

Berkeley Unified School District
Board of Education Meeting
May 8, 2019

REALM Charter School
Request for Material Revision
Notice of Intent to Revoke

Tonight

- Public Hearing: Request for Material Revision
- Action: Request for Material Revision
- Public Hearing: Notice of Intent to Revoke

History of REALM Charters

- BUSD Board granted separate charters for REALM Middle School and High School in June, 2009
- Charters renewed in December 2015 for current term (7/1/2016-6/30/2021)
- After February 2018 Notice of Violation, Board granted Request for Material Revision to merge middle school and high school under single charter.

Enforcement History

- Notice of Violation: January 26, 2017
 - Fiscal Issues
- Notice of Violation: February 2, 2018
 - Fiscal Issues
- Notice of Violation: September 26, 2018
 - Out-of-County Site

Current Proceedings

- Notice of Violation February 2, 2019
 - Approximately \$1.5 million in unpaid debts
- Delinquent in payments for STRS
 - Impact on teachers' retirement benefits
- Problems with budget process
 - Failure to submit final audit report by December 15, 2018
 - Failure to carry over negative fund balance after merger

Current Proceedings

- Board approved Notice of Intent to Revoke on April 10, 2018
- REALM submitted Request for Material Revision on March 12, 2019 proposing merger with Compass Charter Schools

Request for Material Revision

- Acquisition by Compass Charter Schools, Inc.
 - Governed by Compass governing board
- REALM financial obligations
 - Compass has provided to REALM three (3) loans, in sums of \$100,000, \$250,000, and \$250,000
 - Fourth loan of \$250,000 should the material revision be approved.

Request for Material Revision

- Addition of non-classroom based program
- Budget depends on significant and steady enrollment growth:

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Grade 6	14	60	63	66	69	73
Grade 7	44	60	63	66	69	73
Grade 8	54	60	63	66	69	73
Grade 9	70	80	84	88	93	97
Grade 10	79	80	84	88	93	97
Grade 11	72	80	84	88	93	97
Grade 12	65	80	84	88	93	97
Other Enrollment (Grade 12+, etc.)	-	100	105	110	116	122
Total Enrollment	398	600	630	662	695	729

Request for Material Revision

- “A material revision of the provisions of a charter petition may be made only with the approval of the authority that granted the charter.” (Education Code section 47607(a)(1))
- Standards for Evaluating Request: “Renewals and material revisions of charters are governed by the standards and criteria in Section 47605, and shall include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.” (Education Code section 47607(a)(2))

Request for Material Revision

- Grounds for Denial:
 - The charter school presents an unsound educational program for the pupils to be enrolled in the charter school.
 - The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition.
 - The petition does not contain an affirmation of each of the conditions described in [Education Code section 47605], subdivision (d).
 - The petition does not contain reasonably comprehensive descriptions of all of the [required 15 elements set forth in Education Code section 47605.]

Issues Regarding Material Revision

- Will Compass pay off all of REALM's debt?
- Non-classroom based program
 - Did REALM provide sufficient information regarding curriculum, instructional materials, instructional strategies, assessment measures and goals, etc.? (Element A – Educational Program; Elements B & C – Measurable Pupil Outcomes)
 - Does REALM comply with Ed. Code 47612.5 in the event that non-classroom based instructional minutes exceed 20%?

Issues Regarding Material Revision

- How will the Compass governing board remain accessible to the REALM Community?
 - Compass' 3 charter schools are in Fresno, Los Angeles and San Diego
- Will Compass recognize BFT as the exclusive representative?
- Does the proposed Compass acquisition cure the issues in the Notice of Intent to Revoke?
- Can REALM realize a 200-student increase in enrollment by 2019-2020, and grow in the next 5 years as projected?

Under Education Code section 47607(a)(2), the District is required to “consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter.”

