



Board of Education Report

File #: Rep-101-22/23, **Version:** 1

**Denial of the Proposed New Charter Petition for Equitas Academy 7 [PUBLIC HEARING]
November 15, 2022
Charter Schools Division**

Action Proposed:

Adopt the denial of the new charter petition for Equitas Academy 7 (“Charter School”), proposed to be located in Board District 5 and Local District Central, and adoption of the attached *Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7*.

Background:

On September 8, 2022, the District commenced processing of Equitas Academy 7’s charter school petition application to the Charter Schools Division seeking to open and operate an independent charter school. The 90-day statutory timeline for Board action on this petition runs through December 7, 2022.

A Public Hearing was held on October 11, 2022.

Equitas Academy Charter School, Inc. currently operates six LAUSD-authorized independent charter schools: Equitas Academy Charter, Equitas Academy 2, Equitas Academy 3 Charter, Equitas Academy 4, Equitas Academy 5, and Equitas Academy 6.

Based on a comprehensive review of the charter petition application and supporting documentation, staff has determined that the charter school petition has not met the requirements set forth in Education Code section 47605 and therefore recommends denial of the petition.

Due Diligence:

Current Equitas Academy 7 governing board members completed questionnaires regarding conflicts of interest. A due diligence review of the charter school and its governing organization, school leaders, and on-site financial manager, was performed by the Office of the Inspector General.

The petition is available for perusal in the Charter Schools Division and online at the District’s Board of Education website at <https://achieve.lausd.net/Page/18644>.

Statutory Framework:

Education Code section 47605(c) sets forth grounds for denying a new charter petition. Section 47605(c) states, in part, that “[t]he 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 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. (Ed. Code, § 47605(c)(1).)
- (2) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition. (Ed. Code, § 47605(c)(2).)
- (3) The petition does not contain the number of signatures required by subdivision (a) [of Section 47605]. (Ed. Code, § 47605(c)(3).)
- (4) The petition does not contain an affirmation of each of the conditions described in subdivision (e) [of Section 47605]. (Ed. Code, § 47605(c)(4).)
- (5) The petition does not contain reasonably comprehensive descriptions of all of the [fifteen elements set forth in Section 47605, subdivision (c)(5)]. (Ed. Code, § 47605(c)(5).)
- (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 I of the Government Code. (Ed. Code, § 47605(c)(6).)
- (7) The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate. (Ed. Code, § 47605(c)(7).)
- (8) The school district is not positioned to absorb the fiscal impact of the proposed charter school. (Ed. Code §47605(c)(8).)

Grounds for Denial:

Staff of the Charter Schools Division and the Office of the General Counsel reviewed the new charter petition application for Equitas Academy 7 and have assessed that the petition application does not meet the criteria for approval. As fully discussed in the attached *Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7*, based on review of the petition and supporting documentation, staff has determined, in accordance with Education Code section 47605(c), the following:

- (1) The Petitioners are demonstrably unlikely to successfully implement the educational program set forth in the petition.
- (2) The Petition does not contain reasonably comprehensive descriptions of all of the fifteen elements set forth in the petition.
- (3) The Charter School is demonstrably unlikely to serve the interest of the entire community in which the school is proposing to locate.

Expected Outcomes:

Denial will prevent the establishment of Equitas Academy 7 as an LAUSD-authorized charter school at this time.

Board Options and Consequences:

“Yes” - If the Board adopts the recommendation of denial and the attached *Findings of Fact in Support of Denial of the Charter Petition for Equitas Academy 7*, Charter School would not be authorized to open or operate as a charter school. The petitioners may submit an appeal to the Los Angeles County Board of Education and if denied at the county level may appeal to the State Board of Education on limited grounds specified by law.

“No” - If the Board does not adopt the recommendation of denial and the attached *Findings of Fact in Support of Denial of the Charter Petition for Equitas Academy 7*, and instead takes specific action to approve the new charter petition, Charter School would be authorized to operate as a charter school for the charter term beginning July 1, 2023. Within 30 days, the Board requires that the school submit to the Charter Schools Division a revised charter petition that meets all LAUSD requirements, including but not limited to a reasonably comprehensive description of all fifteen required elements and compliance with current Federal, State, and District Required Language.

Policy Implications:

There are no policy implications at this time.

Budget Impact:

State income and various other income sources to the District are reduced when current District students enroll at a charter school, and comparable or offsetting expenditure reduction may not occur in such cases. Under Education Code section 47604(d), a school district that grants a charter to a charter school to be operated by, or as, a nonprofit public benefit corporation is not held liable for the charter school’s debts or obligations as long as the school district complies with all oversight responsibilities required by law. The District will continue to have monitoring and oversight responsibility for charter school finances, as specified in the Charter Schools Act. Any significant modifications to the charter school’s petition or operations that raise financial implications would require a material revision prior to implementation. Petition approval is also contingent upon adequate liability insurance coverage.

If Charter School chooses a non-LAUSD SELPA and signs the applicable Memorandum of Understanding (MOU), the charter school may request specific special education and related services from the District through fee-for-service arrangements that will reflect the calculated cost of the requested services and will be contingent on the District’s available resources.

Should Charter School elect to be part of the LAUSD SELPA, any Option election that occurs during the term of Charter School’s petition period shall be mutually agreed upon and addressed in an MOU between the Charter School and the District. The Option election shall be effective on July 1 of the next school year with the corresponding fair share contribution.

Staff’s fiscal impact analysis is calculated based on multiple sourced assumptions (as reflected below) to provide a projection of Equitas Academy 7’s potential fiscal impact to existing District schools in the proposed target community.

Assuming that approximately 30% of the students who plan to attend Equitas Academy 7 would have attended an existing LAUSD school, and assuming that Equitas Academy 7 meets 69% of its enrollment projections, the expected enrollment loss for the District’s schools could be \$509,235 (100 students) in first year and increasing to \$5,092,353 (1,000 students) by the proposed charter school’s renewal year (i.e., Fiscal Year 2026-2027). Staff estimates that the average revenue per student is \$26,171 in the 2022-2023 academic school year. Multiplying 21% (30% x 69%) of the expected charter enrollment and approximately 94% District average daily attendance (ADA) ratio by this amount over the period of the proposed charter school equals to \$14,156,742. Because District revenue is associated with ADA rather than enrollment (See 5 C.C.R § 402), the estimated revenue loss is not directly proportional to the number of students who would attend the charter school. As a result of lower enrollment to the District schools, any loss of revenue may be offset by possible reductions in expenditures, estimated at 10% of the loss of revenue. Based on the above analysis, Equitas Academy 7’s new petition, if approved by the LAUSD Board, could substantively impact (fiscally) existing

District schools in the Koreatown/Pico-Union Community of Schools.

Currently, there are 57 other charter schools serving one or more similar grade level(s) (ranging from TK-12) within the community of Equitas Academy 7's proposed location.

Student Impact:

As stated in the *LAUSD Policy and Procedures for Charter Schools*, “[W]hen the LAUSD Board authorizes and oversees a charter school, it establishes a relationship to advance its vision and mission and to accelerate gains in academic achievement and accountability for all of its students and public schools,” (*Policy*, p.3). Based on a comprehensive review and assessment of Charter School’s new petition application, staff has determined that Charter School has not met the requirements for charter school approval and therefore recommends denial of the new petition.

Equity Impact:

Not applicable

Issues and Analysis:

Issues are outlined above and in more detail in the attached *Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7*.

