SUTTER COUNTY BOARD OF EDUCATION

Staff Report and Proposed Findings of Fact Regarding the California Learning Academy Petition

I. Introduction

On May 4, 2026, Highlands Community Charter and Technical Schools ("HCCTS" or "Petitioner") submitted an initial charter petition to the Yuba City Unified School District ("YCUSD"), pursuant to Education Code section 47605, to establish California Learning Academy ("CALA" or the "Charter School"). YCUSD held a public hearing regarding CALA's establishment on June 23, 2026, and denied the petition on July 28, 2026. On August 7, 2026, HCCTS timely submitted its charter petition (the "Petition") on appeal to the Sutter County Board of Education (the "County Board") under Education Code section 47605(k)(1), and provided a copy to YCUSD. Staff compared the Petition on appeal with the petition YCUSD denied and found no new or different material terms, so the County Board may decide the Petition on its merits. (Ed. Code, § 47605(k)(1)(a)(i)).

The Petition as submitted seeks authorization for a five-year term, from July 1, 2026 through June 30, 2031. On September 9, 2026, the County Board held a public hearing to consider the level of support for the Petition. On September 23, 2026 and September 28, 2026, Sutter County Superintendent of Schools ("SCSOS") staff ("Staff") conducted a capacity interview with Petitioners. The Petitioner and SCSOS agreed in writing to extend the time for County Board action to December 5, 2026. On December 2, 2026, the County Board will hold a public hearing at which Petitioners will have equal time and procedures to present evidence and testimony, and will take action to approve or deny the Petition and to consider its admission preferences.

Staff have reviewed the Petition (Bates 00418–00654, with signature pages at Bates 00655–00665), YCUSD's staff report and findings, Petitioner's written response to those findings, the capacity interview, Petitioner's written responses to SCSOS questions, HCCTS's 2024–25 audited financial statements, California State Auditor Report 2024-106, and the review of CALA's financial plan by SCSOS fiscal staff.

Staff transmitted written questions arising during the review to Petitioner, without attributing them to any individual, and distributed Petitioner's written responses to all County Board members. Those responses are public records.

II. Summary of the Charter School's Proposed Mission and Program

The Petition states the Charter School's mission is that CALA "empowers adult learners to earn a high school diploma, build English proficiency, and advance through career pathways that lead to meaningful employment, wage growth, post-secondary opportunity, long-term economic mobility, and civic engagement." It names "Sacramento and Sutter Counties" as the communities to be served (Bates 00436).

Programmatically, the Petition describes:

- A nonclassroom-based independent study adult diploma program for students age 22 and older, in grades 9–12, delivered through in-person, online synchronous, and online asynchronous instruction, with in-person classes held between 8:30 a.m. to 9:30 p.m. (Bates 00435–00436, 00635–00636).

- A newcomer pathway, English language development, and Comprehensive Adult Student Assessment Systems ("CASAS")-based placement for adult English learners (Bates 00465–00468, 00478–00481).

- Career technical education pathways in healthcare, information technology, early childhood education, entrepreneurship, culinary arts, and sustainable landscaping (Bates 00469–00476).

- An advisory model and student supports, with each site functioning as a "Student Success Center" (Bates 00426).

The Petition proposes one charter school, located within the geographic boundaries of YCUSD (Bates 00420), that would "operate potentially in up to ten (10) sites in Sacramento and Sutter Counties" (Bates 00432). The Petition states that HCCTS is "currently exploring a set of potential facilities" and that "[f]inal site selection will be confirmed upon petition approval." The sites listed include 229 Clark Avenue in Yuba City (66 seats, newcomer program); HCCTS is "interested in partnering with the Sutter County Career Training Center to explore the possibility of hosting" Career Technical Education ("CTE") courses (Bates 00557–00559). The Petition projects 2,256 students in the first year, growing to 3,369 by the 2030–31 school year (Bates 00435). The Charter School would be operated by HCCTS, which currently operates two charter schools authorized by Twin Rivers Unified School District ("TRUSD") through 2026–27: Highlands Community Charter School ("HCCS") and California Innovative Career Academy ("CICA").

III. Criteria for Reviewing a Charter Petition

The Charter Schools Act ("Act") governs the creation of California charter schools and provides standards and criteria for reviewing a charter petition. If a governing board of a

school district denies a charter petition, the petitioners may appeal the decision to the county board of education within 30 days of the denial. If the petition submitted on appeal contains new or materially different terms, the county board of education shall immediately remand the petition back to the school district governing board for reconsideration.

