October 1, 2014

TO: Santa Clara County Board of Education

FROM: Toni Cordova
Chief Strategy Officer

VIA: Jon R. Gundry
County Superintendent of Schools

SUBJECT: Decision on the Charter Petition for Spark Charter School

Associated Goal:

Improve student equity and reduce access discrepancies to high quality education

Background:

The Santa Clara County Office of Education, Office of Innovative Schools (OIS) received a charter petition from Spark Charter School on July 28, 2014. This petition was submitted on appeal from Sunnyvale School District, after conditional approval was rescinded by the District on April 29, 2014. The petition was originally submitted to the Sunnyvale School District on September 16, 2013 and conditionally approved on November 21, 2013.

Within 30 days of receiving a petition, the Board must “hold a public hearing on the provisions of the charter, at which time the governing board of the school district shall consider the level of support for the petition by teachers employed by the district, other employees of the district, and parents.” (Ed. Code, § 47605(b).) A public hearing was held on September 3, 2014. The Board must “either grant or deny the charter within 90 days of receipt of the petition.” (Ed. Code, §47605,(b).)

The Charter Schools Act of 1992 (“Act”) permits school districts to grant charter petitions, authorizing the operation of charter schools within their geographic boundaries. (Ed. Code, §47600, et seq.) In enacting the Act, the California Legislature intended for teachers, parents, and community members to establish charter schools in order to, among other things, increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for pupils who are identified as academically low achieving, encourage the use of different and innovative teaching methods and programs, and provide new professional opportunities for teachers as well as expanded choice in the types of educational opportunities for parents and students. (Ed. Code, § 47601.)

Charter schools are established through submission of a petition by proponents of the charter school to the governing board of a public educational agency, usually a school district, and approval of the petition by the school district. The governing board must grant a charter “if it is satisfied that granting the charter is consistent with sound educational practice.” (Ed. Code, §47605,(b).) Nevertheless, a governing board may deny a petition for the establishment of a charter school if it finds that the particular petition fails to meet enumerated
statutory criteria and it adopts written findings in support of its decision to deny the charter. *Ibid.* Once authorized, charter schools “are part of the public school system,” but “operate independently from the existing school district structure.” (Ed. Code, §§ 47615(a)(1) and 47601.)

If the Board grants the Petition, Spark Charter will become a separate legal entity. If SCBOE grants the charter, it becomes the supervisory agency over the charter school. If the County denies the petition, then Petitioners may appeal to the State Board of Education (“SBE”). (Ed. Code, §47605(j)(1).)

**Analysis**

Staff reviewed the charter petition using the criteria established in California Education Code 47605 (b) and County Board Policy 0420.4 (c) and found:

1. **Required Signatures**
   
The petition meets the requirement.

2. **Affirmation that the charter school shall be nonsectarian**
   
The petition contained the required affirmation.

3. **Affirmation that the charter school shall not discriminate against pupils**
   
The petition contained the required affirmation.

4. **Affirmation that the charter school shall not charge tuition**
   
The petition contained the required affirmation.

5. **Reasonably Comprehensive Description**
   
Staff found that the petition did not contain a sufficiently comprehensive description of all of the required elements.

6. **Unsound Educational Program**
   
Staff found indicators of an unsound educational program.

7. **Demonstrably Unlikely to Implement the Program**
   
Staff found facts that demonstrate petitioners are unlikely to implement the program.
8. **Grade Level, Location, Students Served**

The petition meets requirements to serve students in the grade levels offered by Sunnyvale School District.

9. **Other Criteria in Statute**

   a. **Racial and Ethnic Balance**
   The Education Code for charter approval addresses racial balance in two separate criteria.
   
   - Education Code Section 47605(e)(1) states: “In addition to any other requirement imposed under this part, a charter school shall be nonsectarian in its programs, admissions policies, employment practices, and all other operations, shall not charge tuition, and shall not discriminate against any pupil on the basis of ethnicity, national origin, gender, or disability.”
   
   The petition meets this requirement.
   
   - Education Code 47605(b)(5)(G) requires that the charter petition contain a reasonably comprehensive description of the “means by which the school will achieve racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of the school district to which the charter petition is submitted.”
   
   The petition minimally meets this requirement.

   b. **Preference for Serving Academically Low Achieving Students**
   California Education Code 47605(h) states: “In reviewing petitions for the establishment of charter schools within the school district, the governing board of the school district shall give preference to petitions that demonstrate the capability to provide comprehensive learning experiences to pupils identified by the petitioner or petitioners as academically low achieving pursuant to the standards established by the department under Section 54032.”
   
   The petition does not meet the requirement for preference.

**Fiscal Implications**

There are substantial costs to the County Office of Education for reviewing and overseeing any charter school. Those costs have not been calculated for this petition review nor do those costs constitute a condition for granting or denying a charter petition.

