



Los Angeles County Office of Education

Serving Students ■ Supporting Communities ■ Leading Educators

January 21, 2015

Arturo Delgado, Ed.D.
Superintendent

Los Angeles County
Board of Education

Katie Braude
President

Thomas A. Saenz
Vice President

Douglas R. Boyd

José Z. Calderón

Rudell S. Freer

Raymond Fleisler

Rebecca J. Turrentine

*Via E-mail to cchan@cde.ca.gov &
FedEx, Tracking No. 8015 5564 5640*

Cindy Chan, Interim Director
Charter Schools Division
California Department of Education
1430 N Street, Suite 5401
Sacramento, CA 95814

Re: Appeal by Wisdom Academy for Young Scientists of Charter Revocation

Dear Ms. Chan:

The Los Angeles County Board of Education (“County Board”) hereby submits its opposition to the Wisdom Academy for Young Scientists’ (“WAYS”) appeal of revocation to the State Board of Education. On November 18, 2014, the County Board revoked the WAYS’ charter based on substantial evidence that WAYS failed to meet generally accepted accounting principles (“GAAP”), engaged in fiscal mismanagement and committed a material violation of the conditions, standards, and/or procedures as stated in its charter. (Education Code §§ 47607(c)(1)(C), (c)(1)(A).) The revocation proceeded in accordance with all applicable laws and regulations. WAYS was afforded due process throughout the entirety of the revocation proceeding. The County Board properly considered the increases in pupil academic achievement for all groups of pupils served by the charter school as the most important factor in its determination to revoke the charter. The County Board did not err in revoking the WAYS’ charter. Thus, WAYS’ appeal must be denied.

The grounds for revocation and the supporting substantial evidence are set forth in the Notice of Violation (“NOV”), Notice of Intent to Revoke (“NIR”), and the Final Decision to Revoke (“Final Decision”) and their accompanying exhibits. On January 5, 2015, the Los Angeles County Office of Education (“LACOE”) provided these documents to the California Department of Education (“CDE”). In its Administrative Record, WAYS both includes many documents that were not part of the revocation proceedings and fails to include others. These documents that were not part of the

Ms. Chan
January 21, 2015
Page 2

revocation proceedings are attached as Exhibit One. While the NOV and accompanying evidence and the NIR are included in the Administrative Record submitted by WAYS. (WAYS Administrative Record ("AR"), pp. 621 – 1723, pp. 3347-3396.) However, WAYS did not include the accompanying evidence to the NIR. The Final Decision and its accompanying evidence are included in the Administrative Record. (WAYS AR, pp. 3438-3791.) The grounds and evidence included in the NOV, NIR, and Final Decision are incorporated by reference into this opposition.

WAYS' appeal of the County Board's revocation must be denied because it did not properly submit its appeal. WAYS has submitted no evidence that its governing board approved the appeal to the State Board of Education as required by California Code of Regulations, Title 5, section 11968.5.5(a). In fact, there is no evidence that the WAYS governing board has held a board meeting since November 12, 2014. Finally, as noted above, WAYS improperly submitted the administrative record. WAYS did not include the exhibits to the County Board's NIR and included extraneous material not before the County Board in violation of California Code of Regulations, Title 5, section 11968.5.5(b)(1) [requiring the appellant to submit a copy of the notice of intent to revoke, along with other documents].

WAYS has made baseless accusations of racism against the County Board and LACOE staff throughout the revocation proceedings. This allegation is WAYS' futile attempt to distract from its violations. As demonstrated through the administrative record and the documents relied on by the County Board, WAYS was provided with ample opportunity to cure the identified violations. Instead, WAYS has focused its attention on arguing that LACOE and the County Board discriminates against WAYS on account of race without providing any convincing evidence supporting this claim. Throughout the time the County Board has authorized WAYS, there have been concerns with the fiscal management and administration of the school. The County Board and LACOE staff repeatedly attempted to work with WAYS to address these concerns. WAYS even notes in its appeal that the County Board issued numerous notices of concerns alerting WAYS and its governing board of deficiencies in need of correction. (WAYS Appeal, page 5.) WAYS' charter revocation was a product of its failure to meaningfully cure these deficiencies.