A county board reviewing a petition on appeal from a school district denial reviews it de novo, approving or denying it in the same manner as a school district (Ed. Code, § 47605(k)(1)), by applying the standards and criteria outlined in Education Code Section 47605, subdivisions (b) and (c). Additionally, the County Board is required to hold a public hearing within 60 days of receiving the petition to consider the level of community support. A final decision to grant or deny the charter must be made within 90 days of receipt, unless both parties agree to extend the timeline by up to 30 days. A staff report with staff findings and recommendations must be published at least 15 days prior to the public hearing at which the County Board will either grant or deny the charter petition. The County Board shall grant the charter "if it is satisfied that granting the charter is consistent with sound educational practice and with the interests of the community in which the school is proposing to locate," and shall consider "the academic needs of the pupils the school proposes to serve" (Ed. Code § 47605(c)). Further, the County Board shall be guided by the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that the establishment of charter schools should be encouraged (Ed. Code § 47605(c)).

The County Board shall not deny the Petition unless it makes written factual findings, specific to the Petition, setting forth specific facts to support one or more of the following (Ed. Code, § 47605(c)(1)–(8)):

1. The charter school presents an unsound educational program for the pupils to be enrolled.

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 Education Code § 47605(a).

4. The petition does not contain an affirmation of each of the conditions in Education Code§ 47605(e).

5. The petition does not contain reasonably comprehensive descriptions of the required elements in Education Code § 47605(c)(5).

6. The petition does not contain a declaration of whether the charter school shall be deemed the exclusive public employer of its employees for purposes of the Educational Employment Relations Act.

7. The charter school is demonstrably unlikely to serve the interests of the entire community in which it proposes to locate. This finding must include analysis of the fiscal impact of the proposed school and must consider (A) the extent to which it would substantially undermine existing services, academic offerings, or programmatic offerings, and (B) whether it would duplicate a program currently offered within the school district that has sufficient capacity for the pupils proposed to be served within reasonable proximity.

8. The school district is not positioned to absorb the fiscal impact of the proposed charter school because it has a qualified interim certification and the county superintendent, in consultation with FCMAT, certifies that approval would result in a negative certification; it has a negative interim certification; or it is under state receivership.

Staff used the criteria in California Code of Regulations, title 5, section 11967.5.1 as guidance in applying these grounds. Although section 11967.5.1 is not directly applicable to appeals to county boards of education under Education Code section 47605(k), it provides useful guidelines for evaluating potentially applicable findings, as previously developed by the State Board of Education ("SBE") for its own use in reviewing charter petitions on appeal to the SBE.

If the County Board approves the Petition, it will be the chartering authority for the Charter School it will have associated oversight responsibilities, some of which may be delegated to SCSOS Staff. If the County Board denies the Petition, Petitioner may appeal the denial to the SBE (Ed. Code, § 47605(k)). The SBE may either hear the appeal or summarily deny review based on the documentary record. If it hears the appeal, the SBE may affirm YCUSD's determination, the County Board's determination, or both, and may reverse only upon finding that there was an abuse of discretion by both YCUSD and the County Board (Ed. Code, § 47605(k)(2)(E)).

PROPOSED FINDINGS OF FACT

Staff conducted a thorough analysis of the Petition and its supporting documents and provide the County Board with the following proposed findings of fact and recommendation.

1. Does the Charter School present an unsound educational program? **No.**

Staff have concluded that the Charter School does not present an unsound educational program for the adults it proposes to educate.
In summary:

- The Petition describes an educational model designed for adults with interrupted schooling, combining accelerated instruction, career pathway alignment, and individualized advising (Bates 00435–00436, 00443–00446).

- Students are placed using CASAS assessments and served through a newcomer pathway, English language development, and integrated language support (Bates 00465–00468, 00478–00481). Because CALA serves only adults 22 and older, the ELPAC and state English learner program requirements do not apply, credentialing requirements do apply to adult students, and the Petition describes that teachers must possess an English Learner authorization. (Bates 00517-00518.) Title VI and Equal Educational Opportunities Act obligations also apply, and the Petition describes how CALA will meet them.

- The Petition correctly applies Section 504 and the ADA to an adult population, names a Section 504 Coordinator, lists appropriate accommodations, and requests prior IEPs and 504 plans at intake (Bates 00482–00483).

- On the 2026 Dashboard, which applies four-year K-12 cohort measures, the operator's existing schools report graduation rates of 6.7 (HCCS) and 9.1% (CICA); HCCTS acknowledges that "too few students finish". HCCTS reports that in 2025–26, 6 in 10 of its adult learners advanced a CASAS skill level or earned a credential, compared with 47% statewide; full-year students earned 83% of expected credits; and 235 students earned diplomas (HCCTS 2025–26 Student Achievement Overview).

