the “County” and Chino Valley Unified School District herein called the “Contractor,” who agrees to access the following services from the Superintendent.

SCOPE OF SERVICES

A. The County agrees to:

1. Act as Local Educational Agency (LEA) in accordance with San Diego County Local Educational Agency agreement with the California Commission on Teacher Credentialing.
 - a. Provide credential services for the review of applications for the Adult and Career Technical Education Designated Subjects Credentials.
2. Distribute Commission on Teacher Credentialing updates for credential standards and program information.
3. Review and organize data from course evaluations and mentor experiences. Report findings at Credential advisory meetings.
4. Organize and publicize annual Credential Advisory meeting.
5. Adhere to the California Commission on Teacher Credentialing educator preparation accreditation system’s 7-year cycle of activities.
6. Provide support and linkages to partnering Institution of Higher Educations (IHE).
7. Provide ongoing program improvement collaboration opportunities with IHEs, Districts, employers, and all relevant stakeholders.

B. The Contractor agrees to:

1. Provide Supervisors (evaluative) who are:
 - a. Certificated and experienced in teaching
 - b. Trained in supervision and support of beginning teachers
 - c. Experienced in offering professional development opportunities
 - d. Experienced in providing ongoing support to Support Providers and candidates
 - e. Responsible for collaborating with the County Program staff on selecting qualified mentors and completing all necessary paperwork.
2. Provide Support Provider (non-evaluative) mentors for each preliminary credential candidate (including substitute teachers) upon hire who are:
 - a. Program Approved and meet Minimum Qualifications:
 - i. Hold a Valid Clear California Teaching Credential
 - ii. Verify a minimum of three (3) years of classroom teaching experience
 - iii. Verify recent work experience in an educational setting
 - b. Trained in providing coaching and support to beginning teachers
 - c. Assessed by new teacher candidates for their services
 - d. Competent in providing complete, accurate and timely feedback to new teacher candidates and submitting mentor logs to the Program Mentor Coordinator in September, March and June including information about progress toward competence.

- e. Attend annual Credential Advisory meeting.
3. Provide staff available to assist and support candidates in the processing of credential application materials (i.e., district credential technician).
4. Ensure candidates complete a Program sponsored online Early Program Orientation within the first 30-days of employment.
5. Identify one (1) contact person as liaison with the County.

TOBACCO – FREE FACILITY

The County is a tobacco-free facility. Tobacco use (smoked or smokeless) is prohibited at all times on all areas of County Office property.

PERIOD OF MOU AND RENEWAL TERMS

This MOU shall be effective from **November 3, 2017, until June 30, 2022** and is renewable by mutual written agreement.

CONTACT PERSONS

The contact person(s) for the County shall be:

Mary Willis, Interim Assoc. Supt.
6401 Linda Vista Road, Room 406
San Diego, CA 92111
Telephone: (858) 292-3588

Chris Reising, Director HR
6401 Linda Vista Road, Room 406
San Diego, CA 92111
Telephone: (858) 292-3556
Email: creising@sdcoe.net

Carol Tomeo, Coordinator, Teacher
Preparation and Support,
Designated Subjects
6401 Linda Vista Road, Room 406
San Diego, CA 92111
Email: carol.tomeo@sdcoe.net

The contact(s) for Chino Valley Unified School
District shall be:

Administrator:
Lea Fellows, Assist. Supt., Human Resources
5130 Riverside Drive
Chino, CA 91710
Telephone: (909) 628-1202
Email: lea_fellows@chino.k12.ca.us

TERMINATION

This MOU may be terminated by either party by mutual agreement with thirty (30) days written notice.

OWNERSHIP OF DOCUMENTS OR WORK

Any documents are equally owned by the County and Contractor.

GOVERNING LAW/VENUE SAN DIEGO

In the event of litigation, the MOU and related matters shall be governed by and construed in accordance with the laws of the State of California. Venue shall be with the appropriate State or Federal court located in San Diego County.

COMPLIANCE WITH THE LAW

The Contractor shall be subject to and shall comply with all Federal, State, and local laws and regulations applicable with respect to its performance under this MOU including, but not limited to, licensing, employment and purchasing practices and wages, hours and conditions of employment, including nondiscrimination.

FINAL APPROVAL

This MOU is of no force or effect until approved by signature by the County Superintendent of Schools or his designee, the Assistant Superintendent of Business Services.

ENTIRE AGREEMENT

This MOU represents the entire agreement and understanding of the parties hereto and no prior writings, conversations or representations of any nature shall be deemed to vary the provisions hereof. This MOU may not be amended in any way except by a writing duly executed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be duly executed, such parties acting by their representative being thereunto duly authorized.

SAN DIEGO COUNTY SUPERINTENDENT OF SCHOOLS

By (Authorized Signature)

Lora Duzyk

Name (Type or Print)

Assistant Superintendent – Business Services

Title

Date

CONTRACTOR

By (Authorized Signature)

Lea Fellows

Name (Type or Print)

Assistant Superintendent, Human Resources

Title

Date

Federal I.D. No./Social Security #

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Sandra H. Chen, Assistant Superintendent, Business Services
Liz Pensick, Director, Business Services

**SUBJECT: ADOPTED 2017/2018 ORGANIZED AND UNORGANIZED STUDENT
BODY BUDGETS**

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BACKGROUND

Board Policy 3452 Business and Noninstructional Operations – Student Activity Funds requires organized and unorganized student body budgets to be submitted to the Board of Education each year for information. The list that follows reflects the adopted student body budgets for fiscal year 2017/2018.

Consideration of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education receive for information the adopted 2017/2018 organized and unorganized student body budgets.

FISCAL IMPACT

None.

WMJ:SHC:LP:wc

**CHINO VALLEY UNIFIED SCHOOL DISTRICT
ASSOCIATED STUDENT BODY
ADOPTED BUDGET 2017/2018**

ORGANIZED STUDENT BODIES

COMPREHENSIVE HIGH SCHOOLS

	TOTAL	
Ayala HS	\$ 1,655,147	
Chino HS	\$ 865,636	
Chino Hills HS	\$ 1,126,484	
Don Lugo HS	\$ 922,250	
TOTAL HIGH SCHOOLS		\$ 4,569,517

JUNIOR HIGH SCHOOLS

Briggs K-8	\$ 54,291	
Cal Aero K-8	\$ 76,487	
Canyon Hills JHS	\$ 237,843	
Magnolia JHS	\$ 136,716	
Ramona JHS	\$ 88,165	
Townsend JHS	\$ 168,014	
Woodcrest JHS	\$ 53,198	
TOTAL JUNIOR HIGH SCHOOLS		\$ 814,714

TOTAL ORGANIZED STUDENT BODIES

\$ 5,384,231

UNORGANIZED STUDENT BODIES

DISTRICT ASB/ELEMENTARY GENERAL

Elementary General	\$ 10,858	\$ 10,858
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CONTINUATION HIGH SCHOOL

Buena Vista HS	\$ 48,658	\$ 48,658
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ELEMENTARY SCHOOLS

Borba ES	\$ 6,396	
Briggs K-8*	\$ -	
Butterfield Ranch ES	\$ -	
Cattle ES	\$ 48,013	
Chaparral ES	\$ 35,063	
Cortez ES*	\$ -	
Country Springs ES*	\$ -	
Dickey ES	\$ 5,972	
Dickson ES	\$ 48,021	
Eagle Canyon ES	\$ 42,594	
Glenmeade ES*	\$ -	
Hidden Trails ES	\$ 1,284	
Liberty ES	\$ 51,247	
Litel ES	\$ 21,191	
Marshall ES	\$ 50,686	
Newman ES	\$ 12,381	
Oak Ridge ES	\$ 12,899	
Rhodes ES	\$ 523	
Rolling Ridge ES	\$ 51,893	
TOTAL ELEMENTARY SCHOOLS		\$ 388,163

TOTAL UNORGANIZED STUDENT BODIES

\$ 447,679

TOTAL ASB BUDGETS

\$ 5,831,910

* ASB Dormant Accounts/Zero Balances

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Norm Enfield, Ed.D., Deputy Superintendent

**SUBJECT: CHINO VALLEY UNIFIED SCHOOL DISTRICT 2017/2020
STRATEGIC PLAN**

=====

BACKGROUND

On November 7, 2013, the Board of Education approved the District's 2014/2017 Strategic Plan. Board Policy 0000 – Philosophy-Goals-Objectives and Comprehensive Plan, requires the Board of Education to review the Strategic Plan which includes the vision, mission, motto, core values and goals in conjunction with the Local Control and Accountability Plan.

Consideration of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education receive for information the Chino Valley Unified School District 2017/2020 Strategic Plan.

FISCAL IMPACT

None.

WMJ:NE

Chino Valley Unified School District

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Grace Park, Ed.D., Assistant Superintendent, Curriculum, Instruction, Innovation, and Support
Preston Carr, Ed.D., Director, Alternative Education
Julian Rodriguez, Director, Secondary Curriculum

SUBJECT: REVISION OF BOARD POLICY 6164.2 INSTRUCTION – GUIDANCE/COUNSELING SERVICES

=====

BACKGROUND

Board policies, administrative regulations, and bylaws of the Board are routinely developed and revised as a result of changes in law, mandates, federal regulations, and current practice. Board Policy 6164.2 Instruction – Guidance/Counseling Services is being updated to reflect new law (SB 451, 2015) which expresses legislative intent regarding the responsibilities of school counselors, specifies components to be included in a comprehensive counseling program. Policy also clarifies options regarding access to students by college and employment recruiters, including military recruiters.

New language is provided in UPPER CASE while old language to be deleted is ~~lined through~~.

Consideration of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education receive for information the revision of Board Policy 6164.2 Instruction – Guidance/Counseling Services.

FISCAL IMPACT

None.