- 1. The Notice of Violation, Notice of Intent to Revoke, and Final Decision to Revoke established grounds for revocation supported by substantial evidence.**
 - a. Summary of Procedural and Substantive Facts.**

Ms. Chan
January 21, 2015
Page 3

WAYS was authorized by the County Board on appeal of the Los Angeles Unified School District's denial of WAYS' renewal petition. On June 7, 2011, the County Board conditionally approved the WAYS charter. On July 18, 2011, WAYS signed the LACOE Monitoring and Oversight Memorandum of Understanding ("MOU") agreeing to the conditions set forth. WAYS contends that the County Board did not sign this MOU. However, the MOU was fully executed by both parties. (See "WAYS Fully Executed MOU (C-12887)_08-01-11" provided by LACOE to CDE on January 5, 2015.)

On June 3, 2014 the County Board issued a NOV to WAYS for failure to meet generally accepted accounting principles, engagement in fiscal mismanagement, and for committing a material violation of the conditions, standards, and/or procedures as stated in its charter in accordance with Education Code section 47607(d). The NOV extensively detailed that WAYS failed to follow GAAP, lacked sufficient and effective internal controls, and engaged in fiscal mismanagement, including occupational fraud and related party transactions that violated conflict of interest statutes.

The NOV and accompanying evidence also set forth evidence that WAYS committed a material violation of the conditions, standards and procedures set forth in its charter when its governing board failed to exercise fiscal and institutional control as required by its charter. WAYS' governing board did not establish and/or approve policies prior to implementation, did not hold monthly meetings, failed to follow its own bylaws, did not comply with the Brown Act regarding meetings, failed to provide proper oversight of the school's executive director and its director of operations, and did not provide the charter's required annual report to the WAYS governing board. These failures to provide adequate oversight in turn led to the fiscal mismanagement of the school.

The substantial evidence supporting these violations consisted of extensive documents including independent audit reports, an AB 139 extraordinary audit conducted by the Fiscal Crisis & Management Assistance Team ("FCMAT"), WAYS' financial records, and other records. All supporting evidence is attached to the NOV. (WAYS AR, pages 621 -1723.) On June 3, 2014, WAYS provided a written response to the NOV. (WAYS Appeal, Exhibit One.)

Pursuant to Education Code section 47607(d), the County Board provided WAYS with a reasonable opportunity to refute, cure, or propose a cure, to the identified violations. WAYS submitted a timely written response on July 31, 2014. (WAYS Appeal, Exhibit 2.)

Ms. Chan
January 21, 2015
Page 4

The County Board determined that WAYS failed to refute the violations or provide a cure. On September 23, 2014, the County Board issued the NIR pursuant to Education Code section 47607(e). (WAYS AR, pages 3347 – 3396; accompanying evidence to the NIR provided by LACOE to CDE on January 5, 2015 via dropbox.) The NIR incorporated the substantial evidence included with the NOV as a basis for the revocation, as well as additional supporting evidence. The NIR also included a thorough analysis of the academic performance of WAYS. WAYS provided a written response to the NIR. (WAYS Appeal, Exhibit 3.)

Although the time period to provide or propose a cure had expired, WAYS continued to attempt to cure the violations identified in the NOV. Following the issuance of the NIR, WAYS entered into a charter management contract with Celerity Educational Group (“CEG”) as a purported cure to the identified violations and grounds for revocation. (WAYS AR, pages 3464 – 3473.)

On October 21, 2014, the County Board held a public hearing to determine whether evidence existed to support the revocation of the WAYS charter. (Education Code section 47607(e).) The WAYS Board did not attend. The CEO of CEG, presenting on behalf of WAYS, gave an overview of the proposed charter management contract with CEG. (See Transcript of October 21, 2014 County Board meeting provided by LACOE to CDE on January 20, 2015 (“Transcript”), pages 151-169.)

However, on November 14, 2014, CEG rescinded the contract with WAYS, stating that WAYS did not comply with the agreed upon conditions for CEG to act as its charter management organization. (Attached as Exhibit Two is a true and correct copy of CEG’s correspondence to WAYS cancelling the agreement.) This contract could no longer be considered a cure of the numerous charter violations and procedural improprieties and inadequacies. On November 18, 2015, WAYS submitted a written response to the LACOE report regarding the Final Decision. (WAYS Appeal, Exhibit 4.) On November 18, 2015, the County Board issued its final decision to revoke the WAYS charter based upon the substantial evidence contained in the NOV and NIR and WAYS’ admitted failure to cure the violations. (WAYS AR, pages 3805-3808.)

The Final Decision incorporated the NOV, the NIR, an analysis of WAYS’ continued (unsuccessful) attempts to cure the violations, and an analysis of its academic performance. The County Board in its Final Decision also considered documents submitted by WAYS following the end of the cure period, including fiscal policies and a proposed charter management contract with CEG. (WAYS AR, page 3438.) The Final Decision found that WAYS failed to refute or remedy the violations identified in the NOV and NIR. (WAYS AR, page 3438-3791.)

Ms. Chan
January 21, 2015
Page 5

a. The NOV, NIR, and Final Decision established WAYS' failure to follow GAAP and fiscal mismanagement.

The NOV, NIR, and Final Decision were based on substantial evidence that WAYS failed to follow GAAP, lacked sufficient and effective internal controls, and engaged in fiscal mismanagement including related party transactions and occupational fraud.

In its appeal, WAYS alleges that the related party transactions do not constitute a violation of law or statute. However, there are documented related party transactions at WAYS that have resulted in fiscal mismanagement and conflicts of interest. The FCMAT report, cited in the NOV, NIR, and Final Decision, establishes that several related party transactions exist between the founder/former executive director, her family members, vendors, and associates. (WAYS AR, pages 492 – 502; FCMAT Report, page 36-46.) These transactions have resulted in conflicts of interest and misappropriation of funds. FCMAT stated “there is little evidence of responsible governance by the board and clearly a lack of fiscal accountability by the administration.” (WAYS AR, page 501; FCMAT Report, page 45.)

The FCMAT report also concluded “Based on the evidence presented to FCMAT, there is sufficient documentation to demonstrate that fraud, mismanagement and misappropriation of the charter school funds and assets may have occurred. There exists a significant material weakness in the charter school’s internal control environment, which increases the probability of fraud and/or abuse. These findings should be of great concern to the WAYS governing board and the LACOE governing board and require immediate intervention to limit the risk of fraud and/or misappropriation of assets in the future.” (WAYS AR, page 501; FCMAT Report, page 45.)

The Independent Audit Reports (for fiscal years ending 2012 and 2013), cited in the NOV, NIR, and Final Decision, also found that WAYS failed to follow GAAP and engaged in fiscal mismanagement including related party transactions, inadequate internal controls, and violations of California Education Code. (WAYS AR, 624.)

The NIR sets out facts showing that WAYS lacked effective internal controls necessary to prevent occupational fraud. (WAYS AR, page 624.) The FCMAT report found that “there is an integral relationship between appointed board members and related family members and business associates – particularly between the former executive director, her son, daughter, former board president, and their associated private businesses and lease agreements – that created an environment that allowed and continues to allow access, opportunity and motivation for occupational fraud to occur.” (WAYS AR, page 465; FCMAT Report, page 9.)

Ms. Chan
January 21, 2015
Page 6

b. The NOV, NIR, and Final Decision establish the WAYS Board's lack of governance resulting in a material violation of the conditions, standards, and procedures stated in its charter petition.

The charter petition establishes the WAYS Board's responsibilities to provide overall oversight of the school. (WAYS AR, page 3207.) The WAYS Board's lack of proper oversight resulted in WAYS failure to comply with GAAP and fiscal mismanagement. (WAYS AR, page 631.)

The WAYS Board failed to monitor and evaluate the performance of the school's Executive Director and Director of Operations/On-Site Financial Manager. This failure to monitor and evaluate resulted in a material violation of the charter petition because the WAYS Board failed to ensure these administrators fulfilled the job duties specified in Charter Element 5 (Employee Qualifications and Rights). (WAYS AR, page 631.)