**Staff Report and Recommendation to the County Board**

Staff reviewed the petition utilizing the criteria for approval set forth in Education Code Section 47605. Through the attached Staff Report, Staff has provided the Board with an assessment of the sufficiency of the charter petition with respect to all criteria for approval. Staff finds that the Petitioners present an unsound educational program for the pupils to be enrolled in the charter school; are demonstrably unlikely to successfully implement the program as presented in the Petition and its supporting documents; and, that the Petition does not provide
a reasonably comprehensive description of several essential charter elements. Accordingly, staff recommends that the Board adopt the Resolution to Approve with noted conditions or conversely adopt the Resolution to Deny with noted findings.
Summary

On July 28, 2014, the Santa Clara County Office of Education, Office of Innovative Schools ("OIS") received a charter petition from Spark Charter School ("Petition"). This petition was submitted on appeal from Sunnyvale School District ("District"), after conditional approval was rescinded by the District on April 29, 2014. The petition was originally submitted to the District on September 16, 2013 and conditionally approved on November 21, 2013.

Staff reviewed the Petition utilizing the criteria for charter approval set forth in Education Code Section 47605. Through this report, Staff provides the County Board with an assessment of the sufficiency of the Petition with respect to all criteria for approval. Based upon its comprehensive review and analysis of the Petition, staff finds that the Petitioners present an unsound educational program for the pupils to be enrolled in the charter school; are demonstrably unlikely to successfully implement the program as presented in the Petition and its supporting documents; and, that the Petition does not provide a reasonably comprehensive description of several essential charter elements. Accordingly, staff recommends that the Board adopt the Resolution to Approve with noted conditions or conversely adopt the Resolution to Deny with identified findings. This Staff Report contains staff's analysis of the Petition, and the written findings.

Procedural Requirements

The OIS received the Petition dated September 16, 2013 on July 28, 2014. In accordance with Education Code Section 47605(j)(1), the Petition was submitted to the County Office of Education on appeal from the District, whose Board of Education voted unanimously (4-1) on April 29, 2014, to rescind conditional approval of the Petition to operate a charter school for kindergarten through eighth grade based on the District staff reviewers' findings that:

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

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

3. The petition does not contain reasonably comprehensive descriptions of the required elements of a charter petition, including but not limited to the Education Program, Measurable Pupil Outcomes/Methods of Assessment, Governance,

California Education Code Section 47605 requires that "no later than 60 days after receiving a petition... the county board of education shall hold a public hearing on the provisions of the charter, at which time the governing board of the school district shall consider the level of support for the petition by teachers employed by the district, other employees of the district, and parents." The Education Code further requires that the governing board of the school district "shall either grant or deny the charter within 60 days of receipt of the petition."

The County Board held a public hearing on the Petition on September 3, 2014, and will make a decision about whether to grant or deny the Petition at its meeting on October 1, 2014.

Review of the Petition

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

- The chartering authority shall be guided by the intent of the Legislature that charter schools are, and should become an integral part of the California educational system and that establishment of charter schools should be encouraged.

- A school district governing board shall grant a charter for the operation of a school under this part if it is satisfied that granting the charter is consistent with sound educational practice.

- The governing board of the school district shall not deny a petition for the establishment of a charter school unless it makes written factual findings, specific to the particular petition, setting forth specific facts to support one or more of the following findings:

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

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

  (3) The petition does not contain the number of signatures required by statute.

  (4) The petition does not contain an affirmation of each of the conditions required by statute.

  (5) The petition does not contain reasonably comprehensive descriptions of the required elements of a charter petition.
Staff Recommendation

Based upon its comprehensive review and analysis of the Petition, staff finds that the Petitioners present an unsound educational program for the pupils to be enrolled in the charter school; are demonstrably unlikely to successfully implement the program as presented in the Petition and its supporting documents; and, that the Petition does not provide a reasonably comprehensive description of several essential charter elements. Accordingly, staff recommends that the Board adopt the Resolution to Approve with noted conditions or conversely adopt the Resolution to Deny with noted findings. This Staff Report contains staff’s analysis of the Petition, and the written findings.

The following reasons justify denial of the Petition:

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

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

(3) The petition does not contain reasonably comprehensive descriptions of the required elements of a charter petition, including but not limited to the Education Program, Measurable Pupil Outcomes, Method of Measuring Measurable Pupil Outcomes, and Employee Qualifications.

Findings in Support of Denial

Staff’s review and analysis of the Petition resulting in the following findings:

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

   The findings related to an unsound educational program are encompassed in the comprehensive descriptions of the required elements of a charter petition, including but not limited to the Education Program beginning on page 6 of this report.

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

   The staff review of the petition finds a questionable Financial and Operational Plan. The areas of concern include:

   Startup Year
   a. PCSGP
   The PCSGP is a federal grant that is administered by the CDE to assist in the development of high quality charter schools. These funds are restricted for use in planning, program design, and initial implementation of the school, and cannot be used for operational expenses. All expenditures must be approved and must demonstrate that they support achievement of the approved grant work plan, or else the funding must be returned. The current PCSGP has a 5-year grant cycle ending in July 2015. The CDE plans to apply for a one-year extension, but there is uncertainty surrounding the
on-going funding of this grant beyond 2015.

http://www.cde.ca.gov/fg/fo/r1/pi14rfascript.asp. The CDE has indicated that there is
funding available that can be disseminated to authorized charters through the end of
this fiscal year, provided that all of the grant requirements have been met, and the
awards dispersed by year-end would not exceed the year-one allocation amount on the
grant award letter.