WMJ:GP:PC:JR:rtt

GUIDANCE/COUNSELING SERVICES

The Board of Education recognizes that a STRUCTURED, COHERENT, comprehensive counseling program ~~can help~~ promoteS academic achievement and serveS the diverse needs of all District students. Counseling staff shall be available to ~~meet with~~ PROVIDE students to ~~discuss academic, social, or personal difficulties, as well as other issues that may impact student learning~~ WITH INDIVIDUALIZED REVIEWS OF THEIR EDUCATIONAL PROGRESS TOWARD ACADEMIC AND/OR CAREER AND VOCATIONAL GOALS AND, AS APPROPRIATE, MAY DISCUSS SOCIAL, PERSONAL, OR OTHER ISSUES THAT MAY IMPACT STUDENT LEARNING.

THE SUPERINTENDENT OR DESIGNEE SHALL ENSURE THAT ALL PERSONS EMPLOYED TO PROVIDE SCHOOL COUNSELING, SCHOOL PSYCHOLOGY, AND/OR SCHOOL SOCIAL WORK SERVICES SHALL POSSESS THE APPROPRIATE CREDENTIAL FROM THE COMMISSION ON TEACHER CREDENTIALING AUTHORIZING THEIR EMPLOYMENT IN SUCH POSITIONS.

(cf. 4112.2 - Certification)

~~Academic and Career Counseling~~ EDUCATIONAL COUNSELING

The District's ~~academic~~ EDUCATIONAL counseling program shall help students establish immediate and long-range educational plans, achieve academic standards, ~~prepare for the high school exit examination,~~ and, complete the required curriculum in accordance with their individual needs, abilities, and interests. Each student shall, with the support of counseling staff, develop a 6-year plan in grade 7 and a 4-year plan in grade 9 to achieve this goal. Insofar as possible, parents/guardians shall be included when making educational plans.

(cf. 5145.6 - Parental Notifications)

Counseling staff shall help students plan for the future and become aware of their career potential. Academic planning for higher education shall include information about courses needed for admission to colleges and universities, standardized admission tests, financial aid, and scholarships. Counseling staff shall monitor each student's progress toward achieving the goals set forth in his 6-year or 4-year plan.

THE DISTRICT'S EDUCATIONAL COUNSELING PROGRAM ALSO MAY INCLUDE, BUT NOT BE LIMITED TO, IDENTIFICATION OF STUDENTS WHO ARE AT RISK OF NOT GRADUATING WITH THE REST OF THEIR CLASS, DEVELOPMENT OF A LIST OF COURSEWORK AND EXPERIENCE NECESSARY TO ASSIST STUDENTS TO SATISFY THE CURRICULAR REQUIREMENTS FOR COLLEGE ADMISSION AND SUCCESSFULLY TRANSITION TO POSTSECONDARY EDUCATION OR EMPLOYMENT, AND COUNSELING REGARDING AVAILABLE OPTIONS FOR A STUDENT TO CONTINUE HIS/HER EDUCATION IF HE/SHE FAILS TO MEET GRADUATION REQUIREMENTS.

GUIDANCE/COUNSELING SERVICES (cont.)

The Superintendent or designee shall establish and maintain a program of guidance, placement, and follow-up for all district HIGH SCHOOL students subject to compulsory continuation education. (Education Code 48431)

(cf. 6184 - Continuation Education)

NO COUNSELOR SHALL UNLAWFULLY DISCRIMINATE AGAINST ANY STUDENT. GUIDANCE COUNSELING REGARDING SCHOOL PROGRAMS AND CAREER, VOCATIONAL, OR HIGHER EDUCATION OPPORTUNITIES SHALL NOT BE DIFFERENTIATED ON THE BASIS OF ANY PROTECTED CATEGORY SPECIFIED IN BOARD POLICY 0410 – NONDISCRIMINATION IN DISTRICT PROGRAMS AND ACTIVITIES.

(cf. 0410 - Nondiscrimination in District Programs and Activities)

(cf. 5145.3 - Nondiscrimination/Harassment of Students)

Colleges and prospective employers, including military recruiters, shall have ~~same~~ EQUAL access to students for recruiting purposes. (20 USC 7908; 10 USC 503; Education Code 49603)

(cf. 5125.1 - Release of Directory Information)

Supplemental School Counseling Program for Students in Grades 7-12

The Board-adopted supplemental school counseling program for students in grades 712 shall be delivered by personnel who hold a valid pupil personnel services credential.

The District's program shall provide for: (Education Code 52378)

1. An individualized review of academic and deportment records.
2. An individualized review of the career goals of students, the available academic/career technical education opportunities and community/workplace experiences available to students to support their goals.
3. An opportunity for a counselor to meet with students and, if practicable the parent/guardian, to discuss available educational and career technical options.
4. Specialized counseling services for students identified as at risk.

(cf. 6179 - Supplemental Instruction)

Personal OR MENTAL HEALTH Counseling

A SCHOOL ~~G~~counselingOR, staff SCHOOL PSYCHOLOGIST shall MAY identify and

GUIDANCE/COUNSELING SERVICES (cont.)

~~work with~~ PROVIDE INDIVIDUALIZED PERSONAL OR FAMILY COUNSELING TO students whose personal problems may prevent them from reaching their potential IN ACCORDANCE WITH THE SPECIALIZATION(S) AUTHORIZED BY HIS/HER CREDENTIAL. SUCH SERVICES MAY INCLUDE, BUT ARE NOT LIMITED TO, SUPPORT RELATED TO THE STUDENT'S SOCIAL AND EMOTIONAL DEVELOPMENT OR BEHAVIOR. As appropriate, students AND THEIR PARENTS/GUARDIANS shall be informed about COMMUNITY agencies, ORGANIZATIONS, OR HEALTH CARE PROVIDERS that offer qualified professional assistance ~~with substance abuse, physical or emotional problems, or other personal problems.~~

(cf. 1020 - Youth Services)
(cf. 5113 - Absences and Excuses)
(cf. 5131.6 - Alcohol and Other Drugs)
(cf. 5141.4 - Child Abuse Prevention and Reporting)
(cf. 5141.6 - School Health Services)
(cf. 5145.9 - Hate-Motivated Behavior)
(cf. 5147 - Dropout Prevention)
(cf. 6164.5 - Student Success Teams)

WRITTEN PARENT/GUARDIAN CONSENT SHALL BE OBTAINED BEFORE MENTAL HEALTH COUNSELING OR TREATMENT SERVICES ARE PROVIDED TO A STUDENT, EXCEPT WHEN THE STUDENT IS AUTHORIZED TO CONSENT TO SERVICE PURSUANT TO FAMILY CODE 6920-6929, HEALTH AND SAFETY CODE 12420, OR OTHER APPLICABLE LAW.

ANY INFORMATION OF A PERSONAL NATURE DISCLOSED TO A SCHOOL COUNSELOR BY A STUDENT AGE 12 YEARS OR OLDER OR BY HIS/HER PARENT/GUARDIAN IS CONFIDENTIAL AND SHALL NOT BECOME PART OF THE STUDENT RECORD WITHOUT THE WRITTEN CONSENT OF THE PERSON WHO DISCLOSED THE CONFIDENTIAL INFORMATION. THE INFORMATION SHALL NOT BE REVEALED, RELEASED, DISCUSSED, OR REFERRED TO EXCEPT UNDER THE LIMITED CIRCUMSTANCES SPECIFIED IN EDUCATION CODE 49602. (Education Code 49602)

A Gcounselors shall ~~respect student confidentiality, as appropriate, and shall~~ consult with the Superintendent or designee, AS APPROPRIATE, WITH THE DISTRICT'S LEGAL COUNSEL whenever unsure of how to respond to a student's personal problem ~~Parent/guardian consultation and consent shall be obtained as appropriate~~ OR WHEN QUESTIONS ARISE REGARDING THE POSSIBLE RELEASE OF CONFIDENTIAL INFORMATION REGARDING A STUDENT.

(cf. 5022 - Student and Family Privacy Rights)
(cf. 5125 - Student Records)

GUIDANCE/COUNSELING SERVICES (cont.)

Crisis Counseling

The Board recognizes the need for a prompt and effective response when students are confronted with a traumatic incident. School counselors shall assist in the development of the comprehensive school safety plan, emergency and disaster preparedness plan and other prevention and intervention practices designed to assist students AND PARENTS/GUARDIANS before, DURING, and after a crisis.

(cf. 0450 - Comprehensive Safety Plan)
(cf. 3516 - Emergencies and Disaster Preparedness Plan)

In addition, the Superintendent or designee shall identify crisis counseling resources to train District staff in EFFECTIVE THREAT ASSESSMENT, appropriate response techniques and/or METHODS to directly help students cope with ~~such crises~~ A CRISIS if they IT occurS.

Early identification and intervention plans shall be developed to help identify those students who may be at risk for violence so that support may be provided before they engage in violent or disruptive behavior.

(cf. 5136 - Gangs)
(cf. 5141.52 - Suicide Prevention)

Legal Reference:

EDUCATION CODE

221.5 Prohibited sex discrimination
44266 Pupil personnel services credential
48431 Establishing and maintaining high school guidance and placement program
49600-49604 Educational counseling
51250-51251 School age military dependents
51513 Personal beliefs

FAMILY CODE

6920-6929 Consent by minor for treatment or counseling

HEALTH AND SAFETY CODE

124260 Mental health services; consent by minors age 12 and older

PENAL CODE

11166-11170 Reporting known or suspected cases of child abuse

WELFARE AND INSTITUTIONS CODE

5850-5883 Mental Health Services Act

CODE OF REGULATIONS, TITLE 5

4930-4931 Counseling
80049-80049.1 Pupil personnel services credential
80632-80632.5 Preparation programs for pupil personnel services

UNITED STATES CODE, TITLE 10

503 Military recruiter access to directory information

UNITED STATES CODE, TITLE 20

1232g Family Educational Rights and Privacy Act
7908 Armed forces recruiter access to students and student recruiting information

GUIDANCE/COUNSELING SERVICES (cont.)