The WAYS Board failed to provide adequate fiscal oversight by failing to establish a finance committee as required by its charter, failing to develop adequate fiscal policies, relinquishing its authority to approve contracts, not providing adequate oversight in the development of the school budget, and improperly authorizing the expenditure of school funds. The WAYS Board also did not establish and/or approve policies prior to implementation, did not hold monthly meetings, and did not follow its bylaws and the *Brown Act* with regard to meetings. (WAYS AR, page 632.)

2. The County Board appropriately followed the revocation procedures as set forth in the Education Code and supporting regulations so that WAYS was afforded due process.

Throughout the revocation proceedings, WAYS was afforded notice, an opportunity to be heard, an opportunity to challenge evidence against it, and an opportunity to cure identified deficiencies, affording the school due process.

The Supreme Court established that defendants are generally entitled to notice, an opportunity to be heard, and other such procedures as will ensure an accurate and rational resolution. *See Mathews v. Eldridge*, 424 U.S. 319, 333 (1976). The three-part balancing test laid out in *Mathews* determines what procedures due process requires in civil actions. *Mathews* requires balancing: (1) the private interest affected by the official action, (2) the risk of erroneous deprivation of that interest through the procedures used, and (3) the government's interest, including the administrative burden that the additional procedural requirements would pose. *Id.* at 333. The California Supreme Court adopted the *Mathews* balancing test "as the default

Ms. Chan
January 21, 2015
Page 7

framework for analyzing challenges to the sufficiency of proceedings under our own due process clause.” *Today's Fresh Start, Inc. v. Los Angeles County Office of Education*, (Cal. 2013). 57 Cal. 4th 197, 213. California courts also consider “the dignitary interest in informing individuals of the nature, grounds, and consequences of the action and in enabling them to present their side of the story before a responsible government official.” *Id.* [Citations omitted.] The California Supreme Court held that the revocation proceedings set forth in the Education Code provide due process for charter schools. *Today's Fresh Start, Inc. v. Los Angeles County Office of Education*, (Cal. 2013). 57 Cal. 4th 197.

WAYS claims that the violations identified in the NOV, NIR, and Final Decision “morphed and mutated” so that it was unable to cure the violations. (WAYS Appeal, pages 1-2.) Yet WAYS fails to state any specific facts to support this claim. The NOV identifies specific violations which were then incorporated by reference into the NIR. The NIR contains the violations identified in the NOV, an analysis of WAYS’ failed attempt to refute or cure the violations, and an analysis of WAYS’ academic performance.

In its appeal, WAYS also alleges that LACOE manufactured evidence, but provides no specific examples of such evidence. This allegation is false. The majority of the evidence supporting the revocation decision comes from WAYS’ own documents, independent audits, and the FCMAT report. LACOE had no control over these documents.

Through the issuance of the NIR, NOV, and Final Decision, WAYS had ample notice of the violations leading to revocation, ample opportunity to be heard regarding these violations, and a lengthy period of time in which to present or propose a cure to the violations. WAYS provided a written response to the NOV (WAYS Appeal, Exhibit 1), provided a written response proposing a cure (WAYS Appeal, Exhibit 2), provided a written response to the NIR (WAYS Appeal, Exhibit 3), had the opportunity to present on its behalf at the public hearing, and at County Board meetings regarding the report on the NOV and NIR, and provided a written response to the Final Decision (WAYS Appeal, Exhibit 4). Thus WAYS was afforded due process in the revocation proceedings.

a. The Arbitration Proceedings Are Not Relevant to the Revocation Proceedings.

WAYS alleges that the County Board did not afford WAYS due process because the County Board issued the NOV before the arbitration proceedings concluded. The mediation and resulting arbitration cited by WAYS concerned matters that are wholly separate from the issues identified in the NOV, NIR, and resulting revocation. It has no bearing on due process that the

Ms. Chan
January 21, 2015
Page 8

NOV was issued prior to the conclusion of the arbitration because each process addressed entirely different issues. As stated above, the County Board conditionally authorized WAYS' charter petition and required that an MOU be signed. On July 18, 2011, WAYS signed the LACOE MOU, agreeing to the conditions set forth. These conditions were not met and the dispute resolution procedure was invoked, resulting in mediation and arbitration. The dispute centered on Attachment F to the MOU, "Necessary Changes to the Charter Petition to Reflect the County Board as the Authorizer," and Attachment G to the MOU, "Changes to the Charter Petition Necessary to Comply with Education Code section 47607(a)(2)." Attachment F dealt with the educational program, measurable student outcomes, means for measuring pupil progress, employee qualifications, means to achieve a racial and ethnic balance, admission requirements, public school attendance alternatives, dispute resolution procedures and closure procedures.