Although SPARK submitted a PCSGP application in 2013 and passed peer review, the
school must resubmit a new application to reflect the changes made to the petition,
submit revised budgets, and again pass peer review. A grant award cannot be issued
until the charter has been approved and issued a CDS number. The CDE recommends
that applicants do not include the PCSGP in the charter petitions because the grant is to
supplement the school’s program with one-time funds and that the charter should be
able to demonstrate its long-term viability from on-going revenue sources. SPARK did
not include the PCSGP in the original petition budgets that were submitted to the
district, but did include the grant revenue in both the revised petition budgets to
Sunnyvale and the second set of revised budgets that were submitted to the SCCOE on
appeal.

b. **Revenues and Expenditures**

SPARK’s petition reflects only two sources of revenue in the startup year: 1) $225K of
the $375K total PCSGP award and 2) $15K in donations from parents. Expenditures in
the start up year total $57K for books, supplies, curriculum consultant, and legal fees.

However, a review of SPARK’s PCSGP 2013 grant application budgets reveal that
the school will use the $225K of the PCSGP startup revenue to pay for $225K of one-time
expenditures that are not included in the petition budget. These expenditures include:
$36K for additional staff salaries for mandatory training (expenses for benefits were
omitted), $128K for PE equipment, instructional materials and supplies (includes
classroom, assessment, and administrative staff computers and software), and $61K for
business and curriculum training. If SPARK had included the PCSGP expenditures in the
petition startup budget, the school would open in 2015-16 with a negative beginning
fund balance of approximately -$42K.

**Cash**

The Petitioner is relying on the receipt of the $225K PCSGP allocation as the primary source
of cash in the startup year. The school’s current bank balance as of August 31, 2014 was
$3,682. Aside from the fact that SPARK has not been awarded the PCSGP and any possible
grant amount to be received cannot be determined until a grant award letter is provided, it
is likely that the majority of any cash received from the grant in the startup year will be
needed to pay for PCSGP and other startup expenses. This will leave SPARK little
operational cash at the beginning of 2015-16.
Year One Revenues, Expenditures, Cash Flow and Fund Balance

a. Revenues
- As noted in the startup year section, the PCSGP grant revenue budgeted in 2015-16 is questionable.
- The PCSGP revenue included in the petition budget will be used in year 1 for on-going operational expenditures that are not allowed by the grant.
- The petitioner estimates to receive $30K in 2015-16 in parent donations, and $45K annually thereafter. While the donations comprise only two (2) percent of total revenue, meeting that target may be difficult as an average of $190/student donation would be required in year one and 48 percent of the student population is designated as qualifying for free and reduced lunch program.

b. Expenditures
The budget expenditures do not appear to be reasonably estimated, as the PCSGP expenditures are not included and some on-going expenses seem to be insufficient.
- PCSGP Year 1 expenditures of $225K that were included in the grant application but were omitted in the petition include: additional salaries for training (additional benefits are not budgeted), equipment, supplies, reference and instructional materials, computers and software, consultants, training, staff professional development, and legal fees. Note: The petition only includes an additional $150K of PCSGP revenue in Year 1; it is likely that PCSGP expenditures in Year 1 would not exceed that amount.
- Rent is not adequately budgeted. The revised budget dated 7/24/14 does not include rent, as the school is assuming it will receive Prop 39 facilities from the district and be charged a 3 percent oversight fee. The COE can only charge a one (1) percent oversight fee. If the school receives Prop 39 facilities, the district can charge the school a pro-rata share of the facilities costs. Sunnyvale’s estimated facility rate per sq ft is $4.20. The petition states that in the first year the school will need 6 classrooms, support and office space, and the use of a playground, kitchen, multipurpose room and restrooms, or an estimated 11,850 sq ft (p. 166). The calculated rent expense in Year 1 is $49,770; SPARK budgets only $20,331 (three (3) percent oversight fee of 30,497 less one (1) percent oversight fee 10,166).
- The non-certificated staff budget appears insufficient. *Simply Hired* online employment job listing website lists the average school business manager in Sunnyvale at $59K (budget $45K), average school office clerk at $36K (budget $22.4K), and the average school custodian at $37K (budget $26.4K).

c. Cash Flow/Fund Balance
If the PCSGP cash is removed (either because the grant is not received or the funds are used to pay the PCSGP expenditures), SPARK will have negative beginning cash and negative cash balances each month in 2015-16. Cash will be further negatively impacted by the higher rent expense.

SPARK’s beginning 2015-16 fund balance is estimated to be -$42K. If the PCSGP grant revenue is removed or the grant expenditures are added and the additional rent expense and benefits associated with the grant are included, the estimated ending fund balance would be -$109K.
Loans
The revised budget narrative does not discuss plans to secure working capital to manage cash flow (the original submission did). SPARK is not likely to meet its cash flow needs in the first year of operation without working capital.

SPARK indicates that the school plans to sell their apportionment receivables in Year 2, and to a lesser extent in Year 3, in order to meet cash flow needs. The school also intends to apply for the $250K revolving loan in its first year of operation. If that loan is approved, the earliest those funds could be received is June 2016.

