



December 6, 2022

**STAFF ANALYSIS AND PROPOSED FINDINGS OF FACT REGARDING REVIEW OF
UNBOUND STOCKTON COMMUNITY SCHOOL CHARTER PETITION APPEAL**

INTRODUCTION

Unbound Stockton Community School (“Unbound Stockton” or “Charter School”) seeks to serve students throughout the city of Stockton with the following mission, *“We work to understand ourselves and our role in the community. We develop the knowledge, skills, and experiences that allow us to choose how to unpack and undo the systems that have divided us and, by learning together, unlock the potential of an unbound community.”* Unbound Stockton requests to serve 300 students across grades 4-8 and would mirror the demographic profile of the city of Stockton.

RECOMMENDATION

On the basis detailed herein and in accordance with the requirements of the Charter Schools Act of 1992, the San Joaquin County Office of Education (“SJCOE”) staff recommends that the Unbound Stockton Charter petition appeal be denied by the San Joaquin County Board of Education (“SJCBOE”).

PROCEDURAL STATUS

The SJCOE received a charter petition (“Petition” or “Charter”) on appeal, from Unbound Stockton Community School on or about September 2, 2022, seeking approval of the Charter for a term of July 1, 2023, through June 30, 2028. Unbound Stockton is appealing the Stockton Unified School District’s (“SUSD”) denial of the Charter. The SJCBOE consideration and action on the Charter is governed by the standards, criteria, and procedures set forth in Education Code Section 47605.

On October 19, 2022, the SJCBOE held a public hearing on the Unbound Stockton Charter petition appeal, consistent with the requirement to do so within 60 days of receipt of the submission of the Charter petition appeal. Per Education Code Section 47605, the SJCBOE has 90 days from receipt of the Charter petition appeal to act, which may be extended by an additional 30 days by mutual agreement. The SJCOE and Unbound Stockton agreed to extend the time for the SJCBOE action by 30 days, through and including January 3, 2023.

The complete Charter that the SJCBOE is acting on is available for review at: <https://bit.ly/UnboundStockton>.

The SJCOE staff appreciates the Unbound Stockton petitioners’ vision, extensive thought, and hard work in developing the Charter with the goal and purpose of serving students and the community. Unbound Stockton’s recognition of the importance of equity and inclusion in providing educational opportunities is laudable. The SJCOE is aware that Unbound Stockton’s efforts and concept have engaged diverse community members and organizations in support of the shared goal of providing all of our students excellent and equitable educational opportunities. While, as detailed in this Staff Analysis, the SJCOE staff believes the Unbound Stockton Charter as currently written includes too many gaps and concerns to be approved in this form, the SJCOE recognizes the value and energy Unbound Stockton’s efforts to date

have brought to the community and encourages continuing engagement and efforts to support our students and the educational opportunities they are afforded.

CRITERIA OF A CHARTER PETITION APPEAL

In considering charter petitions on appeal from district denials, the county board “shall be guided by the intent of the legislature that charter schools are and should become an integral part of the California educational system and that the establishment of charter schools should be encouraged.” The county board is to grant a charter if doing so is consistent with sound educational practice and the interests of the community where the school will locate and is to consider the academic needs of the students the charter school proposes to serve. (Education Code Section 47605(c).)

Education Code Section 47605(k)(1)(A)(ii) provides that the county board of education shall review the petition pursuant to Education Code Section 47605(c), which is the same provision that governs review of the petition by the school district governing board. Additionally, if the district denied the petition on the basis that it is not positioned to absorb the fiscal impact of the charter school, the county board must also review the school district’s finding supporting that determination, but the SUSD did not deny the Unbound Stockton Charter on that basis. (Education Code Section 47605(k)(1)(A)(ii).)

Pursuant to Education Code Section 47605:

- I. The county board must hold a public hearing on the provisions of the charter at which it considers the level of support for the charter by teachers, other employees, and parents/guardians. (Education Code Section 47605(b).)
- II. The county board shall grant a charter appeal 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 proposes to locate. The county board shall consider the academic needs of the pupils the school proposes to serve. The county board shall not deny the charter appeal unless it makes written factual findings, specific to the particular charter, setting forth specific facts to support one or more of the following findings: Education Code Section 47605(c)(1)-(8)
 - A. The charter school presents an unsound educational program for the pupils to be enrolled in the charter school.
 - B. The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.
 - C. The petition does not contain the number of signatures required by Education Code Section 47605(a).
 - D. The petition does not contain an affirmation of each of the conditions described in Education Code Section 47605(e).
 - E. The petition does not contain reasonably comprehensive descriptions of all the required elements.
 - F. 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 the Educational Employees Relations Act (EERA).

- G. The charter school is demonstrably unlikely to serve the interests of the entire community in which the school proposes to locate.
 - H. The school district is not positioned to absorb the fiscal impact of the proposed charter school
- III. The county board is to require the charter petitioner(s) to provide information regarding the proposed operation and potential effects of the proposed school, including but not limited to:
- A. The facilities to be used by the school, including specifying where the charter school intends to locate.
 - B. The manner in which administrative services of the school are to be operated.
 - C. Potential civil liability effects, if any, upon the school, any school district where the charter school may operate and upon the county board of education.
 - D. Financial statements that include a first-year operational budget, including startup costs, and cashflow, and financial projections for the first three years of operation.
 - E. The names and relevant qualifications of all persons whom the petitioner nominates to serve on the charter school nonprofit corporation's Board of Directors.

REVIEW OF THE CHARTER PETITION

The SJCOE staff reviewed the Charter using the criteria established in Education Code Section 47605, as described above. The SJCOE's staff recommendations and recommended findings are set forth below.

- I. The county board must hold a public hearing on the provisions of the charter at which it considers the level of support for the charter by SUSD teachers, other SUSD employees, and parents/guardians. (Education Code Section 47605(b).)

The SJCBOE held a public hearing on the provisions of the Unbound Stockton Charter. A number of people attended the public hearing to show both support for and opposition to the Unbound Stockton Charter. Approximately seven people spoke in support of the Unbound Stockton Charter, including Unbound Stockton's legal counsel, parents, and community members, while approximately four people spoke in opposition to the Charter School, including an SUSD representative and SUSD teachers.

- II. The SJCBOE shall grant the Unbound Stockton Charter appeal if it satisfied that granting the Charter is consistent with sound educational practice and with the interests of the community in which Unbound Stockton proposes to locate. The SJCBOE shall consider the academic needs of the pupils Unbound Stockton proposes to serve. The SJCBOE shall not deny the Charter unless it makes written factual findings, specific to the Charter, setting forth specific facts to support one or more of the following: (Education Code Section 47605(c) (1)-(8).)