CODE OF FEDERAL REGULATIONS, TITLE 34
99.1-99.67 Family educational rights and privacy

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California Results-Based School Counseling and Student Support Guidelines, 2007

WEBSITES

American School Counselor Association: www.schoolcounselor.org

California Association of School Counselors: www.schoolcounselor-ca.org

California Department of Education: www.cde.ca.gov

Commission on Teacher Credentialing: www.ctc.ca.gov

United States Department of Education, access to military recruiters:
www.ed.gov/policy/gen/guid/fpco/hottopics/ht10-09-02.html

Chino Valley Unified School District

Policy adopted: January 18, 2007

Revised: August 20, 2009

REVISED:

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Gregory J. Stachura, Asst. Supt., Facilities, Planning, and Operations
Sandra H. Chen, Assistant Superintendent, Business Services

SUBJECT: CASH MANAGEMENT PROGRAM

=====

BACKGROUND

The investment objective of the cash management program is to earn a higher rate of return on its assets than alternative short-term investment. Additionally, the program is customized directly to the District's needs and provides the District with better control of its funds than a pooled investment program.

As of June 30, 2017, the District's cash management accounts were in compliance with the District's written and approved investment policies.

Consideration of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education receive for information the report on the Cash Management Program.

FISCAL IMPACT

None.

WMJ:GJS:SHC:pw

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Cash Management Program -- July 1, 2016 to June 30, 2017

	Fund 25-9813 Capital Facilities	Fund 25-9815 Capital Facilities	Fund 01/93 General / Cafeteria	Total
Beginning Cash & Securities w/Accrued Interest @ Market 7/01/2016	\$8,689,654.98	\$4,541,543.24	\$7,531,659.29	\$20,762,857.51
Less: Accrued Interest & Unrealized Gains	\$63,513.07	\$45,057.02	\$57,316.71	\$165,886.80
Beginning At Cost Balance	\$8,626,141.91	\$4,496,486.22	\$7,474,342.58	\$20,596,970.71
Plus: Interest / Dividend Earnings	\$142,065.13	\$76,008.02	\$131,729.27	\$349,802.42
Plus: Increase (Decrease) in Principal Value	(\$29,763.99)	(\$1,412.33)	(\$43,247.01)	(\$74,423.33)
Subtotal	\$112,301.14	\$74,595.69	\$88,482.26	\$275,379.09
Less: Management Fees	\$37,180.63	\$19,406.41	\$32,291.57	\$88,878.61
Less: Miscellaneous Fees	\$28.00	\$21.14	\$12.96	\$62.10
Subtotal	\$37,208.63	\$19,427.55	\$32,304.53	\$88,940.71
Ending At Cost Balance	\$8,701,234.42	\$4,551,654.36	\$7,530,520.31	\$20,783,409.09
Plus: Accrued Interest & Unrealized Gains	\$30,447.01	\$5,558.36	\$566.26	\$36,571.63
Ending Cash & Securities w/Accrued Interest @ Market 6/30/17	\$8,731,681.43	\$4,557,212.72	\$7,531,086.57	\$20,819,980.72

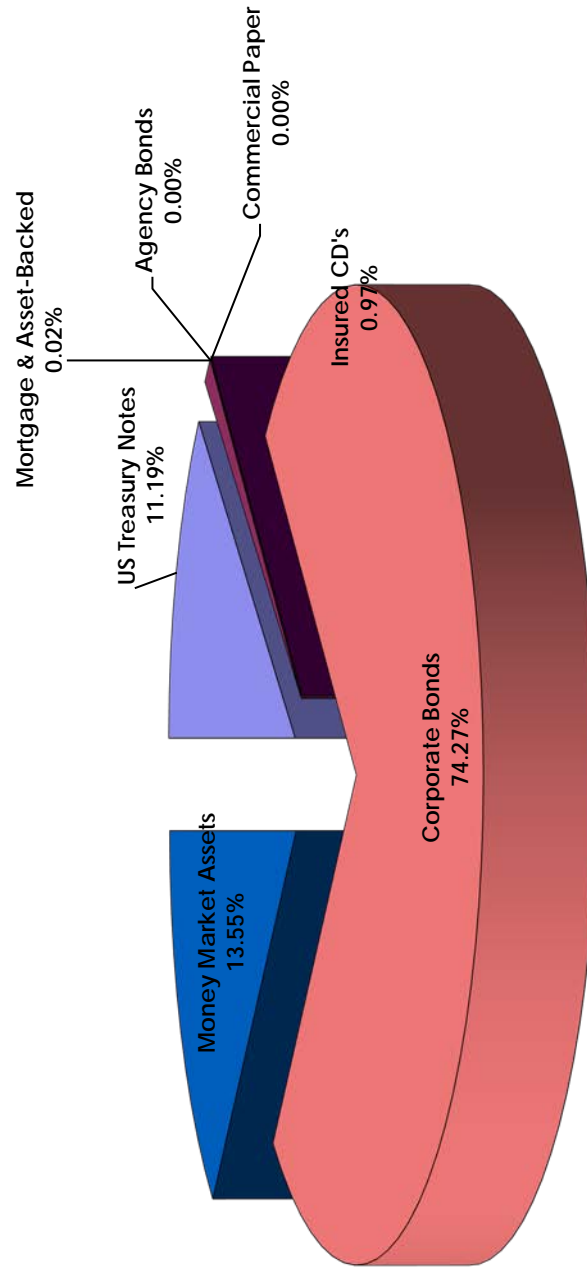
Total Rate of Return at Market	0.28%
Portfolio Yield at Cost	1.69%
County Investment Pool	0.99%
1-3 Yr. US Treasury Index	1.02%

* Net yield includes all costs and management fees.

**Gross yield on county investment pool does not include admin. costs

06/30/2017

Market Sectors



US Treasury Notes	\$2,330,501.64	11.19%
Insured CD's	\$201,390.67	0.97%
Commercial Paper	\$0.00	0.00%
Agency Bonds	\$0.00	0.00%
Mortgage & Asset-Backed	\$4,164.62	0.02%
Corporate Bonds	\$15,462,677.67	74.27%
Money Market Assets	\$2,821,246.12	13.55%
	\$20,819,980.72	100.00%

Chino Valley Unified School District
Comparison of Annual Returns
San Bernardino Co. vs. Cash Management

Fiscal Years	County Investment Pool Returns	CVUSD Cash Management	Difference \$
1989-1990	8.66%	9.58%	\$196,650
1990-1991	8.05%	11.00%	\$652,774
1991-1992	6.87%	11.53%	\$677,588
1992-1993	6.07%	9.56%	\$506,751
1993-1994	4.86%	6.87%	\$223,981
1994-1995	5.43%	8.65%	\$297,214
1995-1996	5.01%	7.01%	\$186,920
1996-1997	5.01%	7.31%	\$164,219
1997-1998	5.10%	7.22%	\$160,083
1998-1999	5.10%	5.80%	\$92,636
1999-2000	5.48%	5.80%	\$60,976
2000-2001	5.98%	6.53%	\$78,974
2001-2002	4.13%	5.62%	\$222,903
2002-2003	2.85%	4.86%	\$307,440
2003-2004	1.61%	1.25%	-\$57,188
2004-2005	1.95%	1.97%	\$0
2005-2006	3.41%	3.52%	\$17,937
2006-2007	4.64%	5.45%	\$134,088
2007-2008	4.50%	5.27%	\$135,253
2008-2009	2.46%	2.48%	\$0
2009-2010	1.35%	3.83%	\$280,219
2010-2011	0.99%	2.81%	\$348,641
2011-2012	0.51%	0.39%	-\$23,687
2012-2013	0.61%	1.78%	\$233,027
2013-2014	0.40%	2.02%	\$326,424
2014-2015	0.42%	-0.46%	-\$179,500
2015-2016	0.62%	1.63%	\$208,021
Cumulative Difference			\$5,252,343



13465 Camino Canada
Suite 106-182
El Cajon, CA 92021
(619)-403-3258
www.qinsight.com

July 10, 2017

Wayne Joseph
Superintendent
Chino Valley Unified School District
5130 Riverside Drive
Chino, CA 91710

Dear Superintendent Joseph:

The District emphasizes the preservation of its capital and requires that the cash management program exceed the State of California statutes regarding credit quality and allowed investments. As of June 30, 2017, the District's accounts were invested as follows on a combined basis:

Money Market Equivalents	13.55%
Commercial Paper	0.00%
Bank CD's	0.97%
U.S. Treasury Bonds & Bills	11.19%
AAA-rated Mortgage and Asset-Backed Bonds	0.02%
A- to AAA rated Corporate Bonds	74.27%
AAA-rated Agency Bonds	0.00%
Total	100.00%

The District's funds in the cash management program are not required for immediate operations, and the District requires the flow of funds from the cash management accounts to match its unique cash requirements. As of June 30, 2017, the maturity schedule for the combined funds in the District's accounts was as follows:

Due on or before 6/30/2018	\$ 15,929,084.23
Due between 6/30/2018 and 6/30/2019	\$ 901,147.56
Due after 6/30/2019	\$ 3,989,748.93
Total	\$ 20,819,980.72

As of June 30, 2017, the District's cash management accounts are in compliance with the District's written and approved investment policies.

Sincerely,

A handwritten signature in black ink, appearing to read "William Carter", with a long horizontal flourish extending to the right.

William Carter
Vice-President
The QInsight Group

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Gregory J. Stachura, Asst. Supt., Facilities, Planning, and Operations

SUBJECT: **REVISION OF BOARD POLICY 3280 BUSINESS AND NONINSTRUCTIONAL OPERATIONS – SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY**

=====

BACKGROUND

Board policies, administrative regulations, and bylaws are routinely developed and revised as a result of changes in law, mandates, federal regulations, and current practice. Board Policy 3280 Business and Noninstructional Operations – Sale or Lease of District-Owned Real Property is being updated to reflect new laws.