3. The petition does not contain reasonably comprehensive descriptions of all of the following:

(A) A description of the educational program of the school, designed, among other things, to identify those pupils whom the school is attempting to educate, what it means to be an "educated person" in the 21st century, and how learning best occurs. The goals identified in that program shall include the objective of enabling pupils to become self-motivated, competent, and lifelong learners.

Spark Charter School will be a kindergarten through eighth grade school when fully developed and plans to open as a kindergarten through sixth grade in 2015. However, the petitioners have not provided curriculum maps for their entire program or even all the grades they plan to open in 2015. There are no curriculum maps for grades six, seven or eight (nearly one-third of its program).

The Petition’s targeted population (English learners (ELs), academically low achieving students, and low income) will require a strong supportive structure and experienced curriculum leaders to identify and meet the challenging needs of these students. While Spark’s methodology is unique, inquiry based and project based learning, it lacks the use of fundamental intervention tools designed to support struggling learners. Some fundamental intervention resources are Differentiated Instruction and Response to Intervention (RTI) strategies.

The Petition attachments include plans for some populations (English Learners and Gifted and Talented Students) but does not include a plan for academically low achieving students. The Petition includes assessment and identification for academically low achieving students but is limited in explaining the curriculum and instructional design addressing their needs.

The academically low achieving students section in the revised Petition outlines assessment and identification, family notification and lists strategies for interventions and adds “monitoring progress” which includes a Student Success Team (SST) convened to support students to consider intervention strategies. The Petition states “Should the SST process fail to yield adequate progress, additional steps, such as referral for special education evaluation or 504 will be taken.” Academically low achieving students require highly skilled and experienced teachers to identify learning gaps, and teachers that are well trained in intervention strategies such as Differentiated Instruction and Response to
Intervention (RTI). Academically low achieving students may need more researched based intervention practices before going through the referral for special education or 504 processes.

The Petition includes providing an English Language Development (ELD) Program that is “integrated.” ELD instruction needs to be both integrated and designated, and the Petition lacks a designated ELD program. English Language Learners require a “structured designated ELD Program” in order to master the English language in addition to the “integrated” ELD approach the Petition describes. Given that ELs are a targeted population it is very important to have a strong foundation of the required curriculum.

The recent LCFF/LCAP requires schools to identify student subgroups and to provide assurances that all subgroups will meet the performance goals; however the student subgroups are not identified in the Petition. The Petition subgroups should be similar to the district they reside in. The Sunnyvale School District’s identified subgroups are English learners, pupils redesignated/reclassified fluent English Proficient, foster youth and low-income pupils.

Finally, the petition lacks a pre-service professional development plan for the preparation of newly hired teachers to implement the “integrated inquiry- and project based learning with social-emotional learning” within the “Helical Model” and in alignment with the Common Core and Next Generation Science Standards. Without such a plan, it is not possible to assess whether or how the teaching staff will be able to provide the educational program described in the petition.

**(B) The measurable pupil outcomes identified for use by the charter school.**

A review of the Petition raises a number of concerns:
- The section titled “Goals and Actions to Achieve State Priorities” does not identify all significant subgroups - only English Learners. The subgroups that reside in the boundaries of the Sunnyvale School District should be similar to the Charter School. The Petition tends to lump all subgroups together without differentiation, therefore there are no measurable outcomes for each of the subgroups.
- The listed goal for State Priority #4/ Student Achievement/Measureable Outcomes for EL students is very low - “25% of EL students meeting standard on CAASPP (State testing)”
- The Petition overall lacks information for their Middle School Program, including goals in their LCAP and an N/A for the metric of the Middle School dropout rate (Revised Charter page 85) as “Not Applicable.” If the Petition’s identified grade span is K-8th, even though it is not going to open with inclusion of all these grade levels, the Petition still needs to include all grade level goals, outcomes, curriculum and State Priorities for grades K-8th.

Overall, this section in the Petition is lacking information, and not reasonably comprehensive. Absent is the identification of the significant subgroups and lack thereof in addressing their needs in the Measurable Pupil Outcomes element of the Petition. In order to comply with LCFF/LCAP section of the Petition, clarification is needed addressing
both school-wide outcomes and subgroup outcomes as applicable to goals. Since significant subgroups are not identified, it creates a problem regarding goals and outcomes for these students. In addition, although the Petitioners' intent is to establish a school offering kindergarten through eighth grade, no reference is made to 6th through 8th grade regarding curriculum and instruction, the State Priorities and LCFF/ LCAP. Finally, expectations for ELs student achievement are set too low in addressing State Priority #4/Student Achievement/Measurable Outcomes regarding State testing.

The Petition thus does not present a comprehensive plan to meet their stated goals.

(C) The method by which pupil progress in meeting those pupil outcomes is to be measured.

The review of the Petition raised a number of concerns:
- There is no discussion of a process or system (such as MTSS - multi-tiered system of support) to determine how the Charter will meet the needs of any of their student subgroups (especially academically low achieving students) or a plan for professional development for their teachers.
- The Petition does not include all significant subgroups in the methods by which pupil progress will be measured.
- Exit outcomes are not explicit and need to address all students.
- A comprehensive professional development plan for teachers is absent that describes how teachers will learn to meet the needs of all learners.

