



*Preparing Career Ready Graduates*

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To: Fresno Unified Board of Education  
From: District Charter Review Team  
Date: December 29, 2020

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**Subject: Report of Factual Findings regarding the Aspen Ridge Public School Charter Petition**

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**ACTION REQUESTED:** The Fresno Unified School District Charter Review Team (“Review Team”) has reviewed the request by Aspen Public Schools Incorporated, a California non-profit public benefit corporation, for the Aspen Ridge Public School (“ARPS”) Charter Petition for the charter term of July 1, 2021 through June 30, 2026. The purpose of this Report of Factual Findings is to provide a detailed discussion of the Review Team’s review, concerns, and findings related to the Charter Petition.

This Report of Factual Findings is intended to provide the factual basis for a resulting decision by the Fresno Unified Board of Education. It is not intended to identify every deficiency in the petition or to address all the pertinent items for a new charter petition. All ensuing details are specific to Aspen Ridge Public School and Aspen Public Schools.

**I. BACKGROUND**

Valley Preparatory Academy started as a tutorial center located at an apartment complex in 2001 staffed by local church volunteers. In August 2004, Valley Preparatory Academy charter school, operated by Valley Preparatory Academy, Incorporated, opened as an independent study program authorized by Fresno Unified School District (the “District”) and, one year later, moved to its current location at 4221 North Hughes Avenue. In 2007, the charter school transformed into a site-based program with an independent study component. As part of the 2012 renewal, the independent study component was eliminated. The school leased space on a church campus (across from Wilson Elementary), initially sharing the campus with the church operations and a private preschool. In 2013, Jacquelyn Gates LLC was created to purchase the 4½ acre campus, from which the charter school now leases the site.

On January 6, 2016, the Fresno Unified Board of Education approved Aspen Public School, a replication of Valley Preparatory Academy, for a one-year term from July 1, 2016 through June 30, 2017. Aspen Public School opened in August 2016 at 1400 E. Saginaw with grades TK-2. The campus has expanded each year and will ultimately reach grades K-8.

On February 8, 2017, the Fresno Unified Board of Education renewed Valley Preparatory Academy with a name change to Aspen Valley Prep Academy (“AVPA”). On April 5 of 2017, Aspen Public School was also renewed with a name change to Aspen Meadow Public School (“AMPS”). Both AVPA and AMPS were renewed for a five-year term from July 1, 2017 through June 30, 2022. In 2017, Valley Preparatory Academy,

Incorporated, operator of both AVPA and AMPS, changed the name of the non-profit corporation to Aspen Public Schools Incorporated. AVPA and AMPS collectively serve over 650 students in grades TK-8.

Last year, on September 19, 2019, Aspen Public Schools Incorporated submitted a petition to the District for a material revision to AVPA’s educational program to include a Middle College High School Program for grades 9-12 and to expand to an additional school site. However, as the program was essentially a new charter petition for a high school, not a material revision to AVPA’s charter petition, Aspen Public Schools Incorporated agreed to submit a new charter petition. The Aspen Ridge High School charter petition was delivered to the District on November 4, 2019 and the public hearing was held on December 11, 2019. Following the public hearing, the District Charter Review Team recommended approval of the charter petition for a two-year term from July 1, 2020 to June 30, 2022 provided numerous cited revisions were made to the charter petition to ensure the charter would be consistent with sound educational practices. On December 18, 2019, the Board’s vote resulted in a non-decision. The Board voted again on January 15, 2020 and denied the Aspen Ridge High School charter petition. Aspen Public Schools Incorporated appealed the denial to the Fresno County Board of Education. The Fresno County Board of Education held a public hearing regarding the Aspen Ridge High School charter appeal on February 20, 2020. At its meeting on March 19, 2020, the Fresno County Board of Education was scheduled to consider adoption of findings and denial of the Aspen Ridge High School charter petition appeal. However, before the meeting on March 19th, Aspen Public Schools Incorporated withdrew the charter petition appeal from consideration.

**II. ASPEN RIDGE PUBLIC SCHOOL**

The District received the Aspen Ridge Public School Charter Petition on September 21, 2020. Upon review of the petition by the Review Team, it was determined that the petition contained a number of deficiencies that needed to be addressed by Aspen Public Schools Incorporated. As a result of these deficiencies and the revisions requested by the Review Team, it was agreed that Aspen Public Schools Incorporated would revise the petition and the parties would agree to a 30-day extension for the decision on whether to grant or deny the petition.

