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April 26, 2017

VIA EMAIL AND FIRST CLASS MAIL

John C. Lemmo
Procopio, Cory, Hargreaves & Savitch, LLP
525 B Street, Suite 2200
San Diego, CA 92101

Re: El Rancho Charter Renewal

Dear Mr. Lemmo:

We are responding, on behalf of our client Orange Unified School District (“District”), to your letters of April 20 and 24, 2017, concerning your client, El Rancho Charter School’s (“El Rancho”), petition for renewal of its Charter. Your letters misstate and misrepresent the facts surrounding El Rancho’s request that the District Board renew its Charter. As previously explained in significant detail, El Rancho’s Charter has not been renewed by operation of law.

We will not repeat all of the critical factual and legal information set forth in my April 11, 2017, correspondence to El Rancho’s former legal counsel, Michelle Lopez. While, as discussed in that letter as well as below, the law establishes that the District Board’s timelines for action on El Rancho’s renewal request did not start on any of the three alternative dates asserted by El Rancho, and the Charter has not been automatically renewed, we do not even need to get to that legal analysis because the facts incontrovertibly establish the District’s position.

Because you were not El Rancho’s counsel at the time of the events in question, you do not have first-hand knowledge of what transpired, including the specific context or content of the communications between either our respective clients or between Ms. Lopez and me. However, both percipient witnesses to the events (including myself) and the contemporaneous documents clearly establish that your April 20th letter’s attempts to recast the facts in a light favorable to your client’s belated efforts to claim that the El Rancho Charter was renewed by operation of law are incorrect and unavailing. While your letter claims that our April 11th letter “omits critical communications and appears to quote email messages out of their original context,” the very

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emails to which you cite clearly establish that your April 20th letter is the one that attempts to take the facts out of context and bend reality to fit El Rancho's baseless claims.

Mr. Ed Kissee and Ms. Michele Walker's meetings of both January 10 and January 20, 2017, were about El Rancho's Charter renewal request. Similarly, my conversations with Ms. Lopez were about the renewal Charter – specifically we discussed revisions that would need to be made to the draft renewal Charter in order to secure a recommendation of approval from the District administration. You are correct that Mr. Kissee explained to Ms. Walker that he would not recommend approval of El Rancho's renewal if El Rancho did not make revisions to its draft renewal Charter prior to submitting it formally, specifically including incorporating terms from the existing MOU that the parties had explicitly agreed would be included in the renewal Charter.

Ms. Lopez did ask that at least some of the issues under discussion be addressed through an MOU, rather than through revisions to the draft renewal Charter (which request the District declined). Ms. Walker also indicated to Mr. Kissee her preference that various terms be included in an MOU, but the specific topic of all of these discussions was revisions to the draft renewal Charter itself.

During Mr. Kissee and Ms. Walker's meeting on January 10, 2017, Ms. Walker stated that she wanted to get moving on the charter renewal and did not want to delay the process. She stated that El Rancho's most recent renewal was delayed by District negotiations over the terms (thus illustrating that the same process was followed by the parties during the previous renewal). Mr. Kissee explained that, based on the material revisions El Rancho had made from its current Charter and El Rancho's failure to comply with the requirements of the MOU to include specified special education provisions, District staff could not recommend approval of the renewal Charter as presented. Mr. Kissee specifically asked if Ms. Walker wanted to present the renewal Charter to the District Board as written, but without a staff recommendation of approval, and Ms. Walker stated that she did not want that to happen.

Mr. Kissee then suggested that they consider that version as a draft and agree to meet at least two more times so that they could work to make revisions in an effort to develop a Charter renewal proposal that District staff could support. Ms. Walker agreed to work together on a draft, but initially requested an assurance that it could be completed in time to hold the public hearing at a February Board meeting. Mr. Kissee suggested that they schedule two meetings over the succeeding two weeks to work toward the goal of holding the hearing in February, but that it could take longer and they all needed to be open to March, and Ms. Walker agreed. At that same meeting, Mr. Kissee explained to Ms. Walker that the first step in the process, once a final version of the renewal Charter was submitted, was receipt of the renewal Charter by the District Board.