Policy updated to delete the requirement to first offer surplus property to a charter school with at least 80 students. Material regarding the appointment of the District advisory committee expanded to specify the circumstances under which the District is not required to appoint a committee, including the exception for the sale, lease, or rental of excess property to be used for teacher or other employee housing pursuant to new law (AB1157, 2017). Policy expands section on “Use of Proceeds” to reflect additional legal requirements, and deletes the authority (repealed) to use the proceeds from the sale of surplus property for any one-time general fund purpose provided that the District adopted a plan and made certain certifications to the State Allocation Board.

New language is provided in UPPER CASE while old language to be deleted is ~~lined through~~.

Consideration of this item supports the goals identified within the District’s Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education receive for information the revision of Board Policy 3280 Business and Noninstructional Operations – Sale or Lease of District-Owned Real Property.

FISCAL IMPACT

None.

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY

The Board of Education believes that ~~the~~ District FACILITIES AND RESOURCES should BE utilized ~~its facilities and resources in the most~~ IN AN economical and practical manner. The Superintendent or designee shall periodically study the current and projected use of all District facilities to ensure the efficient utilization of space ~~and~~ FOR the effective delivery of instruction.

(cf. 1330 - Use of School Facilities)
(cf. 7110 - Facilities Master Plan)
(cf. 7111 - Evaluating Existing Buildings)
(cf. 7160 - Charter School Facilities)

~~Upon determination that District property is no longer needed or may not be needed until some future time, the Board shall offer to sell or lease District-owned real property in accordance with priorities and procedures specified in law, including, but not limited to, Education Code 17230, 17464, 17485-17500, and Government Code 54222.~~

~~(cf. 5148 - Child Care and Development)
(cf. 5148.2 - After School Programs)~~

~~When required by law, T~~he Board shall appoint a District advisory committee PRIOR TO THE SALE OR LEASE OF ANY SURPLUS REAL PROPERTY to advise the Board ~~in the development of policies and procedures governing~~ REGARDING the use or disposition of schools or school building space which is not needed for school purposes. RENTALS OF SURPLUS PROPERTY NOT EXCEEDING 30 DAYS ARE EXEMPTED FROM THIS REQUIREMENT. WHEN THE SALE, LEASE, OR RENTAL OF SURPLUS PROPERTY IS FOR THE PURPOSE OF TEACHER OR OTHER EMPLOYEE HOUSING OR FOR THE OFFERING OF SUMMER SCHOOL BY A PRIVATE EDUCATIONAL INSTITUTION, THE BOARD MAY ELECT NOT TO APPOINT A DISTRICT ADVISORY COMMITTEE. (Education Code 17387-17391)

(cf. 1220 - Citizen Advisory Committees)

IF THE LOCAL PLANNING AGENCY HAS ADOPTED A GENERAL PLAN THAT AFFECTS OR INCLUDES THE AREA WHERE THE SURPLUS PROPERTY IS LOCATED, THE BOARD SHALL SUBMIT A REPORT TO THE LOCAL PLANNING AGENCY DESCRIBING THE LOCATION OF THE SURPLUS PROPERTY AND THE PURPOSE AND EXTENT OF THE PROPOSED SALE OR LEASE. (Government Code 65402)

THE BOARD SHALL DETERMINE WHETHER THE SALE OR LEASE OF THE SURPLUS PROPERTY IS SUBJECT TO REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT. (Public Resources Code 21000-21177; 14 CCR 15061-15062)

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY (cont.)

WHEN SELLING OR LEASING DISTRICT REAL PROPERTY, THE BOARD SHALL COMPLY WITH THE PRIORITIES AND PROCEDURES SPECIFIED IN APPLICABLE LAW. (Education Code 17230,17464,17485-17499; Government Code 54222)

(cf. 5148 - Child Care and Development)
(cf. 5148.2 - Before/After School Programs)
(cf. 5148.3 - Preschool/Early Childhood Education)

IN ADDITION, WHEN SELLING REAL PROPERTY PURCHASED, CONSTRUCTED, OR MODERNIZED WITH FUNDS RECEIVED WITHIN THE PAST 10 YEARS FROM A STATE SCHOOL FACILITIES FUNDING PROGRAM, THE BOARD SHALL CONSIDER WHETHER ANY OF THE PROCEEDS FROM THE SALE WILL NEED TO BE RETURNED TO THE STATE ALLOCATION BOARD (SAB) PURSUANT TO EDUCATION CODE 17462.3.

Resolution of Intention to Sell or Lease

Before ordering the sale or lease of any real property, the Board shall adopt a resolution by a two-thirds vote of all its members at a regularLY SCHEDULED open meeting. The resolution shall describe the property proposed to be sold or leased in such a manner as to identify it, specify the minimum price or rent, describe the terms upon which it will be sold or leased, and specify the commission or rate, if any, which the Board will pay to a licensed real estate broker out of the minimum price or rent. The resolution shall fix a time, not less than three weeks thereafter, for a public meeting, held at the Board's regular meeting place, at which sealed proposals to purchase or lease will be received and considered. (Education Code 17466)

(cf. 9320 - Meetings and Notices)
(cf. 9323.2 - Actions by the Board)

The Superintendent or designee shall provide notice of the adoption of the resolution and of the time and place of the meeting that will be held to consider bids by posting copies of the resolution, signed by the Board, in three public places not less than 15 days before the date of the meeting. In addition, the notice shall be published at least once a week for three successive weeks before the meeting, in a newspaper of general circulation published in the county in which the District is located, if such a paper exists. (Education Code 17469)

IN ACCORDANCE WITH Education Code 17470,tThe Superintendent or designee shall take reasonable steps to provide notification to the former owners of the property of the District's intent to sell it. ~~in accordance with Education Code 17470.~~

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY (cont.)

Acceptance/Rejection of Bids

At the public meeting specified in the resolution of intention to sell or lease property, the Board shall open, examine, and declare all sealed bids. Before accepting A any written proposal, the Board shall call for oral bids in accordance with law. (Education Code 17472, 17473)

The Board may reject any and all bids, either written or oral, and withdraw the properties from sale when the Board determines that rejection is in the best public interest. If no proposals are submitted or the submitted proposals do not conform to all the terms and conditions specified in the resolution of intention to lease, the Board may lease the property in accordance with Education Code 17477. (Education Code 17476, 17477)

Of the proposals submitted by responsible bidders which conform to all terms and conditions specified in the resolution of intention to sell or lease, the Board shall finally accept the highest bid after deducting the commission, if any, to be paid to a licensed real estate broker, unless the Board accepts a higher oral bid or rejects all bids. (Education Code 17472)

The final acceptance of the bid may be made either at the same meeting specified in the resolution or at any adjourned/continued meeting held within 10 days. Upon acceptance of the bid, the Board may adopt a resolution of acceptance that directs the Board president, or any other Board member, to execute the deed or lease and to deliver the document upon performance and compliance by the successful bidder of all of the terms and conditions of the contract. (Education Code 17475-17478)

(cf. 1431 - Waivers)

Use of Proceeds

The Superintendent or designee shall ensure that proceeds from the sale or lease with an option to purchase of surplus District property are used FOR ONE-TIME EXPENDITURES AND NOT FOR ONGOING EXPENDITURES SUCH AS SALARIES AND GENERAL OPERATING EXPENSES. ~~in accordance with law.~~ (Education Code 17462)

PROCEEDS FROM A SALE OF SURPLUS DISTRICT PROPERTY SHALL BE USED FOR CAPITAL OUTLAY OR MAINTENANCE COSTS THAT THE BOARD DETERMINES WILL NOT RECUR WITHIN A FIVE-YEAR PERIOD. (Education Code 17462)

PROCEEDS FROM A LEASE OF DISTRICT PROPERTY WITH AN OPTION TO PURCHASE MAY BE DEPOSITED INTO A RESTRICTED FUND FOR THE ROUTINE

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY (cont.)

REPAIR OF DISTRICT FACILITIES, AS DEFINED BY THE SAB, FOR UP TO A FIVE-YEAR PERIOD. (Education Code 17462)

IF THE BOARD AND SAB DETERMINE THAT THE DISTRICT HAS NO ANTICIPATED NEED FOR ADDITIONAL SITES OR BUILDING CONSTRUCTION FOR THE NEXT 10 YEARS AND NO MAJOR DEFERRED MAINTENANCE REQUIREMENTS, THE PROCEEDS FROM THE SALE OR LEASE WITH AN OPTION TO PURCHASE MAY BE DEPOSITED IN A SPECIAL RESERVE FUND FOR THE FUTURE MAINTENANCE AND RENOVATION OF SCHOOL SITES OR IN THE DISTRICT'S GENERAL FUND. PROCEEDS FROM THE SALE OR LEASE WITH OPTION TO PURCHASE OF DISTRICT PROPERTY MAY ALSO BE DEPOSITED IN A SPECIAL RESERVE FUND FOR CAPITAL OUTLAY OR MAINTENANCE COSTS OF DISTRICT PROPERTY THAT THE BOARD DETERMINES WILL NOT RECUR WITHIN A FIVE-YEAR PERIOD. (Education Code 17462)

(cf. 3100 - Budget)

(cf. 3460 - Financial Reports and Accountability)

~~Until January 1, 2012, the District may expend proceeds from the sale of surplus real property, along with the proceeds from any personal property located on that real property, for any one-time general fund purpose(s). Prior to exercising this authority, the Board shall certify to the State Allocation Board that: (Education Code 17463.7)~~

- ~~1. The District has no major deferred maintenance requirements not covered by existing capital outlay resources.~~
- ~~2. The sale of real property pursuant to Education Code 17463.7 does not violate the provisions of a local bond act.~~

~~(cf. 7214 - General Obligation Bonds)~~

- ~~3. The real property is not suitable to meet projected school construction needs in the next 10 years.~~

~~Prior to exercising this authority, the Superintendent or designee shall present to the Board, at a regularly scheduled meeting, a plan for expending these one-time resources. The plan shall identify the source and use of the funds and shall describe the reasons that the expenditure shall not result in ongoing fiscal obligations for the District. (Education Code 17463.7)~~

Legal Reference:

EDUCATION CODE

17219-17224 Acquisition of property not utilized as school site; nonuse payments; exemptions

17230-17234 Surplus property

17385 Conveyances to and from school districts

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY (cont.)