The petition states that ARPS will serve students in grades 7 through 12 starting in August of the 2021-22 school year. ARPS intends to begin the 2021-22 school year with 50 students in grade 7, 50 students in grade 8 and 100 students in grade 9; for a total of 200 students. Thereafter, ARPS plans to add a grade level each year. At full capacity in school year 2025-26, ARPS will seek to serve 500 students in grades 7-12. The following is the proposed enrollment with grade level expansion for ARPS for the requested 5-year charter petition term:

	2021-22	2022-23	2023-24	2024-25	2025-26
7th Grade	50	50	50	50	50
8th Grade	50	50	50	50	50
9th Grade	100	100	100	100	100
10th Grade	0	100	100	100	100
11th Grade	0	0	100	100	100

12th Grade	0	0	0	100	100
Totals	200	300	400	500	500

ARPS plans to offer site-based academic instruction utilizing the web-based Summit Learning Platform. All students meeting eligibility requirements will also have the opportunity for dual enrollment in courses through Fresno City College. The charter school’s mission is to transform the community by developing exceptional leaders. The target population is students who are most underserved: socio-economically disadvantaged (including those in extreme poverty), recent immigrants, English Learners, foster youth, and children who are homeless or experiencing housing instability. The charter school will target “at-promise” students in Central Fresno and children participating in the Rescue the Children (RTC) program.

The petition states ARPS will be located in the Sequoia Building and the Ahwahnee Building at the Sierra Hospital Complex, located at 2025 E. Dakota Avenue, Fresno, California 93726 and 3821 N. Clark Street, Fresno, CA 93726. A proposed Facilities Lease between Aspen Public Schools Incorporated and Fresno Rescue Mission, the owner of the Sierra Hospital Complex, is included with the petition in Appendix P.

**III. CHARTER PETITION PROCEDURE**

The procedure for receiving and considering a charter petition is set forth in Education Code section 47605(b), which states the following:

*No later than 60 days after receiving a petition, in accordance with subdivision (a), the governing board of the school district shall hold a public hearing on the provisions of the charter, at which time the governing board of the school district shall consider the level of support for the petition by teachers employed by the school district, other employees of the school district, and parents. Following review of the petition and the public hearing, the governing board of the school district shall either grant or deny the charter within 90 days of receipt of the petition, provided, however, that the date may be extended by an additional 30 days if both parties agree to the extension. A petition is deemed received by the governing board of the school district for purposes of commencing the timelines described in this subdivision on the day the petitioner submits a petition to the district office, along with a signed certification that the petitioner deems the petition to be complete. The governing board of the school district shall publish all staff recommendations, including the recommended findings and, if applicable, the certification from the county superintendent of schools prepared pursuant to paragraph (8) of subdivision (c), regarding the petition at least 15 days before the public hearing at which the governing board of the school district will either grant or deny the charter. At the public hearing at which the governing board of the school district will either grant or deny the charter, petitioners shall have equivalent time and procedures to present evidence and testimony to respond to the staff recommendations and findings.*

**IV. CHARTER PETITION CRITERIA**

Education Code section 47605(c) sets forth the criteria for reviewing a charter petition as follows:

*In reviewing petitions for the establishment of charter schools pursuant to this section, the chartering authority shall be guided by the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that the establishment of charter schools should be encouraged. The governing board of the school district shall grant a charter for the operation of a school under this part if it is satisfied that*

*granting the charter is consistent with sound educational practice and with the interests of the community in which the school is proposing to locate. The governing board of the school district shall consider the academic needs of the pupils the school proposes to serve. The governing board of the school district shall not deny a petition for the establishment of a charter school unless it makes written factual findings, specific to the particular petition, setting forth specific facts to support one or more of the following findings:*

*(1) The charter school presents an unsound educational program for the pupils to be enrolled in the charter school.*

*(2) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.*

*(3) The petition does not contain the number of signatures required by subdivision (a).*

*(4) The petition does not contain an affirmation of each of the conditions described in subdivision (e).*

*(5) The petition does not contain reasonably comprehensive descriptions of all of the following:*

*(A)(i) The educational program of the charter school, designed, among other things, to identify those whom the charter 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) The annual goals for the charter school 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, 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.*

*(iii) If the proposed charter school will serve high school pupils, the manner in which the charter school will inform parents about the transferability of courses to other public high schools and the eligibility of courses to meet college entrance requirements. Courses offered by the charter school that are accredited by the Western Association of Schools and Colleges may be considered transferable and courses approved by the University of California or the California State University as creditable under the “A to G” admissions criteria may be considered to meet college entrance requirements.*

*(B) The measurable pupil outcomes identified for use by the charter school. “Pupil outcomes,” for purposes of this part, means the extent to which all pupils of the charter school demonstrate that they have attained the skills, knowledge, and attitudes specified as goals in the charter school’s educational program. Pupil outcomes shall include outcomes that address increases in pupil academic achievement both schoolwide and for all pupil subgroups served by the charter school, as that term is defined in subdivision (a) of Section 52052. The pupil outcomes shall align with the state priorities, as described in subdivision (d) of Section 52060, that apply for the grade levels served by the charter school.*

*(C) The method by which pupil progress in meeting those pupil outcomes is to be measured. To the extent practicable, the method for measuring pupil outcomes for state priorities shall be consistent with the way information is reported on a school accountability report card.*

*(D) The governance structure of the charter school, including, but not limited to, the process to be followed by the charter school to ensure parental involvement.*

*(E) The qualifications to be met by individuals to be employed by the charter school.*

*(F) The procedures that the charter school will follow to ensure the health and safety of pupils and staff. These procedures shall require all of the following:*