Attachments:

Attachment A - Staff Assessment and Recommendation Report

Attachment B - Schools within the Community Data; Schools within the Community Subgroup Medians Data Sets

Attachment C - 3-Mile Radius Map

Attachment D - Equitas Academy 7 Schools Within the Community List with Enrollment Data

Attachment E - *Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7*

Attachment F - Equitas Academy 7 Community Impact Assessment

Exhibits for perusal at the following link:

<https://drive.google.com/drive/folders/1VjJhzk9y47uqwH1r4uUvHIZF0nuijlqX>

Informatives:

Not applicable

Submitted:

10/19/22

RESPECTFULLY SUBMITTED,

APPROVED & PRESENTED BY:

ALBERTO M. CARVALHO
Superintendent of Schools

JOSÉ COLE-GUTIÉRREZ
Director
Charter Schools Division

REVIEWED BY:

DEVORA NAVERA REED
General Counsel

___ Approved as to form.

REVIEWED BY:

TONY ATIENZA
Director, Budget Services and Financial Planning

___ Approved as to budget impact statement.

ATTACHMENT A

STAFF ASSESSMENT AND RECOMMENDATION REPORT
NEW CHARTER PETITION

Board of Education Report 101-22/23

November 15, 2022

School Name:	Equitas Academy 7			BOARD IS REQUIRED TO TAKE ACTION BY: December 7, 2022
Type of Charter School:	Start-Up Independent Charter School			
Charter Operator	Equitas Academy Charter School, Inc.			
Location Code:	Not Available			
Type of Site(s):	Private			
Proposed Site Address:	1612 Pico Blvd., Los Angeles, CA, 90015			
Board District(s):	5	Local District(s):	Central	
Grade Levels Proposed to be Served:	TK-12	Enrollment Proposed in Charter Petition:	1,000	
CONSIDERATION:	New Charter Petition			
PROPOSED CHARTER TERM	July 1, 2022 - June 30, 2027			
STAFF RECOMMENDATION:	Denial			
SUMMARY OF STAFF FINDINGS:	<p>Based on a comprehensive review of the new petition application, staff has determined that the proposed charter school has not met the standards and criteria for approval.</p> <ul style="list-style-type: none"> ◆ The Petitioners are demonstrably unlikely to successfully implement the educational program set forth in the petition. ◆ The Petition does not contain reasonably comprehensive descriptions of all of the fifteen elements set forth in the petition. ◆ The Charter School is demonstrably unlikely to serve the interest of the entire community in which the school is proposing to locate. <p>Please see <i>Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7</i> for further detail.</p>			

STAFF ASSESSMENT

I. ACTION PROPOSED

Staff recommends denial of the charter petition for Equitas Academy 7 (“Charter School”). The school is proposed to be located in Board District 5 and Local District Central, for five (5) years beginning July 1, 2022 – June 30, 2027, to serve 100 students in grades TK-8 in the first year of operation, and up to 1,000 students in grades TK-12 by the end of the charter term.

II. CRITERIA FOR NEW PETITIONS

District staff comprehensively reviews each charter petition application to determine whether the school has met the requirements set forth in Education Code section 47605. Staff must determine whether the submitted petition would be reasonably comprehensive, educationally sound, and demonstrably likely to be successfully implemented. The LAUSD Board 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. (Ed. Code, § 47605(c)(1).)
- 2) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition. (Ed. Code, § 47605(c)(2).)
- 3) The petition does not contain the number of signatures required by subdivision (a) [of Section 47605]. (Ed. Code, § 47605(c)(3).)
- 4) The petition does not contain an affirmation of each of the conditions described in subdivision(e) [of Section 47605]. (Ed. Code, § 47605(c)(4).)
- 5) The petition does not contain reasonably comprehensive descriptions of the 15 elements set forth in Section 47605, subdivision (c)(5). (Ed. Code, § 47605(c)(5).)
- 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 I of the Government Code. (Ed. Code, § 47605(c)(6).)
- 7) The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate. (Ed. Code, § 47605(c)(7).)
- 8) The school district is not positioned to absorb the fiscal impact of the proposed charter school. (Ed. Code, § 47605(c)(8).)

Please see the *LAUSD Policy and Procedures for Charter Schools* for more information.

III. GENERAL SCHOOL INFORMATION

A. School History

	Equitas Academy 7
Initial Authorization:	Not Applicable
Most Recent Renewal:	Not Applicable
Approved Material Revisions of Current Charter:	Not Applicable
Board Benchmarks in Current Charter Term:	Not Applicable
Submission of New Petition Application:	The District commenced processing of the new petition application on September 8, 2022. The 90-day statutory timeline for Board action on the petition runs through December 7, 2022.

B. Educational Program

	Equitas Academy 7
Key Features of Educational Program:	<p>Equitas Academy 7 proposes to offer a TK-12 educational program, which includes the following features:</p> <ul style="list-style-type: none"> ◆ TK-12 Blended Learning Model focusing on opportunities for students to interact with online content through a fluid student schedule, which will allow for nonclassroom-based settings, and will provide access to special services and supplemental programs. ◆ Students will experience Social Emotional Learning (SEL) supports and counseling throughout the school day. Counseling supports will also include access to high school and college counseling. ◆ Classroom instruction and environments will reflect the school’s commitment to diversity, equity, and anti-racism. The learning space in the classroom will promote the students’ academic development, citizenship, and life skills.
Master Plan for English Learners and Standard English Learners:	<p>Equitas Academy 7 plans to implement its own Master Plan for English Learners and Standard English Learners which includes the following features:</p> <ul style="list-style-type: none"> ◆ Teachers will implement daily designated and integrated English Language Development (ELD) instruction based on a structured English immersion (SEI) program, which entails vocabulary building, academic English development, peer learning, and progress monitoring.

	Equitas Academy 7
	<ul style="list-style-type: none"> ♦ The school proposes to use level-guided reading groups, intentional language scaffolds, frequent assessments and feedback, and reading interventions to support English Learners (ELs) in developing their listening, speaking, reading and writing skills. <p>(The <i>Equitas Academy English Learner Master Plan</i> identifies grades TK-8, but does not address English Learners in grades 9-12).</p>
Special Education SELPA	Equitas Academy 7 has not indicated its intent regarding a Special Education Local Plan Area (SELPA) selection.

C. Student Enrollment and Population

Equitas Academy 7 proposes to serve students at 1612 Pico Blvd., Los Angeles, CA 90015.

D. Charter School Operator

Equitas Academy 7 proposes to be operated by Equitas Academy Charter School, Inc., a California nonprofit public benefit corporation that also operates six other LAUSD-authorized charter schools.

IV. STAFF REVIEW AND ASSESSMENT

Based on a comprehensive review of the new petition application, staff has determined that the charter school has not met the standards and criteria for approval. Staff analysis includes the following:

A. Does the new petition include a sound educational program, a reasonably comprehensive description of the 15 elements required for petitions, an affirmation of each of the conditions described in Education Code section 47605(e), and are petitioners likely to successfully implement the program set forth in the petition?

No, for reasons more fully set forth in the *Findings of Fact in Support of Denial of the New Petition for Equitas Academy 7*, petitioners have not fully met these criteria.

1. *Student Achievement and Educational Performance*

a. Summary

As a proposed new charter school, Equitas Academy 7 does not have a record of performance in this category.

b. Measurements of Academic Performance on the California School Dashboard

Not Available

c. English Language Arts Academic Indicator

Not Available

d. Math Academic Indicator

Not Available

- e. English Learner Progress Academic Indicator
Not Available
- f. Standardized Assessments Participation Rates
Not Available
- g. College/Career Academic Indicator
Not Available
- h. Suspension Rate Indicator
Not Available
- i. Graduation Rate Indicator [HS Only]
Not Available
- j. Chronic Absenteeism Indicator
Not Available
- k. English Learner Performance
Not Available

2. ***Annual Oversight Results***

a. Student Achievement and Educational Performance

As a proposed new charter school, Equitas Academy 7 does not have a record of performance in this category. However, Equitas Academy Charter School, Inc. currently has six schools authorized by the LAUSD Board of Education with a record of performance in this category.