1. Unbound Stockton presents an unsound educational program for the pupils to be enrolled in the school.

The petitioners devoted well over 150 pages of the Charter to describing the educational program that they propose to offer at the Charter School. However, the staffing plans in the Charter are inadequate and the

tremendous working expectations placed on the teaching staff in order to implement Unbound Stockton's educational program are so great that Unbound Stockton will not be able to implement the educational program as described in the Charter. The requirements and expectations for the Unbound Stockton teaching staff are so extensive and burdensome that the SJCOE does not believe that Unbound Stockton will be able to hire and retain teachers who are willing to perform the work described in and required by the Charter, particularly in light of the extreme teacher shortage currently affecting all schools statewide, including in San Joaquin County. This staffing concern is exacerbated by the relatively low compensation being offered by Unbound Stockton, as discussed more fully below.

While the SJCOE recognizes the importance of professional development ("PD") and appreciates that Unbound Stockton values PD and proposes extensive training of its teachers in order to be able to provide the contemplated educational program, the PD plan is unrealistic. The Charter provides for 20 full days of PD for new teachers, and 15 full days for returning teachers, prior to the start of the school year. Additionally, teachers will have monthly full-day PD, weekly PD, and two full days of PD at the end of the year, plus optional additional PD. The salary schedule proposed for Unbound Stockton teachers is lower than what teachers could make working for the SJCOE or surrounding districts, but the PD alone adds an extra month of work during the summer for which the teachers are not receiving additional compensation. This level of intensity in PD could also lead to teacher burnout, particularly when combined with the monthly and weekly PD contemplated to continue throughout the school year and the many additional requirements for teaching staff.

Similarly, while teacher collaboration and meeting time is essential to serving students, Unbound Stockton's rigorous requirements and corresponding time commitments, appear to be so time-consuming and burdensome as to likely dissuade teachers from working at Unbound Stockton and/or ultimately to inhibit teachers' ability to creating nurturing classrooms, plan lessons, and grade student work. Every morning staff have a 15-minute morning huddle, followed by 45 minutes of mandatory prep time, and additional teacher meetings four times per week. Teachers also have "independent planning time" three times per week. Teachers will be observed at least once per month, followed by in-person feedback during one-on-one meetings, and may be involved in peer observations and feedback. Again, while each of these concepts is valuable, it is unclear when each of these requirements would be implemented and how there is time for the teachers to complete all of their teaching duties effectively as well as participate in each of these requirements on such a frequent basis.

Unbound Stockton teachers are also required to update parents at minimum weekly about each individual student's progress and performance. Unbound Stockton promises home visits by teachers as well as weekly written communications including information on what is happening at a classroom level, which necessitates teacher input. There will also be quarterly parent nights and workshops, and student-led conferences twice a year, which, again, appear to involve teachers. Unbound Stockton also plans to use associate and resident teachers who will be paired with general education teachers, which in turn will require additional work by the master teacher.

Again, given the teacher shortage and the substantial extra time required of Unbound Stockton teachers, particularly since Unbound Stockton is not paying teachers at premium rates, these mandates appear unrealistic. It will be challenging for Unbound Stockton to attract and retain teachers to perform the level of work required by the Charter, and following the schedule in the Charter, particularly at the relatively low pay rate. Moreover, the extent of mandatory meetings, communications, PD, etc. does not appear to allow adequate time for teachers to carry out ordinary planning, grading, and teaching responsibilities, and take appropriate breaks. Unbound Stockton's educational program is premised on these unrealistic

and overly burdensome requirements, so these shortcomings negatively impact and undermine the educational program as a whole.

As noted above, the Charter’s budget for staffing is low compared to the SJCOE and surrounding school districts, which is particularly concerning given the expectations and required work schedule for teachers and the teacher shortage. More specifically, the Charter School budgeted teaching positions at \$65,000 in year 1, which is the equivalent of the SJCOE’s 2021/22 salary for a teacher with five years of experience and 60 units or eight years of experience and 15 units. While the petitioners asserted that it aligned salaries near the SJCOE’s to be competitive, the SJCOE noted the following ways in which Unbound Stockton’s assumptions actually fall far behind the SJCOE and the salaries are, thus, not actually “competitive”:

- A. The SJCOE’s salary schedule increased by 4.88 percent in 2022/23 to \$68,089.
- B. The SJCOE provides \$4,900 more per year for health and welfare benefits.
- C. The SJCOE’s contracted days of 183 is 25 days less than the 208 total for the Charter School teachers and 30 days less than the 213 total for the new teachers who must work 5 additional days at the Charter School.
- D. Taking the above into consideration, the Charter School’s total daily compensation for salaries and health and welfare is \$351, which is 80 percent of the \$443 daily rate for the benchmark the SJCOE salary and 76 percent of the \$459 daily rate for an SJCOE special education teacher. It is also less than the \$365 total daily compensation of a step 1 column 1 teacher at the SJCOE (BA plus 15 units in their first year).
- E. These discrepancies do not take account of any signing bonuses or compensation increases that may be provided by the SJCOE in 2023/24.

All of these factors taken together make it likely that Unbound Stockton will struggle to attract and retain teachers during this highly competitive time when there is a significant teacher shortage. This in turn would likely result in the Charter School being unable to offer the program described in the Charter.

Additionally, there are issues with some of Unbound Stockton’s plans for serving special populations of students. Issues related to fiscal concerns with the Charter’s plan for complying with the Individuals with Disabilities Education Improvement Act (“IDEIA”) are discussed below. There are also issues with the Charter’s plan for serving English Learners. For example, the support cycle on page 132 of the appeal Charter is for K-3 literacy, but Unbound Stockton proposes to serve grades 4-8. There are specific requirements regarding the English Language Proficiency Assessments for California (“ELPAC”) for reclassification of English Learners for eligible students that are not reflected in the Charter. Once a student is reclassified as fluent English proficient (“RFEP”), the school must monitor them for academic progress – specifically to ensure that the student has not been prematurely exited, that any academic deficit incurred because of learning English has been remedied, and that the student is meaningfully participating in the standard instructional program comparable to their English-only peers. The Charter incorrectly states that RFEP student will be monitored for English Language Development (“ELD”) standards. Moreover, contrary to the plan in the Charter, once a student is RFEP, the school cannot re-administer the ELPAC. Additionally, because Unbound Stockton is not proposing to use State Board of Education-adopted English Language Arts (“ELA”) materials and the ELA curriculum does not have integrated ELD, Unbound Stockton must integrate ELD into the lessons and the Charter is missing the ELD standards.

