

Santa Ynez Valley Union High School District Public Hearing

REGARDING REQUEST FOR WAIVER OF
PROVISIONS OF EDUCATION CODE
SECTIONS 47635, 47632, 47605, AND
47663 AND CORRESPONDING REGULATIONS
& REQUEST FOR DESIGNATION OF
ALTERNATE SPONSORING LOCAL
EDUCATION AGENCY

Date:

March 12, 2019

Presented by:

Scott Cory, Superintendent

TIMELINE – OLIVE GROVE CHARTER SCHOOL – BUELLTON

- December 12, 2017, the SYVUHSD Board denied the Charter Petition for the Olive Grove Charter School–Buellton (“OGCS-B”).
- March 1, 2018, the Santa Barbara County Education Office Board of Education denied OGCS-B’s appeal.
- July 11, 2018, the California State Board of Education (“SBE”) approved OGCS-B on appeal for a five-year term of July 1, 2018 through June 30, 2023.

EDUCATION SECTION 47635

Education Code section 47635 requires a “sponsoring local educational agency” (“SLEA”) to “annually transfer to each of its charter schools funding in lieu of property taxes (“ILPT”).

SPONSORING LOCAL EDUCATIONAL AGENCY

Education Code section 47632(i) defines the SLEA for charters that are granted by the SBE after having been previously denied by a local education agency (“LEA”) as either:

The LEA designated by the SBE (Education Code § 47605(k)(1))

If an LEA is not designated, the LEA that initially denied the charter petition.

SPONSORING LOCAL EDUCATIONAL AGENCY

- Because the SBE did not designate an “SLEA” upon approving the OGCS-B Charter, the District, as the LEA that initially denied the charter, became the “SLEA” by default.
- Therefore, the District, as the OGCS-B’s SLEA, is responsible for annually transferring ILPT dollars to the OGCS-B.
- OGCS Executive Director Laura Mudge has publicly projected that the ILPT will increase to \$1 M to \$1.2 M by the end of the 2018-2019 fiscal year.
- This amount represents approximately 10% of the District’s operating budget.

REIMBURSEMENT

California's school funding model reimburses SLEA's for ILPT transfers based on their designation as a "basic aid district" or a "state aid district."

State Aid District

- Revenue Limit funded by a mix of state aid and property tax.
- Backfilled by the State for any ILPT transfers paid to Charter Schools.

Basic Aid District

- Revenue Limit funded entirely through property tax in addition to constitutionally guaranteed state aid
- Partially reimbursed for ILPT transfers through basic aid supplement pursuant to Education Code section 47663

BASIC AID SUPPLEMENT

- A basic aid district, such as the SYVUHSD, is only reimbursed to the extent that students attending a charter school sponsored by the District are out-of-district students from a state aid district.
- Even then, basic aid districts are entitled to, at most, 70% of the LCFF Base Grant that each student would have generated for his or her district of residence.
- As such, whether and to what extent the SYVUHSD would receive basic aid supplement depends on the district of residence of each student attending OGCS-B.
- On February 26, 2019, CDE notified the District that it will not receive any reimbursement of ILPT transfers based on Olive Grove's alleged enrollment of 84 in-district students for the 2018-2019 fiscal year.

OPTIONS FOR ADDRESSING ILPT TRANSFERS

1. Request 1: Request a General Waiver of Portions of Education Code sections 47635, 47632, 47605, and 47663 and the corresponding Regulations;
2. Request 2: That the SBE exercise its authority, pursuant to Education Code section 47605(k)(1), to designate another LEA to serve as the OGCS-B's SLEA;
3. Pursue legislative changes that address the definition of an SLEA and/or the scheme for reimbursing SLEAs that improves the level of reimbursement for basic aid districts

OPTION 1: GENERAL WAIVER

Education Code section 33050 et. seq. permits a school district to request that the SBE waive all or part of any section of the Education Code or any regulation adopted by the SBE, except those made expressly non-waivable.

The SBE must grant the waiver unless it makes specific findings as follows:

1. The educational needs of the pupils are not adequately addressed.
2. The waiver affects a program that requires the existence of a schoolsite council and the schoolsite council did not approve the request.
3. The appropriate councils or advisory committees, including bilingual advisory committees, did not have an adequate opportunity to review the request and the request did not include a written summary of any objections to the request by the councils or advisory committees.
4. Pupil or school personnel protections are jeopardized.
5. Guarantees of parental involvement are jeopardized.
6. The request would substantially increase state costs.
7. The exclusive representative of employees, if any, ... was not a participant in the development of the waiver.