*(i) That each employee of the charter school furnish the charter school with a criminal record summary as described in Section 44237.*

*(ii) The development of a school safety plan, which shall include the safety topics listed in subparagraphs (A) to (J), inclusive, of paragraph (2) of subdivision (a) of Section 32282.*

*(iii) That the school safety plan be reviewed and updated by March 1 of every year by the charter school.*

*(G) The means by which the charter school will achieve a balance of racial and ethnic pupils, special education pupils, and English learner pupils, including redesignated fluent English proficient pupils, as defined by the evaluation rubrics in Section 52064.5, that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted. Upon renewal, for a charter school not deemed to be a local educational agency for purposes of special education pursuant to Section 47641, the chartering authority may consider the effect of school placements made by the chartering authority in providing a free and appropriate public education as required by the federal Individuals with Disabilities Education Act (Public Law 101-476),<sup>1</sup> on the balance of pupils with disabilities at the charter school.*

*(H) Admission policies and procedures, consistent with subdivision (e).*

*(I) The manner in which annual, independent financial audits shall be conducted, which shall employ generally accepted accounting principles, and the manner in which audit exceptions and deficiencies shall be resolved to the satisfaction of the chartering authority.*

*(J) The procedures by which pupils can be suspended or expelled from the charter school for disciplinary reasons or otherwise involuntarily removed from the charter school for any reason. These procedures, at a minimum, shall include an explanation of how the charter school will comply with federal and state constitutional procedural and substantive due process requirements that is consistent with all of the following:*

*(i) For suspensions of fewer than 10 days, provide oral or written notice of the charges against the pupil and, if the pupil denies the charges, an explanation of the evidence that supports the charges and an opportunity for the pupil to present the pupil's side of the story.*

*(ii) For suspensions of 10 days or more and all other expulsions for disciplinary reasons, both of the following:*

*(I) Provide timely, written notice of the charges against the pupil and an explanation of the pupil's basic rights.*

*(II) Provide a hearing adjudicated by a neutral officer within a reasonable number of days at which the pupil has a fair opportunity to present testimony, evidence, and witnesses and confront and cross-examine adverse witnesses, and at which the pupil has the right to bring legal counsel or an advocate.*

*(iii) Contain a clear statement that no pupil shall be involuntarily removed by the charter school for any reason unless the parent or guardian of the pupil has been provided written notice of intent to remove the pupil no less than five schooldays before the effective date of the action. The written notice shall be in the native language of the pupil or the pupil's parent or guardian or, if the pupil is a foster child or youth or a homeless child or youth, the pupil's educational rights holder, and shall inform the pupil, the pupil's parent or guardian, or the pupil's educational rights holder of the right to initiate the procedures specified in clause (ii) before the effective date of the action. If the pupil's parent, guardian, or educational rights holder initiates the procedures specified in clause (ii), the pupil shall remain enrolled and shall not be removed until the charter school issues a final decision. For purposes of this clause, "involuntarily removed" includes disenrolled, dismissed, transferred, or terminated, but does not include suspensions specified in clauses (i) and (ii).*

*(K) The manner by which staff members of the charter schools will be covered by the State Teachers' Retirement System, the Public Employees' Retirement System, or federal social security.*

*(L) The public school attendance alternatives for pupils residing within the school district who choose not to attend charter schools.*

*(M) The rights of an employee of the school district upon leaving the employment of the school district to work in a charter school, and of any rights of return to the school district after employment at a charter school.*

*(N) The procedures to be followed by the charter school and the chartering authority to resolve disputes relating to provisions of the charter.*

*(O) The procedures to be used if the charter school closes. The procedures shall ensure a final audit of the charter school to determine the disposition of all assets and liabilities of the charter school, including plans for disposing of any net assets and for the maintenance and transfer of pupil records.*

*(6) The petition does not contain a declaration of whether or not the charter school shall be deemed the exclusive public employer of the employees of the charter school for purposes of Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code.*

*(7) The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate. Analysis of this finding shall include consideration of the fiscal impact of the proposed charter school. A written factual finding under this*

paragraph shall detail specific facts and circumstances that analyze and consider the following factors:

(A) The extent to which the proposed charter school would substantially undermine existing services, academic offerings, or programmatic offerings.

(B) Whether the proposed charter school would duplicate a program currently offered within the school district and the existing program has sufficient capacity for the pupils proposed to be served within reasonable proximity to where the charter school intends to locate.

(8) The school district is not positioned to absorb the fiscal impact of the proposed charter school. A school district satisfies this paragraph if it has a qualified interim certification pursuant to Section 42131 and the county superintendent of schools, in consultation with the County Office Fiscal Crisis and Management Assistance Team, certifies that approving the charter school would result in the school district having a negative interim certification pursuant to Section 42131, has a negative interim certification pursuant to Section 42131, or is under state receivership. Charter schools proposed in a school district satisfying one of these conditions shall be subject to a rebuttable presumption of denial.

#### V. REVIEW TEAM ANALYSIS OF PETITION REQUIRED ELEMENTS

A summary of the Review Team’s analysis related to the criteria set forth in Education Code section 47605 is provided in the following table.

