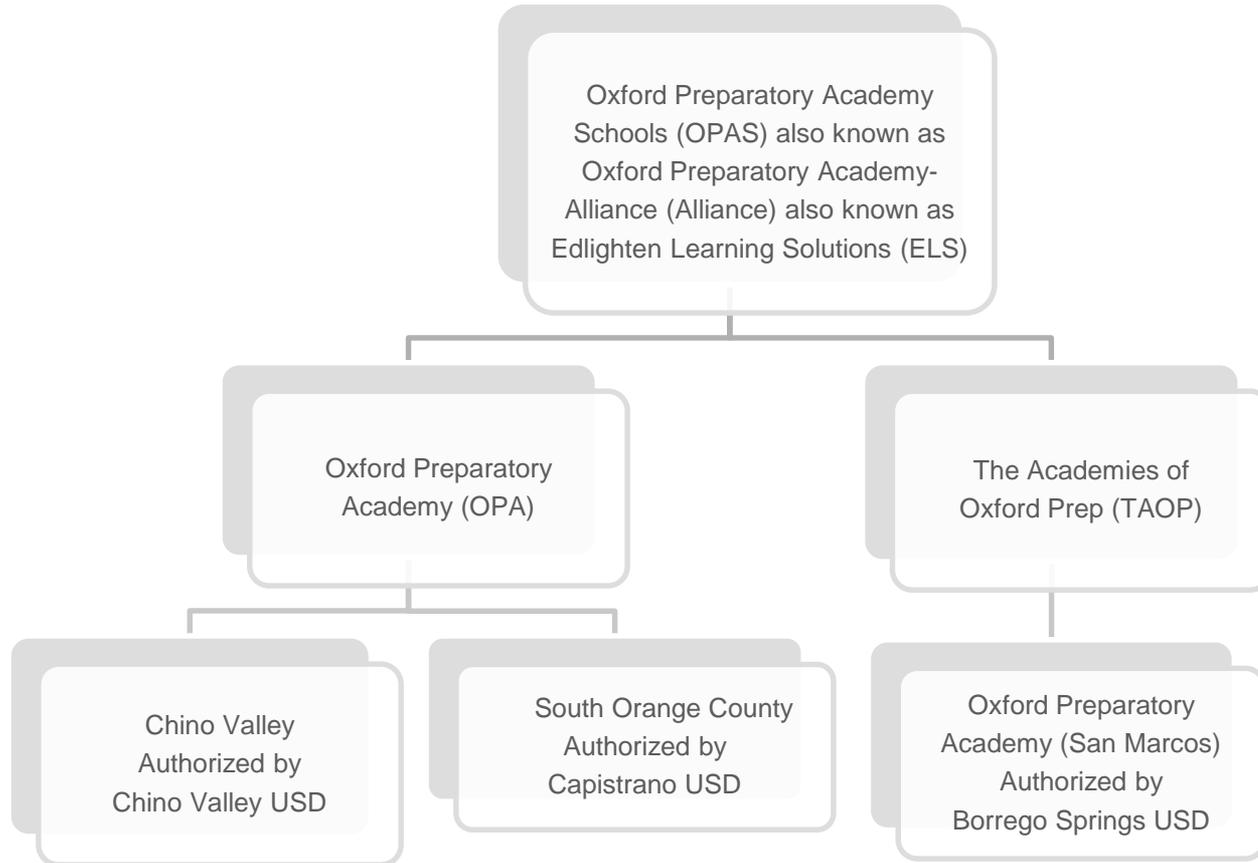


# Charter school accountability and oversight

March 8, 2017  
Season 4, Episode 3



legal update  
**webcast**



# ACME Charter Schools

ACME Global Development (Management Services Contractor)