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As explained in detail in my April 11th letter, Mr. Kissee sent Ms. Walker a confirming email on the same day as the meeting. In that email he specifically referred to the fact that he looked forward to working with Ms. Walker over the next few weeks on a renewal Charter that was mutually acceptable, he referred to the current submittal as a draft, and specified, “In the meantime we will not begin the renewal timeline until we have met at least these two times. Once we have an agreed upon document, we can start the timeline and schedule meetings with the BOE for acceptance, hearing, and action.” Ms. Walker did not contradict any of those statements, because they accurately described their January 10th agreement.

On January 13, 2017, Mr. Kissee wrote a memorandum to the Superintendent to be provided to the Board with the weekly update addressing El Rancho’s renewal and the agreement he and Ms. Walker had reached, which specified (emphasis added):

This is the first time Michele Walker has [led] the renewal process for ERCMS. I met with Michele following receipt of the proposed renewal document in an effort to help her with the process and to begin the District review and revision procedures regarding the charter renewal. **In our meeting we agreed to consider the document submitted to be a draft renewal document** so that we could work on it toward the creation of a renewal document that can be recommended to the Board of Education by District staff for approval. We scheduled two additional meetings to work together on the **draft** renewal document.

* * *

Once a finalized charter renewal petition is presented to the District there is a mandatory 30-60 day renewal process which requires a public hearing within 30 days of receipt of the renewal petition and action on the charter renewal petition by the Board of Education within a minimum of 30 days and a maximum of 60 days from the date of receipt of the renewal petition. . . .

Thus, Mr. Kissee’s contemporaneous document memorializes that he and Ms. Walker mutually agreed to consider the renewal Charter that had been submitted as a draft so that the parties could work together – consistent with the parties’ cooperative prior relationship as well as the process that had been followed by the parties during El Rancho’s prior renewals. Mr. Kissee’s email also makes clear that he and the District were well-aware of the mandatory 60 day timeline that would go into effect upon the Board’s receipt of a final renewal Charter. In light of this knowledge, it is evident that the only reason that the renewal was not brought to the District Board for receipt, public hearing, and action was because El Rancho and the District had mutually agreed that the submittal was only a draft and that they would work together on revisions.

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Pursuant to Mr. Kissee's request at the meeting, Ms. Walker re-sent the draft document to Mr. Kissee, without any changes, on January 14th (though that document could not be opened by the District) and then on January 17th in a useable format. Mr. Kissee had asked Ms. Walker to resend the draft Charter because the original draft had been in PDF format, and he wanted it in Word format so that he could use it in meeting with Cabinet about concerns with the draft and then to provide edits to Ms. Walker for use in their follow-up meetings. As noted in Mr. Kissee's January 13th memo, he and Ms. Walker had scheduled two meetings to discuss edits to the draft Charter. At the first of these meetings, on January 20th, Mr. Kissee gave Ms. Walker a hardcopy of the document with Cabinet's recommendations, and explained the District's rationale for each of those changes, and he then sent her a redline version of those edits for El Rancho to review and use to provide any counter-proposals for their second scheduled meeting on January 27th. However, Ms. Walker postponed that meeting via her January 26th email, specifically because El Rancho and the District's counsel were going to work on revisions to the Charter, and the logical desire to wait to have their meeting when the Charter itself was "more complete."

Your assertion that the topic of the emails cited to in our April 11, 2017, correspondence was the MOU, not the Charter, is demonstrably false. You specifically claim that Ms. Walker's January 26, 2017, email to Mr. Kissee referring to "a more complete document" was referring to the MOU. The email, however, quite clearly refers to the Charter and not to an MOU (emphasis added):

Hi Ed, It seems as if the **attorneys are going to work on Charter concerns**. I am still available to meet tomorrow if you would like or we can reschedule when there is a more complete document. Let me know

Even more directly to the point is Ms. Walker's February 9, 2017, email (emphasis added):

It seems as **the attorneys are still working out changes to the Charter**. I don't think we need to meet tomorrow unless you have something. Thanks.