The parties reached a mediation agreement. However, the conditions of authorization were still not met prompting the County Board to authorize LACOE to invoke arbitration. The request for arbitration identified deficiencies in WAYS' charter petition regarding the educational plan, measurable pupil outcomes for English language learners, employee qualifications, demographic data regarding racial and ethnic balance, and an inappropriate material revision regarding the addition of a school site. (WAYS AR, pages 438 – 442.)

Through a stipulated consent order, the parties agreed on a revised charter petition that addressed the above-described deficiencies. The revocation proceedings centered on issues of fiscal mismanagement and lack of proper governance of the school. It is readily apparent that the issues addressed in the arbitration are separate from the issues addressed in the revocation proceedings. The timing of the issuance of the NOV and the stipulated order are not relevant.

b. LACOE complied with WAYS' Public Records Act Request.

WAYS' claims that LACOE's production of records in response to WAYS' Public Records Act request was a violation of due process is meritless. WAYS alleges that it was unable to cure because of its allegations regarding the production of documents. This claim is meritless because WAYS was in possession of every document supporting the NOV, NIR and the Final Decision. As stated above, WAYS received the report regarding the NOV and all supporting documents on May 30, 2014. LACOE provided WAYS its report regarding the NOV and all supporting documents. (WAYS AR, pages 621 – 1723; see document titled "1 NOV_1 Notice to WAYS of NOV Report to Board_5-30-14" provided by LACOE to CDE for proof of service.) On September 15, 2014, LACOE provided WAYS its report regarding the NIR and all supporting documents. (See "2 NIR_1 Notice to WAYS of NIR Report to Board_9-15-14"

Ms. Chan
January 21, 2015
Page 9

provided by LACOE to CDE for proof of service.) On November 12, 2014, LACOE provided WAYS its report regarding the Final Decision and all supporting documents. (See "4 FD_1 Notice to WAYS of FD Report to Board_11-12-14 for proof of service.) WAYS was repeatedly provided with the documents relied on by the County Board in the revocation proceedings, thus affording WAYS due process.

On May 30, 2014, LACOE provided WAYS its report regarding the NOV and all supporting documents. (WAYS AR, pages 621 – 1723; see document titled "1 NOV_1 Notice to WAYS of NOV Report to Board_5-30-14" provided by LACOE to CDE for proof of service.) The County Board issued the NOV on June 3, 2014. (See document titled "1 NOV_5 NOV Issued to WAYS_6-6-14" provided by LACOE to CDE for proof of County Board action and proof of service.)

On April 11, 2014, WAYS submitted an extensive Public Records Act request seeking documents over thirty-eight categories. All non-exempted documents in the possession, custody, and control of LACOE were produced to WAYS pursuant to Government Code section 6250 *et seq.* The documents were produced via flash drive as requested by WAYS. The initial flash drive produced on June 19, 2014 to WAYS had a technical error. (WAYS AR, page 1758.) On June 24, 2014, this minor error was remedied as soon as possible so that all responsive documents were produced. (WAYS AR, page 1765.)

WAYS has repeatedly complained that many of the documents were duplicates. However, its request sought records that were produced to different parties. Often, multiple parties received copies of the same documents so that multiple productions of the same documents were required to be produced in order to comply with the request and the Public Records Act. WAYS has also complained that many of the documents produced were documents already in its possession. The documents produced were those that were responsive to the request. Under the Public Records Act, LACOE staff has no obligation to go through each document and determine whether WAYS already had possession of it. WAYS was given the opportunity to inspect the responsive documents in person and flag documents to be copied; however, it requested that documents be produced electronically. (WAYS AR, page 569.) LACOE complied with this request in an effort to facilitate the timely and efficient production of documents.