	Criteria	Review Team Comments	Meets Criteria	
			Yes	No
1.	The petition presents a sound educational program for the pupils to be enrolled in the charter school. <i>Education Code § 47605(c)(1)</i>	As supported by evidence from the petition, the petition contains an adequate description of a sound educational program.	✓	
2.	The petition contains evidence the petitioners are demonstrably likely to successfully implement the program set forth in the petition. <i>Education Code § 47605(c)(2)</i>	As supported by evidence from the petition, the petitioners appear demonstrably likely to successfully implement the program set forth in the petition.	✓	
3.	The petition contains the number of required signatures. <i>Education Code § 47605(c)(3)</i>	The petition contains the signatures of 7 credentialed teachers meaningfully interested in teaching at ARPS in Appendix A.	✓	
4.	The petition contains an affirmation of each of the described conditions. <i>Education Code § 47605(c)(4)</i>	The petition contains the required affirmations in the Affirmations and Declarations section of the petition on pages 2-5.	✓	
5.	The petition contains reasonably comprehensive descriptions of the following required elements.	As supported by evidence from the petition, the petition contains descriptions of the required elements.	✓	

	<i>Education Code § 47605(c)(5)</i>			
<b>A.</b>	<p>The educational program of the charter school, designed, among other things, to identify those whom the charter 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.</p> <p>The annual goals for the charter school 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, 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.</p> <p>If the proposed charter school will serve high school pupils, the manner in which the charter school will inform parents about the transferability of courses to other public high schools and the eligibility of courses to meet college entrance requirements. Courses offered by the charter school that are accredited by the Western Association of Schools and Colleges may be considered transferable and courses approved by the University of California or the California State University as creditable under the “A to G” admissions criteria may be considered to meet college entrance requirements.</p> <p><i>Education Code § 47605(c)(5)(A)</i></p>	<p>Based on a thorough review, the educational program on pages 27-74 likely meets the requirements of the applicable Education Code subsection.</p> <p>The Review Team still has concerns related to how the educational program will work and further clarity is needed regarding which aspects of the educational program will be classroom-based, dual enrollment and Summit Learning platform. Confirmation is also needed that ARPS will not have an independent study program as part of its educational program.</p> <p>Through the District’s oversight of ARPS, the Review Team will need to ensure the educational program is implemented as outlined in the petition and address any deficiencies directly with ARPS. Specific information about the students who will access the dual enrollment program will also need to be provided by ARPS as part of the District’s oversight.</p>	✓	
<b>B.</b>	<p>The measurable pupil outcomes identified for use by the charter school. “Pupil outcomes,” for</p>	<p>Based on a thorough review, the measurable pupil outcomes on pages 75-95 are adequately described to meet the</p>	✓	



	<p>purposes of this part, means the extent to which all pupils of the charter school demonstrate that they have attained the skills, knowledge, and attitudes specified as goals in the charter school's educational program. Pupil outcomes shall include outcomes that address increases in pupil academic achievement both schoolwide and for all pupil subgroups served by the charter school, as that term is defined in subdivision (a) of Section 52052. The pupil outcomes shall align with the state priorities, as described in subdivision (d) of Section 52060, that apply for the grade levels served by the charter school.</p> <p><i>Education Code § 47605(c)(5)(B)</i></p>	<p>requirements of the applicable Education Code subsection.</p> <p>Through the District's oversight process during the term of the charter, the Review Team will need to work with ARPS to refine measurable pupil outcomes and identify areas for improvement.</p>		
<b>C.</b>	<p>The method by which pupil progress in meeting those pupil outcomes is to be measured. To the extent practicable, the method for measuring pupil outcomes for state priorities shall be consistent with the way information is reported on a school accountability report card.</p> <p><i>Education Code § 47605(c)(5)(C)</i></p>	<p>Based on a thorough review, the method by which pupil progress will be measured on pages 96-102 are adequately described to meet the requirements of the applicable Education Code subsection.</p> <p>Through the District's oversight process during the term of the charter, the Review Team will work with ARPS to refine measurable pupil outcomes and identify areas for improvement.</p>	✓	
<b>D.</b>	<p>The governance structure of the charter school, including, but not limited to, the process to be followed by the charter school to ensure parental involvement.</p> <p><i>Education Code § 47605(c)(5)(D)</i></p>	<p>Based on a thorough review, the governance structure on pages 103-111 meets the requirements of the applicable Education Code subsection.</p> <p>It has been confirmed that the Site Leader does not have to hold an administrative credential.</p>	✓	
<b>E.</b>	<p>The qualifications to be met by individuals to be employed by the charter school.</p> <p><i>Education Code § 47605(c)(5)(E)</i></p>	<p>Based on a thorough review, the charter school employee qualifications on pages 112-120 meet the requirements of the applicable Education Code subsection.</p> <p>Through the District's oversight process, the Review Team will need to confirm teacher credentialing and qualifications are compliant with charter school law.</p>	✓	
<b>F.</b>	<p>The procedures that the charter school will follow to ensure the health and safety of pupils and</p>	<p>Based on a thorough review, the charter school's procedures for health and safety on pages 122-129 meet the requirements</p>	✓	