17387-17391 Advisory committees for use of excess school facilities

17400-17429 Leasing property

17430-17447 Leasing facilities

17453 Lease of surplus district property

17455-17484 Sale or lease of real property, especially:

17462.3 State Allocation Board program to reclaim funds

17485-17500 Surplus school playground (Naylor Act)

17515-17526 Joint occupancy

17527-17535 Joint use of district facilities

33050 Request for waiver

38130-38139 Civic Center Act

GOVERNMENT CODE

50001-50002 Definitions

54220-54232 Surplus land, especially:

54222 Offer to sell or lease property

54950-54963 Brown Act, especially:

54952 Legislative body, definition

PUBLIC RESOURCES CODE

21000-21177 California Environmental Quality Act

CODE OF REGULATIONS, TITLE 2

1700 Definitions related to surplus property

COURT DECISIONS

San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo Valley Unified School District, (2006) 139 Cal.App. 4th 1356

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

Closing a School Best Practices Guide

OFFICE OF PUBLIC SCHOOL CONSTRUCTION PUBLICATIONS

Unused Site Program Handbook, December 2015

WEBSITES

California School Boards Association: www.csba.org

California Department of Education, School Facilities Planning Division: www.cde.ca.gov/ls/fa

Coalition for Adequate School Housing: www.cashnet.org

Office of Public School Construction: www.opsc.dgs.ca.gov

Chino Valley Unified School District

Policy adopted: November 16, 1995

Revised: September 18, 2008

Revised: October 21, 2010

Revised: October 6, 2011

REVISED:

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Lea Fellows, Assistant Superintendent, Human Resources
Suzanne Hernandez, Ed.D., Director, Human Resources
Richard Rideout, Director, Human Resources

**SUBJECT: REVISION OF BOARD POLICY AND ADMINISTRATIVE
REGULATION 4127, 4227, 4327 ALL PERSONNEL –
TEMPORARY ATHLETIC TEAM COACHES**

=====

BACKGROUND

Board policies, administrative regulations, and bylaws of the Board are routinely developed and revised as a result of changes in law, mandates, federal regulations, and current practice. Board Policy and Administrative Regulation 4127, 4227, 4327 All Personnel – Temporary Athletic Team Coaches is being revised to reflect new law which requires coaches, beginning July 1, 2017, to complete a training course related to the nature and warning signs of sudden cardiac arrest and to retake such course every two years thereafter. Policy also allows a coach to submit either the Activity Supervisor Clearance Certificate or the Department of Justice and Federal Bureau of Investigation criminal background check. Material regarding certification of coaches' qualifications to the board and the State Board of Education moved from administrative regulation to board policy.

New language is provided in UPPER CASE while old language to be deleted is ~~lined through~~.

Consideration of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education receive for information the revision of Board Policy and Administrative Regulation 4127, 4227, 4327 All Personnel – Temporary Athletic Team Coaches.

FISCAL IMPACT

None.

WMJ:LF:SH:RR:mcm

TEMPORARY ATHLETIC TEAM COACHES

The Board of Education desires to employ highly qualified coaches for the District's sports and interscholastic athletic programs in order to enhance the knowledge, skills, motivation, and safety of student athletes.

(cf. 6142.7 - Physical Education and Activity)
(cf. 6145.2 - Athletic Competition)

The Superintendent or designee may employ a certificated or non-certificated employee, other than a substitute employee, to supervise or instruct interscholastic athletic activities as a temporary employee in a limited assignment capacity. (5 CCR 5590)

(cf. 4121 - Temporary/Substitute Personnel)

When hiring a person to fill a position as a temporary athletic team coach, the position shall first be made available to qualified certificated teachers currently employed by the District. (Education Code 44919)

All coaches shall be subject to board policies, administrative regulations, and California Interscholastic Federation bylaws and codes of ethical conduct.

(cf. 4118 - Suspension/Disciplinary Action)
(cf. 4218 - Dismissal/Suspension/Disciplinary Action)
(cf. 5131.1 - Bus Conduct)
(cf. 5131.63 - Steroids)
(cf. 5141.1 - Child Abuse Prevention and Reporting)

Non-certificated coaches have no authority to give grades to students. (5 CCR 5591)

(cf. 5121 - Grades/Evaluation of Student Achievement)

QUALIFICATIONS

The Superintendent or designee shall establish qualification criteria for all athletic coaches in accordance with law and District standards. These criteria shall ensure that coaches possess an appropriate level of competence, knowledge, and skill.

Any non-certificated employee or volunteer who works with students in a District-sponsored interscholastic athletic program shall, prior to beginning his/her duties, ~~possess~~ SUBMIT an activity supervisor clearance certificate issued by the Commission on Teacher Credentialing AND A DEPARTMENT OF JUSTICE AND FEDERAL BUREAU OF INVESTIGATION CRIMINAL BACKGROUND CLEARANCE. (Education Code 49024)

TEMPORARY ATHLETIC TEAM COACHES (cont.)

~~Any non-certificated employee or volunteer who works with students in a District-sponsored interscholastic athletic program shall, prior to beginning his/her duties, obtain a Department of Justice and Federal Bureau of Investigation criminal background check through the District. (Education Code 49024)~~

(cf. 1240 - Volunteer Assistance)
(cf. 4112.5/4312.5 - Criminal Record Check)
(cf. 4212.5 - Criminal Record Check)

FOLLOWING THE SELECTION OF A TEMPORARY ATHLETIC TEAM COACH, THE SUPERINTENDENT OR DESIGNEE SHALL CERTIFY TO THE BOARD, AT THE NEXT REGULAR BOARD MEETING THAT THE COACH MEETS THE QUALIFICATIONS AND COMPETENCIES REQUIRED BY 5 CCR 5593. BY APRIL 1 OF EACH YEAR, THE BOARD SHALL CERTIFY TO THE STATE BOARD OF EDUCATION THAT THE PROVISIONS OF 5 CCR 5593 HAVE BEEN MET. (5 CCR 5594)

Legal Reference:

EDUCATION CODE

35179-35179.7 Interscholastic athletics
33479-33479.9 The Eric Parades Sudden Cardiac Arrest Prevention Act
44010 Sex offense
44011 Controlled substance offense
44332-44332.5 Temporary certificates
44424 Conviction of a crime
44808 Liability when students are not on school property
44916 Written statement indicating employment status
44919 Classification of temporary employees
45125.01 Interagency agreements for criminal record information
45347 Instructional aides subject to requirements for classified staff
45349 Use of volunteers to supervise or instruct students
49024 Activity Supervisor Clearance Certificate
49030-49034 Performance-enhancing substances
49406 Examination for tuberculosis

CODE OF REGULATIONS, TITLE 5

5531 Supervision of extracurricular activities
5590-5596 Duties of temporary athletic team coaches

COURT DECISIONS

Neily v. Manhattan Beach Unified School District, (2011) 192 Cal. App. 4th 187
Kavanaugh v. West Sonoma County Union High School District, (2003) 29 Cal. 4th 911
CTA v. Rialto Unified School District, (1997) 14 Cal. 4th 627
San Jose Teachers Association, CTA, NEA v. Barozzi, (1991) 230 Cal.App.3d 1376

TEMPORARY ATHLETIC TEAM COACHES (cont.)

Management Resources:

CALIFORNIA SCHOOL BOARDS ASSOCIATION PUBLICATIONS

Steroids and Students: What Boards Need to Know, Policy Brief, July 2005

CALIFORNIA INTERSCHOLASTIC FEDERATION PUBLICATIONS

California Interscholastic Federation Constitution and Bylaws

Pursuing Victory with Honor, 1999

COMMISSION ON TEACHER CREDENTIALING CODED CORRESPONDENCE

10-11 Information on Assembly Bill 346 Concerning the Activity Supervisor Clearance Certificate (ASCC),
July 20, 2010

WEBSITES

California School Boards Association: www.csba.org

California Athletic Trainers' Association: www.ca-at.org

California Department of Education: www.cde.ca.gov

California Interscholastic Federation: www.cifstate.org

Commission on Teacher Credentialing: www.ctc.ca.gov

National Athletic Trainers' Association: www.nata.org

Chino Valley Unified School District

Policy adopted: November 16, 1995

Revised: October 6, 2011

REVISED:

TEMPORARY ATHLETIC TEAM COACHES

Qualifications

The Superintendent or designee shall establish minimum qualification criteria for temporary athletic team coaches. These criteria shall include, but not necessarily be limited to, competencies in the following areas: (5 CCR 5593)

1. Care and prevention of athletic injuries, basic sports injury first aid, and emergency procedures, as evidenced by one or more of the following:
 - a. Completion of a college-level course in the care and prevention of athletic injuries and possession of a valid cardiopulmonary resuscitation (CPR) card
 - b. A valid sports injury certificate or first aid card, and a valid CPR card
 - c. A valid Emergency Medical Technician (EMT) I or II card
 - d. A valid trainer's certification issued by the National or California Athletic Trainers' Association (NATA/ CATA)
 - e. Practical experience under the supervision of an athletic coach or trainer or experience assisting in team athletic training and conditioning and possession of both valid CPR and first aid cards
2. Coaching theory and techniques in the sport or game being coached, as evidenced by one or more of the following:
 - a. Completion of a college course in coaching theory and techniques
 - b. Completion of in-service programs arranged by a school district or county office of education
 - c. Prior service as a student coach or assistant athletic coach in the sport or game being coached
 - d. Prior coaching in community youth athletic programs in the sport being coached
 - e. Prior participation in organized competitive athletics at high school level or above in the sport being coached

TEMPORARY ATHLETIC TEAM COACHES (cont.)