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

The Petitioners are demonstrably unlikely to successfully implement the program set forth in the Charter due to the substantial issues with the educational program described above, and the omissions from the required charter elements, described below, which are hereby incorporated herein by this reference, as well as the following fiscal, budget, and operational concerns:

The Petition presents a balanced financial plan, whereby revenues exceed expenses and reserves are well above 5 percent in all years. However, as detailed above, employee compensation expenditures appear to be significantly understated. It also appears that the startup budget and ongoing operations expenses are understated and cashflow projections do not properly account for the timing of expenses and revenues. Additionally, some discrepancies between the plan narrative and supporting budget were noted. The inclusion of these unbudgeted expenses and cashflow adjustments would negatively impact the budget and available cash, creating concern that Unbound Stockton may not be able to implement the program set forth in the Petition for the following reasons:

- A. Employee compensation expenditures in total may be understated by 21 percent or more. Budget adjustments of this magnitude would consume most, or in some cases more than the projected budget surpluses, dependent on school year.
- B. The Charter School has not identified and secured a facility. It plans to rent space in downtown Stockton and describes its basic facility needs. The budget includes facilities costs as follows:

Classroom Furniture, Equipment & Supplies	\$ 30,000	\$ 15,600	\$ 16,224	\$ 8,436	\$ 8,774	\$250/new student
Rent	\$120,000	\$187,200	\$259,584	\$303,713	\$350,958	\$1000/student
Repairs and Maintenance - Building	\$ 6,000	\$ 9,360	\$ 12,979	\$ 15,186	\$ 17,548	\$50/student

- C. Based on the above and the facilities needs as specified in the Charter, rent is set at approximately \$1/square foot per month, which is accurate for the target area. However, there appears to be nothing budgeted for tenant improvements. (While it is possible that Unbound Stockton could receive some reimbursement for improvements pursuant to the Charter School Facility Grant Program, such reimbursement is capped at 75 percent of costs and only up to \$1,312 per ADA for rent and improvements combined.) One facility that Unbound Stockton has indicated it is considering is currently used by another charter school, which will be moving. The SJCOE staff recently conducted a Williams visit to that school and noted that there are facilities improvements needed, which would potentially implicate unbudgeted costs for Unbound Stockton’s use. Additionally, it may not be reasonable to assume that Unbound Stockton will find a facility that exactly matches its square footage needs and allows it to grow its enrollment over time. This may require the

Charter School to lease more space than it needs in early years, meaning that it has under-budgeted its facilities expenses in initial years.

- D. The classroom furniture budget of \$250 per student (\$30,000) and the non-classroom furniture budget (\$12,000) may be inadequate to cover the costs required to fully outfit the four classrooms, an administrative office, a main office, one office staff workspace, three bathrooms, one playground or gym space, and one multi-purpose room/cafeteria, which Unbound Stockton's Charter specifies it needs in Year 1, even if Unbound Stockton finds a school-ready facility. Due to the low facilities budget, it is likely that Unbound Stockton could have substantially unbudgeted costs that could have a ripple effect that will deteriorate the financial condition in the following years. Depending on the amount of unknown cost overruns, those expenses could result in Unbound Stockton being unable to implement the program as set forth in the Charter.
- E. Unbound Stockton's AB 602 special education funding assumptions do not accurately reflect the monies available to the Charter School. Unbound Stockton has not provided evidence that it is a Local Educational Agency ("LEA") member of a Special Education Local Plan Area ("SELPA") approved by the State Board of Education, though its budget assumptions are based on such membership. The default position is that Unbound Stockton would be a school of the SJCOE for purposes of special education unless and until it is accepted as a member of a SELPA, so it is necessary for Unbound Stockton to budget and plan to operate accordingly. As a school of the SJCOE, the net funding passed through to Unbound Stockton would be much lower than specified in the budget, though in that model the SJCOE may provide a greater level of service to the Charter School students.
- F. In Year 0 and Year 1, the Charter assumes donations and fundraising of \$200,000 each year, with which Unbound Stockton plans to fund startup expenses and to establish its Year 1 starting fund balance. Unbound Stockton was able to provide documentation of this funding when requested by the SJCOE. The Charter budget does not include any alternatives to receipt of these donations/fundraising dollars and the receipt of SB 740 Charter School Facilities Grant funds, and the budget may not be viable should Unbound Stockton not secure these uncertain funds.
- G. Although the budget includes amounts for curriculum, books, and materials, the amounts appear low relative to what other classroom-based charter schools spend. The SJCOE compared Unbound Stockton's budget for materials and supplies for 2023/24 to a random selection of six area classroom-based charter schools' actual costs for materials and supplies for 2019-20, and Unbound Stockton was lower than all except one of those comparison schools. The Charter does not include any detail establishing that the Petitioners have considered all of the potential costs, such as subscriptions, curriculum packages, etc., and it appears that Unbound Stockton has underestimated these expenses.
- H. It appears that cashflow would be a significant challenge, particularly in the first year of operation, until the Charter could build its reserves. Unbound Stockton's budget relies on short-and long-term borrowing to meet its cash obligations in all years. This is not uncommon for new charter schools because the first advance payment for LCFF is not until October. However, it creates risk since \$250,000 of the borrowing comes from the charter revolving loan fund (a state treasurer program), and because the Charter does not indicate

that Unbound Stockton established a line of credit for short-term loans, but instead, only indicates that this option exists (i.e., Charter School Capital). While it is typical for new charter schools to borrow, doing so will be costly and the interest incurred for such loans may be more than Unbound Stockton plans because, after making needed adjustments to the cashflow assumptions, it appears that Unbound Stockton may need to borrow funds sooner or in larger amounts than indicated in the budget.

- I. Cashflow adjustments were necessary, for example, because half of the projected federal revenue is from Title programs, which the California Department of Education pays quarterly, but Unbound Stockton’s cashflow projections do not reflect that funding schedule. Additionally, a variety of costs – such as furniture, computers, books, materials, and office supplies – will necessarily be incurred during the planning period, not after school begins, and the cashflow projections do not reflect that schedule. Cashflow concerns are particularly pronounced for Unbound Stockton because payroll costs begin in July, when teachers begin working, though this was not reflected in the Charter’s cashflow.
- J. After making these adjustments to the cashflow assumptions in the Charter, the SJCOE’s analysis shows that cash would reduce to almost zero by September. If the Charter School incurred more facility improvement costs than it has assumed, that would further reduce the cash to below zero. Thus, to meet its cash needs in the initial months, the Charter School would likely need to borrow more cash and incur additional borrowing costs that it has not assumed.
- K. The Charter assigns the Manager/Director of Student Success a significant role in Unbound Stockton’s operations, including, curriculum, Multi-Tiered System of Support (“MTSS”), special education, and other student services, as well as implementation of various aspects of the Local Control Accountability Plan (“LCAP”). However, the position is not until the third year (2025/26). The Charter does not explain how these essential duties would be fulfilled or by whom in the interim.
- L. While the salaries budgeted generally match the staffing plan on page 232 of the Charter, the SJCOE notes the staffing plan does not align with some of the Charter narrative. Specifically:
 - The Charter specifies that the Community Manager will be promoted to be the Community Director by Year 2. However, the staffing plan shows this change does not happen until Year 3. The narrative on pages 229 and 230 also specifies this transition will occur in Year 3. However, there is a budget increase greater than 5 percent in Year 2, so it appears the promotion is budgeted in Year 2.
 - On page 229, the Charter states that the Student Success Manager will become the Student Success Director in year 5, however, the staffing plan shows this happening in Year 4. The narrative on page 126 also says Year 4. However, there is not a salary increase budgeted beyond the 5 percent increase until Year 5.
 - There are various references throughout the Charter to “instructional assistants,” but instructional assistants are not included in the staffing plan. It appears that “instructional assistants” are the same position as “associate teachers,” though that is unclear in the Charter.