Due to the COVID-19 pandemic, state law suspended the reporting of state indicators on the 2021 Dashboard. Accordingly, a *No Rating* was issued in the Student Achievement and Educational Performance category for the 2021-2022 Annual Performance-Based Oversight Reports.

On the 2020-2021 Annual Performance-Based Oversight Reports, Equitas Academy Charter (TK-4), Equitas Academy 2 (5-8), Equitas Academy 3 Charter (TK-4), and Equitas Academy 4 (5-8) earned the rating of *Proficient* in the area of Student Achievement and Educational Performance. In 2020-2021, Equitas Academy 5 (TK-4) received a *No Rating* score in the area of Student Achievement and Educational Performance due to slow growth roll out plan resulting in lack of testing data for those grade levels. Equitas Academy 6's *No Rating* was a result of the charter school commencing operations in the second year of the charter term which was 2020-2021.

b. Governance

As a proposed new charter school, Equitas Academy 7 does not have a record of performance in this category. However, the LAUSD authorized charter schools under Equitas Academy Charter School, Inc. earned a rating of *Accomplished* in both 2020-2021 and 2021-2022.

c. Organizational Management, Programs, and Operations

As a proposed new charter school, Equitas Academy 7 does not have a record of performance in this category. However, the LAUSD authorized charter schools under Equitas Academy Charter School, Inc. earned a rating of *Accomplished* in 2020-2021 and *Proficient* in 2021-2022.

i. Access and Equity

Not Available

ii. Special Education

Not Available

iii. Additional Information

Equitas Academy Charter School, Inc. currently operates six charter schools authorized by the LAUSD Board of Education:

- Equitas Academy Charter (TK-4) which the state has identified as Middle performing (based on the CDE 2020 classification).
- Equitas Academy 2 (5-8) which the state has identified as Middle performing (based on the CDE 2020 classification).
- Equitas Academy 3 Charter (TK-4) which the state has identified as Middle performing (based on the CDE 2020 classification).
- Equitas Academy 4 (5-8) which the state has identified as Middle performing (based on the CDE 2020 classification).
- Equitas Academy 5 (TK-4) does not have a performance classification.
- Equitas Academy 6 (TK-4) does not have a performance classification.

d. Fiscal Operations

As a proposed new charter school, Equitas Academy 7 does not have a record of performance in this category. On the 2020-2021 and 2021-2022 Annual Performance-Based Oversight Reports, Equitas Academy Charter (TK-4), Equitas Academy 2 (5-8), Equitas Academy 3 Charter (TK-4), and Equitas Academy 4 (5-8) earned the rating of *Accomplished* in the area of Fiscal Operations. Equitas Academy 5 (TK-4) earned the rating of *Proficient* for both years. Equitas Academy 6 (TK-4) earned the ratings of *Developing* and *Proficient* on its Annual Performance-Based Oversight Reports for the past two years. The rating of *Developing* was a result of the charter school being in its first year of operation.

3. *Fiscal Management and Performance*

As a proposed new charter school, Equitas Academy 7 does not have a record of performance in this category. Please see *Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7* for further detail.

a. Summary

Not Applicable

b. Fiscal Condition

Not Applicable

c. 2020-2021 Independent Audit Report

Not Applicable

d. Other Significant Fiscal Information

According to Equitas Academy Charter School, Inc.'s independent audit report for the fiscal year ended June 30, 2021, Equitas Academy Charter School, Inc., its related entities, and its charter schools reported positive net assets of \$12,054,005 and net income of \$1,833,214. Equitas Academy Charter School, Inc. without its related entities and its charter schools, reported negative net assets of (\$1,173,152) and a net loss of (\$815,742). Equitas Academy Charter School, Inc. attributes the reported net loss in Fiscal Year 2020-2021 to additional expenses and consulting fees resulting from the COVID-19 pandemic. Equitas Academy Charter School, Inc. attributes the negative net assets in Fiscal Year 2020-2021 primarily to the PPP loan proceeds of \$2,580,023 that were recorded as liabilities on Equitas Academy Charter School, Inc.'s books in the 2020-2021 fiscal year, but were subsequently forgiven and recognized as income in the 2021-2022 fiscal year. Equitas Academy Charter School, Inc.'s 2020-2021 independent audit report reflects net operational income, and positive net assets as of June 30, 2021, for its existing Equitas charter schools:

- (1) Equitas Academy Charter (first year of operation: 2009-2010)
- (2) Equitas Academy 2 (first year of operation: 2013-2014)
- (3) Equitas Academy 3 Charter (first year of operation: 2015-2016)
- (4) Equitas Academy 4 (first year of operation: 2017-2018)
- (5) Equitas Academy 5 (first year of operation: 2019-2020)
- (6) Equitas Academy 6 (first year of operation: 2020-2021)

According to Equitas Academy Charter School, Inc., the Equitas schools under the organization's management pay annual management fees ranging from 8% to 18% to Equitas Academy Charter School, Inc. for administrative services such as: executive leadership, external relations and communications, grant writing, compliance and oversight, fiscal management, talent recruitment, contract agreements, student data systems, and human resources. These management fees are calculated based on each Equitas school's enrollment and growth stage on an annual basis.

Equitas Academy 7's budget and cash flow projections submitted with its new petition project positive net income and cash balances for the first five years of operation. Equitas Academy 7 provided supporting documentation for the proposed school's startup funds, which the petitioner indicates will consist of proceeds from the charter operator's Line of Credit with Charter Impact Partners in the amount of \$400,000, as reflected in the budget submitted with the petition.

B. Does the Petition Contain a Declaration of Whether or Not the Charter School Shall Be Deemed the Exclusive Public Employer of the Employees of the Charter School Community?

This criterion has not been determined to be a finding.

C. Is the Charter School Demonstrably Likely to Serve the Interests of the Entire Community?

No, for reasons more fully set forth in the *Findings of Fact in Support of Denial of the New Petition for Equitas Academy 7*, petitioners have not met this criteria.

Pursuant to Education Code section 47605(c)(7) and the *LAUSD Policy and Procedures for Charter Schools*, this analysis considered the fiscal impact of the proposed new charter school; the extent to which the proposed new charter school would substantially undermine existing services and academic offerings or programmatic offerings; whether the proposed new school would duplicate a program currently being offered in reasonable proximity; and whether the school district is positioned to absorb the fiscal impact of the proposed new charter school.

Community and Schools within the Community

Per the *LAUSD Policy and Procedures for Charter Schools*, “community” includes families and individuals who reside, work, and/or are served in the identified geographical area, and all public schools (District and charter), serving similar grade levels as the proposed new charter school. The identified geographical area will be based on LAUSD Community of Schools and neighborhoods within a three-mile radius from the location identified by the petitioners of the proposed new charter school. Thus, petitioners will consider the existing District and charter schools operating within the Community of Schools and three-mile radius.

Analysis of data provided by the Office of Master Planning and Demographics (MPD), reveals that there are 150 existing schools within the community as defined above (93 District schools and 57 charter schools).

1. Enrollment Trends of the Existing District and Charter Schools

For more information, please refer to the *Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7* for further detail.

2. Fiscal Impact

For more information, please refer to the *Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7* for further detail.

3. Additional Considerations

a. Community Engagement

Per the *LAUSD Policy and Procedures for Charter Schools*, the petitioners must provide documented evidence of transparent, inclusive, and active community engagement activities with parents in the community, existing public schools, neighborhood councils, community-based organizations, and elected representatives within the targeted community which the charter school seeks to locate. As part of the submitted materials, Petitioners are to include publicly disclosable information/documentation of the stakeholders’ responses (to the extent possible) and a summary of the responses received from stakeholders as part of the petitioner’s assessment of the impact to the community, which will be shared with the LAUSD Board.