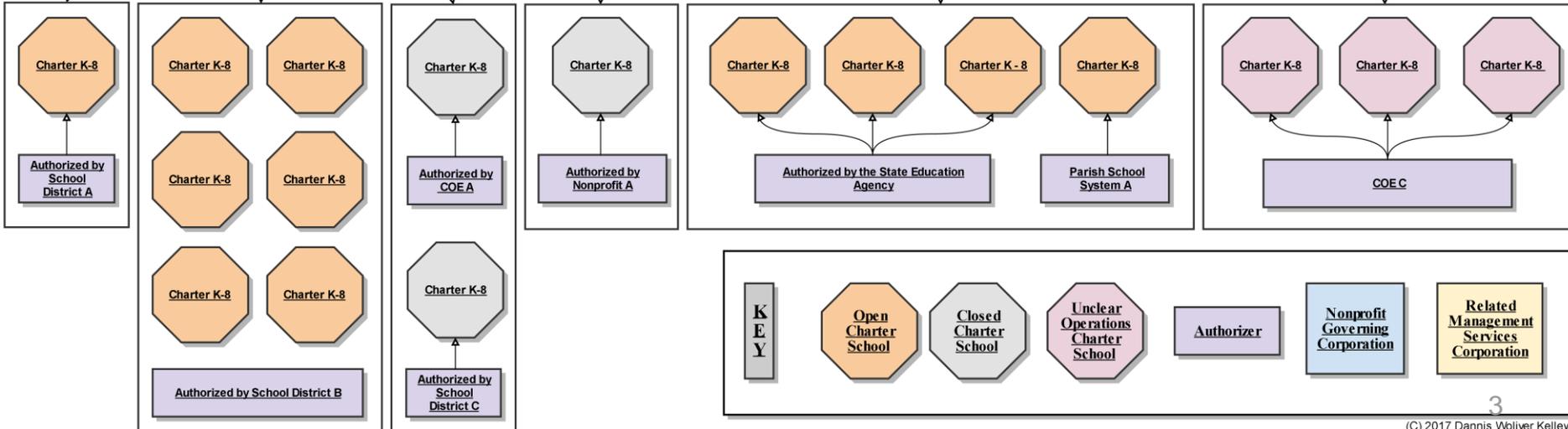
ACME Development LLC

ACME Educational Group

ACME Ohio

ACME Schools Louisiana

ACME Florida Group



NEWS

# Oxford Prep founder accused of 'laundering' charter school funds

Nov. 28, 2016 | Updated Nov. 29, 2016 7:58 a.m.

**LA SCHOOL REPORT**

In Partnership with The **74**

**NEWS**

Charter Schools

## Why did the feds raid Celerity charter, and what's next?

Mike Szymanski | January 26, 2017

## Oversight Concerns

- Transfer of funds to entity not identified in the charter approved by the authorizer to be involved in the operation of the charter school
- Creation of governance structure that places control outside the local charter board and with individuals and/or entities that are not identified in the charter / sole statutory member
- Agreement turning day-to-day management to another entity
- “Sweeping” - transfer of funds between schools rather than spending the revenue on the students that generated the revenue (consider LCAP impacts)
- “Leasing” of employees and services between entities
- Executive compensation funded through multiple schools

## Charter Petition

- Clear statement of board makeup, where it will meet, and how seats will be filled
- Review the non-profit bylaws
- Require submittal of any CMO agreements with petition (material revision)
- Require the charter to notify the district if it opens other charter schools under different authorizer
- Identify *all* locations operating under the district's authorization (material revision)
- Indemnification

## Memorandum of Understanding

- Clarify what rights, if any, the charter has to loan funds to other entities
- Include notice and/or approval by authorizer when loans are occurring (debtor or creditor)
- Require compliance with Brown Act, CPRA, Conflict of Interest laws for all related entities
- Confirm unlimited access to information from entities involved in operation of the school(s) you authorize
- Confirm amendments to corporate bylaws are material revisions to the charter

## Geographic Limitations

General requirement:

“Here the plain meaning of sections 47605 and 47605.1 is that a charter school authorized by a school district is to be located and operate entirely within the geographic boundaries of the authorizing school district, unless one of the specific exceptions of section 47605.1 applies.”

*Anderson Union High School District v. Shasta Secondary* (2016) 4 Cal.App.5th 262

Exceptions in section 47605 and 47605.1:

- Classroom based instruction
- Non classroom based instruction in adjacent county

## Contact us

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