	Socioeconomically Disadvantaged						Latino Students					
English/Language Arts	2018 Seventh Grade			2018 Eighth Grade			2018 Seventh Grade			2018 Eighth Grade		
Grade	6 th	7 th	8 th	6 th	7 th	8 th	6 th	7 th	8 th	6 th	7 th	8 th
Standard Exceeded	0.0	2.56	N/A	8	3.7	5.66	0.0	3.33	N/A	7	2.08	2.38
Standard Met	10.81	10.26	N/A	21	9.26	11.32	10.34	13.33	N/A	27	10.42	14.29
Standard Nearly Met	18.92	20.51	N/A	37	24.07	28.30	17.24	26.67	N/A	36	22.92	30.95
Standard Not Met	70.27	66.67	N/A	35	62.96	54.72	72.41	56.67	N/A	30	64.58	52.38
Percentage: Standard Exceeded/Met	10.81	12.82	N/A	29.0	12.96	16.98	10.34	16.66	N/A	34	12.50	16.67

	Socioeconomically Disadvantaged						Latino Students					
Math	2018 Seventh Grade			2018 Eighth Grade			2018 Seventh Grade			2018 Eighth Grade		
Grade	6 th	7 th	8 th	6 th	7 th	8 th	6 th	7 th	8 th	6 th	7 th	8 th
Standard Exceeded	0	0	N/A	4	5.17	3.92	0.0	0.0	N/A	2	1.85	0
Standard Met	9.09	2.44	N/A	8	8.62	7.84	8.0	6.45	N/A	7	11.11	7.14
Standard Nearly Met	15.15	24.39	N/A	24	27.59	23.53	12.0	22.58	N/A	30	31.48	28.57
Standard Not Met	75.76	73.17	N/A	65	58.62	64.71	80.0	70.97	N/A	60	55.56	64.29
Percentage: Standard Exceeded/Met	9.09	2.44	N/A	12	13.79	11.76	8.0	6.45	N/A	9	12.96	7.14

Under Education Code section 47607(a)(2), the District is required to “consider increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in determining whether to revoke a charter.”

	English Language Learners						African American Students					
English/Language Arts	2018 Seventh Grade			2018 Eighth Grade			2018 Seventh Grade			2018 Eighth Grade		
Grade	6 th	7 th	8 th	6 th	7 th	8 th	6 th	7 th	8 th	6 th	7 th	8 th
Standard Exceeded	0	N/A	N/A	0	0	0	N/A	0.0	N/A	N/A	N/A	7.69
Standard Met	0	N/A	N/A	5	0	0	N/A	6.67	N/A	N/A	N/A	7.69
Standard Nearly Met	0	N/A	N/A	50	3.70	6.25	N/A	20.0	N/A	N/A	N/A	23.08
Standard Not Met	100	N/A	N/A	45	96.30	93.75	N/A	73.3 3	N/A	N/A	N/A	61.54
Percentage: Standard Exceeded/Met	0	N/A	N/A	5	0	0	N/A	6.67	N/A	N/A	N/A	15.38

	English Language Learners						African American Students					
Math	2018 Seventh Grade			2018 Eighth Grade			2018 Seventh Grade			2018 Eighth Grade		
Grade	6 th	7 th	8 th	6 th	7 th	8 th	6 th	7 th	8 th	6 th	7 th	8 th
Standard Exceeded	0	N/A	N/A	0	0	0	N/A	0.0	N/A	N/A	N/A	8.33
Standard Met	0	N/A	N/A	0	0	0	N/A	0.0	N/A	N/A	N/A	0.0
Standard Nearly Met	7.69	N/A	N/A	10	25	12.50	N/A	25.00	N/A	N/A	N/A	8.33
Standard Not Met	92.31	N/A	N/A	90	75	87.50	N/A	75.00	N/A	N/A	N/A	83.33
Percentage: Standard Exceeded/Met	0	N/A	N/A	0	0	0	N/A	0.0	N/A	N/A	N/A	8.33

Board Options

- If REALM provide sufficient information regarding Compass' payment of outstanding debts, and educational program, and other issues raised above --
 - Approve Request for Material Revision
 - Impact on Notice of Intent to Revoke
 - Impact of Compass acquisition on REALM's financial struggles
- If REALM fails to provide sufficient information --
 - Deny Request for Material Revision
 - Impact on REALM's future operations
 - Impact on Notice of Intent to Revoke
 - Consider REALM's prospects for future sustainability without Compass acquisition