	<p>staff. These procedures shall require all of the following: (i) That each employee of the charter school furnish the charter school with a criminal record summary as described in Section 44237; (ii) The development of a school safety plan, which shall include the safety topics listed in subparagraphs (A) to (J), inclusive, of paragraph (2) of subdivision (a) of Section 32282; and (iii) That the school safety plan be reviewed and updated by March 1 of every year by the charter school.</p> <p><i>Education Code § 47605(c)(5)(F)</i></p>	of the applicable Education Code subsection.		
<b>G.</b>	<p>The means by which the charter school will achieve a balance of racial and ethnic pupils, special education pupils, and English learner pupils, including redesignated fluent English proficient pupils, as defined by the evaluation rubrics in Section 52064.5, that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted. Upon renewal, for a charter school not deemed to be a local educational agency for purposes of special education pursuant to Section 47641, the chartering authority may consider the effect of school placements made by the chartering authority in providing a free and appropriate public education as required by the federal Individuals with Disabilities Education Act (Public Law 101-476),<sup>1</sup> on the balance of pupils with disabilities at the charter school.</p> <p><i>Education Code § 47605(c)(5)(G)</i></p>	<p>Based on a thorough review, the means by which the charter school will achieve a balance of racial and ethnic pupils on pages 130-132 meet the requirements of the applicable Education Code subsection.</p> <p>Through the District’s oversight process, the Review Team will need to confirm the policies and practices of ARPS are achieving a balance of racial and ethnic pupils reflective of the neighboring community, including outreach to Asian populations and the surrounding apartment complexes.</p>	✓	
<b>H.</b>	<p>Admission policies and procedures, consistent with Education Code § 47605(e).</p> <p><i>Education Code § 47605(c)(5)(H)</i></p>	Based on a thorough review, the admissions policies and procedures on pages 133-136 meet the requirements of the applicable Education Code subsection.	✓	
<b>I.</b>	The manner in which annual,	Based on a thorough review, the manner	✓	

	<p>independent financial audits shall be conducted, which shall employ generally accepted accounting principles, and the manner in which audit exceptions and deficiencies shall be resolved to the satisfaction of the chartering authority.</p> <p><i>Education Code § 47605(c)(5)(I)</i></p>	<p>in which financial audits will be conducted on pages 137-138 meet the requirements of the applicable Education Code subsection.</p>		
<b>J.</b>	<p>The procedures by which pupils can be suspended or expelled from the charter school for disciplinary reasons or otherwise involuntarily removed from the charter school for any reason. These procedures, at a minimum, shall include an explanation of how the charter school will comply with federal and state constitutional procedural and substantive due process requirements.</p> <p><i>Education Code § 47605(c)(5)(J)</i></p>	<p>Based on a thorough review, the suspension and expulsion policies on pages 139-157 meet the requirements of the applicable Education Code subsection.</p>	✓	
<b>K.</b>	<p>The manner by which staff members of the charter schools will be covered by the State Teachers' Retirement System, the Public Employees' Retirement System, or federal social security.</p> <p><i>Education Code § 47605(c)(5)(K)</i></p>	<p>Based on a thorough review, the manner in which staff will be covered for retirement on page 158 meet the requirements of the applicable Education Code subsection.</p>	✓	
<b>L.</b>	<p>The public school attendance alternatives for pupils residing within the school district who choose not to attend charter schools.</p> <p><i>Education Code § 47605(c)(5)(L)</i></p>	<p>Based on a thorough review, the public school attendance alternatives on page 159 meet the requirements of the applicable Education Code subsection.</p>	✓	
<b>M.</b>	<p>The rights of an employee of the school district upon leaving the employment of the school district to work in a charter school, and of any rights of return to the school district after employment at a charter school.</p> <p><i>Education Code § 47605(c)(5)(M)</i></p>	<p>Based on a thorough review, the rights of an employee on page 160 meet the requirements of the applicable Education Code subsection.</p>	✓	
<b>N.</b>	<p>The procedures to be followed by the charter school and the chartering authority to resolve disputes relating to provisions of the charter.</p>	<p>Based on a thorough review, the dispute resolution procedures on pages 161-162 meet the requirements of the applicable Education Code subsection.</p>	✓	

	<i>Education Code § 47605(c)(5)(N)</i>			
<b>O.</b>	The procedures to be used if the charter school closes. The procedures shall ensure a final audit of the charter school to determine the disposition of all assets and liabilities of the charter school, including plans for disposing of any net assets and for the maintenance and transfer of pupil records.  <i>Education Code § 47605(c)(5)(O)</i>	Based on a thorough review, the closing procedures on pages 163-164 meet the requirements of the applicable Education Code subsection.	✓	
<b>6.</b>	The petition contains a declaration of whether or not the charter school shall be deemed the exclusive public employer of the employees of the charter school for purposes of Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code.  <i>Education Code § 47605(c)(6)</i>	The petition contains this declaration on page 3 of the petition.	✓	
<b>7.</b>	The charter school is demonstrably likely to serve the interests of the entire community in which the school is proposing to locate.  <i>Education Code § 47605(c)(7)</i>	As supported by evidence from the petition, the petition adequately demonstrates that the charter school is likely to serve the interests of the entire community.	✓	
<b>8.</b>	The school district is positioned to absorb the fiscal impact of the proposed charter school.  <i>Education Code § 47605(c)(8)</i>	The District is likely positioned to absorb the financial impact.	✓	