Please see *Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7* for further detail.

b. Academic Performance

To assess the current academic performance levels of the existing Schools Within the Community (SWC), consisting of 93 District schools and 57 charter schools (not including Equitas Academy 7) that serve any of the same grade levels proposed to be served by the Charter School, staff reviewed the record of performance on the applicable 2019 California School Dashboard indicators both schoolwide and for each numerically significant subgroup served as compared to state averages.

Performance Levels of Schools within the Community Compared to State Averages:

Comparison of the Schools within the Community to the state averages on the seven applicable 2019 California School Dashboard indicators schoolwide, revealed the following performance:

- ELA: 33 of 145 SWC are outperforming the state average DFS of -2.5
- Math: 47 of 145 SWC are outperforming the state average DFS of -33.5
- ELPI: 52 of 143 SWC are outperforming the state average of 48.3%
- Chronic Absenteeism: 24 of 114 SWC are outperforming the state average of 10.1% (have a rate lower than 10.1%)
- Suspension: 142 of 151 SWC are outperforming the state average of 3.4% (have a rate lower than 3.4%)
- Graduation Rate: 20 of 39 SWC are outperforming the state average of 85.8%
- College and Career Indicator (CCI): 18 of 39 SWC are outperforming the state average of 44.1%

In summary, the majority of the SWC underperformed the state in 5 of 7 of the applicable indicators (ELA, Math, ELPI, Chronic Absenteeism, and CCI). Please see *Equitas Academy 7's Schools within the Community Data Set*.

SWC Subgroup Medians Comparison to State Averages:

The SWC's numerically significant subgroups include the Asian, Black or African American, English Learner, Filipino, Homeless, Latino, Socioeconomically Disadvantaged, Students with Disabilities, Two or More Races, and White subgroups. Comparison of the SWC's numerically significant subgroup median to the state averages on the seven applicable 2019 California Schools Dashboard indicator, revealed the following: [ELPI is not included in this analysis, as it applies to only one subgroup and is already considered in the schoolwide analysis.]

Schools within Community Medians Subgroup	ELA		Math		Chronic Absenteeism		Suspension		Graduation Rate		CCI	
	SWC	State	SWC	State	SWC	State	SWC	State	SWC	State	SWC	State
Asian	+32.4	+64.8	+43.1	+59.8	--	3.7%	--	1.0%	--	93.9%	--	74.0%
Black or African American	-45.2	-47.6	-74.1	-87.9	--	20.6%	--	8.8%	--	78.6%	--	23.7%
English Learner	-53.7	-45.1	-65.4	-68.6	13.1%	9.9%	0.0%	3.1%	--	72.6%	--	16.8%
Filipino	+12.4	+46.7	+9.1	+18	--	5.2%	--	1.3%	--	93.9%	--	64.5%
Homeless	-86.6	-46.7	-96.3	-77.7	--	21.1%	--	6.2%	--	77.7%	--	25.9%
Latino	-29.8	-26.6	-55.0	-62.2	14.5%	11.0%	0.1%	3.5%	90.0%	83.7%	44.9%	36.1%
Socioeconomically Disadvantaged	-30.2	-30.1	-53.4	-63.7	15.0%	12.9%	0.2%	4.3%	89.2%	83.2%	46.0%	35.8%
Students with Disabilities	-109.5	-88.1	-127.9	-119.4	20.8%	16.3%	0.0%	6.2%	--	70.6%	--	10.8%
Two or More Races	+64.4	-10.0	+23.1	+2.5	--	9.8%	--	3.3%	--	86.9%	--	49.7%
White	+72.0	+30.7	+34.4	+1.4	--	8.1%	--	2.9%	--	89.1%	--	53.8%
Number of Outperforming Numerically Significant Subgroups	3	7	6	4	0	4	4	0	2	0	2	0

--Number of students counted for this indicator were <30, therefore total # of subgroups comparisons varied by indicator

As seen in the table above:

- ELA: 3 of 10 SWC numerically significant subgroups medians outperformed the state subgroup average performance
- Math: 6 of 10 SWC numerically significant subgroups medians outperformed the state subgroup average performance
- Chronic Absenteeism: 0 of 4 SWC numerically significant subgroups medians outperformed the state subgroup average performance
- Suspension: 4 of 4 SWC numerically significant subgroups medians outperformed the state subgroup average performance
- Graduation Rate: 2 of 2 SWC numerically significant subgroups medians outperformed the state subgroup average performance
- CCI: 2 of 2 SWC numerically significant subgroups medians outperformed the state subgroup average performance

In summary, the SWC's numerically significant subgroups outperformed the state in 4 of the 6 applicable indicators (Math, Suspension, Graduation Rate, and CCI). Please see *Equitas Academy 7's Schools within the Community Subgroup Medians Data Set*.

c. Facilities Plan

Please see *Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7* for further detail.

4. *Duplication of Programs*

Please see *Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7* for further detail.

Community Impact Analysis Conclusion

Taken as a whole, and balancing various factors, and for reasons more fully set forth in the *Findings of Fact in Support of the Denial of the New Charter Petition for Equitas Academy 7*, Staff assesses that Equitas Academy 7 is demonstrably unlikely to successfully serve the interests of the entire community in which it proposes to locate.

ATTACHMENT E

**FINDINGS OF FACT IN SUPPORT OF DENIAL OF THE
NEW CHARTER PETITION FOR
EQUITAS ACADEMY 7
BY THE LOS ANGELES UNIFIED SCHOOL DISTRICT**

BOARD OF EDUCATION REPORT 101-22/23

Date: November 15, 2022

I. BACKGROUND

Equitas Academy 7 (“Charter School” or “Petitioner”¹) submitted its charter school petition (“Petition”) and supporting materials to the Charter Schools Division (“Staff”) of the Los Angeles Unified School District (“LAUSD” or “District”), seeking to open a new charter school within the geographic boundaries of the LAUSD intending to serve 100 students in grades TK-8 in the first year and up to 1,000 students in grades TK-12 by the fifth year of the charter school’s operations. The Charter School proposes to serve students in the community of Koreatown/Pico-Union, in and around ZIP code 90015, which is served by Board District 5, and Local District Central. The Petition proposes a five-year term from July 1, 2022 – June 30, 2027. (*See Exhibit 1, Equitas Academy 7 Charter School Petition, pg. 6.*)

In accordance with the Charter Schools Act (Ed. Code § 47600 et seq.) and the adopted *LAUSD Policy and Procedures for Charter Schools* (“District policy”), within 60 days of receipt of the new petition application, the LAUSD Board shall hold a public hearing for the LAUSD Board to consider the level of support for the petition by teachers employed by the LAUSD, other employees of the LAUSD, and parents, as directed by Education Code section 47605(b). Within 90 days of receipt of the new petition, the LAUSD Board shall hold a public hearing at which it will either grant or deny the new petition. Petitioner shall have equivalent time and procedures to present evidence and testimony to respond to the staff recommendations and findings. (Ed. Code, § 47605(b).) The District will publish the Superintendent’s recommendation, and any written findings required to support the recommendation, at least 15 days prior to the LAUSD Board meeting at which it will act on the new petition. (Ed. Code, § 47605(b).)

Based on review of the application for the new petition and supporting materials relating to Petitioner’s request to establish a new school within the LAUSD’s boundaries, the District has substantial concerns with the Petition, as presented. The discussion below outlines the applicable law and criteria for evaluating new petitions and analysis concerning whether the Petitioner’s request satisfies the requirements under the Charter Schools Act and District policy.