- While not explicit in the Charter, the SJCOE concluded (and the petitioner confirmed) that the Student Success Manager to be added in year 3 is budgeted in object 2200. However, the Charter indicates that this position will require a special education credential, consistent with the job responsibilities, which indicates that this is a certificated position, rather than non-certificated as a certificated position, benefits will be higher than projected by 7.9 percent of salary, which is not properly accounted for in the budget.
- M. Unbound Stockton has expressly taken a position purporting to limit the requirements for materially revising its Charter and granting itself unilateral authority to make material changes from any approved Charter without approval of the County Board. Such a position is inconsistent with the requirements of the Charter Schools Act, public transparency, and accountability requirements, and could result in Unbound Stockton impermissibly fundamentally deviating from the terms of the Charter for which it is seeking approval. The Charter incorrectly states, “A change in LEA status or SELPA membership shall not require a material revision of this charter.” As the SUSD correctly noted in its findings of denial, a charter school cannot dictate to its authorizer what will or will not constitute a material revision to its charter. The SJCOE finds it necessary to address Unbound Stockton’s written response of August 22, 2022, to the SUSD’s finding. Unbound Stockton’s response misinterprets and misstates the requirements of the Charter Schools Act in a manner not limited to the issue of whether this particular change would be a material revision, but regarding material revisions and Unbound Stockton’s alleged authority to make unilateral changes to its approved Charter generally. Unbound Stockton specified:
- The Education Code anticipates only two changes to a charter that constitute a “material revision” – the addition of grade levels and the addition of school sites. The District and the Charter School can enter into an agreement or contract that would define additional changes either explicitly as or explicitly as not material revisions. That is exactly what the Unbound Stockton proposes here.
- N. Unbound Stockton is mistaken that the Education Code anticipates only two changes that would constitute material revisions. The Charter Schools Act has always addressed the concept of material revisions and required that a charter school desiring to materially revise its charter go through a defined public process and obtain permission from its authorizer. While the law was recently revised to specify that the addition of grade levels and/or school sites is always a material revision, nothing in that change served to narrow or limit what other proposed changes to a charter would constitute a “material revision,” which remains a fact-based determination. Under no circumstances does the SJCOE agree with Unbound Stockton’s assertion that only adding grade levels or sites constitutes a material revision to its charter. Unbound Stockton’s position is inconsistent with the entire charter approval and oversight process and purports to authorize Unbound Stockton unilaterally to deviate from its publicly vetted and authorized Charter, which is impermissible.

3. The Petition contains the number of signatures required by Education Code Section 47605(a).

Unbound Stockton submitted teacher signatures in support of its Charter. The Charter School anticipates employing five teachers in its first year of operation, so was required to submit signatures of at least three

teachers who are meaningfully interested in teaching at the school. Unbound Stockton submitted 31 teacher signatures, far more than the minimum number required. Unbound Stockton also submitted signatures of support from persons identified as members of the community, but those signatures do not constitute the required signatures for submission of a charter petition. Unbound Stockton provided the required number of signatures.

4. The Petition contains an affirmation of each of the conditions described in Education Code Section 47605(e).

The Charter includes the required affirmations.

5. The Petition does not contain reasonably comprehensive descriptions of all the required elements.

This section of the Staff Analysis includes highlights regarding the various required charter elements. In order for the description of each element to be considered “reasonably comprehensive,” it is not enough that the petition includes a description, but, rather, the description should set forth plans or proposals that are acceptable to the SJCOE and be consistent with and not contrary to the SJCOE’s standards and expectations for charter schools under its oversight.

A. Element One: Description of the Educational Program/Plan for Student Academic Achievement

The issues regarding the educational program described above are hereby incorporated herein by this reference.

Unbound Stockton plans to become an independent LEA member of a SELPA but recognizes that if it does not do so, and provide verifiable written assurances of such membership, by default it will be a school of the SJCOE for purposes of compliance with the IDEIA. As noted above, the Charter’s assertion that changes in LEA status or SELPA membership shall not require a material revision to the Charter is not a decision that Unbound Stockton can make. Whether such a change constitutes a material revision is a decision that would be made by the County Superintendent of Schools at the time of the proposed change. The Charter itself acknowledges that its means of providing services to students with disabilities as described in the Charter is not a commitment but is provided for the sole purpose of providing a reasonably comprehensive description. As such, it is likely that a material revision to the Charter would be necessary to describe accurately and commit the Charter School to the means by which it would actually comply with the IDEIA, Section 504 of the Rehabilitation Act of 1973, and/or the Americans with Disabilities Act. Particularly if Unbound Stockton were to be a school of the SJCOE for purposes of compliance with the IDEIA, the means by which it would do so would be required to comply with the SJCOE’s standards and requirements as the SJCOE, not Unbound Stockton, would be the LEA. As such, the SJCOE would require Unbound Stockton to modify its plan as necessary to comport with the SJCOE’s requirements.

This element of the Charter is not reasonably comprehensive.

B. Element Two: Measurable Student Outcomes

The Charter includes a reasonably comprehensive description of measurable student outcomes.

C. Element Three: Method by Which Pupil Progress in Meeting Outcomes will be Measured

The Charter includes a reasonably comprehensive description of the method by which pupil progress in meeting outcomes will be measured.

D. Element Four: Governance Structure

The Charter is to be operated as a California nonprofit public benefit corporation governed by a Board of Directors. This Board will include seven to thirteen members – there are currently twelve members – and the Charter acknowledges the SJCBOE’s right to appoint a representative. The Charter includes the names and relevant qualifications of the current members of the Board of Directors.