WAYS has also repeatedly complained that the lack of production of the surveillance video of WAYS' vice principal has impacted its ability to respond to the identified violations. LACOE has never been in possession of the surveillance video; instead it has in its possession the written report regarding the surveillance which contains still images from the video footage. (WAYS AR, page 1756.) This was produced to WAYS. (WAYS AR, page 1756, 3094-3095.) Also,

Ms. Chan
January 21, 2015
Page 10

WAYS claims that “it’s not unlawful to hold two jobs.” (WAYS Appeal, page 2.) However, it is unlawful for the vice principal to violate her contract as a public school employee by not being present at the school site during her regular contract hours. Moreover, she was being paid and was earning CalStrs credits while working at her private school. The County Board was obligated to investigate the vice principal’s employment at a private school during WAYS school hours because of her contract violations and the misuse of public funds arising from paying an employee who is not present at the job site. “Chartering authorities must monitor schools’ fiscal condition and academic performance and are authorized to investigate whenever grounds for concern arise.” *Today’s Fresh Start, Inc. v. Los Angeles County Office of Education* (Cal. 2013) 57 Cal. 4th 197, 206. Also, Education Code section 47604(c) provides that when a charter school is operated by a nonprofit public benefit corporation, such as WAYS, the chartering authority “is not liable for the debts or obligations of the charter school, or for claims arising from the performance of acts, errors, or omissions by the charter school, if the authority has complied with all oversight responsibilities required by law...”

3. The County Board appropriately considered WAYS’ academic performance and gave it due weight in the revocation proceedings.

Education Code section 47607(c)(2) states, “The authority that granted the charter shall 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.” The County Board met this requirement by thoroughly considering pupil academic achievement in its determination to revoke the WAYS’ charter.

WAYS contends that the County Board improperly did not consider academic achievement during the issuance of the NOV. However, the County Board is not required to consider academic performance in issuing a NOV. A NOV does not constitute a determination to revoke a charter. At the time the NOV was issued, no determination to revoke the charter was being made or contemplated. The NOV identified areas of deficiencies and gave WAYS an opportunity to cure those deficiencies. It would have been premature to review academic performance in the issuance of the NOV.

The County Board appropriately considered academic performance when it issued the NIR, which marks the beginning of revocation proceedings; and when the Final Decision was issued. The reports concerning the NIR and Final Decision contain an extensive analysis of WAYS’

Ms. Chan
January 21, 2015
Page 11

academic performance using data from CDE's DataQuest. (WAYS AR, pages 3388 – 3395, 3451-3461.)

The data regarding WAYS' academic performance was also presented orally to the County Board and was discussed by the County Board during its deliberations. On September 23, 2014, at the County Board meeting regarding the issuance of the NIR, LACOE staff presented an analysis of WAYS' academic performance. (County Board Meeting Transcript, pages 87 – 88; 2 NIR_4 PowerPoint Presentation_9-23-14.) County Board members discussed the academic performance during their deliberation on whether to issue the NIR. (County Board Meeting Transcript, page 109, lines 1-25; page 111, lines 2-24; page 113, lines 5-14; page 116 line 23-25; page 117, lines 1—22; page 125, lines 19-25.) In fact, County Board member Tom Saenz specifically stated, "I am taking into account that [academic] performance; but mostly what I conclude is there is inconsistency, so it's not demonstrably better than other schools in the geography, and it's not demonstrably worse. It's simply quite inconsistent. And some years it's done quite well and other years, particularly in more recent years, it's done quite abysmally." (County Board Meeting Transcript, page 126, lines 1-14.)

On November 18, 2014, at the County Board meeting regarding the final decision to revoke the WAYS' charter, LACOE staff again presented an analysis of WAYS' academic performance. (County Board Meeting Transcript, page 187, line 7 – page 188, line 1; page 189, line 8 – page 190, line 25; 4 FD_3 PowerPoint Presentation_11-18-14.)

In its appeal, WAYS states, "WAYS' API score of 769 outperforms 49 of 67 schools (that is 73% of the schools within a 3-mile radius of the WAYS campuses.)" (WAYS Appeal, page 4.) This statement does not provide a complete picture of WAYS' academic performance in comparison to surrounding schools. In the Final Decision's academic analysis, the County Board provided a more comprehensive analysis of the school's academic performance, rather than simply one year's Growth API score. To provide a comprehensive analysis, LACOE staff reviewed the 3-year average API (released by the CDE in 2014) of WAYS and its local public schools. Based on the 3-year weighted average API, WAYS was outperformed by 21 of the 38 schools (57%) located within a 3-mile radius of the school; one school (KIPP) does not have a 3-year average. (WAYS AR, page 3458.)

