

**STAFF ANALYSIS, RECOMMENDATIONS, AND
RECOMMENDED FINDINGS OF FACT REGARDING
NORTH STAR WALDORF ACADEMY CHARTER PETITION**

I. BACKGROUND

On April 11, 2025, the Encinitas Union School District (“EUSD” or “District”) received a charter petition (“Charter” or “Petition”) from Melissa Nilsen, Lead Petitioner (“Petitioners”), seeking to establish a new public charter school to be called North Star Waldorf Academy (“North Star” or “Charter School”). Petitioners request a six-year term for the Charter School, including five years of instruction from July 1, 2025, through June 30, 2031. Petitioners anticipate that the Charter School would serve students in grades Transitional Kindergarten (“TK”) through 8 and would commence operations in the 2026-2027 school year with a Year 1 enrollment of 178 students in grades TK-6. Starting in Year 2, the Charter School would add grade levels each year, as it grows to an enrollment of 224 kids by Year 5. Petitioners do not currently operate any other charter schools.

A. Summary of Staff Findings and Recommendation to Board

Based on its comprehensive evaluation of the Petition, District staff’s recommendation to the District Board of Trustees is that the Petition be denied. The primary reasons for this recommendation are as follows:

- The financial and operational plan for the Charter School is not viable, it is based on unsupported and unrealistic revenue and expense assumptions.
- The educational program set forth in the Petition is not reasonably comprehensively described; it is unlikely to meet the needs of all subgroups of pupils and is unlikely to be successfully implemented.
- The school district is not positioned to absorb the fiscal impact of the proposed charter school. Approval of the Charter would undermine existing District services, academic offerings, or programmatic offerings.

II. REVIEW OF PETITION

A. Timeline for Board Action

Pursuant to California Education Code section 47605(b), the District’s Board of Trustees (“Board”) must hold a public hearing on the Petition within 60 days of receipt, and thereafter, the District’s governing board of trustees (“Board”) must vote on whether to grant or deny the Petition. District staff findings and recommendations, including recommended findings, must be published at least 15 days prior to the Board meeting at which the Board will take final action.

The District sent notice of the timeline for review and action on the petition to the Lead petitioner on April 21, 2025. The District held the required public hearing at a Board meeting held on June 10, 2025, at which time the Board considered the level of support for the Petition among teachers

employed by the District, other employees of the District, and parents, in accordance with Education Code Section 47605(b).

The District posted the Charter on its website for the public to review as well as including a link to the document in the District newsletter. Notice of the Public Hearing held on June 10, 2025, was provided in accordance with the Brown Act and open meeting requirements. Input was also accepted via email and U.S. postal service. At the hearing, the petitioner presented an overview of the Charter. Documents received from the petitioner that evening included 15 comments in support of the Petition. At the hearing, a significant number of individuals spoke in opposition. There were approximately 16 to 20 people who attended in support of North Star; however, they did not speak publicly. Petitions in opposition to the Charter were submitted with signatures from 147 Members of the Teachers of Encinitas (TOE) Union and 67 Members of California School Employees Association (CSEA) and its Classified of Encinitas (COE) Chapter #493. Additionally, the Board of Trustees received 95 emails and/or letters regarding the Charter, of which 91 were opposed and four were in favor of the Charter.

The matter is scheduled for the Board to take final action on the Charter at its regular meeting to be held on August 19, 2025. This Staff Analysis and Resolution, comprising the staff's recommendations, including recommended findings on the Charter, will be published on or before August 4, 2025.

B. The District's Petition Review Process

Upon receipt of the Charter, the District convened a team of District staff to conduct a comprehensive review of the Charter, with guidance from District legal counsel. Each District staff member reviewed the Charter, or sections thereof, as relevant to their area of expertise. The Petition review was organized according to the standards set forth in Section 47605.

