



ORANGE COUNTY DEPARTMENT OF EDUCATION

Staff Recommendations and Findings Compass Charter Schools of Santa Ana May 16, 2025

I. INTRODUCTION

This report summarizes the Orange County Department of Education (OCDE) staff's review of the Compass Charter Schools of Santa Ana Charter Petition ("Petition") to establish a charter school, submitted on appeal following a denial by the governing board of the Santa Ana Unified School District. This report focuses on the most significant issues identified during the review. Commendations or suggestions for improvement are not included, as the review process is intended to identify deficiencies.

Based on information gathered throughout the review process, including a clarification meeting held with the petitioner Elizabeth Brenner and other school representatives on April 29, 2025, OCDE staff recommends denial of the Petition.

II. BACKGROUND

A. COMPASS-SANTA ANA

On February 25, 2025, petitioner Elizabeth Brenner, Superintendent and CEO of Compass Charter Schools ("Petitioner"), submitted a charter petition to the Orange County Board of Education ("Board"). The Petition appealed the January 28, 2025, Santa Ana Unified School District ("SAUSD") Board denial of its request for Compass Charter Schools, a California nonprofit public benefit corporation and Charter Management Organization ("CMO"), to operate Compass Charter Schools of Santa Ana ("Compass-Santa Ana"), a non-classroom based charter school, within the district's boundaries. The Petition asserts that Compass-Santa Ana qualifies as a "continuing charter school."

On April 2, 2025, pursuant to Education Code section 47605(b), the Board held a public hearing on the provisions of the charter and to consider the level of support for the Petition by teachers employed by the school district, other employees of the school district, and parents.

The Board must take action to grant or deny the Petition within ninety (90) days of receipt unless extended by mutual agreement for up to 30 additional days. The Petitioner agreed to a nine-day extension to align with the Board's regular meeting schedule. Action is scheduled for the June 2, 2025, regular meeting. In accordance with Education Code section 47605(b), this staff report, and its recommendations will be published at least 15 days before the public hearing, on May 16, 2025.

B. COMPASS-SAN DIEGO

Compass Charter Schools operates Compass–San Diego, which was initially authorized in 2012 by the Mountain Empire Unified School District (MEUSD). According to the SAUSD’s Staff Report dated January 13, 2025, the Petitioner initially requested approval from SAUSD for Compass-San Diego to continue operating a resource center located in Santa Ana (the “Santa Ana Resource Center”) prior to the renewal of Compass-San Diego’s charter with MEUSD on February 14, 2024. On July 17, 2024, SAUSD denied the request to include the Santa Ana Resource Center in Compass–San Diego’s charter renewal petition to MEUSD.

As a result, the petitioner now seeks to establish a “Continuing Charter School,” named Compass-Santa Ana, based on the Santa Ana Resource Center. Although the Petitioner refers to the Santa Ana Resource Center as the “Orange County Learning Center” or “OCLC,” this report will use the term “Santa Ana Resource Center” for clarity. Accordingly, evaluation of the Compass–Santa Ana petition requires consideration of the Compass–San Diego charter, as discussed in the analysis that follows.

III. LEGAL FRAMEWORK

A. CONTINUING CHARTER SCHOOL

Education Code sections 47653 and 47654 were enacted, in part, to clarify the definition of “continuing charter schools” following geographic restrictions introduced by AB 1505 and AB 1507. Section 4765 defines a “continuing charter school” as an “affected charter school,” meaning one that has been, or is proposed to be, affected by actions required to comply with:

1. **Subparagraph (A) of paragraph (5) of subdivision (a) of Section 47605,**
2. **Subparagraph (A) of paragraph (5) of subdivision (c) of Section 47605.1,**
3. **Subdivision (c) of Section 47605.9, or**
4. **Subdivision (b) of Section 47612.7.**

Each provision is discussed in more detail below:

Education Code	
47605(a)(5)(A)	A charter school that established one site outside the boundaries of the school district, but within the county in which that school district is located before January 1, 2020, may continue to operate that site until the charter

	<p>school submits a request for the renewal of its charter petition. To continue operating the site, the charter school shall do either of the following:</p> <p>(i) First, before submitting the request for the renewal of the charter petition, obtain approval in writing from the school district where the site is operating.</p> <p>(ii) Submit a request for the renewal of the charter petition pursuant to Section 47607 to the school district in which the charter school is located.</p>
47605.1(c)(5)(A)	<p>A charter school that was operating a resource center, meeting space, or other satellite facility outside the jurisdiction of the school district where the charter school is physically located before January 1, 2020, may continue to operate the resource center, meeting space, or other satellite facility until the charter school submits a request for the renewal of its charter petition. To continue operating the resource center, meeting space, or other satellite facility, the charter school, before submitting the request to the charter school’s chartering authority for the renewal of the charter petition, shall first obtain approval in writing from the school district where the resource center, meeting space, or other satellite facility is operating.</p>
47605.9(c)	<p>A charter school operating under a charter approved by the state board pursuant to Section 47605.8, as that section read on January 1, 2019, may continue to operate under the authority of that chartering authority only until the date on which the charter is up for renewal. The charter school shall submit a petition for renewal to the state board. If the state board grants renewal pursuant to Section 47607, the state board shall designate, in consultation with the petitioner, the governing board of the school district or county board of education in which the charter school is located as the chartering authority. A charter school assigned to a county board of education under this subdivision shall qualify as a charter school pursuant to Section 47605.6. Subsequent renewals shall be subject to the same requirements as other charter schools authorized by the same chartering authorities, including review by the state board in accordance with Section 47607 and paragraph (2) of subdivision (k) of Section 47605.</p>
47612.7(b)	<p>Subdivision (a) shall not apply to a nonclassroom-based charter school that was granted approval of its Petition and providing educational services to pupils before October 1, 2019, under either of the following circumstances:</p>

	<p>(1) If Assembly Bill 1507 of the 2019-20 Regular Session amends Section 47605.1 and becomes operative on January 1, 2020, and the charter school is required to submit a petition to the governing board of a school district or county board of education in an adjacent county in which its existing resource center is located in order to comply with Section 47605.1, as amended by Assembly Bill 1507 of the 2019-20 Regular Session, or to retain current program offerings or enrollment.</p> <p>(2) If a charter school is required to submit a petition to a school district or county board of education in which a resource center is located in order to comply with the court decision in <i>Anderson Union High School District v. Shasta Secondary Home School</i> (2016) 4 Cal.App.5th 262, or other relevant court ruling, and the Petition is necessary to retain current program offerings or enrollment.</p>
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Education Code section 47654(c) further defines “Continuing Charter School” as a charter school that the California Department of Education (“CDE”) has deemed to meet the requirements of Education Code section 47653. Pursuant to Education Code section 47653, the charter school must notify CDE by May 15 of the fiscal year preceding the year in which it seeks continuing status. This notification must be submitted in a format prescribed by the State Superintendent of Public Instruction (“State Superintendent”). Additionally, the State Superintendent may require supporting documentation, such as attendance records or other relevant materials, to verify that instruction was provided at the site and that the school meets the eligibility requirements. Consequently, a charter school becomes a “Continuing Charter School” when it is affected by an action under Education Code sections 47605(a)(5)(A), 47605.1(c)(5)(A), 47605.9(c), or 47612.7(b), and the CDE confirms it meets the standards outlined in Section 47653.

B. APPEAL OF A SCHOOL DISTRICT’S DENIAL OF A CHARTER PETITION

Education Code section 47605(k)(1)(A)(i) states: “If the governing board of a school district denies a petition, the petitioner may elect to submit the petition for the establishment of a charter school to the county board of education.” The county board of education shall review the Petition according to Education Code sections 47605(b) and (c). However, if the Petition submitted on appeal contains new or different material terms, the county board of education shall immediately remand the Petition to the governing board of the school district for reconsideration, which shall grant or deny the Petition within 30 days. Should the Board approve the Petition, the Board would become the charter authorizer for the Charter School. Should the Board deny the Petition, the petitioner may appeal that denial to the state board within 30 days of the denial.

C. CRITERIA FOR CHARTER AUTHORIZER TO CONSIDER WHEN GRANTING OR DENYING PETITION

Under Education Code section 47605(c), the Board shall not deny a petition for the establishment of a charter school unless it makes written factual findings, specific to the particular Petition, setting forth specific facts to support one or more of the following:

1. Charter school presents an unsound educational program for the pupils to be enrolled in the charter school.
2. The petitioners are demonstrably unlikely to successfully implement the program set forth in the Petition.
3. The Petition does not contain the number of signatures required by subdivision (e).
4. The Petition does not contain an affirmation of each of the conditions described in subdivision (e).
5. The Petition does not contain reasonably comprehensive descriptions of the required elements under Education Code section 47605.
6. The Petition does not contain a declaration of whether or not the school shall be deemed the exclusive employer of the employees of the charter school for purposes of the Educational Employment Relations Act Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code.
7. The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate.
8. The school district is not positioned to absorb the fiscal impact of the proposed charter school.

If a school district's denial is based on fiscal impact pursuant to Education Code section 47605(c)(8), the Board shall also review the school district's related findings.

IV. ANALYSIS

The following analysis applies the relevant statutory provisions of the Education Code to the specific facts and circumstances set forth in the charter school petition.

A. CONTINUING CHARTER SCHOOL DEFINED

The Compass-Santa Ana Charter Petition submitted first to SAUSD and then to the Board, is titled a "Continuing Charter Petition."

As outlined in Education Code section 47654, a petitioning school must demonstrate that it is affected by one of the statutory actions described in sections 47605(a)(5)(A), 47605.1(c)(5)(A), 47605.9(c), or 47612.7(b) to qualify as a “continuing charter school.”

However, two of the four statutory provisions do not apply to Compass-Santa Ana:

1. Education Code section 47605(a)(5)(A) does not apply as it pertains to charter school sites that are located *outside* the boundaries of the authorizing school district but *within the same county* as that district, before January 1, 2020. Compass-San Diego was authorized by Mountain Empire Unified School District, which is located in San Diego County, while the proposed Compass-Santa Ana site is in Orange County.
2. Education Code section 47605.9(c) does not apply because Compass-San Diego was not authorized by the *State Board of Education* pursuant to Education Code section 47605.8, as it was in effect on January 1, 2019.

Therefore, in order for Compass-Santa Ana to qualify as a continuing charter school, it must be a result of an action under either Education Code section 47605.1(c)(5)(A) or 47612.7(b).

This position is consistent with the Petitioner’s letter accompanying the appeal to the Board, regarding, “Compass Charter Schools of Santa Ana Charter Petition Appeal to the Orange County Board of Education,” (“Petitioner’s February 25, 2025 Letter”), which states:

Following changes in law due to Assembly Bills 1505 and 1507 (2019), we recognize that OCLC cannot continue as a resource center for Compass-SD beyond June 30, 2025, when Compass-SD’s new charter term will begin. To this point, *Sections 47612.7(b) and 47605.1(c)(5)(B)* each allow for existing resource centers that may be deemed noncompliant to Petition as continuing charter schools and become legally compliant, so long as the resource center was operating under an approved charter school, that began serving students before October 1, 2019 and the resource center was serving students before the law changed. (Emphasis added.)

As a result, consistent with Compass-Santa Ana’s position, the Analysis in this Staff Report will focus on whether Compass-Santa Ana may qualify as a continuing charter school under either Education Code section 47605.1(c)(5) or Education Code section 47612.7(b).

Education Code	Approval Process
<p>47605.1(c)(5)(A): A charter school that was operating a resource center, meeting space, or other satellite facility outside the jurisdiction of the school district where the charter school is physically located before January 1, 2020, may continue to operate the resource center, meeting space, or other satellite facility until the charter school submits a request for the renewal of its charter petition.</p>	<p>To continue operating the resource center, meeting space, or other satellite facility, the charter school, before submitting the request to the charter school’s chartering authority for the renewal of the charter petition, shall first obtain approval in writing from the school district where the resource center, meeting space, or other satellite facility is operating.</p>
<p>47612.7(b): Subdivision (a) shall not apply to a nonclassroom-based charter school that was granted approval of its Petition and providing educational services to pupils before October 1, 2019, under either of the following circumstances:</p> <p>(1) If Assembly Bill 1507 of the 2019-20 Regular Session amends Section 47605.1 and becomes operative on January 1, 2020, and the charter school is required to submit a petition to the governing board of a school district or county board of education in an adjacent county in which its existing resource center is located in order to comply with Section 47605.1, as amended by Assembly Bill 1507 of the 2019-20 Regular Session, or to retain current program offerings or enrollment.</p> <p>(2) If a charter school is required to submit a petition to a school district or county board of education in which a resource center is located in order to comply with the court decision in Anderson Union High School District v. Shasta Secondary Home School (2016) 4 Cal.App.5th 262, or other relevant court ruling, and the Petition is necessary to retain current program offerings or enrollment.</p>	<p>47612.7(a): Notwithstanding any other law and except as provided in subdivision (b), from January 1, 2020, to January 1, 2026, inclusive, the approval of a petition for the establishment of a new charter school, as defined in paragraph (2) of subdivision (e) of section 47612.5, is prohibited.</p> <p>Consequently, should Compass Santa Ana qualify for an exception under Education Code section 47612.7(b), it may submit a petition for the establishment of a new charter school.</p>

**B. COMPASS-SANTA ANA IS NOT A “CONTINUING CHARTER SCHOOL”
UNDER EDUCATION CODE SECTION 47605.1(c)(5)**

Under Education Code section 47605.1(c)(5)(A), a charter school that was operating a resource center, meeting space, or other satellite facility outside the jurisdiction of the school district where the charter school is physically located before January 1, 2020, may continue to operate the resource center, meeting space, or other satellite facility until the charter school submits a request for the renewal of its charter petition.

The Compass-Santa Ana Petition indicates that the resource center located in Santa Ana, which Compass-Santa Ana refers to as the Orange County Learning Center (“OCLC”), (“Santa Ana Resource Center”) was operated by Compass-San Diego until Compass-San Diego was required to submit a request to renew its charter in 2024.

Education Code section 47605.1(c)(5)(A) further provides:

To continue operating the resource center, meeting space, or other satellite facility, the charter school, before submitting the request to the charter school’s chartering authority for the renewal of the charter petition, shall first obtain approval in writing from the school district where the resource center, meeting space, or other satellite facility is operating.

Education Code section 47605(c)(5)(B) states that the California Department of Education shall regard as a continuing charter school for all purposes a nonclassroom-based charter school that was granted approval of its Petition, that was providing educational services to pupils before October 1, 2019, and is authorized by a different chartering authority due to changes to this subdivision by the addition of this paragraph that took effect January 1, 2020.

According to the Santa Ana Unified School District’s Staff Report dated January 13, 2025, the petitioner requested approval to continue operating the Santa Ana Resource Center from Santa Ana Unified School District on February 14, 2024. However, on July 17, 2024, Santa Ana Unified School District denied Compass-San Diego’s request to include the resource center in its charter renewal petition to Mountain Empire Unified School District (“MEUSD”).

Education Code section 47605.1(c)(5)(A) expressly provides that, for a charter school to continue operating a resource center, meeting space, or other satellite facility outside its authorizing district’s boundaries, the school must obtain written approval from the school district where the facility is located **before** submitting its renewal petition. There is no appeal process if the school district denies approval. Because SAUSD denied Compass-San Diego’s request for written approval, there is no further legal path for Compass-San Diego to continue operating the Santa Ana Resource Center under section 47605.1(c)(5)(A). Without SAUSD’s written approval,

Compass-Santa Ana cannot qualify as a “continuing charter school” under section 47605.1(c)(5)(B), which is contingent upon compliance with subparagraph (A) of that provision.

**C. COMPASS-SANTA ANA IS NOT A “CONTINUING CHARTER SCHOOL”
UNDER EDUCATION CODE SECTION 47612.7(b)**

Education Code section 47612.7(a), enacted by Assembly Bill (AB) 1505, prohibits a chartering authority from approving a petition for the establishment of new non-classroom based charter schools from January 1, 2020, to January 1, 2026. This prohibition is subject to only two exceptions set out in section 47612.7(b)(1) and 47612.7(b)(2). To qualify under either exception, Compass-Santa Ana must first demonstrate that the Compass-San Diego charter meets the criteria specified in section 47612.7(b): A nonclassroom-based charter school that was granted approval of its Petition and providing educational services to pupils before October 1, 2019.

Compass-Santa Ana submitted the Petition on February 25, 2025, certifying it as complete. Relevant to the statutory exception in Education Code section 47612.7(b), the Petition provides the following information:

1. Page 5 of the Petition: The Petition is submitted “for a California public charter school to be named Compass Charter Schools of Santa Ana (‘CCS,’ ‘Compass,’ or the ‘Charter School’), to be operated by Compass Charter Schools (the ‘Corporation’)[.]”
2. Page 8 of the Petition: Compass Charter Schools of San Diego (“CCS-SD”) was founded and initially authorized in 2012.
3. Page 8 of the Petition: CCS opened the Orange County Learning Center (‘OCLC’) in 2017 within the geographical boundaries of the Santa Ana Unified School District.
4. Page 68 of the Petition: “CCS of Santa Ana will be operated by Compass Charter Schools, a California Nonprofit Benefit Corporation... Compass Charter School currently operates and governs three charter schools: Compass Charter Schools of Los Angeles, which is authorized by the governing board of the Acton-Agua Dulce Unified School District; Compass Charter Schools of San Diego which is authorized by the governing board of the Mountain Empire Unified School District; and Compass Charter Schools of Yolo, which is authorized by the governing board of Winters Joint Unified School District. Compass Charter Schools operates as a single nonprofit corporation, as described herein. The Board may also operate and govern additional charter schools.”

The Petition states that “CCS,” which according to Page 5 of the Petition, refers to Compass Charter Schools of Santa Ana opened the Santa Ana Resource Center in 2017. Although the reference to Compass-Santa Ana rather than Compass-San Diego appears to be a mistake, the operation of a resource center is not sufficient to qualify for an exception under Education Code section 47612.7(b).

In support of its Petition, on March 14, 2025, petitioner provided copies of annual lease agreements for a Santa Ana Resource Center spanning from 2017 to present. All of these lease agreements, including the lease agreement in effect in 2017, were signed by a representative of Compass Charter Schools, the nonprofit corporation that operates and governs multiple charter schools. Compass Charter Schools currently operates three charter schools, two of which are located in counties adjacent to Orange County: Compass Charter Schools of Los Angeles, which opened on July 1, 2016, and Compass-San Diego, which opened on August 15, 2012. The lease agreements do not identify which of these charter schools was operating at the Santa Ana Resource Center or providing educational services there.

In Petitioner’s February 25, 2025 Letter, Petitioner made two claims related to compliance with the exemption under Education Code section 47612.7(b):

1. *In 2017, long before I joined Compass Charter Schools as Chief Executive Officer and Superintendent in 2023, Mountain Empire Unified School District (“MEUSD”) granted the charter petition to establish Compass-SD, the charter for which included reference to the school’s use of a Learning Center. This Learning Center was OCLC, and we now Petition for OCLC to become Compass-SA.*
2. *Pursuant to the notification requirement outlined in Education Code Section 47604.4(b), and prior to OCLC’s operation, Compass Charter Schools sent a letter to the Orange County Department of Education alerting them that OCLC would be opening and would serve as a resource center for Compass-SD pursuant to Education Code Section 47605.1(c). Compass Charter Schools sent a copy of this notification letter to MEUSD.*

We address both of petitioner’s claims as follows:

First, in response to petitioner’s claim that, in 2017, MEUSD approved Compass-San Diego’s charter petition which included reference to the school’s use of a “Learning Center,” and that the referenced “Learning Center” was the Santa Ana Resource Center, we reviewed Compass-San Diego’s Charter Renewal for the 2017–2022 term (“Compass-San Diego 2017 Charter Renewal”), which was provided by the Petitioner on May 2, 2025 in support of the Petition.

The Compass-San Diego 2017 Charter Renewal indicates that it was submitted to MEUSD on October 5, 2016. Because the Compass-San Diego 2017 Charter Renewal was submitted in 2016, any references to a “Learning Center” could not pertain to the Santa Ana resource center because Compass-San Diego claims to have opened the Orange County site in 2017.

The Compass-San Diego 2017 Charter Renewal references “Learning Center” three times:

1. *“Learning Coach Lounges are held weekly, either virtually through our web-based virtual software, or in-person at our Learning Center.”* (Page 23 of Compass-San Diego 2017 Charter Renewal).
2. *Scholars complete their course work for their biology and chemistry courses as they do the rest of their classes. However, for the wet lab portion of the course they attend our realtime hands on labs. These labs are taught **at our San Diego Learning Center.*** (Page 30 of Compass-San Diego 2017 Charter Renewal). (Emphasis Added)
3. *CCS administers all state standardized tests at the Learning Center, as well as at other sites geographically placed among our scholars’ locations.* (Page 37 of Compass-San Diego 2017 Charter Renewal).

Each of these references is either general or specifically tied to the San Diego Learning Center. There is no mention of a Santa Ana, Orange County, or adjacent county site. Consequently, the Compass-San Diego 2017 Charter Renewal does not support petitioner’s claim that Compass-San Diego’s charter included a Santa Ana Resource Center for purposes of qualifying for an exception under Education Code section 47612.7(b).

Moreover, in regards to additional facilities or resource center locations in the future, page 10 of the Compass-San Diego 2017 Charter Renewal states:

As an independent study program, CCS requires limited facilities to operate its program. At this time, CCS does not anticipate requiring additional facilities or resource center locations. **Should CCS wish to add, change, or remove resource center locations in the future, it will enter into and/or revise a separately-executed memorandum of understanding with Mountain Empire Unified School District, which shall state that such changes require notice to Mountain Empire Unified School District and no material revision of the CCS charter.** All administrative services for CCS shall be conducted at the CCS Central Office, which is located at 850 Hampshire, Suite P, Thousand Oaks, California 91361.

This provision confirms that as of 2016, Compass-San Diego did not plan to establish additional resource centers and that any future expansion would require formal notice to, and a separate memorandum of understanding with, MEUSD. In response to a public records request submitted to MEUSD seeking all documents between MEUSD and Compass-San Diego and/or Compass Charter Schools regarding facilities operated by or affiliated with Compass-San Diego, MEUSD's response did not include any records responsive to the request.

Second, in response to petitioner's claim that Compass-San Diego complied with Education Code section 47604.4(b) by providing notice to the Orange County Superintendent of Schools, prior to operation of the Santa Ana Resource Center, and provided the same notice to MEUSD, we note the following:

1. Petitioner provided a copy of the notice referenced in Petitioner's February 25, 2025 letter. The document, dated September 7, 2017, is titled "Notice Pursuant to Education Code Section 47604.4(b)" and is addressed to the Orange County Superintendent of Schools. A carbon copy (CC) line indicates that the notice was also sent to "Dr. Kathy Granger, Superintendent of Mountain Empire Unified School District." There is no indication that a copy of the letter was also sent to the Governing Board of the MEUSD.
2. Compliance with Education Code section 47604.4(b) does not demonstrate satisfaction with the criteria required for an exception under Education Code section 47612.7(b). These are distinct statutory provisions that serve different purposes. Education Code section 47604.4(b) requires advance notice regarding the operation of facilities within the county, consistent with the county superintendent's authority to monitor and investigate charter school operations. In contrast, section 47612.7(b) sets specific eligibility criteria for establishing new nonclassroom-based charter schools, including demonstrated approval and operation before October 1, 2019.
3. To the extent that petitioner relies on compliance with Education Code section 47604.4(b) to support its broader claims, the significance and reliability of the notice is undermined by conflicting information and procedural gaps:
 - a. **July 1, 2017:** In an email dated May 2, 2025, petitioner stated that Compass-San Diego began providing educational services to students at:
 - i. 902 South Broadway, Santa Ana beginning July 1, 2017 through June 30, 2023, and
 - ii. 600 North Main street from August 16, 2023 to present.

- b. **August 15, 2017:** The first lease agreement for 902 South Broadway, Santa Ana, provided by the petitioner, was signed by Compass Charter Schools on July 18, 2017, and became effective on August 15, 2017.
- c. **September 7, 2017:** Date of the letter providing notice to the Orange County Superintendent of Schools of Compass-San Diego's intent to operate a resource center within Orange County, located at 902 South Broadway Street in Santa Ana.

Moreover, the September 7, 2017, Notice under Education Code section 47604.4(b) was not produced by MEUSD in response to a records requests for all documents regarding facilities operated by or affiliated with Compass-San Diego.

Even assuming the then-Superintendent of MEUSD received a copy of this notice, it does not satisfy the obligation detailed in the Compass-San Diego's 2017 Charter Renewal that was approved by MEUSD, which expressly required that any addition, change, or removal of a resource center location be authorized through a separately executed memorandum of understanding (MOU) with MEUSD. Absent such an agreement, Compass-San Diego would have been required to follow the statutory procedures for adding additional sites as provided under Education Code sections 47605 and 47605.1, as those provisions existed in 2017.

Material Revision

At the time Compass-San Diego claims it began operating the Santa Ana Resource Center in 2017, prior to the enactment of Assembly Bill (AB) 1505 and AB 1507, the Charter Schools Act included the following provisions:

1. Education Code section 47605(a)(4) (2017 Version):

*"After receiving approval of its Petition, a charter school that proposes to establish operations at one or more **additional sites shall request a material revision** to its charter and **shall notify the authority that granted its charter of those additional locations**. The authority that granted its charter shall consider whether to approve those additional locations at **an open, public meeting**. If the additional locations are approved, they shall be a material revision to the charter school's charter." (Emphasis added)*

2. Education Code section 47605.1(c) (2017 Version):

"Notwithstanding any other law, a charter school may establish a resource center, meeting space, or other satellite facility located in a county adjacent to that in which the charter school is authorized if the following conditions are met: (1) The facility is used exclusively for the educational support of pupils who are enrolled in nonclassroom-based independent study of the charter school; and (2) The charter school provides its primary

educational services in, and a majority of the pupils it serves are residents of, the county in which the charter school is authorized.”

Additionally, on January 18, 2017, the California Supreme Court denied the Petition for review of the Third District Court of Appeal’s decision in *Anderson Union High School District v. Shasta Secondary Home School* (2016) 4 Cal.App.5th 262 (“*Anderson*”). Consequently, the decision in *Anderson* became binding law throughout California as of that date.

In *Anderson*, the Court of Appeals determined that that the geographic and site limitations set forth in the Charter Schools Act apply to all charter schools, including “nonclassroom-based” programs. In reaching this conclusion, the court analyzed whether the term “site” as used in Education Code section 47605(a) includes a resource center, the court explained:

The term “schoolsite” has a particular meaning, as set forth in section 47612.5, subdivision (e)(3), requiring principal use for classroom instruction. There is no statutory or other specific legal definition for “site” so we use the plain dictionary meaning. A site is the “place where a structure or group of structures was, is, or is to be located,” or the “place where something stands.” “Site” speaks to location, while “schoolsite” speaks to use. The Legislature appropriately used the term “site” when addressing the geographic restrictions on charter schools. A resource center is a facility (see section 47605.1, subd. (c)) and thus has a location or site. (Internal citations omitted).

Applying *Anderson* to Compass-San Diego, the Santa Ana Resource Center constitutes a “site” for purposes of Education Code section 47605(a). As such, any plan to establish operations at Santa Ana Resource Center after the approval of the original charter required a material revision. This legal requirement was clearly established as of January 18, 2017.

In an email dated March 21, 2025, petitioner stated that Compass-San Diego was authorized by Mountain Empire Unified School District (MEUSD) to operate the Santa Ana Resource Center pursuant to a material revision approved on September 12, 2017. In support, the petitioner submitted unofficial minutes from MEUSD’s Board meeting held on September 12, 2017, which state: “*Material Revision to the Charter for Compass Charter Schools – Approved as a consent item.*” However, the minutes do not provide any detail regarding the nature or content of the material revision, and there is no indication that the revision specifically pertained to the approval of the Santa Ana Resource Center or any other facility operated by Compass–San Diego.

In response to a public records request, MEUSD provided a copy of the agenda and minutes of the September 12, 2017 MEUSD Board Meeting:

1. Agenda Item 9.01 states: *“Material Revision to the Charter for Compass Charter Schools.”*
2. Official Minutes states:
 - a. Under Financial & Business: *“Material Revision to the Charter for Compass Charter Schools – Approved as a consent item.”*
 - b. Under Reports: *“Compass Charter Schools: As part of their continued engagement in outreach projects, Compass Charter School staff and students have adopted a middle school severely impacted by the recent hurricane in Texas. Giving back to community through community service continues to be a vital part of their core objectives for Compass Scholars.”*

When asked to provide a copy of the Petition for material revision that was approved by MEUSD on September 12, 2017, Petitioner provided Compass-San Diego’s 2017 Renewal Charter.

MEUSD was subsequently asked to provide a copy of the full board packet for the September 12, 2017, board meeting; however, to date, no responsive documents have been provided. Instead, MEUSD provided a copy of the Academy of Arts and Sciences Charter Renewal Petition for the 2017-2022 term (“Academy of Arts and Sciences’ 2017 Charter Renewal”).

The Academy of Arts and Sciences’ 2017 Charter Renewal is identical to Compass-San Diego’s 2017 Charter Renewal except that the name, “Academy of Arts and Sciences” was changed to “Compass Charter Schools.” MEUSD approved the Academy of Arts and Sciences’ 2017 Charter Renewal on December 13, 2016. Given that the Compass-San Diego 2017 Charter Renewal is identical, it appears that the material revision that was approved on September 12, 2017, related only to the name change and not the addition of a new resource center.

Given that there were no changes to the original charter renewal, the references to “learning centers” and “San Diego Learning Center,” cannot be recharacterized to include the Santa Ana Resource Center. Education Code section 47605(a)(4) (2017 version), required a charter school seeking to establish operations at additional sites to notify its authorizing agency of the additional locations. In the absence of any changes showing that the Santa Ana Resource Center was identified and evaluated in connection with the September 12, 2017 action, the petitioner has not shown that MEUSD approved Compass-San Diego to establish the Santa Ana Resource Center.

Timeline

The following timeline outlines key events related to Compass-San Diego’s operation of the Santa Ana Resource Center, including the dates of charter petition submissions, facility leases, notices to public agencies, and changes in facility locations. It also highlights the legal context established by the *Anderson* decision, which clarified that resource centers operated by

nonclassroom-based charter schools are “sites” subject the requirement to seek a material revision at an open and public meeting.

1. **October 5, 2016:** Academy of Arts & Sciences (former name of Compass Charter Schools) submitted a Renewal Petition for the 2017-2022 Term.
2. **December 13, 2016:** MEUSD approved the Academy of Arts and Sciences San Diego Charter Renewal. The Charter Renewal explicitly referenced a San Diego Learning Center and indicated to “*add, change, or remove resource center locations in the future, it will enter into and/or revise a separately-executed memorandum of understanding with Mountain Empire Unified School District, which shall state that such changes require notice to Mountain Empire Unified School District and no material revision of the CCS charter.*”
3. **January 18, 2017:** The California Supreme Court denied review in *Anderson Union High School District v. Shasta Secondary Home School* (2016) 4 Cal.App.5th 262 (“*Anderson*”), thereby rendering the Court of Appeal’s decision binding law in California. In *Anderson*, the Court of Appeal held that the geographic and site limitations in the Charter Schools Act apply to all charter schools, including nonclassroom-based programs, and concluded that a resource center constitutes a “site” under Education Code section 47605(a), thus **requiring a material revision to the charter to add a resource center that is determined at an open, public meeting.**
4. **February 8, 2017:** The Restated Articles of Incorporation, filed with the Secretary of State on February 8, 2017, indicates that the organization changed its name to Compass Charter Schools.
5. **July 1, 2017:** Petitioner stated that Compass-San Diego began providing educational services to students at 902 South Broadway, Santa Ana.
6. **August 15, 2017:** The first lease agreement for 902 South Broadway, Santa Ana, provided by the petitioner, was signed by Compass Charter Schools on July 18, 2017, and became effective on August 15, 2017.
7. **September 7, 2017:** On September 7, 2017, Compass sent a letter to the Orange County Superintendent of Schools, providing notice pursuant to Education Code section 47604.4(b), that it *will* operate a resource center at 902 South Broadway Street in Santa Ana. This notice was provided *after* the petitioner claims to have begun providing educational services at the site on July 1, 2017, and after the effective date of the lease.
8. **September 12, 2017:** Petitioner claimed MEUSD approved a material revision authorizing Compass-San Diego to operate the Santa Ana Resource Center. However,

it appears from the documents provided that the material revision was for a name change from “Academy of Arts and Sciences” to “Compass Charter Schools.”

9. **June 30, 2023:** Compass-San Diego ceased to provide education services at facilities located at 902 South Broadway.
10. **August 16, 2023:** On August 16, 2023, Compass Charter Schools signed a lease with the Church of Santa Ana for facilities located at 600 N. Main Street, Santa Ana, CA, which became effective on the same date. Petitioner also indicated that educational services also began on August 16, 2023. Compass Charter Schools did not provide notice to the Orange County Superintendent regarding a change to its resource center from 902 Broadway to 600 N. Main Street, Santa Ana location.

The timeline reveals a pattern of procedural deficiencies and inconsistent documentation that call into question petitioner’s assertion that it qualifies for an exemption under Education Code section 47612.7(b). Specifically, the record shows that Compass-San Diego began operating the Santa Ana Resource Center prior to providing the required notice under Education Code section 47604.4(b), without executing the memorandum of understanding written in its own charter for the addition of a new resource center, and without seeking the required material revision.

Accordingly, in the absence of an approved petition that includes a Santa Ana or Orange County resource center, Compass-San Diego cannot meet the conditions necessary to qualify for the exception under either Education Code section 47612.7(b)(1) or Education Code section 47612.7(b)(2), and therefore cannot be considered a continuing charter school.

Unapproved Operation of Resource Center Does Not Qualify for Statutory Exception

Although petitioner contends that Education Code section 47612.7(b) allow for existing resource centers that may be deemed noncompliant to Petition as continuing charter schools and become legally compliant, so long as the resource center was operating under an approved charter school, that began serving students before October 1, 2019, this interpretation is inconsistent with both the text and intent of the statute.

The exception under Education Code section 47612.7(b) allows charter schools that that were lawfully operating under prior law and need to align with the changes introduced by AB 1507. The exception was enacted in the context of broader reforms under AB 1505 and AB 1507, which amended Education Code section 47605.1 to restrict the ability of charter schools to operate resource centers outside their authorizing district. The purpose of the exception is to provide a pathway for lawfully operating nonclassroom-based charter schools with existing, authorized resource centers in adjacent counties to continue operating despite the new geographic limitations brought on by AB 1507. It was not intended to offer retroactive approval or a compliance cure for schools that were never in legal compliance when the resource center began operating. Notably,

Education Code section 47612.7(b)(1) states that the exception applies “*if Assembly Bill 1507 of the 2019–20 Regular Session amends Section 47605.1 and the charter school is required to submit a petition to a school district or county board of education in an adjacent county in which its resource center is located in order to comply with Section 47605.1, as amended.*” This language provides a pathway for schools that were in compliance prior to AB 1507 to adjust to the amended law. It does not apply to schools that established and operated resource centers outside their authorizing district without the required approvals before the statutory amendments took effect.

Interpreting the exception in Education Code section 47612.7(b) to apply to the unapproved operation of a resource center would contravene the statute’s requirements. Under such an interpretation, any charter school approved prior to October 1, 2019, could later operate resource centers in adjacent counties without approval and then claim eligibility for the exception during the moratorium period. This interpretation would circumvent the statutory requirements and defeat the underlying purpose of the moratorium. The legislative history of AB 1507 indicates that it was designed to close loopholes that allowed charter schools to operate resource centers beyond their authorizing districts’ jurisdiction without proper oversight. According to Assembly Member Christy Smith, the Author of AB 1507: “This bill eliminates loopholes in current law which allow charter schools to operate outside of their authorizing district. This bill restores the right of individual districts to have oversight of schools located within their boundaries. In my tenure as a school board member, neighboring school districts abused this loophole and authorization privilege, and families were impacted because of this. The bill clarifies the jurisdictional sovereignty of the duly elected school boards and their role in charter authorization.”

Consequently, because Compass-San Diego never received approval to operate the Santa Ana Resource Center prior to October 1, 2019, Compass-Santa Ana does not meet the criteria for the exception under Education Code section 47612.7(b). As a result, the Petition must be evaluated under statutory moratorium, and it cannot rely on the exception provided in subdivision (b).

D. PROHIBITION ON ESTABLISHMENT OF NEW CHARTER SCHOOLS

Because the petitioner has not demonstrated eligibility under any of the exceptions enumerated in Education Code section 47612.7(b), the Petition must be treated as a request to establish a new nonclassroom-based charter school. Education Code section 47612.7(a), enacted through Assembly Bill 1505, imposes a moratorium on the approval of such petitions between January 1, 2020, and January 1, 2026, unless a valid exception applies.

As detailed above, Compass-Santa Ana does not meet the criteria for either exception. Accordingly, approval of the Petition would directly violate the statutory moratorium and could expose the Board to legal and procedural challenges for acting beyond its authority under state law.

E. CRITERIA UNDER EDUCATION CODE SECTION 47605(c)

Although Compass-Santa Ana's Petition is prohibited under the moratorium imposed by Education Code section 47612.7, for the sake of completeness, an analysis is provided under Education Code section 47605, which governs the approval criteria for new charter petitions. This analysis should not be construed as a concession that Compass-Santa Ana's Petition is legally permissible, either as a new nonclassroom-based charter school or as a "continuing charter school." Rather, it is intended to demonstrate that, even assuming the moratorium were inapplicable or an exception were to apply, the Petition nonetheless fails to meet the legal standards for approval set forth in section 47605.

1. PETITIONERS ARE DEMONSTRABLY UNLIKELY TO SUCCESSFULLY IMPLEMENT THE PROGRAM SET FORTH IN THE PETITION.

According to an audit report for the year ended June 30, 2018, by Christy White Associates, Compass Charter Schools was formed as a nonprofit public benefit corporation on October 28, 2011, under the name Academy of Arts & Science. In its application for exemption as a 501(c)(3) corporation from 2013, Sean McManus was listed as the CEO, Secretary, and Executive Director of the Charter School. The Restated Articles of Incorporation, filed with the Secretary of State on February 8, 2017, indicates that the organization changed its name to Compass Charter Schools.

Sean McManus, later co-founded and operated the A3 Charter Schools network with Jason Schrock. They played a central role in orchestrating a massive fraud scheme involving 19 charter schools across California in which they funneled millions in fraudulently obtained state education funds through private companies they controlled, exposing critical flaws in California's charter school oversight and funding systems.

Although there is no direct connection between A3 and Compass Charter School, the historical involvement of former CEO Sean McManus raises questions about the leadership structure and financial oversight at Compass Charter School:

- a. According to an Audit Report, Compass Charter Schools paid EdHive approximately \$858,505 for business services during the 2017-18 school year. EdHive was owned and operated by Steve Van Zant, the Superintendent of Mountain Empire Unified School District when Academy of Arts and Sciences Charter Schools was initially authorized. Mr. Van Zant was charged with a felony conflict of interest and pled guilty.
- b. According to a IRS Form 990 for Compass Charter Schools, Compass Charter Schools paid Jefferey Macias approximately \$900,000 for tutoring services during the 2019-20 school year. Mr. Macias created a satellite location in Tijuana, Mexico, which he called "American Homeschool" and later rebranded the name to "American Learning Center."

During the clarification meeting, petitioner confirmed that Mr. Macias previously served as a vendor for Compass Charter Schools. Mr. Macias operated a learning center for multilingual students and referred families to Compass Charter Schools. However, petitioner was unable to confirm whether Mr. Macias possessed any teaching credentials. Petitioner further stated that Mr. Macias later attempted to reengage with Compass Charter Schools as a vendor, but his request was denied because his services were located “out of county,” specifically, in Mexico.

Moreover, Compass Charter Schools has sought to expand operations by merging with other schools but have been denied by other charter authorizers:

- a. In 2019, the Monterey County Board of Education ultimately chose to revoke Millennium Charter High School’s charter rather than approve its proposed merger with Compass Charter Schools. Millennium was nearly \$200,000 in debt and had been cited for fiscal mismanagement.
- b. In 2019, the Berkeley Unified School District denied a merger between REALM Charter School and Compass Charter School and then revoked REALM’s charter due to financial concerns.

Lastly, Compass Charter Schools has opened/operated twelve (12) different charter schools under various names, but have either closed or consolidated them down to three (3) charter schools:

- a. Compass Charter School of Los Angeles, authorized by Acton-Agua Dulce Unified;
- b. Compass Charter School of San Diego, authorized by Mountain Empire Unified School District; and
- c. Compass Charter School of YOLO, authorized by Winters Joint Unified.

The pattern of school closures and consolidations raises concerns regarding Compass Charter Schools capacity to sustain multiple programs effectively over time.

2. THE PETITION DOES NOT CONTAIN THE NUMBER OF SIGNATURES REQUIRED BY SUBDIVISION (A).

Under Education Code section 47605(a), a petition for the establishment of a charter school may be submitted to the governing board of the school district for review after either of the following conditions is met: (1) The Petition is signed by a number of parents or legal guardians of pupils that is equivalent to at least one-half of the number of pupils that the charter school estimates will enroll in the charter school for its first year of operation, or, (2) the Petition is signed by a number of teachers that is equivalent to at least one-half of the number of teachers that the charter school estimates will be employed at the charter school during its first year of operation. Moreover, the proposed charter must be attached to the Petition.

The Petition does not include an estimate of the number of students that will be enrolled in the Charter School for its first year of operation, or the number of teachers that the charter school estimates will be employed at the charter school during its first year of operation. However, on OCDE's Charter School Petition Intake Information Form, the petitioner asserted that the proposed grade span for its first year is Transitional-Kindergarten (TK) to 8th grade, and estimated a total of 190 students in year 1. As a result, petitioner is required to include at least 95 signatures of parents or legal guardians meaningfully interested in having their child attend the charter school.

Compass-Santa Ana submitted zero (0) signatures. Consequently, the Petition does not contain the required signatures for an initial charter petition pursuant to Education Code section 47605(c)(3).

3. THE PETITION DOES NOT CONTAIN REASONABLY COMPREHENSIVE DESCRIPTIONS OF THE REQUIRED ELEMENTS UNDER EDUCATION CODE SECTION 47605(C).

Education Code Section 47605(c)(5)(C) states that a charter petition must include, "The method by which pupil progress in meeting those pupil outcomes is to be measured. To the extent practicable, the method for measuring pupil outcomes for state priorities shall be consistent with the way information is reported on a school accountability report card." The Petition does not contain a plan for collecting, analyzing, utilizing, and reporting student performance on the measurable outcomes to staff, students, parents, and guardians to monitor and improve the school's educational program.

Moreover, the Petition did not include the required administration of a statewide assessment for students with the most significant cognitive disabilities (California Alternate Assessment), as described in Education Code section 47605(d)(1).

The Petition does not contain a comprehensive description of how the charter school will achieve a balance of racial and ethnic pupils, special education pupils, and English learner pupils, as described in Education Code section 47605(c)(5)(G). This is a key component of the Petition as it fosters a commitment to ensuring that the population of the charter school reflects the surrounding community. Currently, the Santa Ana Resource Center has 0 English learners, whereas the Santa Ana Unified School District serves 41% English learners.

The Petition does not include required language in the school's student discipline policy addressing students who voluntarily disclose their use of a tobacco product in order to seek help through services or supports, and the fact that they shall not be suspended solely for that disclosure.

The Petition inaccurately identifies the county of San Diego as the intended region for student services, and designates the Santa Ana Unified School District as the authorizing entity for Compass Charter Schools of Santa Ana.

The Petition states that the charter school will serve students in transitional kindergarten (TK) through twelfth grade and includes narratives outlining an educational program for grades nine through twelve, despite the Santa Ana Resource Center only serving grades TK through eight.

V. SUMMARY OF FINDINGS AND RECOMMENDATION

After reviewing Compass-Santa Ana’s Petition, OCDE have identified the following findings that may serve as a basis for denial:

- 1. Compass-Santa Ana does not qualify as a “Continuing Charter School”**

Compass-Santa Ana does not qualify as a continuing charter school under Education Code sections 47653 and 47654.

- 2. Violation of Statutory Moratorium**

Compass-Santa Ana’s Petition seeks to establish a new nonclassroom-based charter school, which is prohibited under the moratorium in Education Code section 47612.7. Compass-Santa Ana does not qualify for an exception under Education Code section 47612.7(b), because there is no evidence that the Compass-San Diego’s charter was ever approved to open or operate a resource center located in Orange County.

Moreover, the Petition does not satisfy the approval criteria set forth in Education Code section 47605 for new charter schools. Specifically, the Petition:

- 3. The Petition does not contain the number of signatures required by Education Code section 47605(a).**

Compass-Santa Ana submitted zero (0) signatures.

- 4. The Petition does not contain reasonably comprehensive descriptions of the required elements under education code section 47605(c).**

Compass-Santa Ana’s Petition lacks comprehensive descriptions of key components, including how student outcomes will be measured, services for students with disabilities, and plans to reflect community demographics. It also includes factual errors regarding the geographic location and scope of services.