- An area of concern for SCSOS staff, however, relates to the Career Pathways portion of the educational programs identified in the Petition. The Career pathways are not yet fully staffed, and will also rely on partner organizations. The Petitioners recognized that CALA as an organization will not possess all of the requisite licenses and clearances to fully implement all of the career pathways identified in the Petition, and confirmed they will need partner support to implement those programs. They have confirmed that they have agreements in place with certain partners, but as an entity, CALA's ability to specifically provide these programs will depend on such agreements with third party entities, which cannot be obligated in the Petition. Staff identified

this as a concern as it relates to the soundness of the Career Pathways program specifically, but do not believe it presents an unsound educational program overall. Staff recommend that it be addressed in an oversight MOU (M-6) that recognizes the partner dependency in the Career Pathways programs.

2. Are the Petitioners demonstrably unlikely to successfully implement the program set forth in the Petition? On the face of the Petition, **No.**

Staff have concluded that the Petitioners are not demonstrably unlikely to successfully implement the program.

In summary:

- Operator history. In June 2025, the California State Auditor released Report 2024-106 concerning HCCTS. Following the release of the report, HCCTS's governing board and executive leadership were replaced. Jonathan Raymond became executive director in July 2025, and new directors were appointed beginning November 20, 2025. The current board consists of Matt Levesque (chair), Symia Stigler (vice chair), and Suleiman Shetab.

- On October 4, 2026, HCCTS filed a voluntary Chapter 11 reorganization in federal bankruptcy court, which it attributes to the disputed State Auditor funding determination (about $186 million) and TRUSD's charter revocation proceedings against HCCTS that stemmed from Report 2021-106. The State Auditor's finding is at the Education Audit Appeals Panel and is on hold pending revocation proceedings. The filing of the Chapter 11 proceeding by HCCTS stayed the revocation proceedings via an injunction granted by the Eastern District Bankruptcy Court. HCCTS expects the reorganization under Chapter 11 to be complete before CALA would open in 2027–28. On November 10, 2026, the Bankruptcy Court issued an injunction preventing the SBE from conducting a charter revocation appeal hearing, or any further proceedings related to the revocation of Highlands' existing charters, through June 30, 2027, unless otherwise ordered by the Court.

- Current leadership. HCCTS's leadership includes an executive director with district superintendent experience, a chief operating officer with 35 years in public education, and an interim chief business official who previously served as a state auditor and school district CBO (capacity interview).

- SCSOS Staff's fiscal review found the financial projections generally reasonable with respect to enrollment, ADA, staffing, and operating costs, and found that the LCFF calculation reconciles to the multi-year projections (Bates 00602–00633).

- CALA's draft Nonclassroom-Based Funding Determination meets the thresholds for full funding, by margins of 0.29 and 0.17 percentage points. A determination below the thresholds would result in a material reduction in revenue (SCSOS fiscal review; funding determination form).

- The Petition projects that cash flow will be a challenge in the first four years and relies on a line of credit to operate while expenditures precede state funding. As noted above, HCCTS, the nonprofit public benefit corporation that would operate CALA, filed for bankruptcy on October 4, 2026, raising concerns regarding its ability to secure the anticipated financing.

- CDE has invoiced both of HCCTS' existing charter schools for 2025–26 overpayments.

- The 2024–25 independent audit, accepted by the HCCTS board on October 4, 2026, found no deficiencies in attendance or ADA reporting; the 2023–24 audit is being re-audited. The State Auditor reports all 18 of its recommendations to HCCTS as fully implemented.

- SCSOS Staff identified concerns, however, related to Petitioner's ability to financially implement the programs, considering the uncertainty surrounding a disputed audit determination of approximately $186 million asserted in the California State Auditor's report. The validity and ultimate financial implications of this determination remain unresolved and are subject to separate proceedings. The bankruptcy process may also involve additional determinations regarding the corporation's financial obligations, creditor claims, and ability to sustain future operations.

  At the time this report is drafted, it is unknown how the bankruptcy and audit findings will be finally adjudicated by the administrative and judicial bodies before which they currently sit. Should all or a material portion of the audit finding be imposed upon HCCTS, it is unlikely that HCCTS could remain a fiscally viable entity. Similarly, it is also possible the assessment and impact of the audit finding could be resolved through HCCTS's Chapter 11 bankruptcy proceedings.

  Although SCSOS staff recognizes that on the face of the Petition, the financial projections appear generally reasonable, and satisfy this element, because of the uncertainty surrounding the fiscal proceedings outlined herein, SCSOS staff recommends entering into an MOU with HCCTS to specifically address the possibility that all or a material portion of the audit findings may be imposed, or any other event that materially impacts fiscal solvency may be determined, and that such MOU recognize that if such

events take place the charter school will affirmatively take measures, under the oversight of the County Board and SCSOS Staff, to either mitigate the impact of such events, if possible, and/or close CALA and wind up school operations if it is no longer financially feasible to operate CALA (M-12) .

- The Staff review also noted that the current schools operated by HCCTS have a combined negative unrestricted fund balance of $1.787 million based on their 2025-26 unaudited actuals report. This could have a negative impact on HCCTS' ability to operate CALA. The primary reason for this negative balance is that HCCTS was unable to receive funding for their CICA school through submission to CDE of a Non-classroom Based Funding Determination because their 2023-24 and 2024-25 audit reports were not available at the time. However, Staff have confirmed that HCCTS submitted a retroactive Funding Determination waiver to receive funding for the 2026-27 year and will submit one for the 2025-26 year once the 2023-24 audit report is completed. CDE stated that it intends to fund the CICA school retroactively upon approval of the waivers by the SBE. Once approved, SCSOS expects the negative unrestricted fund balances to be positive.

- Further, as stated above, in relation to CALA's ability to implement the educational programs identified in the Petition, an area of concern for SCSOS staff relates to the Career Pathways portion of the educational programs identified in the Petition. The Career pathways are not yet fully staffed, and will also rely on partner organizations. The Petitioners recognized that CALA as an organization will not possess all of the requisite licenses and clearances to fully implement all of the career pathways identified in the Petition, and confirmed they will need partner support to implement those programs. They have confirmed that they have agreements in place with certain partners, but as an entity, CALA's ability to specifically provide these programs will depend on such agreements with third party entities, which cannot be obligated in the Petition. Staff identified this as a concern as it relates to the soundness of the Career Pathways program specifically, but do not believe it presents an unsound educational program overall. Staff recommend that it be addressed in an oversight MOU (M-6) that recognizes the partner dependency in the Career Pathways programs.

3. Does the Petition contain the number of signatures required by Education Code section 47605(a)? **Yes.**

SCSOS Staff verified the requisite qualifying teacher signatures are set forth in the Petition, where they are identified as teachers who are meaningfully interested in teaching at CALA. The signatures represent more than one-half of the 70 teachers CALA estimates it will employ in its first year (Bates 00655–00665, 06325—06352; budget, Bates–00605). HCCTS reports 77 current teachers, all credentialed or authorized for their assignments: 30 clear,

37 preliminary, and 10 intern. SCSOS Staff placed phone calls to a sampling of teachers identified in the Petition to confirm the veracity of the information set forth in the Petition, and verified the current status of the Credentials held by the teachers listed in the Petition through the California Commission on Teacher Credentialing (CTC) website.

4. Does the Petition contain an affirmation of each of the conditions described in section 47605(e)? **Yes.**

The affirmations appear at Bates 00420–00422.

5. Does the Petition contain reasonably comprehensive descriptions of all required elements? **Yes.**

Staff have concluded that the Petition contains reasonably comprehensive descriptions of each element in Education Code § 47605(c)(5). Below is a summary by element.

Element A: Educational Program (Bates 00423–00486). **Reasonably comprehensive.**

- Proposes to serve only students age 22 and older through an exclusive partnership with a Workforce Innovation and Opportunity Act ("WIOA") program, as permitted by Education Code § 47612.1 (Bates 00435, 00530) (L-1).

- Describes the target population, regional need, and enrollment projections (Bates 00431–00435); mission, vision, and model (Bates 00435–00436); calendar and attendance (Bates 00437–00438); instructional program and independent study model (Bates 00445–00450).

- Describes curriculum, English language development, CTE pathways, graduation requirements, English learners, students with disabilities, and professional development (Bates 00463–00486).

- The Petition does not describe how Section 504 accommodations will be delivered to students in independent study, or how each CTE pathway will be staffed and approved. Staff identified this as a concern to be governed by applicable law (L-2), and addressed in an oversight MOU (M-13).

Elements B and C: Measurable Pupil Outcomes and Methods of Measurement (Bates 00487–00509). **Reasonably comprehensive.**

- Identifies annual goals and actions aligned to the state priorities and describes assessment methods, including CASAS and state assessments.

- The Petition does not specify annual reporting of adult outcomes, such as CASAS gains, course completion, credits earned, and graduation by cohort year. SCSOS raised concerns related to the lack of the reported data, but determined that all reporting requirements applicable to traditional K-12 Local Education Agencies ("LEA") do not apply when CALA does not serve the applicable grade levels where those metrics apply. Concerns about the reported CALA graduation rate were also reviewed. After the review, it was determined that the way the graduation rate is calculated on the California Dashboard does not reflect the timelines and cohorts of CALA's graduates.

Element D: Governance (Bates 00510–00513; Appendices I–IV, Bates 00562–00585). **Reasonably comprehensive.**

- HCCTS is a nonprofit public benefit corporation governed by its Board of Directors; the Petition includes the articles of incorporation, bylaws, conflict-of-interest code, and board biographies.

- The bylaws provide for a two-way teleconference location at each school site and resource center and for meetings conducted under the Brown Act and Education Code § 47604.1 (Bates 00570). Education Code § 47604.1 applies to CALA (L-3).

- The petition describes compliance with the Brown Act, Government Code section 1090, the Political Reform Act, it itemizes trainings regarding conflicts of interest, ethics, the Brown Act, and school finance, and affirms compliance with the California Public Records Act. (Bates 00510-00514, 00422.)

Element E: Employee Qualifications (Bates 00514–00522). **Reasonably comprehensive.**

- Describes qualifications by position and commits that teachers will hold the credential required for their assignment.

- When reviewing the Petition, no process for confirming proper credential matching to teaching assignments was identified, which caused SCSOS staff concern. During the review process, CALA indicated that currently HCCTS submits credential matching reports to both the CTC and their current Charter Authorizer on a regular basis to verify that teachers' credentials match their assignments. This process is not reflected in the Petition, and the implementation of a similar process would be needed to resolve SCSOS staff concern. Staff recommends this be incorporated into an oversight MOU.

- Also, the stated minimum qualifications for administrators (Bates 00518) do not fully describe current CTC requirements for the Administrative Services Credential, and qualifications for non-credentialed service providers are not fully described. During the review process, CALA staff clarified the administrator hiring process, and confirmed that all administrators have the proper credentials as required for traditional public school administrators, and the process for hiring new administrators confirms possession of such credentials or ability to obtain them within applicable and appropriate time frames. Staff identified this as a matter to be addressed in an oversight MOU (M-9) that outlines these procedures.

Element F: Health and Safety (Bates 00523–00527). **Reasonably comprehensive.**

- The Petition Describes background checks, TB clearance, and health and safety procedures.

- The Petition requires DOJ and FBI fingerprint clearance for employees (Bates 00516) and TB screening for employees and volunteers with frequent or prolonged student contact (Bates 00526), but its TB requirement does not expressly cover contractors with student contact. During the review process, CALA staff confirmed all contractors that have any contact would be subject to TB testing, requisite background checks, and all health clearances, but that presently there are no such contractors working with students. Staff identified this as a concern to be governed by applicable law (L-5) with appropriate procedures enforced.

- The Petition states that a School Safety Plan shall be drafted, and that staff shall receive training in emergency response. However, the Petition does not contain an assurance that the comprehensive School Safety Plan will be kept on file for review or that school staff will be trained annually on the safety procedures outlined in the plan.

- The Petition states that CALA shall comply with the Field Act or California Building Standards Code, test sprinklers, fire extinguishers, and fire alarms, and conduct fire drills.

Element G: Racial and Ethnic Balance (Bates 00528-00529). **Reasonably comprehensive.**

- The Petition describes outreach to immigrant, refugee, returning-citizen, and working-adult communities.

- The Petition does not include a plan for monitoring and correcting enrollment imbalances in the school. When questioned on the metrics and resources used

to achieve racial and ethnic balance, CALA staff indicated that upon approval of the Petition they would work with Sutter County partners to determine the needs of Sutter County and work to achieve the racial and ethnic balance required. During SCSOS staff review of the Petition, CALA staff identified the many languages spoken by CALA student services staff members, but confirmed that no student services staff presently speak Punjabi. SCSOS staff noted that given the racial and ethnic metrics of Sutter County, Punjabi speaking staff would be an important component of serving the community and providing the proposed services. The balance plan should be benchmarked to the YCUSD's jurisdiction, with named outreach partners and materials in Spanish and Punjabi and addressed in an oversight MOU (M-10).

Element H: Admission Policies and Procedures (Bates 00529–00531). **Reasonably Comprehensive.**

- The Petition describes open admission, a public random drawing if oversubscribed, and the WIOA partnership requirement (Bates 00530).

- The Petition adopts the admission preferences of Education Code § 47605(e)(2)(B)(i)–(iv) by reference (Bates 00420–00422). Because the County would be the authorizer, the preference for YCUSD residents continues to apply by law. CALA staff confirmed that they would abide by the requisite statutory preference for YCUSD residents. HCCTS has described CALA as a merger of HCCS and CICA; the Petition does not state how current HCCS and CICA students would enroll.

Element I: Annual Independent Financial Audits (Bates 00532). **Reasonably comprehensive.**[1]

- Describes selection of an auditor from the State Controller's approved list, resolution of exceptions through a corrective action plan, and reporting to the authorizer.

- The County Office notes that, as of the drafting of this Report, HCCTS's 2023–24 annual audit report had not been accepted by either the State Controller's Office or the HCCTS governing board. In addition, the HCCTS governing board accepted the organization's 2024–25 annual audit report on October 4, 2026, more than nine months after the December 15, 2025, statutory submission deadline. These delays raise concerns regarding the timeliness of HCCTS's audit reporting and fiscal oversight. Notwithstanding these concerns, the Petition sufficiently describes the procedures CALA proposes

[1] While this Staff Report discusses review of the Petition's Element I, this element is no longer required in charter petitions following the enactment of Assembly Bill 126, effective July 9, 2026.

to follow for completion of annual financial audits and resolution of audit exceptions and deficiencies.

Element J: Suspension and Expulsion (Bates 00533–00548; Appendix V, Bates 00586–00601). **Reasonably comprehensive.**

- The Petition describes due process for suspensions and expulsions and a manifestation-determination framework for students with disabilities.

- The Petition states that its procedures "largely align" with Education Code section 49800 et seq., which allows the school to revise its policies outside the Education Code § 47607 material-revision process, and includes attendance-based involuntary removal. Specification in line with Education Code section § 49800 et seq. should be confirmed in an oversight MOU (M-14).

Element K: Retirement Systems (Bates 00549). **Reasonably comprehensive.**

- Certificated staff participate in STRS; classified staff participate in a 401(a) plan.

Element L: Public School Attendance Alternatives (Bates 00550). **Reasonably comprehensive.**

Element M: Employee Return Rights (Bates 00551). **Reasonably comprehensive.**

Element N: Dispute Resolution (Bates 00552–00553). **Reasonably comprehensive**.

- The Petition recognizes it cannot bind the authorizer to its proposed procedure. SCSOS staff does not agree with the proposed dispute resolution in the Petition, and would ask that disputes with the County follow applicable statutory framework and be confirmed in an oversight MOU (M-12) that adheres to the procedural steps of Education Code § 47607 related to violations and revocation procedures.

Element O: Closure Procedures (Bates 00554–00555). **Reasonably comprehensive.**

- The Petition addresses responsible parties, notices, records, financial closeout, final audit, and disposition of assets and liabilities; it does not identify who remains responsible after closure for providing records to the final auditor. Staff identified this as a concern to be addressed in an oversight MOU (M-11).

Supplemental criteria.

- Financial plan (Education Code § 47605(h); Bates 00602–00633). Present; see Finding 2.

- Administrative services (Bates 00556). HCCTS has engaged Charter School Management Corporation as its back-office provider.

- Facilities (Bates 00557–00559). The Petition proposes to "operate potentially in up to ten (10) sites" (Bates 00432) and affirms compliance with the site-location limits of Education Code §§ 47605 and 47605.1 (Bates 00420, 00422). Although generally a charter school must locate within the geographic boundaries of its authorizing district (or the district to which it petitioned prior to appeal), an exception exists for a charter school that provides instruction exclusively in partnership with the federal Workforce Innovation and Opportunity Act (Ed. Code, § 47605.1(f)), and SCSOS Staff find that this exception applies to the program proposed in the Petition. The Petition further states: "Final site selection will be confirmed upon petition approval" (Bates 00557). Staff identified this as a concern to be governed by applicable law (L-6), and addressed in an oversight MOU (M-1).

- Potential civil liability (Bates 00560). Sufficiently addressed within the Petition.

6. Does the Petition contain the declaration required by section 47605(c)(6)? **Yes.**

The declaration appears at Bates 00420.

7. Is the Charter School demonstrably unlikely to serve the interests of the entire community in which it proposes to locate? **No.**

Staff have concluded that the Charter School is not demonstrably unlikely to serve the interests of the entire community.

In summary:

- The Petition names Sacramento and Sutter Counties as its community and lists two potential Yuba City sites, 229 Clark Avenue and a possible CTE partnership at the Sutter County Career Training Center (Bates 00436, 00558–00559). HCCTS previously served students in Marysville and Yuba City from 2018 to 2024 and operated under a 2023 MOU with SCSOS and the Sutter County One-Stop.

- SCSOS Staff find that the proposed charter school would not substantially undermine existing services, academic offerings, or programmatic offerings

within YCUSD as contemplated by Education Code section 47605 (c)(7), or other communities in which it operates, and to SCSOS Staff's knowledge, the proposed Charter School would not impermissibly duplicate a program currently offered within YCUSD or other communities in which it operates. Sutter County Adult Education ("SCAE") is continuously at capacity, in their adult education ESL courses. They currently have two hundred (200) ESL students enrolled and must continuously turn away additional students seeking enrollment. Yuba Community College District indicated that they do not currently have a waiting list for adult ESL because their Spring classes are not yet open for enrollment. Marysville School for Adults closed in May 2025. Based on historical enrollment data, SCAE believes the intended population's needs are not currently being met by the existing providers and programmatic offerings.

- Furthermore, CALA would not duplicate a program currently offered within YCUSD because YCUSD does not serve adult populations in the same capacity.

8. Is the school district not positioned to absorb the fiscal impact of the proposed charter school? **No.**

None of the statutory criteria are present.

- YCUSD's most recent interim certification is positive (Approved by Yuba City Unified School District Governing Board on March 10, 2026).

- YCUSD is not under state receivership, and no county or FCMAT certification under § 47605(c)(8) has been made.

9. Issues in the District Record

YCUSD's staff report and Petitioner's response are part of the record. Staff examined topically each issue raised in YCUSD's staff report — signatures, operator history, WIOA partnership, element descriptions, and service to the local community — using a de novo standard of review, as set forth in this Staff Report, including Findings 1 through 8.

10. Items Addressed Through Applicable Law and the Oversight MOU

Staff's analysis did not identify findings specific to the Petition that rise to the level of justifying denial. The concerns noted above are addressed in one or both of two ways: by legal requirements that apply to the Charter School whether or not they appear in the charter (L-1 through L-8), and by items staff recommend for an oversight memorandum of understanding (M-1 through M-14).

Legal Requirements. The following apply to the Charter School by law. They are listed to show how staff's concerns are resolved, not as conditions of approval.

- **L-1. Adult students**. Serve only pupils eligible under § 47612.1, through an exclusive partnership with WIOA program(s), and claim ADA only for eligible pupils.

- **L-2. Admissions**. Admit pupils without regard to the residence of the pupil or the pupil's parent or legal guardian within the state, and, in any public random drawing, extend the preferences required by § 47605(e)(2)(B), including to residents within YCUSD's boundaries.

- **L-3. Governance**. Conduct board meetings as required by § 47604.1, including teleconference locations at each school site and resource center and, if operating in more than one county, recording and posting of meetings.

- **L-4. Audits**. File annual independent audits by the statutory deadline (§ 47605(m); § 41020).

- **L-5. Employees**. Employ teachers holding the credential, permit, or other document required for their assignment (§ 47605(l)), and meet the criminal background clearance and tuberculosis screening requirements that apply to charter school employees, volunteers, and contractors.

- **L-6. Facilities**. Locate facilities only as permitted by §§ 47605 and 47605.1, and add sites not identified in the Petition only through the material revision process.

- **L-7. Students with Disabilities**. Comply with Section 504 and the ADA for all students, including those in independent study.

- **L-8. Nonclassroom-Based Instruction**. Comply with the funding determination requirements of §§ 47612.5 and 47634.2 and the independent study requirements of § 51745 et seq.

Oversight MOU. Staff recommend that the County Superintendent negotiate an oversight memorandum of understanding with the Charter School that includes at least the following items, in addition to the standard provisions of the SCSOS's MOU. Approval is not contingent on the MOU.

- **M-1. Sites**. Before use, CALA shall provide a final list of the sites identified in the Petition (Bates 00558–00559), for which it intends to proceed with addresses and occupancy approvals. Any site not identified in the Petition

may be added only with the County Board's approval as a material revision to the charter. (See, e.g., Education Code, § 47607(a)(3).)

- **M-2. Fiscal Safeguards**. A contingency budget for funding below 100 percent and enrollment below projections; evidence of the financing assumed in the cash-flow projection; separate accounting for CALA; and monthly cash-flow and quarterly financial reports for the first two years.

- **M-3. Reorganization Reporting**. Reporting regarding the status of the HCCTS Chapter 11 case, including any plan of reorganization and its treatment of the State's claims and any court approval needed for HCCTS to operate CALA, with notice to SCSOS within five business days of any material filing or Court order.

- **M-4. Audit Follow-Up**. A copy of the completed 2023–24 re-audit when issued, and prompt notice of any repayment demand arising from the State Auditor's findings or CDE invoices.

- **M-5. Enrollment**. Enrollment of current HCCS and CICA students by individual application under CALA's admission policy.

- **M-6. Career Pathways**. Instructors or partner agreements, and any required approvals (including CDPH approval for health-care pathways), in place before a CTE pathway is offered.

- **M-7. Outcome Reporting**. Annual reporting of adult outcomes, including CASAS gains, course completion, credits earned, and graduation by cohort year.

- **M-8. Students on 504 Plans**. Written Section 504 procedures for students in independent study.

- **M-9. Qualifications**. Administrator and service-provider qualifications align with current CTC requirements.

- **M-10. Balance Plan**. Outreach benchmarked to the County's jurisdiction, with named partners and materials in Spanish and Punjabi.

- **M-11. Closure**. A named post-closure records custodian and identified funding for closure activities.

- **M-12. Oversight**. Fiscal solvency, oversight activities and related timelines, including but not limited to, reporting, site visits, fiscal monitoring, oversight

fee, and resolution of disputes with SCSOS and/or the County Board under the statutory framework.

- **M-13. Technical Revisions**. Revisions to the Petition naming the County Board as authorizer, stating the approved term, and conforming the admission affirmation per Education Code § 47605(e)(2)(A).

- **M-14. Suspension and Expulsion Procedures**. MOU should include provisions for the Charter School providing the SCSOS with full, approved, suspension and expulsion procedures consistent with Education Code prior to the school opening.

Staff Recommendation

Based on staff's review of the Petition, staff recommend that the County Board adopt the above findings as its own by adopting Resolution A (Attachment A), and:

1. Approve the Petition for a five year term of July 1, 2027 through June 30, 2032, (Education Code § 47607(a)(1)). Staff have concluded that the Petition meets the requirements for approval under Education Code section 47605.

2. Direct the County Superintendent to negotiate an oversight memorandum of understanding (MOU) addressing at least the items in Section 10 (M-1 through M-13). Approval is not contingent on the MOU.

3. Approve the admission preferences in the Petition (Bates 00420–00422, 00529–00531), subject to the preferences required by Education Code section 47605(e)(2)(B), including for residents of YCUSD, which apply by law (L-2).

Resolution B (Attachment B) is provided should the County Board weigh the evidence differently. It includes spacing to allow for the Board's statement of grounds for denial. The County Board may adopt Resolution B only with written factual findings setting forth its basis for denial.

Attachment A — Resolution A (approving)

SUTTER COUNTY BOARD OF EDUCATION — RESOLUTION NO. [____]

Approving the Charter Petition of California Learning Academy on Appeal

WHEREAS, on August 7, 2026, Highlands Community Charter and Technical Schools submitted the California Learning Academy petition to the County Board on appeal from its denial by the Yuba City Unified School District under Education Code section 47605(k)(1); and

WHEREAS, the County Board held a public hearing on September 9, 2026 to consider the level of support for the petition, and a public hearing on December 2, 2026, at which the petitioners had equal time to present evidence and testimony; and

WHEREAS, staff published its report and recommended findings on November 16, 2026 at least 15 days before the County Board acted; and

WHEREAS, the County Board has reviewed the petition de novo, together with the documentary record;

NOW, THEREFORE, BE IT RESOLVED that the County Board finds:

1. The petition on appeal contains no new or different material terms.

2. The petition proposes one charter school serving only adults 22 and older in exclusive partnership with WIOA programs under Education Code section 47612.1.

3. Granting the charter is consistent with sound educational practice and with the interests of the community in which the school proposes to locate, having considered the academic needs of the pupils the school proposes to serve.

4. The record does not support any finding under Education Code section 47605(c)(1) through (8), for the reasons stated in Proposed Findings of Fact 1 through 8 of the staff report, which the County Board adopts.

BE IT FURTHER RESOLVED that the County Board approves the petition for a term of July 1, 2027 through June 30, 2032; that the Charter School shall comply with the legal requirements identified in Section 10 of the staff report; that the County Superintendent is directed to negotiate an oversight memorandum of understanding addressing at least the items identified in Section 10 of the staff report; that any petition provision inconsistent

with law is not approved; and that the admission preferences in the petition are approved, subject to the preferences required by section 47605(e)(2)(B).

PASSED AND ADOPTED on December 2, 2026, by the following vote:

Reid_____; Lachance_____; Singh _____; Pamma _____; Gill _____

Ayes: _____

Noes: _____

Abstain: _____

Absent: _____

I certify under penalty of perjury that the foregoing is a true and correct copy of the resolution adopted by the Sutter County Board of Education on December 2, 2026.

_____
President, Sutter County Board of Education

Attachment B — Resolution B (denying)

SUTTER COUNTY BOARD OF EDUCATION — RESOLUTION NO. [___]

Denying the Charter Petition of California Learning Academy on Appeal

WHEREAS, on August 7, 2026, Highlands Community Charter and Technical Schools submitted the California Learning Academy petition to the County Board on appeal from its denial by the Yuba City Unified School District under Education Code section 47605(k)(1); and

WHEREAS, the County Board held a public hearing on September 9, 2026 to consider the level of support for the petition, and a public hearing on December 2, 2026, at which the petitioners had equal time to present evidence and testimony; and

WHEREAS, staff published its report, recommended findings, and the findings set out below on November 16, 2026, at least 15 days before the County Board acted; and
WHEREAS, the County Board has reviewed the petition de novo, together with the documentary record, and has considered the staff recommendation.

NOW, THEREFORE, BE IT RESOLVED that the County Board makes the following written factual findings, specific to this petition:

Procedural findings

1. The petition on appeal contains no new or different material terms.

2. The County Board held the public hearings and published its findings as recited above, and acted within the time agreed by the parties.

Findings supporting denial:

_____

_____

_____

_____

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_____

BE IT FURTHER RESOLVED that each ground stated above is an independent and sufficient basis for denial, and that the petition is denied.

PASSED AND ADOPTED on December 2, 2026, by the following vote:

Reid_____; Lachance_____; Singh _____; Pamma _____; Gill _____

Ayes: _____

Noes: _____

Abstain: _____

Absent: _____

I certify under penalty of perjury that the foregoing is a true and correct copy of the resolution adopted by the Sutter County Board of Education on December 2, 2026.

_____

President, Sutter County Board of Education