Also, the schools included in WAYS 3 mile radius as stated in its appeal (WAYS Appeal, Exhibit 5, page 9) include schools that are actually outside of the 3 mile radius. Attached as Exhibit Three is a list of schools outside the 3 mile radius.

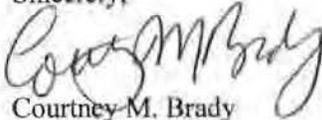
Ms. Chan
January 21, 2015
Page 12

The County Board also reviewed the 2012-13 Proficiency rates in English-Language Arts and math, and 2013-14 reclassification rates for WAYS and its local resident and comparison schools. Not only does this data indicate that WAYS did not have an increase in academic achievement for all groups of pupils served by school, it shows that WAYS was outperformed by many of its resident and comparison schools.

As stated in the comment to SB 1290, "This bill specifies that a charter authorizer must consider increases in pupil academic achievement for all groups of pupils served by the school, as measured by the [Academic Performance Index (API)], 'as the most important factor' for renewal and revocation. This does not mean the charter school is automatically not renewed or revoked, but it does mean that the charter authority must consider this information as the most important factor in making its decision. In other words, the charter authority must give extra weight to this factor when it considers all the factors for renewal or revocation." The numerous violations identified in the NOV, NIR, and Final Decision regarding fiscal mismanagement and lack of appropriate governance nonetheless substantially outweigh the extra weight afforded academic achievement by SB 1290 to increases in subgroup academic achievement. Also, WAYS has not identified any increases in academic achievement for pupil subgroups. Instead, it merely focuses on a faulty comparison of its 2013 API score to neighboring schools.

For the foregoing reasons, the County Board properly revoked the WAYS' charter petition based on substantial evidence that WAYS failed to follow GAAP, engaged in fiscal mismanagement, and the WAYS Board failed to supervise the operation of the school. In order to ensure that public funds are not misused and that students have access to a quality education provided by a competent school, the County Board respectfully requests the State Board of Education uphold the revocation decision.

Sincerely,



Courtney M. Brady
Deputy General Counsel

CMB:riv

Enclosures

cc: SBEOVERSIGHT@cde.ca.gov; Alyssa Dibert (via e-mail); Judie Hall (via e-mail); Tom Mogan (via e-mail); Charlene Schmid (via e-mail); Judy Higelin, Project Director III, LACOE

Exhibit One

Los Angeles County Board of Education's Opposition to Appeal of Revocation

Table of Contents of Extraneous Documents included in WAYS Administrative Record

WAYS Item No.	Date on Document	Description	WAYS' Appeal, Bates No.
5	6/30/11	Email from J. Higelin (LACOE) to N. Cureton (WAYS)	000034
8	11/17/11	Letter from J. Lemmo (WAYS) to LACOE Superintendent A. Delgado	000099
9	5/4/12	Letter from J. Isenberg (LACOE) to WAYS Executive Director and Board	000100
10	5/11/12	Letter from E. Cabil (WAYS) to LACOE Superintendent A. Delgado	000102
11	5/25/12	Letter from J. Isenberg (LACOE) to WAYS Executive Director and Board	000346
12	5/31/12	Letter from E. Cabil (WAYS) to J. Isenberg (LACOE)	000348
13	6/8/12	Letter from J. Isenberg (LACOE) to WAYS Executive Director and Board	000349
14	4/9/13	Agenda of LACOE Board Meeting Recommending Approval to Proceed to Binding Arbitration	000351
15	4/9/12 ¹	LACOE Staff Report	000355
16	4/12/13	Letter from J. Higelin (LACOE) to E. Cabil (WAYS)	000403
17	4/30/13	Report of Private Investigator's Investigation of D. Okonkwo (WAYS)	000405
18	6/3/13	Demand for Arbitration Signed by V. Andrade (LACOE)	000438
23	4/15/14	Minutes of LACOE Board Meeting	000553
25	4/30/14	Letter from A. Espinoza (WAYS) to LACOE Superintendent A. Delgado	000570
26	6/3/14	Minutes of LACOE Board Meeting	000603
27	6/3/14	Letter from A. Espinoza (WAYS) to LACOE Board	000615
29	6/10/14	Email from C. Brady (LACOE) to E. Cabil (WAYS)	001724

¹ Dated 4/9/12, presented at 4/9/13 LACOE Board Meeting.