The Charter specifies, “The Board is responsible for academic, financial, and organizational oversight. **All management decisions will be delegated to the school director**, who will be hired by, report to, and [be] evaluated by the Board.” (Emphasis added.) The role of the Board and the authority delegated to the school director, including any limitations on the delegation of authority to be exercised by the school director, are unclear from these statements. As written, the Charter anticipates that the school director will be authorized to make “all” decisions for the Board and Unbound Stockton. It is unacceptable that the school director may effectively exercise unfettered authority to operate the charter school. The Charter Board should not delegate such a significant level of authority to operate the charter school to any one individual. This delegation is also inconsistent with transparency and public accountability, including the mandate that decisions regarding the charter school’s governance and operations be made at public meetings held in accordance with the Brown Act. This proposal also undermines and contradicts the general proposed governance structure that the charter school would be operated by a nonprofit corporation governed by a multi-member Board of Directors.

The bylaws provide that a majority of the directors in office constitute a quorum for holding a meeting but acts and decisions of the Board shall be by majority of the directors in attendance at a meeting. This could result in action by a minority of Board members. (For example, a quorum of a nine-member Board would be five, so if five directors attend a meeting, approval by only three members would be adequate to take action.) Notwithstanding the legal minimum requirements granted to nonprofit corporations, it is concerning for Unbound Stockton to provide for action by a minority of the members of the Board of Directors of a public charter school. This also exacerbates the concerns implicated by the delegation of all management decisions to the school director.

An SJCBOE-approved charter would require compliance with additional best practices and the SJCOE oversight standards related to charter school governance, including appropriate updates to governance documents. These best practices include:

- A. The charter school being required to provide evidence that it has attained 501(c)(3) tax exempt status and to maintain that status throughout the term of its Charter.
- B. The Board of Directors and any other legislative bodies for purposes of the Brown Act include with their posted agendas links to the backup materials for each agenda item for which there are electronic versions of backup materials that are not excluded from public disclosure. At the latter of (1) the posting of the agenda, or (2) the time the charter school staff provides a final copy of agenda item backup materials to all or a majority of all of the members of the legislative body, it shall post a link in the pertinent agenda item to those materials not excluded from public disclosure.

- C. Should the SJCBOE choose to exercise its authority to appoint a member to the Unbound Stockton Board, such member shall serve solely at the SJCBOE or designee's discretion, shall have no limitations or requirements for service or terms, and that Unbound Stockton and its bylaws shall include no restrictions on such appointee or have any involvement in appointing or removing such representative.
- D. Prior to any proposed revisions to the corporate articles of incorporation and/or bylaws, the charter school shall provide at least three weeks' prior notice to the County Superintendent of Schools or designee of the proposed revision(s). Should the County Superintendent of Schools or designee indicate that the SJCBOE considers the proposed revision(s) a material revision to the Charter, the charter school may not adopt such revision(s) unless and until it first obtains approval of a material revision.
- E. Requirements that all Board members and senior administrators undergo training not only on the Brown Act, but also on the Political Reform Act and Government Code Section 1090, at least annually and within 90 days of taking the position with the charter school. This training shall be conducted by an individual or entity with professional knowledge and expertise in the law, regulations, and rules governing these provisions and not by the charter school's own Board members or administrators.
- F. Commitment to adopt and maintain the Fair Political Practices Commission's ("FPPM") Model Conflict of Interest Code and the related designation of employees and the formulation of disclosure categories as the charter school's conflict of interest code. (It appears that Unbound Stockton has intended to adopt the FPPC's Model Code, though the language therein is not as clear as it should be on this point. Additionally, the disclosure categories refer to disclosing interests within a specified proximity of "any school district" that has authorized the Charter, but Unbound Stockton is not now seeking school district authorization. The proposed code would have to be reviewed and updated and submitted to the charter school's code reviewing body.)

The primary means of ongoing parent involvement in governance noted in the Charter is the "Family Council," described as "an open advisory council consisting of family leaders who will meet regularly to not only support our school but also support the diverse families in our school community." There is, however, no description of how members of the Family Council are chosen nor any clear description of how the Family Council would actually be involved in the governance of the Charter School. There is discussion of the Family Council hosting meetings and family events, trainings, and information sessions, as well as tracking parent "participation." (To the extent this is intended to refer to tracking parent volunteer participation, it raises concerns regarding compliance with the California Constitution's Free Schools Guarantee and the prohibition against student fees, which would need to be addressed). None of these activities appear to be related to involvement in governance of the charter school.

The corporate bylaws include internal inconsistencies and inconsistencies with the Charter. For example, the bylaws specify that director terms are for *three* years, but also specify that Board members may serve multiple terms not to exceed two consecutive *two*-year terms. The Charter states that directors may serve no more than two consecutive three-year terms, but also provides that if there are no replacement candidates, the board may extend current director's terms by an additional term, which is not provided for in the bylaws. The bylaws provide for the board chair to appoint a nominating committee to designate qualified candidates for the board, while the Charter provides for a standing governance committee to

carry out this role. The Charter does state that the bylaws shall be consistent with the terms of the Charter so these corporate documents must be updated.

While Unbound Stockton plans to apply for federal and state categorical program funding through the state's consolidated application, there is no discussion of establishing a site council constituted in accordance with the Education Code to develop and annually review a school plan for student achievement or alternatively using the LCAP for this purpose.

This element of the Charter is not reasonably comprehensive.

E. Element Five: *Employee Qualifications*

The Charter cites to Education Code Section 47605.4 for the proposition that teachers employed by charter schools during the 2019/20 school year have until July 1, 2024, to obtain the certificate required for the teacher's certificated assignment. As a proposed new charter school, no teachers taught at Unbound Stockton in 2019/20, so there are no teachers who would be afforded this additional time to obtain the required credentials. The Commission on Teacher Credentialing ("CTC") has made clear in its information about charter school credentialing requirements, including assignment flexibility, that Education Code Sections 47605.4 and 44258.10 only apply to persons in the same assignment at the same school. (See, <https://www.ctc.ca.gov/credentials/assignment-resources/charter-school-assignments>.)

In describing employment qualifications for the Unbound Stockton administrators, the Charter states that candidates for these positions must "hold all required credentials and licensure." However, the law does not specify what credentials or licensure would be required for these administrator positions, and it is incumbent upon the Charter to explicitly specify the required qualifications in order for the description of employment qualifications to be reasonably comprehensive and for the SJCBOE to determine whether the proposed qualifications are adequate. The SJCOE finds that the Charter should specify that the administrators are required to hold California teaching and administrative credentials in order to ensure that the administrators can properly oversee all aspects of the educational and operational programs at the charter school.

The Charter lists a variety of other employment positions in addition to teachers and director level administrators but does not include the qualifications for those additional positions.