3. Knowledge of the rules and regulations pertaining to the sport or game being coached, the league rules, and, at high school level, the regulations of the California Interscholastic Federation (CIF)
4. Knowledge of child or adolescent psychology as it relates to sports participation, as evidenced by one or more of the following:
 - a. Completion of a college-level course in child psychology for elementary school positions and adolescent or sports psychology for secondary school positions
 - b. Completion of a seminar or workshop on human growth and development of youth
 - c. Prior active involvement with youth in school or community sports program

The Superintendent or designee may waive competency requirements for persons enrolled in appropriate training courses leading to acquisition of the competency, provided such persons serve under the direct supervision of a fully qualified coach until the competencies are met. (5 CCR 5593)

~~Following the selection of a temporary athletic team coach, the Superintendent or designee shall certify to the Board of Education, at the next regular board meeting or within 30 days, whichever is sooner, that the coach meets the qualifications and competencies required by 5 CCR 5593. By April 1 of each year, the Board shall certify to the State Board of Education that the provisions of 5 CCR 5593 have been met. (5 CCR 5594)~~

Volunteers who supervise or direct an athletic program shall meet the qualification criteria specified in 5 CCR 5593 required for temporary athletic team coaches employed by the District. Any volunteer who does not meet such criteria shall serve only under the supervision of a fully qualified coach and shall not be given charge of an athletic program.

(cf. 1240 - Volunteer Assistance)

Additional Qualifications of Non-Certificated Personnel and Volunteers

In addition to the qualifications listed above, any non-certificated employee or volunteer assigned as a temporary athletic team coach shall: (5 CCR 5592)

TEMPORARY ATHLETIC TEAM COACHES (cont.)

1. Be free from tuberculosis and any other contagious disease that would prohibit certificated teachers from teaching, as verified by a written statement, renewable every four years, from a licensed physician or other person approved by the district. (Title 5, Section 5592)

(cf. 4112.4/4212.4/4312.4 - Health Examinations)

2. Not have been convicted of any offense referred to in Education Code 44010, 44011 or 44424, or any offense involving moral turpitude or evidencing unfitness to associate them with children

Any non-certificated employee or volunteer assigned as a temporary athletic team coach shall obtain an Activity Supervisor Clearance Certificate and a criminal background check in accordance with board policy. (Education Code 49024)

(cf. 1240 - Volunteer Assistance)

(cf. 4112.5/4312.5 - Criminal Record Check)

(cf. 4112.62/4212.62/4312.62 - Maintenance of Criminal Offender Records)

(cf. 4212.5 - Criminal Record Check)

High School Coaching Education Program

Each high school athletic team coach or volunteer coach shall complete, at his/her expense, a coaching education program that meets the standards developed by the CIF. AND INCLUDES, BUT IS NOT LIMITED TO, FUNDAMENTALS OF COACHING, STATEWIDE AND SCHOOL REGULATIONS, AND CPR AND FIRST AID, INCLUDING THE SIGNS, SYMPTOMS, AND APPROPRIATE RESPONSE TO CONCUSSIONS. A high school coach who has completed the education program in another California school district shall be deemed to have met the requirement for this District. (Education Code 49032)

An individual who has not completed the education program may be assigned as a coach for no longer than one season of interscholastic competition. (Education Code 35179.1, 49032)

IN ADDITION, PRIOR TO COACHING AN ATHLETIC ACTIVITY AND EVERY TWO YEARS THEREAFTER, ATHLETIC COACHES SHALL COMPLETE AN APPROVED TRAINING COURSE ON THE NATURE AND WARNING SIGNS OF SUDDEN CARDIAC ARREST. (EDUCATION CODE 33479.2, 33479.6, 33479.7)

Code of Ethical Conduct

Employees providing supervisory or instructional services in interscholastic athletic programs and activities shall: (5 CCR 5596)

TEMPORARY ATHLETIC TEAM COACHES (cont.)

1. Show respect for players, officials and other coaches
2. Respect the integrity and judgment of game officials
3. Establish and model fair play, sportsmanship, and proper conduct
4. Establish player safety and welfare as the highest priority
5. Provide proper supervision of students at all times
6. Use discretion when providing constructive criticism and when reprimanding players
7. Maintain consistency in requiring all players to adhere to the established rules and standards of the game
8. Properly instruct players in the safe use of equipment
9. Avoid exerting undue influence on a student's decision to enroll in an athletic program at any public or private post-secondary educational institution
10. Avoid exerting undue influence on students to take lighter academic course(s) in order to be eligible to participate in athletics
11. Avoid suggesting, providing or encouraging any athlete to use nonprescription drugs, anabolic steroids, or any substance to increase physical development or performance that is not approved by the U.S. Food and Drug Administration, U.S. Surgeon General, or the American Medical Association

(cf. 5131.63 - Steroids)

12. Avoid recruitment of athletes from other schools
13. Follow the rules of behavior and the procedures for crowd control as established by the Board and the league in which the District participates

Chino Valley Unified School District

Regulation approved: November 16, 1995

Revised: September 22, 2011

REVISED:

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Lea Fellows, Assistant Superintendent, Human Resources
Suzanne Hernandez, Ed.D., Director, Human Resources
Richard Rideout, Director, Human Resources

**SUBJECT: REVISION OF ADMINISTRATIVE REGULATION 4112.22
CERTIFICATED PERSONNEL – STAFF TEACHING ENGLISH
LANGUAGE LEARNERS**

=====

BACKGROUND

Board policies, administrative regulations, and bylaws of the Board are routinely developed and revised as a result of changes in law, mandates, federal regulations, and current practice. Administrative Regulation 4112.22 Certificated Personnel – Staff Teaching English Language Learners is being revised to update the definition of "English learner" pursuant to Proposition 58 (2016). Regulation also deletes material regarding the Certificate of Staff Development issued by the Commission on Teacher Credentialing and provides a general paragraph applicable to multiple types of authorizations to teach English learners. Title of regulation updated to reflect current terminology.

New language is provided in UPPER CASE while old language to be deleted is ~~lined through~~.

Consideration of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education receive for information the revision of Administrative Regulation 4112.22 Certificated Personnel – Staff Teaching English Language Learners.

FISCAL IMPACT

None.

WMJ:LF:SH:RR:mcm

STAFF TEACHING ENGLISH LANGUAGE LEARNERS

Definitions

English learner means a student who IS AGE 3-21, WHO IS ENROLLED OR IS PREPARING TO ENROLL IN AN ELEMENTARY OR SECONDARY SCHOOL, AND WHOSE DIFFICULTIES IN SPEAKING, READING, WRITING, OR UNDERSTANDING THE ENGLISH LANGUAGE MAY BE SUFFICIENT TO DENY THE STUDENT THE ABILITY TO MEET STATE ACADEMIC STANDARDS, THE ABILITY TO SUCCESSFULLY ACHIEVE IN CLASSROOMS WHERE THE LANGUAGE OF INSTRUCTION IS ENGLISH, OR THE OPPORTUNITY TO PARTICIPATE FULLY IN SOCIETY. AN ENGLISH LEARNER MAY INCLUDE A STUDENT WHO WAS NOT BORN IN THE UNITED STATES ~~does not speak English or whose native language is not English and who is not currently able to perform ordinary classroom work in English.~~ A LANGUAGE OTHER THAN ENGLISH; A STUDENT WHO IS NATIVE AMERICAN OR ALASKA NATIVE, OR A NATIVE RESIDENT OF THE OUTLYING AREAS, WHO COMES FROM AN ENVIRONMENT WHERE A LANGUAGE OTHER THAN ENGLISH HAS HAD A SIGNIFICANT IMPACT ON THE INDIVIDUAL'S LEVEL OF ENGLISH LANGUAGE PROFICIENCY; OR A STUDENT WHO IS MIGRATORY, WHOSE NATIVE LANGUAGE IS A LANGUAGE OTHER THAN ENGLISH, AND WHO COMES FROM AN ENVIRONMENT WHERE A LANGUAGE OTHER THAN ENGLISH IS DOMINANT. (Education Code 306; 20 USC 7801)

Instruction for English Language Development (ELD) means instruction designed specifically for English learners to develop their listening, speaking, reading, and writing skills in English. (Education Code 44253.2)

Specially Designed Academic Instruction In English (SDAIE) means instruction in a subject area, delivered in English, that is specially designed to meet the needs of English learners. (Education Code 44253.2)

Content instruction delivered in the primary language means instruction in a subject area delivered in the primary language of the student. (Education Code 44253.2)

Primary language instruction includes both primary language development designed to develop English learners' listening, speaking, reading, and writing skills in their primary language and content instruction delivered in the primary language in any subject area. (Education Code 44253.2)

(cf. 6174 - Education for English Learners)

STAFF TEACHING ENGLISH LANGUAGE LEARNERS (cont.)**Teacher Qualifications**

~~The Superintendent or designee shall ensure that any teacher with one or more English Learners in his/her class possesses an English Learner authorization issued by the Commission on Teacher Credentialing (CTC) authorizing ELD and/or SDAIE, as appropriate. A teacher possessing a bilingual authorization may be assigned to provide ELD, SDAIE, and/or primary language instruction.~~

ONLY A TEACHER WHO POSSESSES AN APPROPRIATE AUTHORIZATION ISSUED BY THE COMMISSION ON TEACHER CREDENTIALING (CTC) SHALL PROVIDE ELD, SDAIE, AND/OR PRIMARY LANGUAGE INSTRUCTION IN A CLASS WITH ONE OR MORE ENGLISH LEARNERS.