El Rancho cannot now rewrite Ms. Walker's own email in which she specifies that the parties' respective legal counsel were working out "changes to the Charter" to mean that the attorneys were working on changes to the MOU in an effort to make the record consistent with El Rancho's inaccurate narrative. Additionally, as one of the attorneys involved in the subject discussions, let me assure you that the discussions were about changes to the draft Charter, just as our respective clients knew and intended, and as reflected in Ms. Walker's own email. The fact that the revisions being contemplated were those requested by Mr. Kissee is irrelevant to the fact that the parties were indubitably discussing revisions to the draft renewal Charter, not merely an MOU as your letter claims.

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Your attempt to explain away Ms. Walker's March 23rd email is, quite frankly, absurd. It is important to note that Ms. Walker sent that email five days *after* the date on which El Rancho now claims its Charter was automatically renewed. In that email Ms. Walker specifies that in her "original" January 10th conversation with Mr. Kissee they contemplated acceptance and public hearing on February 15th at the earliest, and Board action March 9th at the earliest and as late as April. She then specifically asks Mr. Kissee to confirm that the public hearing was on the Board's April agenda. There is simply no explanation for this email other than the clear fact that Ms. Walker had agreed with Mr. Kissee that the December and January submittals were merely drafts and that the El Rancho Charter was not renewed by operation of law on March 18th.

Your April 20th letter, however, states, "El Rancho offered OUSD later hearing dates to formally approve the charter in the spirit of maintaining a good working relationship with OUSD and bring finality to the process." This claim is inconsistent with Ms. Walker's own email and is equally inconsistent with her April 4th letter suddenly claiming automatic renewal. On January 10, 2017 – the date that Ms. Walker's email specifies she and Mr. Kissee initially discussed Board action not occurring until as late as April – the renewal had certainly not been approved by operation of law so there would have been no reason for El Rancho to offer "later dates" for the hearing and Board action as some form of good will, so your explanation makes no sense when considered in the context of the actual content of the March 23rd email. Moreover, commencing with that April 4th letter – sent less than two weeks after Ms. Walker's March 23rd email – El Rancho has taken the position that the Charter was automatically renewed as of March 18th (or earlier), and that this was clear and final, irrespective of the negative impact of this position on its long-standing relationship with the District. Nor is there any explanation of what changed to cause El Rancho to shift from this alleged gesture of goodwill to a sudden unyielding position that the Charter had been automatically renewed, notwithstanding the entire history of the process being followed by both parties since January 10th. This clear effort to ignore the facts, and even to ignore and misrepresent the contents of Ms. Walker's own emails, is entirely unpersuasive.

Additionally, we must note that if El Rancho's factual claims were accurate, El Rancho would be claiming that the "submittal" that commenced the District Board's timeline was actually on December 19, 2016, thus because the Board did not make findings supporting denial by February 17th, the Charter was automatically renewed as of February 18th. Even El Rancho must recognize, however, that this claim is insupportable under the real facts, since it would be even more difficult for El Rancho to explain the various meetings, communications, and interactions between the parties and their counsel, including El Rancho's representatives' (including its various counsel) inquiries about Board meetings and Charter revisions that extended until the end of March. El Rancho inexplicably conceding that the December 19, 2016, submittal did not commence the timeline, but claiming that the January 14th or January 17th submittal did start that timeline, further illustrates that El Rancho's position is insupportable.

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Simply stated, El Rancho's efforts to disavow the true factual background and agreements between the parties in pursuit of its misguided claim that the Charter was automatically renewed are disingenuous and unconvincing.

As to your legal arguments, again, we will not repeat all of the information explained in detail in our April 11th letter. As an initial matter, contrary to the implications of your correspondence, the District is not attempting to impose additional requirements on the charter renewal process. Rather, the District is comporting with the requirements of the Charter Schools Act and its implementing regulations – including the clear and specific requirement that the renewal documents must be received by the District Governing Board, not just submitted to the District office, to commence the District Governing Board's timelines for action. El Rancho cannot both assert that the District Board must consider a renewal request in accordance with the requirements in California Code of Regulations, Title 5 ("5 CCR"), Section 11966.4 and then ignore the portions of that regulation that El Rancho finds inconvenient. While it is true that Section 11966.4 sets a strict 60-day timeline, it is also true that that regulation unequivocally and purposely starts that timeline with receipt by the Board, *not* submittal by the charter operator.

We will briefly address some of the incorrect assertions in your April 20th letter. First, your letter specifies, "The 60-day review process for a renewal petition is initiated by operation of law whenever the charter school submits a document it presents to the school district as its renewal petition." This is facially incorrect. As discussed at length in our prior letter, 5 CCR Section 11966.4 – in describing both a district governing board's obligation to consider a renewal petition and in establishing the 60 day timeline on which El Rancho incorrectly attempts to rely in this case – clearly specifies that the obligation to act and the timeline commence with the board's "receipt" of the charter with all of its required elements, not simply upon submission by the charter operator. In fact, the Final Statement of Reasons ("FSR") for the adoption of the renewal regulations specifically establishes that the regulation as adopted was revised from its original draft in order to start the timeline with receipt, *not submission*.

You claim that nothing in the Charter Schools Act or the regulations defines "what physically constitutes a complete renewal petition for purposes of commencing the 60-day review timeline." In fact, Education Code Section 47605 specifies what must be included with a charter submission (including a renewal charter submission), which includes a document with a reasonably comprehensive description of 15 required elements and additional information and documentation, specifically including mandatory financial documents that El Rancho has still not provided. 5 CCR Section 11966.4(a) specifies that the governing board's obligation to consider a renewal petition does not commence until it receives a petition "with all of the requirements set forth in this subdivision," which specifically includes documentation that the charter meets at least one of the academic performance criteria of Education Code Section 47607(b) and "[a] copy of the renewal charter petition [as defined in Education Code Section 47605] including a reasonably comprehensive description of how the charter school has met all new charter school requirements enacted into law after the charter was originally granted or last renewed."

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El Rancho has still not provided the District the mandatory financial documents that are required as part of any charter submittal. Furthermore, El Rancho's proposed renewal Charter does not address all of the new mandatory legal requirements applicable to charter schools, and in fact, some of El Rancho's revisions actually remove provisions that would have addressed such concerns. For example, the El Rancho renewal Charter document does not address El Rancho's obligation to process complaints of unlawful pupil fees pursuant to the Uniform Complaint Procedure ("UCP"), and also does not address El Rancho's obligations regarding mandatory child abuse reporting training, but, rather, actually deletes the provision specifying that El Rancho would follow the District's health and safety procedures which would have covered this issue.

We are confused by your objection to our request for financial documents and concern about the semantics of our request. Our request specifically tracks the language governing the financial documentation required for a new or renewal charter in Education Code Section 47605(g) and it seems like gamesmanship for you to imply that compliance with that statutory requirement is impossible given that "financial statements" is the Legislature's choice of words, not ours. In any event, we requested a proposed operational budget for the first year of the renewal term, which is 2017/18, not the 2016/17 operational budget that you indicated El Rancho has previously provided to the District. Additionally, we asked for financial projections for the first three years of the new term (2017/18 – 2019/20) and you stated that El Rancho has provided those documents but only through 2018/19. (The District confirmed that there is a budget for the current year, but that the District has not received a multiyear projection even through 2018/19.) Thus, your letter admits that El Rancho has not provided the financial documentation required to be submitted with any renewal Charter.

Furthermore, the individual or entity who submits a request for renewal of a charter must be authorized to do so in order to obligate the District Board to act upon such a request. For example, an unauthorized school employee or parent could not simply submit a document purporting to be a renewal charter on a charter school's behalf. In this case, the terms of El Rancho's current Charter require that any revisions or deletions to that Charter must first be approved by at least 75 percent of the El Rancho staff – neither the school principal nor even the El Rancho Board is authorized to unilaterally make revisions without such staff approval.

In your April 24th letter you assert, while providing no evidence to support the claim, that this 75 percent approval requirement applies only to mid-year changes deemed a material revision, and that such approval is not required for a renewal charter, irrespective of the extent of the revisions made in the renewal document. Interestingly, while the District has requested evidence of El Rancho's compliance with this requirement on multiple occasions, your April 24th letter is the first time El Rancho has taken the position that it does not apply to renewals. You also mention that there are two public meetings in the case of a renewal, implying that such meetings would somehow serve the same function as the 75 percent approval requirement. However, the 75 percent approval requirement in the current Charter is in a section entitled "Oversight, Reporting,

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Revocation, and Renewal.” The section is three paragraphs long, with the first two paragraphs addressing revocation and oversight/inspection. The third paragraph reads in its entirety:

Additions or deletions of specific items can be made to the El Rancho Charter by a 75% vote of the El Rancho staff, majority agreement of the Charter Board, and majority agreement of the Orange Unified School District Board of Education. Material revisions and amendments shall be made pursuant to the standards, criteria, and timelines in Education Code Section 47605.

This is the only paragraph that could address the topic of “renewal” that is specifically covered in this section of the Charter, and there is nothing limiting the 75 percent approval requirement to “mid-term ‘material’ changes,” as you assert. The Charter submitted for renewal includes numerous additions and deletions from the current Charter, and the staff have the same interest in those changes as they would in mid-term changes. Additionally, to the extent that your letter is intended to imply that the two public District Board meetings involved in a renewal somehow take the place of or serve the same purpose as this 75 percent staff approval requirement, that argument is unavailing. Having an opportunity to speak at a District Board meeting is indisputably not the same as requiring overwhelming staff approval for revisions to the Charter. Furthermore, a material revision also involves the same two public meetings as a renewal. Given your claims that this requirement does not apply to renewals and El Rancho’s repeated failure to provide the requested evidence, it is obvious that El Rancho did not first obtain 75 percent staff approval for the revisions in the renewal Charter, and, as such, Ms. Walker is not authorized to submit the renewal request, so her submittal could not serve to commence the mandatory timelines for District Board action.

We also note that your April 20th letter repeatedly states that our prior letter claimed that the District Board had to take formal action to “consider” and “receive” a renewal petition in order to commence the 60-day timeline. Please note, our letter never asserted that the District Board must formally “consider” the renewal Charter in order to commence the timeline. Rather, the District Board must receive the Charter – as clearly specified in 5 CCR Section 11966.4 and the FSR – in order for its mandatory timeline to consider and act on a renewal charter to commence.

The fact that the District Board has never formally received a prior El Rancho renewal Charter is irrelevant. First, the regulation establishing the mandatory 60-day timeline, including the fact that such timeline only commences upon receipt by the school district board, was only adopted and became operative in November 2011, mere months before El Rancho’s most recent renewal. As such, it would certainly have had no bearing on prior renewals, and even for the most recent previous renewal the District did not necessarily understand the import of the Board’s “receipt” of the renewal charter, and ultimately the Board did receive the Charter at the time of the public hearing, if not before. Furthermore, there is nothing in the regulations that prohibits a school board from acting on a renewal request before the mandatory timeline has run, or even commenced, but the mandatory timeline does not start until the Board receives the documents.

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Additionally, your claim that the District Board's April 13, 2017, receipt of the El Rancho renewal Charter is "a belated effort to deny the petition after OUSD's deadline for doing so lapsed" is clearly misplaced. Mr. Kisse explained this process to Ms. Walker during the earliest stages of their discussion of El Rancho's renewal, and it is referenced in their email communications. Moreover the District Board has followed this process with multiple other charter renewals, including, for example, Santiago Charter Middle School. Obviously, this process was not created by the District after El Rancho made its shocking and misplaced claim that its Charter was automatically renewed.

Finally, you declined on El Rancho's behalf to respond to the District's reasonable inquiries regarding the rationale for various provisions and revisions in El Rancho's proposed renewal Charter. You incorrectly proclaimed that the only time appropriate for the District – El Rancho's oversight agency – to raise questions about the terms of El Rancho's Charter would be during the Board's consideration of whether to approve or deny the Charter and that any such inquires or concerns are "no long relevant to the now-approved charter." While the District unequivocally declares that we are in the midst of that process now, even were the Charter already approved (whether by operation of law or Board action), the Charter's terms and El Rancho's rationale and purpose in developing those terms, and the District's understanding of such terms, are always relevant. The notion that the purpose and meaning of the terms of El Rancho's Charter become irrelevant or somehow the District is prohibited from inquiring about those terms the moment the Charter is approved is absurd. We, therefore, reiterate the District's reasonable request, in accordance with the District's rights pursuant to Education Code Section 47604.3, for the written explanations/rationales as described in our office's April 20, 2017, letter. In an effort to simplify this process to the greatest extent possible, we have attached a table, in Word format, that sets forth each of the revisions/deletions that we have asked El Rancho to explain, including cross-references to the pertinent page numbers of the renewal Charter submitted by Ms. Walker on March 29, 2017, so that you can simply complete the information in the areas indicated on the table. Again, please provide this information at your earliest convenience, but by no later than May 1, 2017.

The facts (and the clear written record) of this case make absolutely clear that El Rancho and the District agreed that El Rancho's renewal Charter submittals prior to March 2017 were only a draft, and that the parties agreed to work together on revisions that were necessary in order for the District staff to make a positive recommendation to the Board. Ms. Walker had the option of declining such an arrangement, in which case the District would have proceeded, and El Rancho would have risked a negative recommendation from the District staff, but instead she voluntarily agreed to participate in the cooperative and collaborative process proposed by Mr. Kisse. Inexplicably, and in defiance of the parties' past working relationship and the process in which El Rancho and the District were currently engaged, Ms. Walker suddenly made the insupportable claim that the Charter had been automatically renewed. This claim is demonstrably incorrect and inconsistent with both the facts and the law. We encourage El Rancho to reconsider its baseless pursuit of this contrary and divisive position and, instead, to become a full participant in the

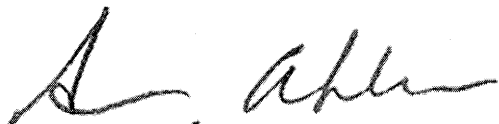
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legally mandated renewal process and to return to the productive partnership with the District that has always been a hallmark of El Rancho's success.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A handwritten signature in black ink, appearing to read 'S. Ahluwalia', written in a cursive style.

Sukhi K. Ahluwalia

SKA:DFH:aps
Enclosure

cc: Michael L. Christensen, Superintendent
Ed Kisse, Assistant Superintendent of Human Resources
Davina F. Harden, Esq.

EL RANCHO’S EXPLANATIONS/RATIONALES FOR REVISIONS/DELETIONS TO EL RANCHO CHARTER SCHOOL RENEWAL CHARTER

The following is a table setting forth significant revised/deleted terms in the renewal Charter submitted by El Rancho Charter School to the Orange Unified School District.¹ Please complete the “Explanation/Rationale” portion of this table in order to provide the District Governing Board and Administration with reasonable information concerning these revised Charter terms. As previously requested, please submit the completed table to Atkinson, Andelson, Loya, Ruud & Romo by no later than **May 1, 2017**.

ITEM #/ Page #	REVISED/DELETED CHARTER TERM	EXPLANATION/RATIONALE
<p align="center">1 Page 34</p>	<p>The deletion of El Rancho’s obligation to indemnify, defend, and hold harmless the District, District Board, and other District representatives. The District notes that the renewal Charter elsewhere specifies that El Rancho will indemnify the District and purchase and maintain insurance “in accordance with the requirements” of the Charter, but El Rancho has not included any other requirements relative to insurance or indemnification in its proposed renewal Charter.</p>	
<p align="center">2 Page 4</p>	<p>El Rancho has added a provision specifying that admission shall not be determined according to place of residence of the student or his/her parents/guardians within California with the exception of preferences provided for in Section 47605(d)(2)(B), but as a conversion charter school, El Rancho is required, pursuant to Section 47605(d)(1), to maintain a policy giving admission preference to pupils who reside within the former attendance area of that public school. That mandated preference is also not specified in the renewal Charter.</p>	

¹ All page references are to the version of the renewal Charter submitted by El Rancho’s Principal, Ms. Walker, to the District’s Assistant Superintendent, Mr. Kissee, on March 29, 2017.

ITEM #/ Page #	REVISED/DELETED CHARTER TERM	EXPLANATION/RATIONALE
<p>3 Page 26</p>	<p>In accordance with law, El Rancho has indicated that it will annually update its LCAP. However, the Charter specifies, “The LCAP and any revisions necessary to implement the LCAP shall not be considered a material revision to the charter, and shall be maintained by El Rancho at the school site.” Of course, should any revisions that El Rancho proposes to make to the LCAP be of a nature to constitute material changes to the way in which El Rancho operates and/or educates students, those revisions will necessarily constitute material revisions to the Charter and the LCAP process cannot be used to circumvent the charter revision process, and such should be specified in the Charter.</p>	
<p>4 MOU</p>	<p>In 2016 the District and El Rancho entered into a binding Memorandum of Understanding (“MOU”) which includes the following provision immediately preceding the terms setting forth the plan for students with disabilities (emphasis added):</p> <p style="padding-left: 40px;">The following section is to serve in place of and will supersede Section C “Plan for Section 504, Americans with Disabilities Act, and Special Education” of the El Rancho Charter for the period of July 1, 2016 through and including June 30, 2017 and <u>will be included in the 2017 renewal Charter petition presented to the Board of Education:</u></p> <p>However, despite its unequivocal obligations pursuant to the MOU, El Rancho has failed to set forth the Plan for Students with Disabilities from the MOU in the renewal Charter. While the renewal Charter does specify that additional agreements regarding the division of responsibilities governing El Rancho’s special education program are found “in the parties’ separately executed Memorandum of Understanding,” thus El Rancho has incorporated those MOU special education terms by reference, El Rancho has failed to include the terms from the MOU in the Charter itself, as required.</p>	

ITEM #/ Page #	REVISED/DELETED CHARTER TERM	EXPLANATION/RATIONALE
<p>5 Page 33</p>	<p>El Rancho has deleted the following provision from its description of its health and safety procedures:</p> <p style="padding-left: 40px;">OUSD Board Policies and Administrative Regulations relating to Health and Safety are followed by the charter school. . . . Subsequent changes made by OUSD in the OUSD Board Policies and Administrative Regulations relating to Health and Safety will be followed by the El Rancho Health and Safety designee/designees at El Rancho Charter School.</p> <p>El Rancho has not, however, replaced that provision with its own comprehensive set of health and safety procedures. Nor has El Rancho added that it will comply with the new mandate applicable to charter schools that they must provide annual training on child abuse and neglect reporting requirements to employees and persons working on their behalf who are mandated reporters, within the first six weeks of each school year or within six weeks of employment. (Ed. Code § 44691.)</p>	
<p>6 Page 53</p>	<p>El Rancho deleted the following provision from the Charter: “All State and Federal laws that apply to employees of the Orange Unified School District shall apply to El Rancho employees and District employees assigned to work at El Rancho.”</p>	

ITEM #/ Page #	REVISED/DELETED CHARTER TERM	EXPLANATION/RATIONALE
<p>7 Pages 53-54</p>	<p>El Rancho has deleted the description of its procedures for resolving disputes that arise between El Rancho and the public, disputes with teachers/staff, and disputes with principals. The District understands this revision was made because El Rancho moved the specific information to policy. However, with this revision the Charter does not specifically require El Rancho to adopt and maintain complaint and dispute resolution procedures, including but not limited to a uniform complaint procedure that complies with the requirements of California Code of Regulations, Title 5, Section 4600 <i>et seq.</i>, and that such policies be disseminated annually to stakeholders and available from the school and on the website.</p>	
<p>8 Page 55</p>	<p>The current Charter specifies:</p> <p style="padding-left: 40px;">Additions or deletions of specific items can be made to the El Rancho Charter by a 75% vote of the El Rancho staff, majority agreement of the Charter Board, and majority agreement of the Orange Unified School District Board of Education. Material revisions and amendments shall be made pursuant to the standards, criteria, and timelines in Education Code section 47605, et seq. of the Charter Schools Act.</p> <p>The renewal Charter includes numerous additions and deletions, specifically including reducing the required level of staff approval for future additions/deletions from 75 percent to 51 percent. However, despite multiple requests, El Rancho has not provided the District evidence that the additions/deletions in the renewal Charter were approved by at least 75 percent of El Rancho’s staff or a majority of El Rancho’s Board.</p>	
<p>9 Page 55</p>	<p>El Rancho deleted the provision specifying that the El Rancho employees are “afforded contractual rights provided by any respective bargaining agreements in the Orange Unified School District.”</p>	

ITEM #/ Page #	REVISED/DELETED CHARTER TERM	EXPLANATION/RATIONALE
<p>10 Page 55</p>	<p>El Rancho eliminated the following paragraph:</p> <p>El Rancho bargaining unit employees may, by procedures developed between the bargaining unit members and their respective unions and the District, develop and ratify site-specific amendments with the El Rancho Charter Board unique to the educational needs of El Rancho. Copies of all ratified amendments shall be filed with the District and the respective union.</p> <p>There is a similar paragraph elsewhere in the Charter, but that alternative paragraph fails to include the District (the exclusive employer for purposes of the EERA) as one of the parties required to participate in the development of the procedures to create site-specific amendments, instead vesting that authority exclusively in the employees and their unions. Further, the alternative paragraph omits the requirement that copies of all ratified amendments be filed with the District and the appropriate union.</p>	
<p>11 Pages 56-57</p>	<p>El Rancho deleted the entire section entitled “Operations,” and specified, “Additional information regarding El Rancho’s operation, including but not limited to funding and facilities, are set forth in a separate Memorandum of Understanding (MOU) with the District.” The way this provision is written implies that there is already an agreed upon memorandum of understanding addressing these terms, though there is not, and El Rancho has not proposed any terms or timeline for entering into such an agreement. Also, by deleting this entire section, El Rancho deleted its acknowledgement of its obligations to comply with the requirements of the Civic Center Act.</p>	
<p>12 Pages 58-59</p>	<p>El Rancho has deleted all of the previously agreed upon timelines and procedures for processing a future request for Charter renewal, though having clearly agreed upon terms would assist in avoiding unnecessary misunderstandings and disagreements.</p>	

ITEM #/ Page #	REVISED/DELETED CHARTER TERM	EXPLANATION/RATIONALE
13 Page 59	El Rancho deleted the requirement that it provide the District with a copy of any contract it enters into for administrative services with an outside service provider within three days of contract approval.	
14 Page 59	El Rancho deleted the provision that specified that the Charter School may not pay for contracted administrative services “on a contingency fee type basis (e.g. the service provider may not receive payment in the form of El Rancho’s total net proceeds or a percentage thereof).”	
15 Page 60	El Rancho amended the discussion of the District’s right to charge for supervisory oversight up to the maximum permitted by law by adding, “as set forth in the MOU with the District.” However, El Rancho has also claimed that at the time of the commencement of the renewal term, the current MOU that addresses the supervisory oversight fee will expire, though this revision to the Charter purports to limit the District’s statutory right to charge the supervisory oversight fee in a manner set forth in a negotiated agreement.	
16 Pages 60-61	El Rancho deleted the entire section entitled “Debts and Obligations,” which specifies that El Rancho is solely responsible for the costs and expenses related to its Charter and operations, that El Rancho has no authority to enter contracts for or on behalf of the District and any contracts entered into by El Rancho are the Charter School’s sole responsibility, and requiring that language to this effect be included in contracts that El Rancho enters into.	
17 Page 61	El Rancho deleted the entire section of the Charter entitled “Independent Entity,” which specifies that El Rancho operates as a separate entity from the District, and that the District and El Rancho are not agents, partners, joint venturers or a joint enterprise, and that the District shall not be liable for El Rancho’s actions or liabilities.	

ITEM #/ Page #	REVISED/DELETED CHARTER TERM	EXPLANATION/RATIONALE
<p>18 Page 61</p>	<p>The Charter School deleted in its entirety the section entitled “Use of Funds,” which provides: “No funds from this Charter maybe transferred or used to start or operate another charter school without the prior approval of the District Board of Education.”</p>	
<p>19 Outside Contract</p>	<p>The District and El Rancho have also entered into a separate “Project Development & Construction Agreement” and a “Reimbursement Agreement,” and El Rancho is subject to the terms and requirements of those agreements, but the Charter fails to make any reference to those agreements or acknowledge El Rancho’s obligations to the District pursuant to those agreements.</p>	