The following individuals comprised the staff review team (Staff Team):

- Andrée Grey, Ed.D. - Superintendent
- Angelica Lopez, Ed.D. - Assistant Superintendent, Administrative Services
- Amy Illingworth, Ed.D. - Assistant Superintendent, Educational Services
- Joseph Dougherty - Assistant Superintendent, Business Services
- Maria Waskin - Executive Director, Student Support Services
- Beth Hilton - Director of Fiscal Services
- Jennifer Bond - Director of Curriculum, Instruction and Accountability
- Lisa Forehand, Ed.D. - Director of Leadership and Learning
- Cathy Brizes - Director of Purchasing and Logistics
- Nathan Short - Director of Information Technology
- Eric Smith - Director of Facilities and Safety
- Bea Rizo - Accountant
- Leslie Wright - Coordinator of Enrichment and Intervention
- Kim Brown - Behavior Specialist
- Jane McGuigan - Human Resources Specialist
- Jodi Greenberger - Principal

III. STANDARD FOR EVALUATION OF CHARTER PETITION

Although the Charter Schools Act (Ed. Code § 47600 et seq.) reflects legislative policy 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” (Ed. Code § 47605(c); see also Ed. Code § 47601), a potential authorizing entity has a responsibility—both to the students within its jurisdiction and to the taxpayers of the State of California, who will ultimately fund the charter school—to carefully review charter petitions prior to granting a new petition or renewing an existing petition, in order to ensure that the proposed charter school will be fiscally sound and of educational benefit to students who attend. Accordingly, the Legislature has imposed standards for evaluation of new charter school petitions, as codified in Education Section 47605.

If the District grants the Petition, the District will be designated as the chartering authority with oversight responsibility for North Star. Under Education Code section 47605(k), if the District denies the Petition, North Star may appeal the denial to the San Diego County Board of Education (“SDCOE”). If the SDCOE grants the petition, the SDCOE becomes the chartering authority for North Star. If the SDCOE denies the Petition, then North Star may appeal to the State Board of Education (“SBE”). (Ed. Code, § 47605(k).)

Education Code section 47605(c), sets forth the following guidelines for governing boards to consider in reviewing charter petitions:

- The chartering authority shall be guided by the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged.
- A school district governing board shall grant a charter for the operation of a school *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 proposed 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 statute.
 4. The petition does not contain an affirmation of each of the conditions required by statute.

5. The petition does not contain reasonably comprehensive descriptions of the following required elements of a charter petition.
 - a. A description of the educational program, including a description of the goals and the students the charter school is attempting to educate;
 - b. The measurable pupil outcomes identified for use by the charter school;
 - c. The method by which student progress is to be measured;
 - d. The governance structure of the charter school, including how parental involvement is ensured;
 - e. The qualifications of individuals to be employed by the charter school;
 - f. The procedures the charter school will follow to ensure health and safety of pupils and staff;
 - g. The means by which the charter school will achieve a balance of racial and ethnic pupils, special education pupils, and English learner pupils reflective of the general population residing in the district where it will be located;
 - h. Admission policies and procedures;
 - i. The manner in which annual, independent financial audits will be conducted;
 - j. The procedures by which pupils can be suspended or expelled from the charter school for disciplinary reasons or otherwise involuntarily removed for any reason;
 - k. The manner by which employees will be covered by 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. Rights of employees leaving employment of the school district to work in the charter school and any rights of return;
 - n. The procedures to be followed by charter school and chartering authority to resolve disputes;
 - o. The procedures to be used if the charter school closes.
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.
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.

IV. SUMMARY OF FINDINGS OF FACT AND DISTRICT STAFF RECOMMENDATION

The options before the Board regarding the Petition are as follows: 1) Approve the Petition; 2) Deny the Petition.

Following a comprehensive review and analysis of the Petition by the Staff Team and legal counsel, **DENIAL** of the Petition is recommended based on the following conclusions:

1. North Star Waldorf Academy is demonstrably unlikely to successfully implement the program set forth in the petition;
2. The Petition does not contain reasonably comprehensive descriptions of the required fifteen elements of a charter petition; and
3. The school district is not positioned to absorb the fiscal impact of the proposed charter school.