(D) The qualifications to be met by individuals to be employed by the school.

The staffing model for special education is not provided. The credential type designation for teachers who are described in the Petition as dually certified is unclear. It is unclear how the Petitioner will ensure that students will be served by properly credentialed staff nor is it evident how they will be staffed to ensure that all aspects of the special education program can be implemented and monitored.

(F) Health and Safety Procedures

Spark has not provided health, safety, and risk management plans or policies, stating that such policies will be developed with consultants “prior to the school’s opening” and that the Grantor (in this case the SCCBOE) will be provided a draft for review 30 days prior to operation. The proposed draft timeline is also inadequate for review, refinement, approval, and implementation. The petitioners also intend to develop, rather than provide a plan and handbook for Emergency Preparedness. The lack of these plans do not allow for assessment of the readiness of the petitioners or the adequacy of the procedures.

Special Education

The review of the petition raises a number of significant concerns:
- Responsibility to Serve: It is unclear that the Petitioner is fully aware of the responsibility of the charter to serve all students with disabilities who enroll. On page
66, the Petitioner refers to their understanding of the responsibility as being for students with disabilities who enroll for whom the Spark program will benefit.

- Staffing: A staffing model is not provided. The credential type designation for teachers who are described in the Petition as dually certified is unclear. It is unclear how the Petitioner will ensure that students are served by properly credentialed staff nor how they will be staffed to ensure that all aspects of the special education program can be implemented and monitored.

- Funding/Fiscal Responsibility: References to available funding as a determinant for staffing and service offerings suggest that there is not clarity of the Petitioner’s fiscal responsibility for students with disabilities including the responsibility for fair share of any encroachment on general funds.

- SELPA: The Petition and other exhibits demonstrate a lack of clarity as to whether the school will be an LEA or a school of the county for purposes of special education. This lack of clarity means that essential elements are either not addressed or are not specific enough in the Petition to make a determination of its sufficiency.

- Consultation with SELPA: Conversations between Petitioner and the SELPA Director did occur. There is no evidence that these conversations engaged in consultation. It is not clear that the Petitioner is prepared to manage its responsibilities in the area of special education nor its ability to implement the policies of SELPA.

Overall, the Petitioner has not provided a clear plan for legally mandated special education services. The petitioner discusses what might happen or what they hope to do based upon available funding. There is no way to assess the capacity of the Petitioner to provide a successful, compliant, and educationally sound program without specific plans presented in petition.

Conclusion

Staff reviewed the petition utilizing the criteria for approval set forth in Education Code Section 47605. Based upon its comprehensive review and analysis of the Petition, staff finds that 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; and, the petition does not contain reasonably comprehensive descriptions of the required elements of a charter petition, including but not limited to the Education Program, Measurable Pupil Outcomes, Method of Measuring Measurable Pupil Outcomes, and Employee Qualifications. Accordingly, staff recommends that the Board adopt the Resolution to Approve with noted conditions or conversely adopt the Resolution to Deny with identified findings.
Summary of Concerns

➢ Budget and Finance

➢ Recruitment and Enrollment

➢ Education Program

➢ Special Education

➢ Health and Safety
Summary of Fiscal Concerns

- SPARK's Operational Capacity without PCSGP Funding
- Significant Differences Between the PCSGP Application Budgets & Petition Budgets
- Available Cash for Operations
- Negative Fund Balances and Reserves
- Insufficient Amounts Budgeted for Operational Expenditures
SPARK’s Operational Capacity without PCSGP Funding

- SPARK’s current cash balance is @ $3,500

- If the PCSGP Grant is not received, Petitioners have no other cash available to use for startup school expenses, such as Executive Director and teacher salaries for training, consultants, purchasing computers and equipment for students, curriculum design, supplemental textbooks and instructional materials for the classroom, etc.

- No secured financing or evidence of available collateral to obtain loans

- Fundraising challenges due to delays in obtaining 503(c)(3) status; current process can take 3 – 6 months.

- Per petitioner, SPARK will not open in 2015 without the PCSGP grant
Other Outcomes Regarding PCSGP Grant

- If the PCSGP Grant is received, Petitioners do not have sufficient cash to pay first year expenses for operations (on-going such as payroll, facilities, supplies).

- If the PCSGP Grant is received, Petitioners have not secured other sources of cash to pay for first year expenses.
### SPARK's PCSGP Application - Expenditure Budget

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<th>Object Code</th>
<th>Description of Line Item</th>
<th>Planning Year (if Applicable)</th>
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<th>Implementation Year 2</th>
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<td><strong>150,000</strong></td>
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### SPARKS'S one-time PCSGP expenses

**Examples:**
- Salaries for 7-day teacher training
- Administrative salaries for staff, curriculum and school development

**Examples:**
- Skills workbooks
- Classroom reference materials
- PE, classroom & office equipment
- SpEd setup
- Musical instruments
- Instructional games & manipulatives
- Classroom computers & software

**Examples:**
- Consultants – fiscal/budget/business training
- Consultants – curriculum design, benchmark, assessments
- Consultants – Board training

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**Santa Clara County Office of Education**
## Public Charter Schools Grant Program (PCSGP) Expenditures

<table>
<thead>
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<th>Item</th>
<th>Amount</th>
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<td>Board training – governance, fiscal management</td>
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<tr>
<td>Total of other line items less than $10,000 (Detail on following slide)</td>
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**Grand Total**  
$225,000
## Public Charter Schools Grant Program (PCSGP) Expenditures

### Detail of Items Less than $10,000

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<tr>
<td>Teacher support resources</td>
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<td>PE equipment</td>
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<td>Materials and supplies</td>
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<td>Art &amp; Music supplies</td>
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<td>Group tables &amp; carpets</td>
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<td>Canopy &amp; tables with benches</td>
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<td>Enrollment (translations, location fees)</td>
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<td>CCSA Conference</td>
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<td>Expenses for August, HR, legal, ed leadership training</td>
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<td>Licensing – student data systems</td>
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<td>Legal fees</td>
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**SPARK Petition – Startup Budget**

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<th><strong>Startup Budget</strong></th>
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<td><strong>Revenue</strong></td>
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<td>Other State Revenues</td>
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<td>Fundraising and Grants</td>
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<td><strong>Expenses</strong></td>
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<tr>
<td>Compensation and Benefits</td>
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<td><strong>Total Expenses</strong></td>
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<tr>
<td><strong>Operating Income (excluding Depreciation)</strong></td>
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## Significant Differences Between the PCSGP Application Budgets & Petition Budgets

### SPARK PCSGP Application – Startup Budget

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<th>Description of Line Item</th>
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### SPARK Petition – Startup Budget

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<td>General Block Grant</td>
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<td>Fundraising and Grants</td>
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<table>
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<td>Total Expenses</td>
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</table>

| Operating Income (excluding Depreciation) | 183,000 |

Santa Clara County Office of Education
Available Cash for Operations Per Petitioners

SPARK Petition Startup Year Projections:

- Receipt of $225K from the PCSGP + $15K from parent donations.
- Expenditures only total $57K for books, supplies, & operating expenses.
- Balance of $183K in cash will be available for start of the 1st year of operation.
Year 1 Available Cash for Operations

SPARK Petition Cash Flow Analysis for 2015/16

As Submitted by Petitioners

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<tr>
<th></th>
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<th>August</th>
<th>September</th>
<th>October</th>
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<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>Accruals</th>
<th>TOTAL</th>
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<td>193,715</td>
<td>176,887</td>
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<td>246,202</td>
<td>240,616</td>
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<td>LCFF Sources</td>
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<td>113,188</td>
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<td>240,616</td>
<td>225,386</td>
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### Year 1 Available Cash for Operations

**SPARK Petition Cash Flow Analysis for 2015/16**

*Per the Petitioner’s Submitted Startup and Year 1 Budgets*

*Assumes Receipt of PCSGP and Includes Omitted PCSGP Expenditures*

<table>
<thead>
<tr>
<th></th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
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<th>January</th>
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<th>June</th>
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<td><strong>A. BEGINNING CASH</strong></td>
<td>(42,000)</td>
<td>(92,310)</td>
<td>(146,284)</td>
<td>(85,613)</td>
<td>(104,016)</td>
<td>(122,066)</td>
<td>(118,174)</td>
<td>(130,610)</td>
<td>(150,221)</td>
<td>(91,297)</td>
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<td>(137,111)</td>
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<td>LCFF Sources</td>
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<td>Property Taxes</td>
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<tr>
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<td>(122,066)</td>
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### Negative Fund Balances and Reserves

Assumes Receipt of PCSGP & Includes Omitted PCSGP Expenditures

#### SPARK Charter School
Multiyear Budget Summary
07.18.14; SCCOE Revision to account for change in authorizer

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<tr>
<td>Federal Revenue</td>
<td>225,000</td>
<td>218,904</td>
</tr>
<tr>
<td>Other State Revenues</td>
<td>-</td>
<td>20,657</td>
</tr>
<tr>
<td>Local Revenues</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fundraising and Grants</td>
<td>15,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>240,000</td>
<td>1,295,120</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation and Benefits</td>
<td>-</td>
<td>754,050</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>40,500</td>
<td>131,870</td>
</tr>
<tr>
<td>Services and Other Operating Expenditures</td>
<td>16,500</td>
<td>290,904</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>57,000</td>
<td>1,176,624</td>
</tr>
<tr>
<td><strong>Operating Income (excluding Depreciation)</strong></td>
<td>183,000</td>
<td>118,496</td>
</tr>
</tbody>
</table>

Less: PCSGP Expenditures
(225,000) (150,000)

Operating Income (Excluding Depreciation)
(42,000) (31,504)

Fund Balance
(42,000) (73,504)

$150,000 PCSGP
$68,904 Other

& Before PCSGP Exp.
Insufficient Amount Budgeted for Operational Expenditures

- Insufficient Rent Budget
  - SPARK budgets $20K
  - Prop 39 facilities (District’s pro-rata share x SPARK’s est. space needed) is $50K

- No Budget for Classified Instructional and Support Staff

- Insufficient Classified Staff Budget
  - SPARK’s total classified staff budget (business manager, school clerk & school custodian) is $94K
    (Simply Hired employment website estimates the average total salaries for these 3 positions in Sunnyvale is $132K)

- No Benefits Budgeted for the Additional PCSGP Salaries
Summary of Fiscal Concerns

- SPARK's Operational Capacity without PCSGP Funding
- Significant Differences Between the PCSGP Application Budgets & Petition Budgets
- Available Cash for Operations
- Negative Fund Balances and Reserves
- Insufficient Amounts Budgeted for Operational Expenditures
Recruitment and Enrollment

- Intent to enroll
  - Total of 439 signatures submitted with the Petition
  - The Office of Innovative Schools successfully contacted 140 parents
    - 95 were still interested
    - 45 were not interested
  - 299 parents were unreachable for the following reasons:
    - No answer
    - Wrong number
    - No phone number listed
    - Left voice mail/no return call
    - Phone number illegible
    - Phone disconnected

- Clarity needed regarding parent participation commitment
Education Program

- The Petition **does not have** a pre-service professional development plan for the preparation of newly hired teachers to implement the "integrated inquiry- and project based learning with social-emotional learning" within the "Helical Model" and in alignment with the Common Core and Next Generation Science Standards.
- The Petition **only** contains a **draft** of the curriculum map for sixth grade and **no curriculum maps for seventh and eighth grades**.
- The Petition **lacks a plan** to address the needs of academically low achieving students.
- The Petition **lacks a plan** for professional development to support teachers in meeting the needs of academically low achieving students.
Education Program

➢ The Petition does not identify State numerically significant subgroups other than English Learners (EL) and does not include "specific" annual actions for each subgroup to achieve stated goals to comply with the State Priorities under LCFF/LCAP.

➢ The Petition lacks an English Language Development (ELD) Plan that is both "integrated and designated" to implement the California ELD Standards in tandem with the California Common Core Standards for English Language Arts/Literacy and other content standards in order to provide a comprehensive program for English Learners.
Special Education

➢ The Petition does not:

➢ clearly identify if the school will be an independent LEA for special education purposes and does not reflect clear understanding of special education responsibilities and the requirements to implement SELPA policies.

➢ address how the Petitioner will ensure that students are served by properly credentialed staff and how they will be staffed to ensure that all aspects of the special education program can be implemented and monitored.

➢ clearly articulate the Petitioner's understanding of their fiscal responsibility for students with disabilities including the responsibility for fair share of any costs to be charged to general funds when costs to serve exceed the available special education funds.

➢ The Petition lacks clarity that Petitioners are aware of and understand the responsibility to serve all students with disabilities who enroll and of their intent to comply with IDEA; lacks a staffing model; and does not identify the credential type designation for teachers who are described in the Petition as dually certified.
Health and Safety

➢ The petition does not provide clearly outlined health, safety, emergency preparedness plans, risk management plans or policies.
Summary of Concerns

- Budget and Finance
- Recruitment and Enrollment
- Education Program
- Special Education
- Health and Safety
RESOLUTION APPROVING THE CHARTER PETITION
OF SPARK CHARTER SCHOOL

SANTA CLARA COUNTY BOARD OF EDUCATION
RESOLUTION NO.:

RESOLVED by the Santa Clara County Board of Education, County of Santa Clara, State of California, that:


WHEREAS, the Santa Clara County Board of Education (hereinafter “County Board of Education”) held a public hearing on this matter on September 3, 2014; and

WHEREAS, the County Board of Education reviewed the Petition taking into consideration the testimony and documents submitted, including the Spark Charter Petition to the County Board of Education; the testimony presented at the public hearing; additional materials received from petitioners, the Sunnyvale School District and the public; and the review of County Office of Education staff; and

WHEREAS, the County Board of Education finds that the proposed charter school will offer services to pupils who have performed at an average or below average level, and that such pupils will benefit from those services; and

WHEREAS, the County Board of Education finds that the deficiencies identified by staff review can be addressed by specific action, plans, and information;

NOW, THEREFORE, the County Board of Education does hereby approve the petition, and does hereby grant the charter, with the stipulation that the petitioners meet the following requirements prior to opening the school in fall 2015:

I. Provide the following evidence and information to ensure that the Spark Charter has addressed the concerns identified in the staff analysis:

1. Amend the Spark petition by eliminating the “who can benefit” in reference to Special Education Students on page 66 of the petition.

2. By November 1, 2014,
i. Notify SCCOE whether charter intends to operate as a school of the County Office of Education for Special Education purposes or as an LEA for Special Education purposes

ii. Add clarifying language to all print and online communication regarding the Spark program that parent participation commitment is not a requirement for application and that no child will be denied enrollment because parents have not participated.