II. SUMMARY OF APPLICABLE LAW AND DISTRICT POLICY FOR EVALUATING NEW PETITIONS

In determining whether to grant or deny a new charter petition, the LAUSD Board must carefully review the proposed charter application, consider public input, staff’s professional judgment, recommendations and reports, and criteria established by law, including the academic needs of

¹ “Petitioners” include a lead petitioner or other authorized person(s) on behalf of the organization that submits a petition to the District seeking to establish a charter school.

pupils the school proposes to serve. (*See* Ed. Code, § 47605(c); *See also*, 5 C.C.R. § 11967.5.1.) A new charter petition shall only be denied if the LAUSD Board makes written factual findings specific to the petition setting forth facts to support that one or more of the following findings exist:

- 1) The charter school presents an unsound educational program for the students to be enrolled in the charter school. (Ed. Code, § 47605(c)(1).)
- 2) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition. (Ed. Code, § 47605(c)(2).)
- 3) The petition does not contain the number of signatures required by Education Code section 47605(a). (Ed. Code, § 47605(c)(3).)
- 4) The petition does not contain an affirmation of each of the conditions described in Education Code section 47605(e). (Ed. Code, § 47605(c)(4).)
- 5) The petition does not contain reasonably comprehensive descriptions of the 15 elements in a charter petition. (Ed. Code, § 47605(c)(5).)
- 6) The petition does not contain a declaration as to whether or not the charter school shall be deemed the exclusive public school employer of the school's employees for purposes of collective bargaining pursuant to Government Code sections 3540-3549.3. (Ed. Code, § 47605(c)(6).)
- 7) The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate. (Ed. Code, § 47605(c)(7).)
- 8) The LAUSD is not positioned to absorb the fiscal impact of the proposed charter school. The LAUSD satisfies this paragraph if it has a qualified interim certification pursuant to Section 1240 and the county superintendent of schools, in consultation with the 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 1240, has a negative interim certification pursuant to Section 1240, or is under state receivership. Charter schools proposed in the LAUSD satisfying one of these conditions shall be subject to a rebuttable presumption of denial. (Ed. Code, § 47605(c)(8).)

III. BASIS OF FINDINGS OF FACT AND STAFF RECOMMENDATION

Based on a comprehensive review of the Petition and its supporting materials, Staff recommends that the LAUSD Board deny the proposed Charter School's Petition and adopt these *Findings of Fact in Support of Denial of the New Charter Petition for Equitas Academy 7* based on the following grounds:

- The Petitioners are demonstrably unlikely to successfully implement the educational program set forth in the Petition.

- The Petition does not contain reasonably comprehensive descriptions of all required elements.
- The Charter School is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate.

The analysis below contains the findings assessing the sufficiency of the Petition. Staff identified various areas of concern, and for the reasons set forth in more detail below, recommends **denial** of the Petition.

A. Petitioner is Demonstrably Unlikely to Successfully Implement the Program Set Forth in the Petition

Pursuant to District policy, in evaluating whether a petitioner is demonstrably likely or unlikely to successfully implement the program set forth in the charter petition,² the LAUSD Board will assess a variety of factors, including but not limited to:

- Petitioner’s past history of involvement in charter schools or other education agencies (public or private), as one the chartering agency would regard as unsuccessful.
- Evidence that petitioners are familiar with the content of the petition and the requirements of law that would apply to the proposed charter school.
- The financial and operational plan for the proposed charter school, including the structure for providing administrative services and criteria for selection of contractors.
- Insurance (e.g., general liability, workers’ compensation, and other necessary insurance of the type and in the amounts required for an enterprise of similar purpose and circumstance). Specifically, petitioner must have the required insurance coverage and limits policy endorsing the Los Angeles Unified School District and Board of Education as named additional insureds.
- The types and potential location of facilities needed to operate the size and scope of educational program proposed in the charter.
- The petitioners’ background and experience in areas critical to the charter school's success, including curriculum, instruction, assessment, finance, and the petitioner’s plan to secure the services of individuals who have the necessary background and experience in these areas.

² The policy for "demonstrably unlikely to successfully implement the program" includes factors and guidance promulgated by the State Board of Education. (*See* 5 C.C.R. § 11967.5.1.)

1. Proposed Charter School Has Not Presented Evidence of Certificate of Occupancy to Occupy the Potential Location of Facilities

Charter schools occupying non-LAUSD facilities must, prior to use, provide the District with a current Certificate of Occupancy or equivalent document issued by the applicable permitting agency allowing the charter school to use and occupy the site as a charter school for its intended purpose (i.e., applicable grade levels).³ Petitioner states that the proposed Charter School will be located on a private site (i.e., non-District facility at 1612 W. Pico Blvd, Los Angeles, CA 90015) (“Private Site”) with Equitas Academy 5 and Equitas Academy 6 on the same site. Petitioner also states that the proposed Charter School would serve grades TK-8 in Year 1, as specified in the Petition’s enrollment plan. However, the Petitioner produced a temporary Certificate of Occupancy only authorizing usage of the private site for an elementary school, grades TK-5. In order for the Charter School to occupy and use the potential site for its intended purpose, the Petitioner is obligated to provide an updated Certificate of Occupancy to the District. The Petitioner did not present any evidence authorizing the occupancy and appropriate use of the Private Site.

2. Petitioner Has Not Demonstrated the Capacity to Successfully Implement the Proposed High School Educational Program and a Blended Learning, Independent Study and/or Online Instructional Option

Based on the organization’s record and experience in offering instruction to students and Petitioner’s lack of participation at the Capacity Interview to address Staff’s questions and concerns regarding the proposed educational program, Staff has determined the Petitioner is unlikely to successfully implement the educational program pursuant to applicable legal and District policy requirements. (*See* Ed. Code, § 47605(c)(2); *See also* District policy, pgs. 8-9.) Here, none of the currently LAUSD authorized six (6) operated Equitas Academy schools offer a high school program (9th-12th) or an instructional or educational model comparable to the blended learning, independent study and/or online option that the proposed Charter School desires to launch. Aside from the minimal information presented in the Petition regarding the educational program, Staff needed to obtain additional information regarding the Petitioner’s background and experience in these areas, among others, to make an appropriate assessment regarding the school’s capacity to successfully implement the program.

While the capacity interview is one factor considered when making a determination regarding the capacity to successfully implement the program, per District policy, Petitioner rejected the opportunity (offered by the District) to engage in the capacity interview to independently demonstrate the relevant experience and expertise to carry out the proposed program, stating their perspective that the organization has a sufficient record to demonstrate its capacity (*See* Exhibit 2, Response to Capacity Interview Equitas Academy 7.) Although petitioners who currently operate charter schools in the LAUSD with a demonstrated track record of successful operations may not necessitate a capacity interview (pursuant to District policy), as noted above, the organization has

³ District policy further specifies that charter schools are responsible for ensuring compliance with all applicable building codes, standards, and regulations adopted by the city and/or county agencies with jurisdiction to enforce building and safety standards for the school site, as well as federal and state accessibility requirements, and all other applicable fire, health, and structural safety and access requirements. Charter schools must maintain records documenting such facilities compliance that are readily accessible.

not demonstrated successful school performance in offering a high school program (9th-12th), and a blended learning, independent study and/or online option. As such, Petitioner choosing not to participate in the capacity interview has left open many questions and concerns for Staff concerning the Petitioner's ability to implement the program.