Factual findings regarding areas of concern with the Petition are described below. Those areas that are deficient support and form the basis for the findings and recommendations to deny the Petition. Given the extent and number of deficiencies, staff recommend a denial of the Petition. Should the Board take action to deny the Petition, staff recommend that the Board adopts this analysis as the written factual findings required to support its denial of the Petition.

V. ENCINITAS UNION SCHOOL DISTRICT STAFF ANALYSIS AND FINDINGS OF FACT

The following sections of the petition do not contain reasonably comprehensive descriptions as noted in the criteria in Education Code § 47605:

- Element 1: Educational Program
- Elements 2 and 3: Measurable Pupil Outcomes and Methods of Measurement
- Element 4: Governance Structure
- Element 7: Pupil Balance
- Element 9: Annual Independent Financial Audits
- Element 10: Student Discipline
- Element 14: Dispute Resolution Procedures
- Financial/Administrative Plan and Budget

VI. ANALYSIS

A. **North Star Waldorf Academy Is Demonstrably Unlikely to Successfully Implement the Program Set Forth in the Charter**

1. **Unrealistic Enrollment Projections**

The Charter School's enrollment projections do not appear reasonable and lack adequate supporting evidence or documentation.

The Charter anticipates first year enrollment at 172 students in grades TK-6 and projects that enrollment increases substantially to 224 students by its fifth year of operations. This is an unusually large initial enrollment number that is not consistent with typical initial enrollment for a new charter school. North Star further "projects" the enrollment will increase at a dramatic rate, with no explanation or evidence for the initial enrollment or growth estimates. North Star has provided absolutely limited evidence to support its unrealistically optimistic assumptions.

The students who reside within the District are North Star's target population, but the District's non-charter schools are among the top performing in the area and generally there is a very high degree of satisfaction with the District's schools and programs, thereby providing a limited population from which this untried and unproven Charter School would be drawing. North Star's "projections" are outsized compared to typical start up charter school enrollment, and the District cannot simply accept North Star's assumptions without compelling evidence supporting those assumptions.

The Charter School's funding and budget will depend primarily on the number of students enrolled and their attendance. The more students, the greater the funding. The overestimated projected enrollment indicates that North Star's budget projections are similarly unsound, and the proposal is likely to create an unworkable budget and correspondingly unstable educational program for the proposed students, and an inability for the Charter School to establish and implement with fidelity the program described in the Charter. Unfortunately, unsound and unbalanced budgets (often due to overestimating revenues because of overly optimistic enrollment/attendance assumptions and underestimating expenses, including because a certain level of funding and services are necessary regardless of how small the student population) lead to charter schools closing or failing to provide the program promised in their charter, at students' expense. To wit, in its June 2023 publication, FCMAT's *Charter School Indicators of Risk* includes as one such risk indicator, "Enrollment and/or ADA projections and assumptions not based on historical data, industry standards, and other reasonable considerations."¹

As such, North Star's baseless assumptions that are unsupported for the proposed school, combined with its inflated enrollment "projections," establish an unacceptably high level of risk and demonstrate that North Star is unlikely to be able to implement the program described in the Charter.

2. **Uncompetitive Personnel Compensation and Benefits**

¹ *Charter School Indicators of Risk or Potential Insolvency* (last revised 6/28/23) available at: <https://www.fcmat.org/indicators-risk> and <https://www.fcmat.org/PublicationsReports/Charters%20Indicators%20of%20Risk.pdf> [last visited on 1/10/2024]

North Star's planned salaries and contributions to health and welfare benefits are extremely low when compared to the District, and it is unrealistic and unconvincing that North Star will be able to successfully recruit and retain high quality certificated and noncertificated staff at these uncompetitive rates, particularly given the current teacher shortage.

Petitioners do not offer a competitive salary and benefits package. For example, the District schools all offer a defined benefit retirement program through State Teachers Retirement System (STRS) or Public Employee Retirement System (PERS). The Petition does not offer these retirement options and instead offers Social Security and a 3% contribution to a 403(b) plan. These factors will further complicate recruiting and impede the Charter School from attracting and retaining well-qualified staff in the current hiring environment.

3. Inadequate Indemnification/Insurance Provisions

The Charter provisions on insurance and indemnification are not adequate to protect the Charter School or the District from potential liability for North Star's acts or omissions, even though North Star purportedly will be operated as a 501(c)(3) nonprofit public benefit corporation. A substantial factor affecting the likelihood of a charter school's success depends on whether its petition budgets adequately for general liability, workers compensation, and other necessary insurance of the type and in the amounts required for an enterprise of similar purpose and circumstance.

The insurance levels budgeted by the Petitioners are woefully inadequate for the proposed Charter School, and do not comply with current expectations, best practices, and realistic assessments of potential liabilities for a charter school and/or charter management organization, nor for any claims that may be made against the District as the proposed chartering authority. Thus, the District finds that the Charter does not contain adequate assurances that the Charter School will acquire and maintain coverage in amounts and types that comply with the District's standards and expectations to protect the District and its stakeholders, as well as the Charter School and its students, employees, and community members, from potential liabilities created by North Star's operations. The failure to adequately require and budget for appropriate insurance and indemnification, defense, and hold harmless protections further runs afoul of the mandate that the Charter School provide information about the potential civil liability effects upon the Charter School and the District. The lack of planning and budgeting for appropriate coverage indicates a failure to understand and protect against such potential civil liability effects and creates an unacceptable level of risk.

B. The Petition Does Not Contain Reasonably Comprehensive Descriptions of the Required Elements of a Charter Petition

Element 1: Educational Program

Throughout the Petition there are references to the Waldorf philosophy and curriculum, however, the Petition fails to adequately address the comprehensive educational needs of 21st-century learners. While literacy is briefly mentioned, the educational program omits any meaningful reference to essential academic domains such as mathematics, science, history-social science, digital literacy, and technology. The lack of a well-rounded academic framework is a critical gap, especially when preparing students for the demands of modern college and career pathways.

The instructional design described in the Petition emphasizes exploration, storytelling, outdoor play, and social-emotional development. However, it does not provide sufficient evidence to demonstrate how this design will meet California’s grade-level content standards across all subjects. References to a “developmentally appropriate” and “individualized” curriculum are vague and unsupported by specific benchmarks, content maps, or developmental milestones. For example, using fairy tales as the primary literacy source in kindergarten and fables in second grade fails to address the breadth of standards required by the California Common Core State Standards (CCSS). Moreover, the scope and sequence document claims alignment with CCSS, but includes substantial content gaps and misalignment, particularly in History-Social Science, where no content is outlined for K–5.

Furthermore, the Petition does not describe a coherent plan for how students will master grade-level standards before eighth grade. The stated intent to disregard the grade-level progression of skills contradicts the structure and intent of the adopted state standards. Supports for English Learners are minimal and limited to vague references to language software and curated resources, without any assurance of in-person instructional access to grade-level content or clear articulation of software types or instructional strategies.

The curriculum development process, while described as teacher-driven, lacks essential structure. No instructional materials—either digital or print—are identified. The Petition claims that state standards will guide curriculum planning but simultaneously acknowledges that not all standards will be taught at the prescribed grade level. This inconsistency significantly undermines the likelihood that students will be prepared for state assessments, such as the CAASPP.

Support for English Learners is another area of significant concern. While enrollment and assessment requirements are noted, the Petition fails to provide an informed understanding of the needs of English Learners or a coherent plan for curriculum and pedagogy. No specific instructional strategies or professional development plans are included to ensure that English Learners can access core content and meet the California English Language Development (ELD) standards.

The professional development plan outlined in the Petition is vague and lacks structure. While it references Multi-Tiered Systems of Support (MTSS) and differentiated instruction, there is no indication of professional learning focused on supporting English Learners, building content area expertise, implementing technology, or using assessment tools—each of which is essential for an effective instructional program.

The Petition’s approach to technology is notably underdeveloped. It states an intent to delay technology use until children are “developmentally ready” without specifying which tools will be used, how students will be prepared for state-mandated computer-based assessments, or how devices will be distributed. The Petition provides no details on how students will take the CAASPP or ELPAC, nor does it demonstrate alignment with California’s technology standards. There is also no indication of digital citizenship instruction or a plan for integrating educational technology into teaching and learning.

There is an absence of clarity and specificity regarding instructional materials and supplies. The Petition does not identify any textbooks or digital resources and includes limited technology equipment for students (25 computers school-wide for students) and staff (only two computers in

budget for staff). This omission raises serious concerns about the petitioner’s readiness to implement a functional educational program that meets state requirements.

The Petition’s goals and outcomes related to student achievement are vague and not aligned with the state’s Local Control Funding Formula (LCFF) priorities. No specific goals are articulated for key student subgroups, including English Learners and students with disabilities. Statements such as “Students will demonstrate at least one performance level of growth” are overly broad and lack the specificity necessary for measurable accountability. Furthermore, references to comparisons with “demographically comparable schools” are not defined and offer no clear method for evaluation.

The Petition does not address LCFF Priorities 2, 3, 4, 6, or 7 in a meaningful or complete manner. Specifically, it does not describe how the proposed school would implement content standards, support English Learners, engage parents—particularly for underserved subgroups—or measure school connectedness. Without addressing these state-mandated priorities, the educational program cannot be considered legally or pedagogically sound.

Finally, the actions listed in Priority 6c cannot be validated until all goals and measurable outcomes in Priority 6b are revised and fully aligned with LCFF expectations. As submitted, the educational program lacks coherence, comprehensiveness, and compliance with both state standards and statutory requirements.

The Petition’s section on Special Education is lacking in specificity and does not fully meet the legal and operational requirements necessary to ensure appropriate services for students with disabilities. The Petition fails to provide a clear and detailed plan for how special education services will be delivered, including how the full continuum of services will be made available to all eligible students. There is no mention of a Student Study Team (SST) process, which is a critical component in identifying and supporting students who may need additional interventions prior to formal special education evaluation.

Furthermore, the Petition lacks specificity regarding required notifications to parents, as well as the financial responsibilities the Charter School will assume in relation to special education. These omissions create significant uncertainty about the school’s ability to meet its legal obligations and provide adequate support for students with disabilities.

Elements 2 and 3: Measurable Pupil Outcomes and Methods of Measurement

The Petition lacks clear articulation of specific pupil outcomes for student subgroups, most notably English Learners (“EL”) and Students with Disabilities. While general outcomes are referenced for the overall student population, there is an absence of disaggregated goals or performance targets tailored to the unique needs of these key subgroups. The omission of targeted outcomes for English Learners is particularly concerning, as it indicates a limited understanding of the instructional and assessment strategies necessary to support language acquisition and academic achievement. Similarly, no outcomes are specified for students who qualify for the California Alternate Assessments (CAA), leaving unclear how the proposed Charter School would ensure access and equity for students with significant cognitive disabilities.

While the Petition states that all students will grow by one level annually on the CAASPP, this assertion is both overly simplistic and unsupported by a broader system of local assessments. There

is no description of how progress will be monitored throughout the year, no identification of multiple measures of assessment, and no clear plan for formative or interim benchmarks. Without a robust assessment system aligned to grade-level standards, the school’s ability to track student progress and provide timely interventions is severely limited. Furthermore, the proposed scope and sequence does not align with the California Common Core State Standards (CCSS), which raises significant concerns about students’ readiness for the CAASPP and other state-mandated assessments.

The educational program also fails to directly address English Learner progress and does not articulate how students will meet the English Language Development (ELD) standards required by California law. There is a list of how individualized supports for ELs will be implemented (i.e., small group instruction, 1:1 tutoring), however there is no description of how ELs will be supported in accessing grade-level content. The only mentions of English Language Development are in reference to State required assessments, but the petition does not address the specifics of the ELD standards or how they will be taught in conjunction with grade-level academic standards. Additionally, students with disabilities, including those who qualify for the CAA, are not addressed in terms of curriculum access, progress monitoring, or specialized instructional strategies. This gap suggests a lack of compliance with state and federal requirements under IDEA and EL accountability frameworks.

Although the Petition references “Key Assessment Practices,” it lacks a corresponding plan that demonstrates how all California State Standards will be taught and assessed. The connection between instruction, assessment, and pupil outcomes is vague and incomplete. Several core academic subject areas—such as science, history-social science, and technology—are entirely absent from the scope and sequence or minimally addressed. As a result, it is not possible to determine whether the proposed educational program meets the minimum requirements for a comprehensive and standards-aligned curriculum.

In addition, the Petition does not include any clear “exit outcomes” for students completing the charter program. Exit outcomes are critical to demonstrate how the school defines student readiness for subsequent educational settings, including middle school, high school, and beyond. Without such outcomes, the school cannot be held accountable for ensuring students are prepared academically, socially, or developmentally.

Finally, there is no articulation of “benchmark” skills or classroom-level expectations that would guide student progression. While some aspirational school-wide ideals are mentioned, they are not tied to measurable outcomes or specific grade-level competencies.

This undermines the Petition’s credibility and feasibility, particularly with respect to monitoring student learning and informing instructional practices. Due to the lack of specificity throughout the Petition, there is no evidence of a variety of alternative assessment tools that could be used to measure diverse pupil outcomes.

Element 4: Governance Structure

The Petition lacks essential governance and financial accountability specifics required for a strong charter proposal. While the Charter includes repeated references to the Charter Board complying with and act in accordance with the corporate bylaws, no draft or adopted corporate bylaws were submitted with the Charter, thus preventing any meaningful review of governance procedures,

responsibilities, or safeguards. Additionally, the Charter identifies only four board members, despite stating that the Charter board would not have fewer than five members, creating a clear inconsistency that raises concerns about compliance and oversight as well as availability of persons interested in serving on the Charter board. Furthermore, the Charter fails to provide accurate or detailed descriptions of internal financial controls, which are critical to ensuring fiscal responsibility and protecting public funds. These omissions significantly undermine the Petition's credibility and do not meet the standards expected for charter approval.

Element 5: Employee Qualifications

The North Star Executive Director and Operations Manager are the only administrators referenced in the Charter for the first year, (with the addition of one in out years), and as such they would necessarily be expected to perform all the duties and accept all the responsibilities usually required of a Superintendent and cabinet level administrators. However, there is no requirement that any employee of the Charter School have any experience with budgets or finances. While North Star is expected to contract with ExEd for back-office services, it is still necessary that the Charter administration itself have a level of experience and knowledge of the responsibilities and the complexities of charter school finance issues in order to oversee and work with that services provider. Instead, the Charter does not require the Executive Director or anyone else to have any training or experience in finance generally or the complex area of public school or charter school finance specifically, thus leaving all such responsibility to ExEd.

This lack of required school finance expertise by the individuals who will serve in what the Charter identifies as the only two administrative positions in year one, and continuing even as additional administrators are added in out years, exacerbates the serious concerns implicated by North Star's overly optimistic and unrealistic enrollment and ADA projections, given the direct fiscal consequences should North Star fail to meet those projections. The qualifications for these positions are not consistent with the duties that would necessarily fall to the only two administrators at the proposed school.

Element 7: Pupil Balance

The Petition fails to meet expectations in addressing outreach and enrollment strategies to ensure a diverse and inclusive applicant pool consistent with this requirement. While it lists four potential outreach strategies, none are clearly designed to attract a diverse population reflective of the population residing within the District, nor do they demonstrate a thoughtful understanding of the unique demographic characteristics of the District. The mention of multilingual marketing materials and references to Spanish-speaking and Filipino families are surface-level acknowledgments, lacking depth, actionable plans, or measurable benchmarks to ensure meaningful engagement and likelihood of engaging a balanced applicant pool. Furthermore, the stated target population—home school families—does not reflect the broader racial, ethnic, and linguistic diversity within the District, and the Petition does not address the cultural disconnect or provide strategies to bridge that gap. Lastly, there are no outlined supports or culturally relevant practices aimed at maintaining enrollment equity, demonstrating a lack of commitment to building a truly inclusive school community reflective of the District's population.

Element 9: Annual Independent Financial Audits

The Annual Independent Financial Audit section of the Petition contains several deficiencies that fail to meet statutory and best practice expectations. First, the Petition does not specify the timing of the audit, nor does it clarify whether there will be interim and year-end fieldwork or provide any proposed dates for these critical activities. Additionally, while the Petition states that the audit report will include timelines and deadlines for resolving any findings, it lacks concrete details regarding the actual process for addressing and correcting deficiencies to the District Board's satisfaction. The language provided fails to ensure that audit findings will be cleared and resolved within the subsequent Fiscal Year, which is a standard expectation. Finally, the Petition states that "the board" will be responsible for contracting and overseeing the audit but does not identify a specific individual or staff position accountable for ensuring the audit process is properly executed and findings are appropriately addressed. These omissions create uncertainty regarding the school's ability to conduct and respond to an independent financial audit in a timely, compliant, and transparent manner.

Element 10: Student Discipline

The Charter contains inconsistencies regarding the selection of the panel that would hear expulsion matters. Initially the Charter provides that the Charter Board will select the panel as needed, yet in the very next paragraph, it states that the Executive Director – who is also the person responsible for making the recommendation for expulsion –, will select the panel members. The hearing panel's role is a critical component of the student discipline process, and how an unbiased panel would be established must be explained clearly in the proposed Charter. The lack of such clarity renders this element incomplete.

The Charter also provides that students can be involuntarily removed from the school for truancy as described in the "Attendance policy for truancy." Notably, the proposed policy was not included with the Charter and thus it is impossible to determine if students will receive required due process prior to removal from the Charter for truancy. Moreover, removing students from the school for truancy, rather than engaging with students and families in an appropriate process for responding to and remediating truancy, including a SARB process, is inconsistent with expectations for an inclusive public charter school to serve all students. This proposal would result in the proposed North Star effectively cherry-picking students instead of addressing student needs.

Element 14: Dispute Resolution Procedures

The Petition does not provide any process for resolving internal complaints and disputes. Additionally, the Petition lacks any mention of procedures or a description of how the internal complaint/ dispute resolution process will be communicated to parents, staff, and the broader school community. The absence of these critical details leaves significant gaps in the Petition and fails to provide assurances that the School would have a clear, transparent, and accessible process in place to resolve complaints and conflicts and maintain positive working relationships with all stakeholders.

C. The School District Is Not Positioned to Absorb the Fiscal Impact of the Proposed Charter School

The Charter School would significantly undermine existing District programs by diverting the revenues received by the District, which would have a uniquely negative effect on the

District as a basic aid district that serves fewer grades than the proposed charter school, exacerbated by the fact the neighboring school district that serves most of these additional grades is also a basic aid district. Education Code Section 47632(i) defines the “sponsoring local educational agency” (“LEA”) for each type of charter school. For charter schools that are authorized by a school district or that are approved by a county office of education on appeal from denial by a school district, the sponsoring LEA is the school district that initially approved or denied the charter petition. As the sponsoring LEA, the school district is responsible for transferring funding in-lieu of property taxes (“ILPT”) to the charter school for all average daily attendance reported by the charter school, regardless of pupils’ grade level or school district of residence. If a basic aid district transfers ILPT for pupils who reside in and are otherwise eligible to attend a non-basic aid school district, the sponsoring LEA district would be eligible for Basic Aid Supplement funding per Education Code Section 47635. This funding *partially* backfills the sponsoring LEA for ILPT transferred by the basic aid sponsoring LEA to the charter school, up to 70 percent of the Local Control Funding Formula (“LCFF”) base grant, for nonresident charter school pupils who reside in non-basic aid school districts. ILPT funding transferred by the basic aid sponsoring LEA to the charter school for pupils who reside within another basic aid district (or within the sponsoring LEA) is not eligible for Basic Aid Supplement funding, so the basic aid sponsoring LEA receives no backfill (repayment) for any of the ILPT funding transferred to the charter school for any students who reside within a basic aid school district.