While the Charter specifies that it will comply with teacher credentialing requirements (albeit incorrectly asserting an exception to the immediate credentialing requirement, as noted above), it also specifies that it will use the services of "associate and resident teachers" to provide support to core and special education teachers. The Charter does not specifically address the qualifications for those "teacher" positions beyond the general commitment to require all teachers to hold the Commission on Teacher Credentialing certificate, permit, or other document required for the teacher's certificated assignment. However, in discussing recruitment strategies, the Charter refers to the associate and resident teachers potentially choosing to "secure their credentials in the event that they wish to become a core teacher," and makes clear that these positions do not require credentials. The Charter also specifies, "Additionally, associate teachers and resident teachers who demonstrate effectiveness may assume the role of core teacher as we come to scale," without making entirely clear whether they would first be required to obtain appropriate credentials. As Unbound Stockton acknowledges, Education Code Section 47605 requires *all* teachers at a charter school to be credentialed, and while it appears that the resident teacher and associate teacher positions are more akin to para-educator or aide positions, the specific qualifications for these positions and the distinctions between them are not described in the Charter.

The teacher evaluation plan also appears to be unrealistic. The Charter specifies that each teacher will be formally observed/evaluated monthly, and feedback will then be provided through a one-on-one meeting. It is not clear how this would be implemented in practical terms for either the teacher or the administrator.

This element of the Charter is not reasonably comprehensive.

F. Element Six: Health and Safety Procedures

The Charter states that Unbound Stockton will adopt and implement a comprehensive set of health, safety, and risk management policies in consultation with its insurance carriers and risk management experts and commits to reviewing and updating these policies as necessary on an ongoing basis, and more formally on an annual basis. The Charter School also commits to adopting and annually updating by March 1 a school safety plan that includes all of the required topics. The Charter also provides a summary and/or general reference to some of its planned health and safety procedures, though it does not specifically list every health and safety procedure or requirement that would apply to Unbound Stockton. For example, the Charter does not include a specific reference to Unbound Stockton’s obligation to provide notice at least twice a year on how to initiate access to available student mental health services, and while committing to comprehensive nondiscrimination policies and protections and to adopting a Uniform Complaint Procedure policy, it does not specifically reference Title IX policies and procedures.

The SJCOE staff believes that this element includes a reasonably comprehensive description, but that Unbound Stockton would need to expand on the health and safety procedures to ensure that all policies and procedures required by law are covered and that it develops and adopts substantive policies prior to opening to students and maintain its handbooks with updated policies and procedures.

G. Element Seven: Racial, Ethnic, English Learner, and Special Education Balance

Unbound Stockton proposes an “intentionally integrated, diverse-by-design school,” and notes that diversity and a student balance reflective of the general population residing within San Joaquin County is a high priority for the charter school. The Charter proposes ongoing monitoring of its recruitment and success at enrolling a diverse student population, including the inclusion of recruitment as a standing agenda item at every regular charter school Board of Directors meeting. Unbound Stockton has outlined an extensive inclusive and intentional recruitment strategy that it deems crucial to its recruitment of a diverse student population inclusive of students with disabilities and English Learners. This plan includes the use of strategies that have been designed and used by other schools that Unbound Stockton has vetted and determined to be effective in recruiting diverse families within the community. The Charter also includes a recruitment calendar with recruitment events aimed at achieving diverse enrollment.

Education Code Section 47605(c)(5)(G) requires that the Charter include a reasonably comprehensive description of:

The means by which the charter school will achieve a balance of racial and ethnic pupils, special education pupils, and English Learner pupils, including redesignated fluent English proficient pupils, as defined by the evaluation rubrics in Education Code Section 52064.5, that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.

According to the demographic information included in the Charter itself, Unbound Stockton’s plan for an “intentionally integrated, diverse-by-design school,” is inconsistent with this requirement, as Unbound

Stockton specifically plans and intends to recruit a student body that has a lower percentage of some historically underserved student populations. “Figure 1” on page 14 of the Charter appeal sets forth Unbound Stockton’s “Target School Demographic” and compares it to various local areas, including the residents of the SUSD’s territorial jurisdiction. Inexplicably, Figure 1 is incomplete as the demographic breakdown for each area/entity set forth in the Table does not add up to 100 percent, thus making the comparisons unclear. For Unbound Stockton, the four student groups represented in the table add up to only 90 percent of the total anticipated enrollment. For the SUSD territorial jurisdiction, on the other hand, the four identified groups constitute 97 percent of the population. In any event, most notably, Unbound Stockton’s target population listed in this table is 40 percent Latinx/Hispanic, while the SUSD territorial jurisdiction is listed as 57 percent Latinx/Hispanic, a difference of 17 percent. As such, Unbound Stockton’s Charter does not include a reasonably comprehensive description of the means by which it will achieve the mandated student balance because its plan is specifically inconsistent with the requirements of the Education Code that the Charter include the means by which it will achieve a balance reflective of SUSD residents.

This element of the Charter does not include a reasonably comprehensive description.

H. Element Eight: Admission Policy and Procedures

In the event there are more applicants than spaces at a particular grade level, the Charter specifies that Unbound Stockton will determine admission using a public random drawing. Pursuant to law, current students at the Charter School are entitled to remain enrolled and are exempt from the drawing process. In the event a public random drawing is required, Unbound Stockton specifies its intent to implement the following preferences in the following order:

- Siblings of children currently admitted to or attending Unbound Stockton (with the intent to keep families together).
- Children of Unbound Stockton Board Members and full-time staff members (to honor not only their commitment to our Charter School but reinforce their belief in our mission and vision) (not to exceed 10 percent of total enrollment).
- Students who are currently enrolled in or who reside in the elementary school attendance area of the local public elementary school in which the Charter School is located (for purposes of the SB 740 Charter School Facility Grant Program) [only in years in which the Charter School is not eligible for the Program based on its own student population].
- Residents of the [Stockton Unified School] District.
- All other applicants.

Other than the preferences for residents of the district and for residents/students of the unnamed elementary school if Unbound Stockton is receiving SB 740 funds, whether to permit the proposed preferences is within the discretion of the SJCBOE. (The SJCOE expresses no opinion on whether the proposed preference for students/residents of the elementary school in which Unbound Stockton is located complies with the requirements of the Charter School Facility Grant Program.)

Unbound Stockton’s description of its public random drawing and waitlist procedures specifies that “Unbound Stockton may choose to admit additional students per grade beyond the initial capacity count to prepare for likely attrition in the first months of the school year.” While exactly how the charter school proposes to implement such a process is unclear, this undefined proposal causes concern as it would create the risk that the charter school could manipulate the admission process to provide for the admission of particular pupils who were not initially admitted through the mandatory public random drawing process.

It also risks Unbound Stockton not having capacity to serve all students who it has admitted, as opposed to simply placing those students on the waitlist. Instead of proposing this over-admission process, Unbound Stockton should simply draw from the waitlist should space become available.