3. By January 1, 2015

i. Provide assurance that the Petitioner is aware of and understands the responsibility of the charter to serve all students with disabilities who enroll. The petition should be updated to reflect this understanding and to provide assurance of their intent to comply with IDEA.

ii. Provide a staffing model and outline the credential type designation for teachers who are described in the Petition as dually certified. Document how the Petitioner will ensure that students are served by properly credentialed staff and how they will be staffed to ensure that all aspects of the special education program can be implemented and monitored.

iii. Provide statements clarifying the Petitioner’s understanding of their fiscal responsibility for students with disabilities including the responsibility for fair share of any costs to be charged to general funds when costs to serve exceed the available special education funds.

4. By February 1, 2015, if charter is LEA within County SELPA, provide evidence of its intent or document that the charter has notified the SELPA Director in writing of intent prior to February 1st of the preceding school year.

5. By March 1, 2015,

i. Provide a budget and staffing plan and budget for Special Education which demonstrates a clear understanding and commitment to meet the charter school’s Special Education responsibilities.

ii. Provide a pre-service professional development plan for the preparation of newly hired teachers to implement the “integrated inquiry- and project based learning with social-emotional learning” within the “Helical Model” and in alignment with the Common Core and Next Generation Science Standards. The plan should include specific timing and duration of the training activities.
6. By April 1, 2015, provide evidence of the Grant Award Notification (GAN) of the PCSGP grant, with grant budgets, any amendments to the application or budget revisions required by the CDE in their review process.

7. By April 1, 2015, provide evidence of 150 current “intent to enroll” applications for the 2015-16 school year.

8. By June 1, 2015, provide:
   
i. Evidence (i.e. bank statement, loan contract) of sufficient cash reserves for payroll expenditures from July 1 - September 30, 2015, or an approved contract through a recognized financial institution for a line of credit or loan.
   
ii. Clearly outlined health, safety, emergency preparedness plans, and risk management plans or policies.

9. By August 1, 2015, the Charter School must provide the following information:
   
i. A “final” copy of the curriculum map for grade 6 (the revised charter includes a “draft”) and curriculum maps for grades 7 and 8.
   
ii. A plan for teaching academically low-achieving students, explaining the curriculum and instructional design addressing their needs. The plan should also include professional development, in researched based intervention practices and strategies, to support teachers in meeting the needs of academically low-achieving students.
   
iii. Identify State numerically significant subgroups other than English Learners (EL) and include “specific” annual actions for each subgroup to achieve these goals to comply with the State Priorities under LCFF/LCAP. Spark’s subgroups should be similar to the subgroups that reside in Sunnyvale School District. (Adjust State Priority #5 - Student Engagement, to include the metric of the Middle School Dropout Rates and State Priority #8 – Other Student Outcomes to include all grade levels K-8th.)
   
iv. An English Language Development (ELD) Plan that is both “integrated and designated” implementing the California ELD Standards in tandem with the California Common Core Standards for English Language Arts/Literacy and other content standards in order to provide a comprehensive program for English Learners.

II. Spark Charter School and the County Office of Education shall enter into a Memorandum of Understanding that will govern the County Office of Education’s oversight of Spark Charter School’s operations (hereinafter “MOU”). Failure to successfully negotiate and execute the Contract by January 1, 2015, shall be considered grounds for revocation of the charter. To
the extent that there are any inconsistencies between the MOU and the approved charter, the MOU controls.

The charter is approved for an initial period of three years of school operation, commencing on July 1, 2015 and continuing through June 30, 2018.

Passed and adopted by the Santa Clara County Board of Education at a meeting held on this 1st day of October, 2014 by the following vote:

AYE: 

NO: 

ABSTENTION: 

ABSENT: 

Leon F. Beauchman, President  Jon R. Gundy  
Santa Clara County Board of Education  County Superintendent of Schools  
Santa Clara County Office of Education  
Santa Clara County Office of Education
RESOLUTION FOR DENYING THE CHARTER PETITION
OF SPARK CHARTER SCHOOL

SANTA CLARA COUNTY BOARD OF EDUCATION
RESOLUTION NO.:

RESOLVED by the Santa Clara County Board of Education, County of Santa Clara, State of California, that:


WHEREAS, the Santa Clara County Board of Education (hereinafter “County Board of Education”) held a public hearing on this matter on September 3, 2014; and

WHEREAS, the County Board of Education reviewed the Petition taking into consideration the testimony and documents submitted, including the Spark Charter Petition to the County Board of Education; the testimony presented at the public hearing; additional materials received from petitioners, the Sunnyvale School District and the public; and the review of County Office of Education staff; and

WHEREAS, the County Board of Education finds that the proposed charter school does not meet the criteria established by Education Code 47605(b), specifically:

(1) The charter school does not contain reasonably comprehensive descriptions of the required elements.

NOW, THEREFORE, the County Board of Education makes the following findings:

1. The Petition for Spark Charter School presents an unsound educational program for the pupils enrolled in the charter school.

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

NOW, THEREFORE, for the forgoing reasons, the County Board of Education DENIES the Petition.
Passed and adopted by the Santa Clara County Board of Education at a meeting held on this 1st day of October, 2014 by the following vote:

AYE:

NO:

ABSTENTION:

ABSENT:

______________________________  ________________________________
Leon F. Beauchman, President  Jon R. Gundry
Santa Clara County Board of Education  County Superintendent of Schools
                                      Santa Clara County Office of Education