**VI. REVIEW TEAM ANALYSIS OF FINANCIAL STABILITY**

An analysis of the financial statements provided in the petition has been completed. The financial statements analyzed include the 5-year revenue and expenditure projection, enrollment assumptions, 5-year cash flow analysis, and the Local Control Funding Formula (LCFF) calculations.

**Financial Stability**

Based on the 2019-2020 unaudited actuals, AVPA has a current reserve of 22.4% and AMPS has a current reserve of 1.6%. Neither charter school experienced any deficit spending until 2019-2020. After reviewing the 2021-2022 adopted budget for ARPS and the 5-year multi-year projection provided in the petition, ARPS does not anticipate any deficit spending between 2021-2022 and 2025-2026. However, ARPS anticipates \$151,096 in deficit spending in 2020-2021 due to start-up expenditures. In addition, ARPS projects a strong ending fund balance of 89.6% at the end of the 2025-2026 fiscal year.

ARPS anticipates an overall ending balance ranging from 0.1% in 2021-2022 to 89.6% in 2025-2026.

Components of Ending Balance	2021-22 MYP	2022-23 MYP	2023-24 MYP	2024-25 MYP	2025-26 MYP
Projected Ending Balance	\$1,925	\$495,123	\$1,566,170	\$2,874,911	\$4,363,743
Reserve Level as a Percent	0.1%	14.7%	38.9%	65.0%	89.6%

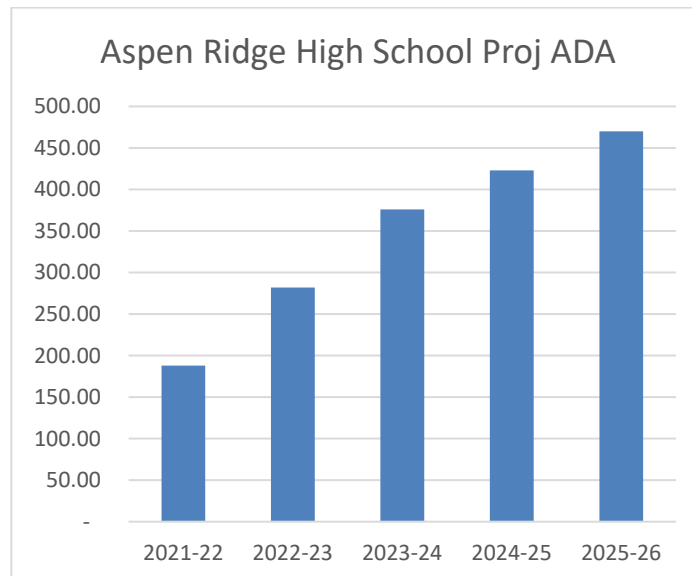
**Average Daily Attendance (ADA) Projection**

ARPS will begin with grades 7 through 9 in the first year of operation and will add one grade level each year thereafter. ARPS projects its ADA will increase by 50% in the second year of the high school expansion and will increase by an average of 22% in years 3 through 4. There is 11% growth in ADA anticipated in year 5 once grades 7 through 12 are offered.

The ADA projections for ARPS are reasonable based off the projected enrollment and the ADA rate that is used to project ADA in the multi-year projections. However, it must be noted that the enrollment at AVPA and AMPS in fiscal year 2019-2020 trended lower than what both charter schools anticipated for P-2 at adopted budget. Thus, the initial projections used in the petition’s multi-year projections may be higher than what is reasonable. AMPS estimated that its total enrollment would be 250 students in 2019-2020, but it had 232 students during this fiscal year. AVPA projected 467 students in 2019-2020, but it had 418. By over projecting enrollment, it is possible that the ADA figures used in the multi-year budget may have a negative impact on state revenues and could cause ARPS to be in deficit spending if expenses are not adjusted accordingly.

**Revenues**

ARPS utilized the latest LCFF calculator to build its revenue estimates and is using the same parameters in regards to ADA and COLA. Therefore, the LCFF calculations used in the multi-year projections are reasonable. The charter school is using a 94% attendance rate in estimating its ADA through 2025-2026.



**Expenses**

Personnel:

ARPS will add a total of 43.13 FTE by the end of 2025-2026 to provide support for the middle and high school expansion. During this timeframe, the average class size will be less than 20 students per class even if the

maximum capacity is met for grades 7-12. The petition projects there will be 25 certificated teachers by the fifth year of operation. During the past three years, employee benefits have accounted for approximately 22% of the personnel costs that have been incurred for AVPA and AMPS. The ARPS petition assumes that benefits will account for approximately 23% of all personnel costs. Total costs associated with benefits will increase by an average of 36% in the first three years and 10% in the fourth and fifth year as additional FTE is added each year. The petition assumes that costs associated with Health, Dental, and Vision will be \$10,500 per participating full-time employee and this will increase each year due to inflation.