OPTION 1 : PROCESS

1. Notice of
Public Hearing

2. Consult
Bargaining
Units

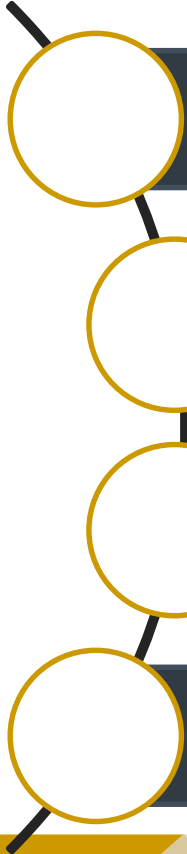
3. Provide
Opportunity for
Appropriate
Councils to
Review
Request 1

4. Conduct a
Public Hearing

5. Approve
Resolution
Authorizing
Request 1

6. Submit
Request 1

OPTION 1: TIMING



Request 1, if approved by the SYVUHSD Board, will be submitted March 13, 2019

After submission, SBE generally requires ten to twelve weeks to process.

If received, the SBE must take formal action on Request 1 within the next two regularly scheduled meetings, otherwise Request 1 is automatically approved

Depending on how the SBE processes Request 1, SBE will take formal action on Request 1 at the the July 10, 2019 meeting or the September 11, 2019 Meeting.

OPTION 1: POTENTIAL OUTCOMES

Outcome 1: The SBE approves Request 1.

- The SBE may approve the waiver for up to two (2) years. Thereafter, the SYVUHSD would have to submit a request to have the waiver renewed.
- The State will assume the responsibility of ILPT transfers to the OGCS - Buellton.

Outcome 2: The SBE fails to timely take action on the waiver request.

- If the SBE does not take formal action to approve the waiver within the next two regularly scheduled SBE Board meetings, then the waiver will be deemed automatically approved for one year.
- The State will assume the responsibility of ILPT transfers to the OGCS - Buellton.

Outcome 3: The SBE declines to accept the waiver request.

The SYVUHSD continues to be responsible for ILPT transfers to the OGCS - Buellton for the duration of its charter term and renewals.

Outcome 4: The SBE denies the waiver request.

- The SYVUHSD continues to be responsible for ILPT transfers to the OGCS - Buellton for the duration of its charter term and renewals.

OPTION 2: SEEK DESIGNATION OF ALTERNATE SLEA

- This process would seek to have the SBE designate another LEA to serve as the OGCS - Buellton's SLEA pursuant to Education Code section 47605(k)(1).
- If another LEA is designated, the SYVUHSD would be relieved of the obligation to transfer ILPT to the OGCS - Buellton.
- SYVUHSD is in discussions with a state aid district regarding this option.

OPTION 2 : PROCESS

1. Coordinate with CDE to Discuss Procedure for Request 2

2. Obtain authorization from SYVUHSD Board to submit Request 2

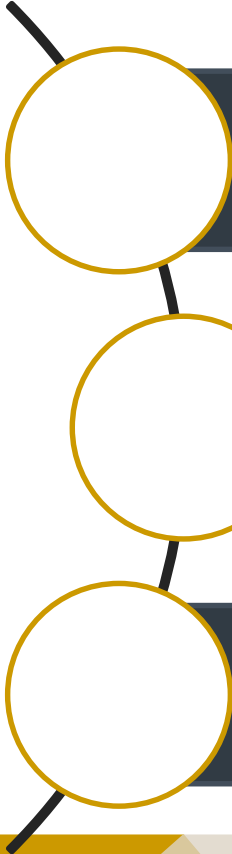
3. Submit Request 2 to SBE

4. Identify an LEA willing to accept the designation

5. CDE evaluates Request 2

6. SBE takes action on Request 2

OPTION 2: TIMING



Request 2, if approved by the SYVUHSD Board, will be submitted by March 20, 2019.

After submission, CDE should complete its evaluation by April 2, 2019.

If Request 2 is timely processed by CDE, the SBE will consider Request 2 at the May 8-9, 2019 SBE Board meeting.

OPTION 2: POTENTIAL OUTCOMES

- **Outcome 1:** If the SBE designates another SLEA, then the SYVUHSD will be relieved of its obligation, as the OGCS - Buellton's SLEA, to annually transfer ILPT dollars to the OGCS - Buellton.
 - The newly designated SLEA will assume the responsibility to transfer ILPT dollars to the OGCS - Buellton.
 - If a state aid district is designated, any ILPT transfers made by the SLEA will be “backfilled” by the State.
- **Outcome 2:** If the SBE declines to designate another SLEA, then the SYVUHSD will continue to be responsible for ILPT transfers to the OGCS - Buellton.

OPTION 3: PURSUE LEGISLATIVE CHANGES

The District is currently in discussions with Capitol Advisors, locally elected officials, SBE members, the State Superintendent Tony Thurmond, and Governor Gavin Newsom to consider and pursue legislative changes relating to the District's requirement to annually transfer ILPT dollars to OGCS-Buellton.

QUESTIONS