3. Definition, Description, and Implementation of Nonclassroom-Based Instruction is Unclear

Petitioner did not provide reasonably comprehensive information concerning whether the proposed educational program's blended learning, independent study and/or online options are expected to be implemented pursuant to applicable legal requirements (*See* Exhibit 1, Equitas Academy 7 Charter School Petition, pgs. 14, 19-21, 33.) Upon review of the Petition, Staff was unable to determine if the nonclassroom-based educational program is in compliance with Education Code. California law states that no new charter school approved between January 1, 2020 and January 1, 2025 may offer nonclassroom-based instruction. (Ed. Code, § 47612.7.)⁴ The Education Code defines "nonclassroom-based instruction" as instruction that does not meet the requirements of classroom-based instruction in that at least 80 percent of the instructional time offered by the charter school will be at the schoolsite; and that the charter school will require the attendance of all students for whom a classroom-based apportionment is claimed at the school site for at least 80 percent of the minimum instructional time required to be offered. (Ed. Code, § 47612.5.) For example, Petitioner proposes to offer independent study to students who "have barriers to attendance onsite" (*See* Exhibit 1, Equitas Academy 7 Charter School Petition, pg. 14), but fails to describe how such requirement would be consistent with Education Code section 51745.⁵ Another example is that Petitioner proposes to offer blended learning⁶ where "a student learns at least in part through online learning" (*See* Exhibit 1, Equitas Academy 7 Charter School Petition, pg. 20), but does not indicate or clarify whether the requirements for in-person instruction would be met to avoid qualifying as nonclassroom-based instruction.

4. The Petitioner's Proposed TK-12 Educational Program Is Not Clearly Supported by its Submitted Budget

Staff determined the Petition does not clearly outline how the proposed budget will staff and support its TK-12 educational program. In Year 1, as identified in the Petition, the proposed Charter School is budgeting 4.25 certificated teachers for 100 TK-8 students (4 Full Time

⁴ This section was initially added by Assembly Bill 1505 [Chaptered 486, Statutes of 2019], which was approved by the Governor on October 3, 2019, and then amended by AB 130 Section 58 [Chaptered 44, Statutes of 2021], which was approved by the Governor on July 9, 2021.

⁵ Education Code section 51745 specifies that educational opportunities offered through independent study may include, but shall not be limited to, the following: (1) Special assignments extending the content of regular courses of instruction. (2) Individualized study in a particular area of interest or in a subject not currently available in the regular school curriculum. (3) Continuing and special study during travel. (4) Volunteer community service activities and leadership opportunities that support and strengthen pupil achievement. (5) Individualized study for a pupil whose health would be put at risk by in-person instruction, as determined by the parent or guardian of the pupil, or a pupil who is unable to attend in-person instruction due to a quarantine due to exposure to, or infection with, COVID-19, pursuant to local or state public health guidance.

⁶ The California Department of Education (CDE) defines blended learning as a "combination of in-person and distance learning." (*See* [blended learning](#))

Equivalent [FTE] teachers/0.25 Resource Specialist Program [RSP] teacher). The Petition does not provide information on how 4.25 FTE teachers will provide instruction for 100 TK-8 students.

Further, in Year 2 as identified in the Petition, the proposed Charter School states the school will serve 30 grade 9 students, in addition to 180 grade TK-8 students, with 7.5 teachers (6 FTE teachers/1 Enrichment teacher/0.50 RSP teacher). It is unclear how the proposed Charter School will sustain a TK-9 educational program for 210 students with 7.5 teachers in Year 2 given the teaching credential requirements for secondary grade levels and the stated proposed Charter School's grade 9-12 educational program. The proposed Charter School's grade 9-12 educational program requires 22 high school courses with students completing an average of 5.5 courses per grade level (*See Exhibit 1, Equitas Academy 7 Charter School Petition, pg. 35.*) However, due to the number of required high school courses, the proposed Charter School will need a number of teachers with single subject teaching credentials beyond the number of budgeted teachers for the TK-12 educational program. The Petition provides no information on how the budget will sustain necessary teachers and staff for the high school grade levels.

B. The Petition Does Not Contain Reasonably Comprehensive Descriptions of all of the Fifteen Elements Set Forth in the Petition

A new petition must contain a reasonably comprehensive description of each of the 15 elements required by Education Code section 47605(c)(5). Reasonably comprehensive descriptions are expected to be substantive, address all aspects of the elements, and be specific to the petition being proposed.⁷ The Petition does not contain reasonably comprehensive descriptions in compliance with the law, as discussed in greater detail below.

1. Educational Program (Element 1)

The Petition lists Career Technical Education (CTE) Pathways as a part of the Local Control Funding Formula (LCFF) Table within Priorities 4 and 6, but CTE is not addressed in the Petition narrative (*See Exhibit 1, Equitas Academy 7 Charter School Petition, pgs. 39-49.*) Additionally, the Petition identifies Advanced Placement (AP) courses as a part of the LCFF Table within Priorities 4 and 6, but the AP curriculum and instruction are not addressed in the Petition narrative (*See Exhibit 1, Equitas Academy 7 Charter School Petition, pgs. 38-49.*)

As related to both CTE and AP courses, the Petition narrative does not contain reasonably comprehensive descriptions⁸ of these essential components and Staff is unable to assess and determine whether the proposed program and course offerings will be implemented in accordance with applicable legal requirements and in a manner that will provide educational benefits to students. Also, these specialized academic programs may influence the College and Career Indicator (CCI) in the California Dashboard and, as such, should be clearly described in the Petition.

⁷ The policy for "reasonably comprehensive" includes factors and guidance promulgated by the State Board of Education. (*See 5 C.C.R. § 11967.5.1.*)

⁸ Annually, the LAUSD Charter Schools Division publishes a *New Independent Charter School Petition Application Guide* to provide petitioners with clear information regarding what the District considers to be a "reasonably comprehensive" petition.

Also, the Petition does not contain a reasonably comprehensive description of the “A Typical Day” needed to deliver the proposed educational program and satisfy the statutory requirements set forth in Education Code section 47605 as well as the expectations outlined in the *New Independent Charter School Petition Application Guide (Application Guide, pg. 20)*. Here, the proposed Charter School plans to offer programs that have not historically been available at the other existing Equitas Academy schools. Particularly, programs such as CTE Pathways, AP courses, and Blended Learning are not currently a part of the educational program for the Equitas Academy schools. Therefore, the “A Typical Day” section of the Petition would offer insight into the Petitioner’s plan to implement the program, as noted in Section A above, and the lack of specificity of this information in the Petition limits the authorizer’s ability to determine, and parents/stakeholders to be aware of, how the educational program will operate.

The *Equitas Academy English Learner Master Plan* as submitted with the Petition only addressed grades TK-8, and did not address English Learners in grades 9-12 (*See Exhibit 3, Equitas Academy English Learner Master Plan*) Further, it is unclear from the Petition and the English Learner plan as to what English Language Development program will be implemented to address the needs of English Learners. Moreover, the Petition materials reflect a discrepancy in that the LCFF Table within Priority 4 Outcome 2 (*See Exhibit 1, Equitas Academy 7 Charter School Petition, pg. 40*), the Petition states, “EQ7 will implement the Vista Public Schools English Learner Master Plan.”

Further, the Petition is unclear how the 20% nonclassroom-based component and in-person instruction of the educational program will be implemented pursuant to applicable legal requirements and how students in TK-3 grades will participate in the independent study program. The Petition does not contain a reasonably comprehensive description of how the proposed Charter School will operationalize the blended learning, independent study and/or online portion of the educational program for all grade level students (TK-12) in that the Petition; 1) does not identify the online program(s)/platform(s) that its teachers and staff will use and its elementary and secondary level students will rely on for appropriate instruction and learning; and 2) does not identify the grading, monitoring, and accounting systems that the proposed Charter School will use to appropriately track the students’ online instructional (and to the extent applicable, behavioral) progress. Further, the Petition does not describe the trainings and professional development that will be available for teachers and staff as necessary to operationalize the blended learning, independent study and/or online portion of the proposed Charter School’s educational program.