**Materials & Supplies:**

Over the past three years, AVPA and AMPS have spent approximately \$1,381 per ADA on materials and supplies. Spending on materials and supplies will continue to increase based on the 5-year projections and, in the first year, ARPS projects spending \$2,196 on materials and supplies. It is projected that an average of \$1,621 will be spent on materials and supplies per ADA per fiscal year between 2022-2023 and 2025-2026. This is a 17% increase compared to what AVPA and AMPS have historically spent on materials and supplies per ADA.

**Contracts & Services:**

AVPA and AMPS have spent an average of \$2,662 per ADA on contracts, services, and other operating expenditures between 2017-2018 and 2019-2020. ARPS projects it will decrease the expenditures per ADA that are spent on contracts, services, and other operating expenditures by an average of 10% annually compared to AVPA and AMPS. Furthermore, the petition assumes that it will cost \$1,253 per ADA to lease a facility in an SB 740 eligible area in the first year of operation and an average of \$705 in years two through five. The current multi-year projections are assuming the facility lease will be \$235,566 in year one and will increase up to 5% annually. Based on the assumption that it will cost \$1,253 per ADA to lease an appropriate facility in the first operating year, the facility estimates seem reasonable. However, this is dependent on ARPS meeting its projected enrollment in each of the first five years of operation. ARPS will apply for the Charter Schools Facility Grant and, if approved, will receive funding for reimbursement up to 75% of eligible rent costs capped at \$1,184 per ADA. This funding is currently included in the multi-year budget and ARPS projects it will receive \$159,007 annually to offset facility costs.

The following table shows the total and projected expenditures for services/other operating for the selected fiscal years.

Service/ Other Operating Expenses	2021-22 MYP	2022-23 MYP	2023-24 MYP	2024-25 MYP	2025-26 MYP
	\$532,860	\$688,237	\$849,405	\$944,950	\$1,044,012

**Revenues and Expenses as Submitted**

	2021-22	2022-23	2023-24	2024-25	2025-26
Revenues	\$2,584,919	\$3,851,779	\$5,100,635	\$5,733,517	\$6,357,944
Expenses	\$2,531,898	\$3,358,581	\$4,029,588	\$4,424,776	\$4,869,113
Excess of Revenues over Expenses	\$53,021	\$493,198	\$1,071,047	\$1,308,741	\$1,488,831

**LCFF Revenues**

	2020-21	2021-22	2022-23	2023-24	2024-25
LCFF Revenues Submitted by	\$1,989,418	\$3,070,040	\$4,150,661	\$4,690,972	\$5,231,282

Aspen Ridge High					
LCFF Revenues Calculated by FUSD	\$1,989,418	\$3,070,040	\$4,150,661	\$4,690,972	\$5,231,282

The following table includes the 5-year multi-year projection for ARPS:

	2021-22 MYP	2022-23 MYP	2023-24 MYP	2024-25 MYP	2025-26 MYP
<b>Total Revenue</b>	\$2,584,919	\$3,851,779	\$5,100,635	\$5,733,517	\$6,357,944
<b>Total Expense</b>	\$2,531,898	\$3,358,581	\$4,029,588	\$4,424,776	\$4,869,113
Fund Balance	(\$51,096)	\$1,925	\$495,123	\$1,566,170	\$4,363,743
Net Change to Fund Balance	\$53,021	\$493,198	\$1,071,047	\$1,308,741	\$1,488,831
Ending Fund Balance	\$1,925	\$495,123	\$1,566,170	\$2,874,911	\$4,363,742

### Financial Reporting

Aspen Public Schools Incorporated has submitted its financial reports in a timely manner for AVPA and AMPS. The organization is required to submit a preliminary budget, interim reports, unaudited actuals and its audit report to the District each year for both AVPA and AMPS. There have been no issues in communicating and obtaining information when needed. Both charter schools respond to all requests and questions in timely manner.

### Additional Information

The District currently does not have any major financial concerns with AVPA and AMPS at this time. However, Fiscal Services continues to monitor the cash reserves at AMPS as its 2019-2020 ending fund balance was less than 3% of total expenditures. In addition, Fiscal Services continues to monitor the enrollment at both AVPA and AMPS to ensure projected enrollment is reasonable.

### Concerns

There are several outstanding concerns related to the petition:

- The lease agreement between Aspen Public Schools Incorporated and the Fresno Rescue Mission states the Fresno Rescue Mission will give a \$250 thousand dollar initial “Design Allowance” to improve and renovate the current facilities. It is unknown what type of work will need to be done in order to have the facility ready for operation. Additionally, there is a clause in the lease agreement that states the tenant and landlord will agree to an additional “Construction TI Allowance” if the charter petition is approved by the District to spend on facility improvements. The facility will need to meet all state and local legal requirements prior to opening the charter school.
- The 2019-2020 enrollment figures for AVPA included in the petition show a higher enrollment than actual by 13 students. The petition states there were 431 enrolled students in 2019-2020 when there were only 418 enrolled students based on CBEDS official enrollment count.
- The petition states ARPS will receive \$100,000 in contributions annually through 2025-2026, but does not specify where these contributions will come from.