The North Star Charter states that it intends to serve students in grade TK-8. Although the District only serves grades K-6, Education Code 47635 requires the District to transfer ILPT for all students attending the proposed North Star, including for the three grade levels not served by the District (TK and grades 7-8). For students attending North Star who reside in non-basic aid districts, the District will be eligible for backfill of up to 70 percent of the of the Local Control Funding Formula base grant for ILPT funds it transfers to North Star. For students attending North Star who reside within the District or reside within other basic aid districts, the District is not eligible for any Basic Aid Supplement funding.

As such, the District would be required to provide North Star a portion of the District’s funding for any and all students who reside in other basic aid districts, specifically students who reside outside of Encinitas Union School District and have no entitlement to attend District schools, including students in grade levels not served by the District. The District would not be repaid for that transfer of funds, but, instead, would simply have its own funding reduced in order to provide funding for North Star to educate non-District students. This would result in a direct loss of District funding, not in order to fund an alternative public educational option for District students, but, instead, to fund an educational alternative for non-District students. Moreover, even for students who reside in state aid districts, the Basic Aid Supplement funding will likely be less than the revenue transferred by the District to the Charter School for each student, thus requiring the District to expend its funding, which is intended for the District to use to educate District-resident students eligible to attend District schools, to educate students who reside outside of the District and/or are in grades not served by the District, which are students whose education should typically be funded through LCFF not the District’s funding.

As noted by the Lead Petitioner, Melissa Nilsen, on North Star’s website, if every student projected to be enrolled at the proposed school is a District resident, the overall impact on

the District's budget is the equivalent of four percent (\$3,391,381.68) of District revenues. Over five years, with enrollment remaining stagnant, the cost to the District would be \$16,956,908.40 based on this estimate. If most of the students attending North Star are District residents or residents from other basic aid districts, none of these fund transfers will be backfilled by the State. The Charter School anticipates enrolling students in TK in 2026-2027. The District currently does not offer TK, but it would nevertheless have to transfer ILPT to North Star for the TK students. If those students reside within the District or within other basic aid districts, the State will not backfill the District for any of these funds. Similarly, in out years when North Star expands to seventh and eighth grades, the District will have to transfer ILPT for those grades (again not served by the District) and will be in similar financial peril if those students reside in basic aid districts. Moreover, for non-resident students, including for all students grades not served by the District, the District would have no cost savings in exchange for the lost funds since it would never be responsible for educating those students but would nevertheless lose millions of dollars of funding each year.

The loss of this funding would undermine existing District services, academic offerings, and programmatic offerings because the District would simply be unable to afford to continue funding all such services and programs. More specifically, the loss of this revenue (particularly for grade levels not even served by the District and other basic aid district resident students who do not reside within the District) would likely result in the elimination of teaching positions as we raise class sizes and reduce or eliminate programs such as intervention, Enrichment, garden, choir, Film Guild, and Farm Lab. The District is not positioned to absorb this fiscal impact and continue paying for and offering the same programs and services that it does currently. This unbearable fiscal impact on the District is specifically a basis for denial of the North Star Charter. Moreover, pursuant to Education Code Section 47605(c), the District Board "shall grant a charter for the operation of a school ... if it is satisfied that granting the charter is consistent ... with the interests of the community in which the school is proposing to locate." Stripping the District of its much-needed funding to serve its students, thereby forcing the District to cut teachers, reduce or eliminate programs such as intervention, and enrichment, and, is directly contrary to the interests of the District community and does not support approval of this Charter.

VII. CONCLUSION

Staff recommend that the Encinitas Union School District Board of Trustees deny the Petition and adopt this staff analysis as the written factual findings required to support its **DENIAL** of the Petition. For the reasons detailed above, which are based on the analysis of the Charter and supporting documentation and information provided by North Star, EUSD staff concludes that North Star is demonstrably unlikely to successfully implement the program as set forth in the Petition; the Petition does not contain reasonably comprehensive descriptions of the required fifteen elements of a charter petition set forth in Education Code 47605, and the District is not positioned to absorb the fiscal impact of the ILPT transfers to the Charter School.

Accordingly, denial of the Petition is recommended.