2. Description of the Proposed Charter School’s Means to Achieve Racial and Ethnic Balance (Element 7)

The Petition does not describe how the Charter School will achieve a balance of special education and English Learner students, including redesignated fluent English proficient students, that is reflective of the general population residing within the territorial boundaries of the LAUSD.

3. Description of the Proposed Charter School’s Annual Financial Audits (Element 9)

The Petition does not describe the process that the Petitioner will employ to address and resolve any deficiencies, findings, material weaknesses, or audit exceptions identified in the annual independent financial audit.

C. The Charter School is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate

Pursuant to Education Code section 47605(c)(7), Staff analyzed whether the proposed Charter School is demonstrably likely or unlikely to serve the interests of the entire community in which the Charter School proposes to locate. Staff’s analysis includes consideration of the fiscal impact of the Charter School. Staff analyzed specific facts and circumstances and considered the following factors:

- The extent to which the Charter School would substantially undermine existing services, academic offerings or programmatic offerings; and
- Whether the Charter School would duplicate a program currently offered within the LAUSD 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.

New charter school petitions are considered within the context of existing public school choices in communities. This includes consideration of factors that will help the LAUSD Board, determine how best to meet the educational needs of all students, including but not limited to factors such as efforts to increase student achievement; trends in declining/increasing enrollment; effective use of district facilities and resources; and, needs to achieve adequacy of funding for public schools.

Pursuant to District policy, the Petitioner is required to complete a Community Impact Assessment to address the following areas: identification of the community for the proposed Charter School; facilities plan; evidence of community engagement; enrollment trends; assessment of duplication of existing services, academic offerings or programmatic offerings; consideration of academic performance in the community. Staff examined the reasonableness and comprehensiveness of the Petitioner’s Community Impact Assessment and performed its own analysis.

Based on Staff’s analysis of the Petition and the Petitioner’s Community Impact Assessment, consistent with how best to meet the educational needs of all students, the below information demonstrates that the Charter School is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate.

Staff examines the reasonableness and comprehensiveness of the petitioner’s Community Impact Assessment. Moreover, Staff also analyzes the impact of the proposed new charter school to existing District schools, and to the extent practicable, existing charter schools, in the proposed community. This may include but is not limited to impacts of birth rates, number of school-aged students, and migration in the community of interest, as data are available.

1. The Proposed Charter School Undermines/Impacts Existing Services, Academic Offerings or Programmatic Offerings by the District

a. Enrollment Trends within the Proposed Community

The Community Impact Analysis considers the enrollment trends of the existing District schools and charter schools in the proposed targeted community. Such analysis is necessary to help

determine the need for a new school and the financial viability of the proposed charter school, as well as any impact to existing services, academic offerings or programmatic offerings. If the petitioner submits an application for a new charter school in a community in which under-enrollment among existing District schools and/or charter schools is prevalent, this factor may constitute a significant fact in finding the proposed new charter school has a substantially undermining effect.

Staff review of the 2021-2022 Norm Enrollment data provided by LAUSD's Master Planning and Demographics office (MPD) reveals that 137 of the 150 existing District and charter schools within the community in which the Charter School proposes to locate are under-enrolled in comparison to their current capacity. Moreover, the enrollment data show that the majority of schools are under-enrolled by an average of 122 students (115 schools under-enrolled by 24 students or more, representing 84% under-enrolled schools). As a way to assess the materiality of the under-enrollment, Staff reviews the extent to which the latest Norm Enrollment data reflects a majority of the existing schools are under-enrolled compared to their capacity at a level equal to or greater than the number required to staff a class according to applicable District Norms tables (in this case, 24:1 in grades TK-3,⁹ 27:1 in grades 6-8,¹⁰ and 35.5:1 in grades 9-12¹¹). If a majority of schools fall within this category, Staff deems there to be prevalent under-enrollment in the community.

Enrollment data from Fiscal Years 2019-2020 and 2020-2021 indicate similar under-enrollment trends in the proposed community. Specifically, the enrollment data reflects that a majority of the schools within the community were under-enrolled by 24 students or more, representing 81% and 82% of under-enrolled schools for Fiscal Years 2019-2020 and 2020-2021, respectively.

Based on the data referenced above, the majority of schools within the community are under-enrolled at a level equal to or greater than the number that could impact programmatic offerings (i.e., staffing a class), which indicates prevalent under-enrollment. (*See Exhibit 4, Equitas Academy 7 Schools within the Community List with Enrollment Data.*)

Moreover, the proposed Charter School is planning to locate on the same private site as Equitas Academy 5 and Equitas Academy 6. Staff reviewed the current enrollment of these two schools. Equitas Academy 5 (serving grades TK-4) and Equitas Academy 6 (serving grades TK-4) have not met their Fiscal Year 2021-2022 projected enrollment of 413 and 318 students, per their enrollment roll-out plans included in the schools' approved petitions, representing a shortfall of 302 students (73%), and 162 students (51%), respectively. The under enrollment of Equitas Academy 5 and Equitas Academy 6, which serve the same grade levels at the proposed same campus as Equitas Academy 7 calls into question the need for the proposed Charter School and raises concerns about the ability of Equitas Academy 7 to meet its projected enrollment.

Further, the Petitioner expects Equitas Academy 7 would receive incoming 9th grade students from Equitas Academy 2 (5-8) and Equitas Academy 4 (5-8); "...we expect our 8th graders matriculating for our two middle schools to enter Equitas Academy 7 for the high school option, thus creating a community of schools pattern." (*See Exhibit 5, Community Impact Assessment Equitas Academy 7, pg. 25.*) Based on the Enrollment Rollout Plan in Element 1 (*See Exhibit 1, Equitas Academy 7*

⁹ Elementary Schools Staffing Ratios FY 2022-2023, Page 10, Table 1P ([Link](#))

¹⁰ Middle Schools Staffing Ratios FY 2022-2023, Page 12, Table 2P ([Link](#))

¹¹ High Schools Staffing Ratios FY 2022-2023, Page 15, Table 1P1 ([Link](#))

Charter School Petition, pg. 15), the following seats would be potentially available for incoming 9th graders at Equitas Academy 7:

Table: Projected Space Available for Grade 9 Students at Equitas Academy 7 Based on the Enrollment Roll-Out Plans

Year	Equitas Academy 7 – Proposed Roll-out Plan for Gr. 9	Potential Matriculating Gr. 8 Students from Equitas Academy 7	Potential Matriculating Gr. 8 Students from Equitas Academy 2	Potential Matriculating Gr. 8 Students from Equitas Academy 4	Shortage in Available Seats*
2023-2024	30	15	92	100	177
2024-2025	60	20	92	100	152
2025-2026	75	60	92	100	177
2026-2027	75	75	92	100	192

**Shortage between proposed available grade 9 seats at Equitas Academy 7 and matriculating grade 8 students from Equitas Academy 7, Equitas Academy 2, and Equitas Academy 4*

However, based on Equitas Academy 7’s Enrollment Roll-Out Plan in the Petition, the proposed Charter School has a limited capacity to serve incoming 9th grade students from Equitas Academy 2 (5-8) and Equitas Academy 4 (5-8) as well as surrounding middle schools in the community. Further, by Year 4 of the Petition, the Enrollment Roll-Out Plan assumes incoming 9th grade students will be matriculating from Equitas Academy 7. Accordingly, Equitas Academy 7 does not have projected available seating to accommodate all matriculating 8th grade students from Equitas Academy 2 and Equitas Academy 4.

b. Fiscal Impact to the Community

The proposed Charter School must be analyzed in terms of whether it has a fiscal impact to existing District schools in the proposed target community. Staff’s evaluation of the fiscal impact of the Petition includes, but are not limited to, the following factors:

- Analysis of estimated total revenue losses for existing District schools; and
- Review of estimated impacts to staff positions for the District’s services and programs (e.g., norm-based, custodial positions, teachers, and other school staff) that support the District’s schools in the proposed community (e.g. use of the Electronic School Enrollment Forecast Process (E-CAST) information or the Norm Day enrollment information, whichever is the most current)

If the petitioner submits an application for a new charter school in which there is deemed a substantive fiscal impact to existing District schools in the proposed community, this factor may constitute a fact and circumstance in support of a finding leading to the denial recommendation of the petition.