(cf. 1312.4 - Williams Uniform Complaint Procedures)

(cf. 4112.2 - Certification)

(cf. 4112.21 - Interns)

(cf. 4113 - Assignment)

(cf. 4131 - Staff Development)

(cf. 4222 - Teacher Aides/Paraprofessionals)

~~A teacher with a designated subjects teaching credential or a service credential with a special class authorization may enroll in a CTC-approved staff development program and, upon successful completion, may apply to the CTC for a certificate of completion of staff development authorizing instruction in SDAIE. (Education Code 44253.11)~~

The Board of Education may, for the purpose of providing primary language instruction, hire bilingual teachers who are employed in public or private schools of a foreign country, state, territory, or possession, provided such teachers speak English fluently and hold the necessary sojourn credential issued by the CTC. After the initial two-year sojourn credential expires, the teacher may annually apply to the CTC for an extension for a total period of not more than five years. Any application for renewal shall include verification by the Superintendent or designee that termination of the employment would adversely affect an existing bilingual program and that attempts to secure the employment of a qualified certificated California teacher have been unsuccessful. (Education Code 44856)

Legal Reference:**EDUCATION CODE**

306 Definition, English learner

44253.1-44253.11 Certification for bilingual-crosscultural competence

44258.9 County superintendent review of teacher assignments

44259.5 Standards for teachers of all students, including English language learners

44380-44386 Alternative certification

44856 Employment of teachers from foreign countries

52160-52178 Bilingual-Bicultural Act of 1976

STAFF TEACHING ENGLISH LANGUAGE LEARNERS (cont.)

62001-62005. 5 Evaluation and sunseting of programs

CODE OF REGULATIONS, TITLE 5

80015 Requirements for the CLAD certification or English learner authorization

80015.1-80015.4 Requirements for CLAD, English learner authorization or bilingual authorization

80021 Short-Term Staff Permit

80021.1 Provisional Internship Program

80024.7-80024.8 Emergency CLAD and bilingual permits

UNITED STATES CODE, TITLE 20

6601-6651 Training and recruiting high-quality teachers

6801-7014 Language instruction for English learners and immigrant students

7801 Definitions, highly qualified teacher

COURT DECISIONS

Teresa P. et al v. Berkeley Unified School District et al (1989) 724 F.Supp. 698

Management Resources:

COMMISSION ON TEACHER CREDENTIALING PUBLICATIONS

Administrator's Assignment Manual: Frequently Asked Questions Concerning Appropriate Assignment and Authorizations to Serve English Learners in California

CL-622 Serving English Learners

CL-626B Bilingual Authorizations

CL-626C Crosscultural, Language and Academic Development (CLAD) Certificate

CL-568 The Sojourn Certificated Employee Credential

CL-824 Certificated of Completion of Staff Development

WEBSITES

California School Boards Association: www.csba.org

California Association for Bilingual Education: www.bilingualeducation.org

California Department of Education, English Learners: www.cde.ca.gov/sp/el

California Teachers of English to Speakers of Other Languages: www.catesol.org

Commission on Teacher Credentialing: www.ctc.ca.gov

U.S. Department of Education: www.ed.gov

Chino Valley Unified School District

Regulation approved: November 16, 1995

Revised: October 21, 2010

Revised: September 8, 2011

REVISED:

CHINO VALLEY UNIFIED SCHOOL DISTRICT

Our Motto:

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

DATE: November 2, 2017

TO: Members, Board of Education

FROM: Wayne M. Joseph, Superintendent

PREPARED BY: Lea Fellows, Assistant Superintendent, Human Resources
Suzanne Hernandez, Ed.D., Director, Human Resources
Richard Rideout, Director, Human Resources

SUBJECT: REVIEW OF BOARD BYLAW AND EXHIBIT 9270 - CONFLICT OF INTEREST

=====

BACKGROUND

Board policies, administrative regulations, and bylaws of the Board are routinely developed and revised as a result of changes in law, mandates, federal regulations and current practice. Review of Board Bylaw and Exhibit 9270 - Conflict of Interest has been reviewed and no changes are recommended.

Consideration of this item supports the goals identified within the District's Strategic Plan.

RECOMMENDATION

It is recommended the Board of Education review Board Bylaw and Exhibit 9270 - Conflict of Interest.

FISCAL IMPACT

None.

WMJ:LF:SH:RR:mcm

Conflict of Interest

Incompatible Offices and Activities

Board of Education members and employees shall not engage in any employment or activity which is inconsistent with, incompatible with, in conflict with or inimical to their duties with the District. (Government Code 1099 and 1126)

Conflict of Interest Code

Board members and designated employees shall adhere to the District's Conflict of Interest Code adopted pursuant to the provisions of Government Code 87300. This code shall comprise the terms of the California Code of Regulations, Title 2, 18730 and any amendments to it duly adopted by the Fair Political Practices Commission (FPPC), together with a District attachment specifying designated positions and the specific types of disclosure required for each position.

Board members and designated employees shall submit statements of economic interests to the District in accordance with requirements of the Conflict of Interest Code. These statements shall be available for public inspection and reproduction. (Government Code 81008)

Upon receiving the statements of Board members and the Superintendent, the District shall make and retain a copy and shall forward the original to the code reviewing body. Statements for all other designated employees will be retained by the Division of Human Resources at the District Office.

When reviewing and preparing conflict of interest codes, the District shall provide officers, employees, consultants and members of the community adequate notice and a fair opportunity to present their views. (Government Code 87311)

The Board shall review the District's conflict of interest code in even-numbered years and send the code reviewing body either an amended code, by October 1 of that year, or a statement to the effect that no change is necessary. (Government Code 87306.5)

Financial Interest

The determination as to whether a conflict of interest exists must be analyzed under two separate sets of statutes: (1) The conflict of interest provisions of the Political Reform Act (PRA) (Government Code 87100-87500.1), and (2) Government Code 1090-1098.

Conflict of Interest (cont.)

The FPPC has adopted an eight-step analysis detailed in Government Code 87100-87500, Title 2 California Code of Regulations 18700-18755, and interpretive opinions, to determine whether a conflict of interest exists under the PRA. A board member or designated employee shall not make, participate in making, or in any way use or attempt to use his or her official position to influence a governmental decision in which he or she knows or has reason to know that he or she has a disqualifying conflict of interest. A conflict of interest exists if the decision will have a "reasonably foreseeable material financial effect" on one or more of the board member's or designated employee's "economic interests," unless the effect is indistinguishable from the effect on the public generally or the board member's or designated employee's participation is legally required.

Pursuant to Government Code 1090, Board members and designated employees shall not be financially interested in any contract made by the Board or in any contract they make in their capacity as Board members or designated employees. (Government Code 1090)

A Board member shall not be considered to be financially interested in a contract if any of the exceptions set forth in Government Code 1091.5 apply.

A Board member shall not be deemed to be financially interested in a contract if he or she has only a remote interest in the contract and if the remote interest is disclosed during a Board meeting and noted in the official Board minutes. The affected Board member shall not vote or debate on the matter or attempt to influence any other Board member to enter into the contract. A remote interest shall be any of those defined in Government Code 1091 including the interest of a parent in the earnings of his/her minor child. (Government Code 1091)

A Board member shall not be deemed to be financially interested in a contract between the board member's spouse and the District provided the contract concerns the same employment as that held by the spouse when the Board member was elected or appointed, and provided the spouse has been employed in that same position for at least one (1) year prior to the Board member's election or appointment. (Government Code 1091.5(a)(6) and 69 Ops. Cal. Atty. Gen. 255)

If a Board member or designated employee determines that he or she has a financial interest in a decision, this determination shall be disclosed and made part of the board's official minutes. In the case of a designated employee, this announcement shall be made in writing and submitted to the Board. (Code of Regulations, Title 2, 18700) pursuant to government code 87105, a board member's disclosure of a financial interest must include detail sufficient to be understood by the public, except that disclosure of the exact street address of a residence is not required.

Additionally, the Board member must recuse himself or herself from discussing and voting on the matter and also leave the room until after the discussion, vote, and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters. If the item is on the consent calendar, the Board member must recuse himself or herself from discussing or voting on that matter, but the Board member is not required to leave the room during consideration of the consent calendar.

A Board member shall abstain from voting on personnel matters that uniquely affect a relative of the Board member. A Board member may vote; however, on collective bargaining agreements and personnel matters that affect a class of employees to which the relative belongs. (Education Code 35107)

Gifts/Honoraria

Except as reimbursement for actual travel expenses and reasonable related subsistence, Board members shall not accept from any single source in any calendar year any gifts in excess of the prevailing gift limitation specified in law. Designated employees shall not accept gifts from any single source in any calendar year in excess of the prevailing gift limitation specified in law if the employee would be required to report the receipt of the gifts from that source on his or her statement of economic interests. (Government Code 89503)

The above limitation does not apply to any gift from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle or first cousin or the spouse of any such person unless the donor is acting as an agent or intermediary for a person not herein identified. (Code of Regulations, Title 2, 18942)

Board members, without regard to whether an honorarium is required to be reported, and designated employees, if required to report an honorarium on his or her statement of economic interest, shall not accept any honorarium, which is defined as any payment made in consideration for any speech given, article published, or attendance at any public or private gathering. This prohibition does not apply to earned income for personal services customarily provided in connection with a bona fide business, trade or profession unless the sole or predominant activity of the business, trade or profession is making speeches, or any honorarium which is not used and, within 30 days of receipt, is either returned to the donor or delivered to the District for donation into the general fund without being claimed as a deduction from income for tax purposes. (Government Code 89501 and 89502)

Legal Reference:

EDUCATION CODE

1006 Qualifications for holding office

35107 School district employees

35233 Prohibitions applicable to members of governing boards

GOVERNMENT CODE

1090-1098 Prohibitions applicable to specified officers

1125-1129 Incompatible activities

81000-91015 Political Reform Act of 1974, especially:

82019 Definition of "Designated Employee"

82028 Definition of "Gifts"

82030 Definition of "Income"

82033 Definition of "Interest in real property"

82034 Definition of "Investment"

87100-87103.6 General prohibitions

87200-87210 Disclosure

87300-87313 Conflict of interest code

87500 Statements of economic interests

89501-89505 Honoraria and gifts

91000-91015 Enforcement

CODE OF REGULATIONS, TITLE 2

18100 et seq. Regulations of the Fair Political Practices Commission

68 Ops.Cal.Atty.Gen. 171 (1985)

65 Ops.Cal.Atty.Gen. 606 (1982)

Chino Valley Unified School District

Bylaws adopted: August 17, 1995

Revised: November 7, 2013

REVIEWED:

Regulations of the
FAIR POLITICAL PRACTICES COMMISSION
Title 2, Division 6
of the
California Code of Regulations

18730. Provisions of Conflict of Interest Codes

Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code 87300 or the amendment of a conflict of interest code within the meaning of Government Code 87307 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of Article 2 of Chapter 7 of the Political Reform Act, Government Code 81000 et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code 87100, and to other state or local laws pertaining to conflicts of interest.