WAYS Item No.	Date on Document	Description	WAYS' Appeal, Bates No.
30	6/12/14	Letter from C. Brady (LACOE) to E. Cabil (WAYS)	001725
31	6/13/14	Email from G. Proctor (WAYS) to C. Brady (LACOE)	001726
32	6/17/14	Letter from E. Cabil (WAYS) to LACOE Board	001727
33	6/17/14	Minutes of LACOE Board Meeting	001742
34	6/18/14	Email from C. Brady (LACOE) to G. Proctor (WAYS)	001753
37	6/20/14	Email from C. Brady (LACOE) to G. Proctor (WAYS)	001757
39	None	Records Produced From LACOE to G. Proctor (WAYS) in Response to April 11, 2014 Public Records Act Request	n/a ²
40	6/24/14	Email from C. Brady (LACOE) to G. Proctor (WAYS)	001765
43	8/5/14	Minutes of LACOE Board Meeting	003083
44	8/7/14	Letter from J. Higelin (LACOE) to WAYS Executive Director and Board	003092
47	9/2/14	Letter from G. Proctor (WAYS) to C. Brady (LACOE)	003100
48	9/9/14	Letter from C. Brady (LACOE) to G. Proctor (WAYS)	003103
49	9/10/14	Arbitration Stipulated Consent Order Signed by C. Brady (LACOE) and J. Lemmo (WAYS)	003104
50	9/11/14	Letter from C. Brady (LACOE) to G. Proctor (WAYS)	003324
51	9/16/14	Minutes of LACOE Board Meeting	003332
57	11/18/14	LACOE Staff Report on Final Decision Regarding Charter Revocation	003438
61	12/17/14	Correspondence from WAYS' counsel to J. Higelin (LACOE)	003809
62	None	WAYS Pupil Academic Achievement Data	003827

² WAYS lists this document in its Table of Contents as "available upon request."

Exhibit Two



November 14, 2014

Armando Espinoza
President
Board of Directors
Wisdom Academy for Young Scientists
706 E. Manchester Ave.
Los Angeles, Ca 90002

Re: Termination of Management Agreement

Dear President Espinoza,

In October, 2014, Celerity Educational Group was contracted by Wisdom Academy to become the management company of Wisdom Academy for Young Scientists. Stipulations to this contract included the immediate removal of all top Wisdom Academy administrators and to put into place a transition plan for board members to step down from their positions on the board. These terms were agreed upon in order for Celerity to properly manage the day to day operations of the school. To date, Wisdom Academy of Young Scientists has not complied with these two agreed upon conditions.

This letter is to inform you that effective immediately Celerity Educational Group is severing all ties with Wisdom Academy and with the operations of the school.

Sincerely,

Vielka McFarlane
Chief Executive Officer

Exhibit Three

Los Angeles County Board of Education's Opposition to WAYS Appeal of Revocation

Table of Schools Cited by WAYS as within a 3 mile radius of WAYS (WAYS Appeal, page 4.)

School	Actual Distance (range)
Grape Street	(3.2-3.4)
Weigand Ave	(3.1-3.4)
Liberty Blvd.	(3.18-3.39)
Middleton Street	(3.4-3.87)
Barack Obama Charter	(3.3-3.6)
Carver	(3.2-3.5)
Budlong Ave	(3.7)
Ritter	(3.5-3.9)
KIPP Comienza (Charter)	(3.7-4)
Holmes Ave	(3.6-3.9)
Montara Ave	(3.3-3.7)
Miles Ave	(3.8-4)
Lou Dantzler (charter)	(3.7)
Manhattan Pl	(3.5)
52 nd Street	(3.99)
Madison	(3.3-3.9)
State St	(3.67-3.8)
Celerity Dyad (charter)	(3.4)