There are additional concerns with the described public random drawing process. First, the Charter does not explain how its proposed admission preferences will be implemented (other than a portion of the sibling preference, discussed below). Fundamental to the description of admissions procedures is a description of how any admission preferences approved by the SJCBOE would be implemented. The system for instituting the proposed sibling preference is also unclear. It does not address how preference is granted to siblings of currently enrolled students. Finally, Unbound Stockton proposes removing the sibling preference in some circumstances, stating, “If the first admitted child does not enroll at Unbound Stockton, then the admission preference will be removed, and the sibling will default to their preference order without the sibling preference.” It is unclear how the Charter School or family would know the order in which the student would have had their name drawn without the sibling preference, and appears to cause substantial uncertainty for families that may ultimately make different choices for different students.

The Charter specifies the mechanics of the procedures if Unbound Stockton uses a hand-drawn system (as opposed to an electronic drawing system). The Charter also specifies, however, that the Charter School plans to move to an automated, computer-based system, but does not include a description of the drawing procedures for an automated system. Given the ease and affordability of automated, computer-based systems, the Charter school should use only such a system, rather than the antiquated, hand-drawn method of conducting a lottery.

The Charter should also specify/limit the information that will be required on the admissions application to ensure that students are not improperly discouraged from attending or that families are not requested to provide protected information and to be consistent with the prohibition against requesting pupil records before enrollment.

This element of the Charter is not reasonably comprehensive.

I. Element Nine: Annual Financial Audit

The Charter includes appropriate information about the manner in which annual independent financial audits will be conducted. It also proposes that any disputes between the SJCOE and Unbound Stockton on the resolution of audit exceptions and deficiencies will be referred to the dispute resolution process. However, as specified in Education Code Section 47605(c)(5)(I), any such exceptions and deficiencies would need to be resolved to the SJCOE’s satisfaction, and the SJCOE would not agree to go through the dispute resolution process on this issue.

This element of the Charter is not reasonably comprehensive.

J. Element Ten: Student Suspension/Expulsion Procedures

The Charter commits to the implementation of Restorative Practices as the foundation for addressing behaviors that do not align with cultural or behavioral expectations. Additionally, Unbound Stockton “will provide robust, responsive supports for students through implementation of the [Positive Behavioral Interventions and Supports (“PBIS”)] framework.” The Charter School will also provide professional

development around cultural and behavioral expectations and corresponding systems and structures, including restorative practices and PBIS.

The Charter sets forth suspension and expulsion policies, which have been largely modeled on the procedures applicable to noncharter California public schools. Contrary to the statement in the Charter, the suspension and expulsion procedures are a required element of the Charter and cannot be unilaterally revised by Unbound Stockton, other than as required to comport with law, or if the SJCOE grants authority to permit revisions to remain consistent with the discipline policies in Education Code Section 48900 *et seq.* applicable to noncharter schools.

The Charter states that it is modeling its suspension and expulsion policies and procedures on those applicable to noncharter schools and does not specifically define the term “suspension.” However, the Charter states that “every effort will be made to provide for in-school suspension rather than at home suspension,” with in-school suspension served within a student’s general classroom or, if that is not appropriate under the circumstances, in a separate space at school. The Charter would need to define what it means by “suspension” and describe the procedures by which it determines whether in-school suspension is appropriate and the setting for such suspension in a manner that affords students due process.

The suspension procedures are internally inconsistent. They specify that suspension will “if possible” be preceded by a conference, but the conference may be omitted in an “emergency situation.” The Charter also provides that parents/guardians *will* be notified in advance of enactment of a suspension and have the right to appeal to an Administrative Panel named by the Board of Directors *prior to* implementation of the suspension. Those timelines are inconsistent, and suspensions are generally not appealable to a panel named by the Board of Directors, and such a process would appear to make the suspension process ungainly and not permit expeditious suspension of a student from the school environment even when necessary to protect safety. The Charter also does not include any standards by which the Administrative Panel would consider the suspension appeal.

This element of the Charter is not reasonably comprehensive.

K. Element Eleven: Employee Retirement Systems

The Charter specifies that eligible certificated employees participate in the State Teachers’ Retirement System (STRS). At this time, Unbound Stockton will not participate in the California Public Employees’ Retirement System (CalPERS), and “eligible classified employees will participate in a 403(b)-account plan, with 5 percent employer contribution and pay into Social Security.” (Note, “classified” is a statutory term that is not applicable to charter schools, so these employees should be referred to as “noncertificated.”) The Charter does not specify the terms for “eligibility” to participate in the 403(b) plan. The school director, with support from the office manager and back-office services provider, will be responsible for ensuring compliance.

This element of the Charter includes a reasonably comprehensive description, though Unbound Stockton will need to clarify eligibility.

L. Element Twelve: Public School Attendance Alternatives

The Charter specifies, “Any student who resides in the district who chooses not to attend Unbound Stockton may attend school within the district in accordance with district policy and/or apply for an inter-district transfer in accordance with local school district policies.”

This element of the Charter is reasonably comprehensive.

M. Element Thirteen: Description of the Rights of An Employee of the County Superintendent of Schools, Upon Leaving the Employment of the County Superintendent of Schools to be Employed by the Charter School

The Charter specifies that employees of the SUSD or the County Superintendent of Schools who leave their employment positions at the SUSD or the SJCOE to work at Unbound Stockton have no automatic rights to return unless specifically granted by the SUSD or the SJCOE. Staff notes that the County Superintendent of Schools is the employer of all employees at the SJCOE.

This element of the Charter includes a reasonably comprehensive description.

N. Element Fourteen: Dispute Resolution

The Charter sets forth a proposed dispute resolution procedure for disputes between Unbound Stockton and the SJCOE, including a meeting between two Board members of the respective Governing Boards and the use of nonbinding mediation. The Charter recognizes that Unbound Stockton cannot bind the SJCOE to this proposed procedure, and states that the Charter School is “amenable” to alteration of the procedure through a mutually agreed upon memorandum of understanding (“MOU”). The proposed procedure is not consistent with the SJCOE’s best practices and oversight requirements or how the SJCOE operates, and Unbound Stockton would have to agree to comply with the SJCOE’s preferred dispute resolution procedures. The Charter also purports to limit the SJCOE’s authority to respond to complaints it receives related to the charter school’s operations, and Unbound Stockton cannot so limit the SJCOE’s discretion and/or authority in this manner.

This element of the Charter is not reasonably comprehensive.

O. Element Fifteen: Closure Protocol

The Charter describes proposed closure procedures in general and nonspecific terms. Additional specificity, including timelines for providing notices and more specifics regarding closure procedures and the handling and transfers of records, is needed. Additionally, the Charter specifies that on closure all assets of the Charter School, including all ADA apportionments and other revenues generated by students attending the charter school, remain the sole property of the charter school. However, at least revenues generated by students through state and federal apportionments should be distributed to another public school or educational entity operating in San Joaquin County upon closure of Unbound Stockton.