The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

1. Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 California Code of Regulations, 18100 et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

2. Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

3. Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their financial interests pursuant to Article 2 of Chapter

7 of the Political Reform Act, Government Code 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

- a. The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;
- b. The disclosure assigned in the code of the other agency is the same as that required under Article 2 of Chapter 7 of the Political Reform Act, Government Code 87200; and
- c. The filing officer is the same for both agencies.^{1/}

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those financial interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

4. Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.^{2/}

5. Section 5. Statements of Economic Interests: Time of Filing.

- a. Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

- b. Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.
- c. Annual Statements. All designated employees shall file statements no later than April 1.
- d. Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person, who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

- a. Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:
 - 1. File a written resignation with the appointing power; and
 - 2. File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in making or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

6. Section 6. Contents of and Period Covered by Statements of Economic Interests.

- a. Contents of Initial Statements. Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.
- b. Contents of Assuming Office Statements. Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and

income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

- c. Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office, whichever is later or for a board or commission member subject to Government Code 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 California Code of Regulations, 18754.
- d. Contents of Leaving Office Statements. Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

7. Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

- a. Investments and Real Property Disclosure. When an investment or an interest in real property^{3/} is required to be reported^{4/}, the statement shall contain the following:
 - 1. A statement of the nature of the investment or interest;
 - 2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
 - 3. The address or other precise location of the real property;
 - 4. A statement whether the fair market value of the investment or interest in real property equal or exceeds two thousand dollars (\$2,000.00), exceeds ten thousand dollars (\$10,000.00), or exceeds one million dollars (\$100,000,000.00).

b. Personal Income Disclosure. When personal income is required to be reported ^{5/}, the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500.00) or more in value or fifty dollars (\$50.00) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement of whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000.00) or less, greater than one thousand dollars (\$1,000.00), greater than ten thousand dollars (\$10,000.00) or greater than one hundred thousand dollars (\$100,000.00);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

c. Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported ^{6/}, the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000.00).

d. Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

- e. Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

8. Section 8. Prohibition on Receipt of Honoraria.

- a. No member of a state board or commission, and no designated employee of a state or local government agency shall accept any honorarium from any source on his or her economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), (c), and of Government Code 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts of \$420.

- a. No member of a state board or commission, and no designated employee of a state or local government agency shall accept gifts with a total value of more than \$420.00 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivision (e), (f), and (g) of Government Code 89503 shall apply to this section.

(8.2) Section 8.2. Loans To Public Officials.

- a. No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

- b. No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.
- c. No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a person loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.
- d. No public official who is exempt from the state civil service system pursuant to subdivision (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.
- e. This section shall not apply to the following:
 - 1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent of intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500.00) at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

- a. Except as set forth in subdivision (b), no elected officer of a state or local government agency shall, from the date of his or her election through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500.00) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, amount of the loan, date of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments and the rate of interest paid on the loan.
- b. This section shall not apply to the following types of loans:
 1. Loans made to the campaign committee of the elected officer.
 2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent of intermediary for any person not otherwise exempted under this section.
 3. Loans made, or offered in writing, before January 1, 1998.
 4. Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

- a. Except as set forth in subdivision (b), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstance:
 - 1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
 - 2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
 - a. The date the loan was made.
 - b. The date the last payment of one hundred dollars (\$100.00) or more was made on the loan.
 - c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250.00) during the previous 12 months.
- b. This section shall not apply to the following types of loans:
 - 1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
 - 2. A loan that would otherwise not be a gift as defined in this title.
 - 3. A loan that would otherwise be a gift as set forth under subdivision (a), but on which the creditor has taken reasonable action to collect the balance due.
 - 4. A loan that would otherwise be a gift as set forth under subdivision (a), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
 - 5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

- c. Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

9. Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

- a. Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000.00) or more;
- b. Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000.00) or more;
- c. Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500.00 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;
- d. Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position or management; or
- e. Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$420.00 or more in value provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie vote does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provision of Section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

- a. Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or
- b. Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one thousand dollars (\$1,000.00) or more.

10. Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act must be accompanied by disclosure of the disqualifying interest.

11. Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code 83114 and 2 California Code of Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

12. Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code 87100 or 87450 has occurred maybe set aside as void pursuant to Government Code 91003.

^{1/} Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under Article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code 81004.

^{2/} See Government Code 81010 and the Code of Regulations, Title 2, 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

^{3/} For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

^{4/} Investments and interests in real property which have a fair market value of less than \$2,000.00 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

^{5/} A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

^{6/} Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Authority: Government Code 83112

Reference: Government Code 87103(e), 87300-87302, 89501, 89502, and 89503

(Appendix is on following pages)

Appendix
Chino Valley Unified School District

Conflict of Interest Code

The Political Reform Act (PRA), Government Code 8100, et. seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation, 2 California Code of Regulations 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the FPPC after public notice and hearings to conform to amendments in the PRA. Therefore, the terms of 2 California Code of Regulations 18730 and any amendments to its duly adopted by the FPPC are hereby incorporated by reference and, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code for the Chino Valley Unified School District (CVUSD).

Pursuant to Section 4 of the Standard Code, designated officials and employees shall file statement of economic interest with the CVUSD. Upon receipt of the statements of the Superintendent and members of the Board of Education, the CVUSD shall make and retain a copy and forward the original of these statements to the San Bernardino County Board of Supervisors. Statements for all other designated employees will be retained in the Division of Human Resources of the CVUSD.

Chino Valley Unified School
District Conflict of Interest
Code

1.0 Filing of Statements

Designated employees and officials shall file statements with the Chino Valley Unified School District who will make statements available for public inspection and reproduction. (Government Code 81008)

- 1.1 It has been determined that the positions listed below manage public investments and will file a statement of economic interests pursuant to Government Code 87200 and the disclosurable financial interests set forth in Section 3.0 below.

Officials who Manage Public Investments

Member, Board of Education

- 1.2 Designated positions and disclosure categories are as follows:

<u>Designated Positions</u>	<u>Disclosure Categories</u>	<u>Schedules Associated</u>
Superintendent	1, 2, 3	All
Assistant Superintendent(s)	1, 2, 3	All
Director, Business Services	1, 2, 3	All
Director, Purchasing	1, 2, 3	All
Facilities Planner	2, 3	All
(All) Directors	2	A-1, A-2, C, D, & E
(All) Coordinators	2	A-1, A-2, C, D, & E
(All) Managers	2	A-1, A-2, C, D, & E
(All) Principals	2	A-1, A-2, C, D, & E
(All) Supervisors	2	A-1, A-2, C, D, & E
Nutrition Services Asst. Director	2	A-1, A-2, C, D, & E

2.0 Consultants

Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code, subject to the following limitation:

The superintendent or designee may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s duties, and based upon that description, a statement of the extent of disclosure requirements. The Superintendent’s or designee’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

3.1 Officials who Manage Public Investments

Subject to the provisions of Government Code 87200 and 87210, an official in this category shall disclose:

- a. Interests in real property located within the jurisdiction of the District.
- b. Business positions or investments in business entities or income from sources of the type which plan to do business, are currently doing business, or have done business within the jurisdiction of the District during the previous two (2) years.

4.1 Disclosure Categories

CATEGORY 1: Designated employees whose duties are broad and undefinable.

A designated employee in this category shall disclose:

1. Interests in real property located within the jurisdiction of the District.
2. Business positions or investments in business entities or income from sources of the type which plan to do business, are currently doing business, or have done business with the District within the previous two (2) years.

CATEGORY 2: Designated employees whose duties involve contracting or purchasing.

A designated employee in either of the two following sub-categories shall disclose:

1. Contracts or makes purchases for entire District:

Investments and business positions in business entities or income from sources of the type which plan to do business, are currently doing business, or have done business with the District or school within the previous two (2) years and which provide services, supplies, materials, machinery or equipment of the type utilized by the District.

2. Contracts or makes purchases for specific department:

Investments and business positions in business entities or income from sources of the type which plan to do business, are currently doing business, or have done business with the District or school within the previous two (2) years and which provide services, supplies, materials, machinery, or equipment of the type utilized by the designated employee's department or division.

CATEGORY 3: Designated employees whose decisions may affect real property interests.

A designated employee in this category shall disclose:

Investments and business positions in business entities or income from sources of the type which plan to do business, are currently doing business, or have done business with the District or school within the previous two (2) years and which provide services, supplies, materials, machinery, or equipment of the type utilized by the designated employee's department or division.

Chino Valley Unified School District
Exhibit adopted: August 17, 1995
Revised: November 7, 2013
REVIEWED: