

**Memorandum of Understanding
By and Between
Los Angeles Unified School District
and
El Camino Real Alliance**

This Memorandum of Understanding is made between Los Angeles Unified School District ("LAUSD" or "District"), a California public school district, and El Camino Real Alliance ("ECRA"), a California non-profit corporation, ("Parties") operating a California public charter school known as El Camino Real Charter High School ("Charter School" and/or "ECRCHS").

Unless otherwise stated, for the purposes of this MOU, the terms Charter School / ECRCHS and Non-Profit / ECRA may be used interchangeably, with the duties and responsibilities of the Charter School and Non-Profit being the same under this Agreement.

WHEREAS, the El Camino Real Charter High School charter petition is authorized by the Los Angeles Unified School District;

WHEREAS, on August 23, 2016, LAUSD, through its Charter Schools Division ("CSD"), presented the LAUSD Board of Education a recommendation to issue a Notice of Violations to El Camino Real Charter High School pursuant to Education Code section 47607(c), citing violations of law, material violation of the conditions, standards, and procedures set forth in the charters, and fiscal mismanagement;

WHEREAS, on August 23, 2016, the Board of Education approved the issuance of the Notice of Violations to El Camino Real Charter High School and provided El Camino Real Charter High School and its governing board with a reasonable opportunity to remedy the violations by September 23, 2016;

WHEREAS, on September 23, 2016, El Camino Real Charter High School responded to the District's Notice of Violations and provided the District with documentation of corrective actions it has taken to remedy alleged violations and refutations of alleged violations;

WHEREAS, upon careful review of El Camino Real Charter High School's response to the Notice of Violations, the CSD determined that although El Camino Real Charter High School has provided some corrective actions including updating the fiscal policies and procedures, revoking credit cards, and taking some employee disciplinary actions, CSD still had ongoing concerns regarding the capacity and accountability of the Charter School, the charter organization, and its governing board, to operate ECRCHS effectively and in compliance with applicable laws and the terms of its charter;

WHEREAS, CSD accordingly provided notice to El Camino Real Charter High School and its governing board that pursuant to Education Code section 47607(e) and corresponding regulations, it would recommend to the LAUSD Board of Education that a Notice of Intent to Revoke and a Notice of Facts in Support of Revocation be issued at the October 18, 2016, Board of Education meeting;

WHEREAS, on October 12, 2016, CSD served El Camino Real Charter High School through its governing board, El Camino Real Alliance, the Notice of Intent to Revoke and Notice of Facts in Support of Revocation;

WHEREAS, on October 17, 2016, El Camino Real Charter High School provided further responses to the ongoing concerns raised in the District's Notice of Intent to Revoke and Notice of Facts in Support of Revocation, and in it, presented additional remedies and explanations including that four ECRA Board members will be transitioning off the Board over the next one to four months; David Fehte will no longer be the Executive Director effective October 26, 2016; and, ECRA governing board's decision to appoint Assistant Principal David Hussey as Executive Director (pending approval of an employment agreement on October 26, 2016), for a term ending June 30, 2017;

WHEREAS, the District, in considering El Camino Real Charter High School's total responses and actions to date, and the interest of maintaining stability and continuity of educational services for El Camino Real Charter High School students and in lieu of proceeding with revocation at this time, agrees to stay the revocation proceedings on the condition that El Camino Real Charter High School agrees to all of the required corrective actions contained herein;

WHEREAS, the District retains and reserves its right as the oversight entity of the El Camino Real Charter High School to reinstate the revocation proceedings and request the Board of Education to issue the Notice of Intent to Revoke and Notice of Facts in Support of Revocation and schedule a public hearing on revocation, should El Camino Real Charter High School breach the terms of this MOU or if the ECRA Board does not ratify this MOU; and

NOW, THEREFORE, THE PARTIES AGREE AND COVENANT AS FOLLOWS:

1. Stay of Revocation Process

The District agrees to stay the revocation process and set aside the Notice of Intent to Revoke and Notice of Facts in Support of Revocation based on the additional corrective actions provided by ECRA on October 17, 2016. If ECRCHS breaches the terms of this MOU or if the ECRA board fails to ratify the MOU, the District reserves the right to reinstate the revocation proceedings and request the Board of Education to issue the Notice of Intent to Revoke and Notice of Facts in Support of Revocation (BR # 172-16/17, October 18, 2016) with an amended date for the public hearing on revocation and supplemental evidence documenting the breach of the MOU or lack of ratification of the MOU.

2. Compliance with Corrective Actions

ECRCHS/ECRA agrees that it will continue to comply and maintain actions consistent with the corrective actions taken thus far and as documented in its

response to the Notices of Violations. In addition, ECRCHS will implement the following corrective actions:¹

a. ECRA Board Governance

- 1) The District invokes its right to appoint a single representative to the ECRA governing board pursuant to Education Code section 47604(b) and will provide ECRA with the appointed representative within 30 days of the execution of the MOU. ECRA shall hold a meeting to install the District's representative on the ECRA governing board within 20 days of the District's notification of who will serve as the single representative. In accordance with its Bylaws, ECRA will designate an additional community representative with the addition of the District's single representative on the ECRA board.
- 2) The ECRA governing board agrees to the following transition plan:
 - o November 2016:
 - New community representative designated in place of Alex Placencio
 - Odus Caldwell, teacher representative, resigns
 - Jackie Keene, parent representative, resigns
 - New teacher representative elected by all teachers installed (term expires June 30, 2017)
 - New parent representative elected by the parent body installed (term expires June 30, 2017)
 - o December 2016:
 - Larry Rubin, community representative, resigns
 - New community representative designated (term expires June 30, 2018)
 - o January 2017
 - Denny Thompson, classified representative, resigns
 - New classified representative elected by all classified employees installed (term expires June 30, 2018)
 - o Spring 2017
 - Elections for parent representative and 2 teacher representatives (term July 1, 2017 - June 30, 2020)
- 3) ECRA will submit names, resumes and/or biographies and completed board member questionnaires to the CSD for all newly elected or designated board members.
- 4) Newly installed board members will submit Forms 700 to the District.

¹ To the extent that ECRCHS' response to the NOV and remedies are inadequate pursuant to the District's review and statements in the Notice of Intent to Revoke and Notice of Facts in Support of Revocation, ECRHS will ensure that further corrective actions are aligned with said documents and the *ECRCHS Status Report on Notice of Violations and Charter School's Response* chart.

b. ECRA Leadership/Administration

- 1) Effective October 26, 2016, David Fehte will no longer be the Executive Director of ECRCHS and will no longer be employed at ECRCHS.
- 2) ECRA has decided to appoint Assistant Principal David Hussey as Executive Director effective October 26, 2016, with a contract term expiring June 30, 2017. The new governing board will review, renew, or appoint an Executive Director for the subsequent term.
- 4) New executive/administrative staff will submit Forms 700 and due diligence forms to the District.
- 5) ECRA agrees to provide the District with its leadership and administration staff recruitment and transition plan.
- 6) By executing this MOU, ECRA assures that it has shifted fiscal responsibilities from the Chief Business Officer whose effective employment term ends in December 31, 2016.
- 7) ECRA agrees to provide the District with the names and resumes for all new leadership hires and anticipated start dates.
- 8) ECRA shall evaluate school administration for ongoing effectiveness and shall provide evidence of documentation tool used to evaluate school administrators and leadership (at the end of each year and for the current term of the charter).

c. Further Revision of ECRCHS' Fiscal Policies and Procedures

- 1) Within 60 days of the execution and ratification of this MOU:
 - a) ECRA shall revise and update the Fiscal Policies and Procedures ("FPP") aligned with the District's review and additional corrective actions as outlined in the *ECRCHS Status Report on Notice of Violations and Charter School's Response* chart attached hereto as Appendix A.
 - b) Updates and revisions to the FPP shall not involve the Chief Business Officer whose effective employment ends in December 31, 2016.
 - c) ECRA and CSD staff will meet to ensure mutual understanding of the items addressed in the *ECRCHS Status Report*.
 - d) ECRA will provide the updated FPP to the CSD for review prior to adoption.
 - e) Upon CSD review and feedback, the ECRA governing board will adopt the updated FPP and provide the revised FPP to the CSD.
 - f) ECRA board and executive staff will receive training on the revised FPP and provide evidence of training to CSD upon completion.

d. Financial Crisis and Management Assistance Team (“FCMAT”)

1) ECRA has contracted with FCMAT to provide fiscal oversight. ECRA agrees that FCMAT will provide the District with FCMAT’s monthly financial reviews, reports, and final report.

e. Brown Act Compliance and Training

1) ECRA will provide the District with all meeting agendas and minutes prior to board meetings, and upon approval of board meeting minutes, respectively. The District will designate an individual to whom agendas and minutes will be sent.

2) Every new ECRA Board member and administrator will receive a comprehensive training on the Brown Act, conflicts of interest laws, best governance practices, and the Public Records Act. Board members will also receive annual training on these laws and best governance practices. The Board and administrators will also receive annual training by a qualified educational finance professional to review fiscal control policies and best practices for public charter schools. ECRA shall provide the District with documentation of all training, who provided the training, and names of individuals who received the training.

f. Other/Charter Petition Revisions

- 1) ECRA shall provide the CSD an implementation and monitoring plan for the remedies.
- 2) ECRA shall submit any necessary revisions to the ECRCHS charter to reflect changes in governance, executive positions, qualifications, or back office providers.
- 3) CSD will promptly process and abide by the timelines in Education Code Section 47605(b) in processing any future material revision requests from ECRA/ECRCHS charter.

2. Breach/Notice to Cure

As used in this MOU, the term “breach” is defined as a material breach of the terms, provisions, and obligations created in this MOU. An alleged breach must be identified by CSD in writing within 30 days of the alleged act or omission. ECRA/ECRCHS will have a reasonable time to cure the alleged breach before the District reinstates the revocation proceedings and issues the Notice of Intent to Revoke and Notice of Facts in Support of Revocation which was scheduled for October 18, 2016 (BR # 172-16/17). Parties agree that failure to meet the corrective actions and benchmarks shall be grounds for the District to reinstate revocation proceedings. In addition, the District reserves the right to initiate revocation proceedings at any time upon evidence that ECRCHS/ECRA has committed grounds subject to revocation under Education Code section 47607.

3. Modifications

This Memorandum of Understanding may be modified or supplemented only through written agreement of the Parties.

4. Severability

In the event any provision of this MOU is found to be illegal or unenforceable, such illegality or unenforceability shall not prevent enforcement of all other provisions of the Agreement.

5. Term

This Memorandum of Understanding shall be effective upon full execution and the ECRA's ratification of the MOU and will remain in effect through ECRHS' charter petition term.

APPROVED, PASSED AND ADOPTED by the Board of Directors of El Camino Real Charter High School on October 18, 2016 [DATE]



El Camino Real Charter High School Board Chair

For the District:



José Cole-Gutiérrez
Director, Charter Schools Division
Los Angeles Unified School District

10/18/16 [DATE]