Staff’s fiscal impact analysis is calculated based on multiple sourced assumptions (as reflected below) to provide a projection of the proposed Charter School’s potential fiscal impact to existing District schools in the proposed target community.

Assuming that approximately 30%¹² of the students who plan to attend the proposed Charter School would have attended an existing LAUSD school, and assuming that the Charter School meets 69%¹³ of its enrollment projections, the expected enrollment loss for the District's schools could be \$509,235 (100 students) in the first year and increasing to \$5,092,353 (1,000 students) by the proposed charter school's fifth year of operation (i.e., Fiscal Year 2026-2027). Staff estimates that the average revenue per student is \$26,171¹⁴ in the 2022-2023 academic school year. Multiplying 21% (30% x 69%) of the expected charter enrollment and approximately 94%¹⁵ District average daily attendance (ADA) ratio by this amount over the period of Charter School's proposed charter term equals to \$14,156,742. Because District revenue is associated with ADA rather than enrollment (*See* 5 C.C.R § 402), the estimated revenue loss is not directly proportional to the number of students who would attend the Charter School. As a result of lower enrollment to the District schools, any loss of revenue may be offset by possible reductions in expenditures, estimated at 10% of the loss of revenue.

Further, and using the same assumptions above, it is also projected/anticipated that correlative District staff reductions will result based on the data. The projected staff reductions for the District schools within the proposed target community could be three teachers for the third year and five teachers by the proposed Charter School's fourth year and fifth year of its proposed charter term.

Based on the above analysis, Staff finds that the overall fiscal impact of Charter School on existing District schools in the proposed target community will be prevalent. Therefore, as established above, the Charter School will have a substantive fiscal impact on existing District schools in the proposed target community.

c. Limited Evidence of Community Engagement

The proposed Charter School must provide documented evidence of transparent, inclusive, and active community engagement activities with parents in the community, existing public schools, neighborhood councils, community-based organizations, and elected representatives within the targeted community in which the proposed new charter school seeks to locate. These shall also include, but are not limited to, Local District and Community of Schools leadership and LAUSD Board of Education member(s) (District Policy, pg. 20).

Equitas Academy 7 provided limited documented evidence of community engagement with stakeholder groups in the community in which the charter school proposes to locate. Staff's review revealed that several links to the evidence included in the Community Impact Assessment were inactive or deleted and other submitted evidence was not specific to Equitas Academy 7. Additionally, the Charter School provided no evidence of community engagement with the following stakeholders: existing public schools, Local District and Community of Schools

¹² Historical average enrollment decline % to District schools due to students transferring to charter schools (from 2010-2011 through FY 2021-2022), per LAUSD's "Final Budget 2022-23" ([Link](#))(Pages 208-210 in the PDF or Section V-7 through V-9)

¹³ Average enrollment realization ratio (as a percentage of the aggregate Norm Enrollment over the aggregate petition enrollment projections) for the new LAUSD-authorized independent charter schools in the most five recent years (Fiscal Years 2017-2018 through 2021-2022)

¹⁴ Per Pupil Revenue Rate based on LAUSD's "Final Budget 2022-23" ([Link](#))(Page 79 in the PDF or Section II-3)

¹⁵ District school attendance rate of 94.3% represents the 3-year cumulative average ADA from 2019-2020 through 2021-2022 based on LAUSD's "Final Budget 2022-23" ([Link](#))(Page 388 in the PDF or SACS Page 126)

leadership, and the Offices of LAUSD Board Members. However, one submitted document demonstrated evidence of engagement with parents in the community about Equitas Academy 7. (See Exhibit 5, Community Impact Assessment Equitas Academy 7, pgs. 14-15; See Exhibit 6, Charter School Parent Guardian Approval Signature Page.)

Overall, Staff's review of the materials provided by the Charter School revealed limited community engagement with some of the stakeholders within the proposed community. Accordingly, and consistent with District policy requirements, the Charter School's community engagement was not transparent, inclusive, and active, and was limited/partial in scope based on the materials submitted as part of the Community Impact Assessment.

2. The Proposed Charter School Duplicates Programs Currently Offered in the District

The Petitioners are required to assess the duplication of existing programs currently offered by existing schools in the LAUSD, as a whole. Such assessment must consider how the charter school's proposed program would duplicate the current program offerings by existing schools. The enrollment trend analysis would inform the extent to which existing District programs (and charter schools) have sufficient capacity to serve the students in the proposed location.

As part of the analysis to determine if the proposed Charter School is demonstrably likely to successfully serve the interests of the entire community in which the school is proposing to locate, Staff reviewed the programs in the community for duplication. The Petitioner asserted in its Community Impact Assessment (See Exhibit 5, Community Impact Assessment Equitas Academy 7, pg. 42) that the following programs are not duplicative in the community:

- K-12 Blended Learning Model
- Social Emotional Learning (SEL)
- Commitment to diversity, equity, inclusion and anti-racism
- Parent partnerships to provide leadership and advocacy training
- Access to high school and college counseling
- Parent engagement program

Based on Staff's review, including feedback from Local District leadership within the community, the above identified features are duplicative programs or features implemented in existing District schools in the community.

While the Petitioner states the educational program offers families "a K-12 blending learning model in the Pico-Union neighborhood" (See Exhibit 5, Community Impact Assessment Equitas Academy 7, pg. 42), as noted above, the Petitioner did not provide a reasonably comprehensive description of the program to assess any significant differentiation.

Staff also considered current capacity and academic achievement information as part of this analysis. Please see above regarding enrollment trends and the Staff Assessment and

Recommendation Report (SARR) regarding existing performance of academic achievement in the community.

Based on the Petitioners' Community Impact Assessment and Staff analysis, there is mostly a duplication of existing programs and the existing programs have sufficient capacity for the students proposed to be served by the Charter School. Moreover, while there are academic needs in the community, as noted in these findings, Petitioner did not provide reasonably comprehensive information concerning whether the proposed educational program's blended learning, independent study and/or online options are expected to be implemented pursuant to applicable legal requirements to demonstrate that the proposed charter school is likely to meet said needs (including not demonstrating in this application process a successful school performance in offering a high school program (9th-12th).)

IV. CONCLUSION

In order to deny the Petition on the grounds set forth above, Education Code section 47605, subdivision (b), requires the Board to make "written factual findings, specific to the particular petition, setting forth specific facts to support one or more" grounds for denying the Petition. The recommendation for denial is based on Staff findings that: (1) The Petitioners are demonstrably unlikely to successfully implement the educational program set forth in the Petition; (2) The Petition does not contain reasonably comprehensive descriptions of all of the fifteen elements set forth in the Petition; and (3) The Charter School is demonstrably unlikely to serve the interest of the entire community in which the school is proposing to locate. Should the Board decide to deny the Petition, Staff recommends that the Board adopt these Findings of Fact as its own. Staff requests that pursuant to the above grounds for denial, the Board adopt these Findings of Fact in accordance with the statutory grounds for denial and deny the Petition for Equitas Academy 7.