This element of the Charter is not reasonably comprehensive.

6. A declaration of whether or not Unbound Stockton shall be deemed the exclusive public employer of the employees of Unbound Stockton for purposes of the EERA.

The Charter includes the required statement that Unbound Stockton will be deemed the exclusive public employer of the Unbound Stockton employees for purposes of the EERA.

7. Unbound Stockton is not demonstrably unlikely to serve the interests of the entire community in which it is proposing to locate.

Analysis of this issue must include consideration of the fiscal impact of the charter school. This finding must detail specific facts and circumstances that analyze and consider both (a) the extent to which the proposed school would substantially undermine the SUSD's existing services and academic and programmatic offerings and (b) whether the school would duplicate a program the SUSD currently offers, which the SUSD program has sufficient capacity for the pupils proposed to be served within a reasonable proximity of where the charter school plans to locate. (Education Code Section 47605(c)(7).)

The SJCOE's analysis of this standard involved reviewing the potential financial loss to the SUSD caused by the loss of ADA. This figure was then considered in context with the amount of funds the SUSD is estimated to receive over the same period to gauge if the proposed school would substantially undermine the SUSD's existing services and academic and programmatic offerings and whether the school would duplicate a program the SUSD currently offers. Pursuant to the SJCOE's analysis, if all Unbound Stockton students came from the SUSD (which is not the proposal, and residents of other districts may attend charter schools), the potential loss of funding for the SUSD in the first three years of Unbound Stockton's operation would be \$6.5 million in LCFF funding over the three years. This amounts to 0.47 percent of the roughly \$1.36 billion the SUSD should receive over the same period. Although there is no disagreement that the loss of \$6.5 million over three years might require budget changes (noting that the SUSD would also save the expenses of educating students who chose to attend the charter school), considering the amount in the context of the SUSD's overall budget, it is difficult to argue that the operation of Unbound Stockton would substantially undermine the SUSD's existing services and academic or programmatic offerings or that this fiscal impact demonstrates that the charter school will not serve the interests of the entire community. This is particularly true when considering that LCFF base grants increased by 13 percent in recent months.

The SJCOE notes that in its analysis of this finding, the SUSD did not provide "specific facts and circumstances" to show the "proposed charter school would substantially undermine existing services, academic offerings, or programmatic offerings" or that Unbound Stockton would duplicate a program the SUSD currently offers (other than noting that elements of Unbound Stockton's program are found at various SUSD schools), as the law requires, and the SJCOE is aware of no such facts and circumstances that would support such findings.

Furthermore, while the district references a Fiscal Crisis and Management Assistance Team ("FCMAT") report to show it is deficit spending, it ignores the many financial changes that occurred in the six months that passed between the time the FCMAT report was issued and the SUSD denied the Charter. The SUSD has made multiple financial decisions, such as salary increases, and received significant financial increases, such as those in the enacted state budget, none of which the SUSD appeared to consider in the denial analysis. The SJCOE does not dispute the potential loss of revenue due to a decline in ADA, because that potential is true for all charter petitions. However, the law requires that the analysis of this finding go beyond stating that there may be a loss and to show the specific impacts and how the charter school is demonstrably unlikely to serve the interests of the entire community, including consideration of the fiscal impact. If a charter could be denied solely because any loss of ADA to the charter school would result in the district's corresponding loss of funds, it would render the other language in the finding meaningless.

8. SUSD is positioned to absorb the fiscal impact of Unbound Stockton.

The SUSD did not, itself, find that it is not positioned to absorb the fiscal impact of Unbound Stockton, nor, as described above, does the SJCOE's analysis support such a finding.

9. Additional Required Information: The petitioner(s) are required to provide information regarding the proposed operation and potential effects of the school including but not limited to:

G. The facilities to be used by Unbound Stockton, specifying where Unbound Stockton proposes to locate.

The Charter includes some information about the facilities proposed to be utilized by Unbound Stockton. The charter school is exploring mid-to-long term lease options in and around Downtown Stockton, and the Charter does not include any more specific location.

Unbound Stockton included a basic description to project the facilities needs for multiple years, including the minimum required square footage, number of classrooms, offices, bathrooms, food service facilities, multipurpose room, and the projected additional spaces. The Charter specifies that Unbound Stockton does not expect to pursue a facility under Proposition 39 but reserved the right to ask for such a facility. The overall facilities information is very general and lacks the expected specificity.

H. The manner in which administrative services of Unbound Stockton are to be operated

Unbound Stockton will provide or procure its own administrative services, including but not limited to financial management, accounts payable/receivable, payroll, human resources, and instructional program development, through its own staff or appropriate qualified third-party providers. Unbound Stockton plans to contract with EdTec, a charter school “back-office services” provider. The Charter also specifies that Unbound Stockton may discuss purchasing administrative services from the SJCOE if the SJCOE is interested in contracting for such services.

I. Potential civil liability effects, if any, upon Unbound Stockton and upon the SJCBOE/SJCOE.

The Charter includes a statement of intent to enter into a memorandum of understanding whereby it will indemnify the SJCBOE and the SJCOE “for the actions of Unbound Stockton under this charter.” It also specifies that Unbound Stockton will obtain insurance as recommended by the SJCOE and its insurance company for schools of similar size, location, and student population and “shall comply with all SJCOE requirements for insurance” and name the SJCOE and the SJCBOE as additional insureds on its general liability insurance. It would be essential that Unbound Stockton carry out those intentions and commitments and enter into an MOU with the SJCOE fully committing to the SJCOE’s required insurance and indemnification, defense, and hold harmless requirements, were it to be authorized by the SJCBOE.

J. Financial statements that include a first-year operational budget, including startup costs, and cashflow, and financial projections for the first three years of operation.

Unbound Stockton provided the required financial documents. Some areas of concern with the information and assumptions contained in those financial documents are discussed above.

K. The names and relevant qualifications of all persons whom the petitioner nominates to serve on the charter school nonprofit corporation’s board of Directors.

Unbound Stockton provided names and resumes for its proposed Board of Directors members.

CONCLUSION

The SJCOE staff reiterates its appreciation for the work, enthusiasm, and purpose demonstrated by the Unbound Stockton petitioners. The SJCOE staff reviewed the Unbound Stockton Community School Charter petition appeal utilizing the criteria for consideration and action on an appeal from a school district denial of a charter set forth in Education Code Section 47605. For the reasons detailed in this Staff Analysis, the SJCOE staff recommends that the Unbound Stockton Community School Charter petition appeal be denied.