- ARPS anticipates it will apply for the CSFA Revolving Loan, which is budgeted at \$150,000 received during the 2021-2022 fiscal year and repayable over five years. This does not appear to be reflected in the multi-year budget.
- The ADA for grades 7-8 at AVPA in 2019-2020 was only 64.72. However, ARPS projects 94 ADA in grades 7-8 in each of the next five years. Although ARPS assumes the 7-8 grade students that would attend AVPA will move to ARPS, there are concerns that this enrollment and ADA will not materialize. In addition, ARPS will need to concentrate its marketing efforts within Fresno County to ensure that enrollment projections are met for grade 9 in the first year of operation. In addition, the proposed charter school may have a difficult time retaining students in high school as there are a lack of extracurricular activities offered by ARPS. As a result, these enrollment projections may be too optimistic and ARPS may not be able to meet the enrollment projections provided in the petition. If enrollment does not materialize, the LCFF revenues could be impacted significantly.
- ARPS anticipates \$151,000 in expenses in 2020-2021 in preparation for the 2021-2022 fiscal year, but the petition does not state where these funds would be borrowed or otherwise sourced from.
- While reviewing the ARPS petition, the District learned that both AVPA and AMPS applied for and received a Paycheck Protection Program (PPP) loan in May 2020. AMPS received a PPP loan of \$365,000 and AVPA received a PPP loan of \$700,000. In total, Aspen Public Schools Incorporated received \$1,065,000 in PPP funds and has two years to pay this loan back at a 1% interest rate. However, it is anticipated these PPP loans will be forgiven. As of the 1st interim, AMPS projects a negative ending fund balance of \$140,111. If the PPP loan is not forgiven, AMPS may have difficulty paying its portion of the loan within a two-year period and may need to receive a contribution from AVPA. This could put financial strain on Aspen Public Schools Incorporated as a whole.
- The District has learned that both facilities used by AVPA and AMPS were purchased by TA Fresno LCR GP LLC (a subsidiary of Turner Impact Capital) in December 2019. Based on the current lease agreements, both AVPA and AMPS expect to pay approximately \$425,000 in year 2 of the lease, which will increase up to \$667,000 by year 29 of the lease. The lease agreements also include an option purchase price schedule. However, the fiscal consultant for Aspen Public Schools Incorporated has inferred that it does have plans in the future to purchase these facilities. Based on the previous lease agreements, the annual estimated base rent was for AMPS was \$60,000 and the annual estimated base rent for AVPA was \$168,000. The fiscal consultant did say Aspen Public Schools Incorporated would be applying for facility grants to help offset the increased lease costs, but was unable to provide details as to how much funding would be received.
- AMPS applied for the Pupil Estimates for New or Significantly Expanding Charters (PENSEC) in 2019-2020 due to the charter school adding an additional grade level (grade 5). The California Department of Education (CDE) made an error in 2019-2020 where all charter schools that submitted and were approved for the PENSEC were mistakenly overpaid. AMPS has reached out to the CDE for additional clarification regarding the overpayment. If funds are in fact owed back to the state, the fund balance for AMPS will decrease further.
- AMPS anticipates an audit adjustment will lower its beginning fund balance by \$121,322. The updated audited beginning fund balance for 2020-2021 is projected to be \$72,198. This audit adjustment is due to an outstanding lease liability from the 2019-2020 fiscal year. Based on the memorandum of understanding with the District, the fund balance for AMPS is recommended to be at a minimum of 3% reserve for economic uncertainties. Based on the projections at first interim, AMPS anticipates a 3.6% reserve at the end of 2020-2021.

## Conclusion



Based on the information included in the petition, ARPS presents reasonable revenue projections only if enrollment and ADA materialize in each of the next five years based on the projections in the petition. The outstanding concerns set forth herein will need to be addressed in order to ensure ARPS accounts for salary, benefits, materials/supplies and service expenditures in a reasonable manner.

**VII. REVIEW TEAM FINDINGS AND RECOMMENDATION**

Pursuant to Education Code section 47607(a)(1), a charter may be granted pursuant to Education Code section 47605 for a period not to exceed five years.

As set forth herein, while the Review Team has determined that the Aspen Ridge Public School Charter Petition meets the Education Code requirements for a charter petition, there are remaining concerns regarding implementation of the educational program and the financial viability that will need to be addressed through the District’s oversight of ARPS.

Therefore, the Review Team recommends a two-year initial charter term from July 1, 2021 to June 30, 2023 based on the concerns relating to the proposed educational program at ARPS and the financial status. There are a number of questions related to the implementation of the dual enrollment and Summit Learning program and, based thereon, the Review Team believes a two-year term is appropriate to ensure the implementation of the educational program is in compliance with the Education Code.