

Sent Via Email and First Class Mail

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February 9, 2018

Tom Torlakson
State Superintendent of Public Instruction
California Department of Education
1430 N Street
Sacramento, CA 95814

Re: Valiant Preparatory and Academics Arts and Action Charter Academy

Dear Mr. Torlakson:

I am the General Counsel and Senior Vice President for Legal Advocacy at the California Charter Schools Association ("CCSA"), a statewide membership organization that advocates and provides resources for charter public schools, and promotes quality and responsible authorizing practices. CCSA advances the charter school movement through state and local advocacy, leadership on accountability, and resources for member schools. As part of our advocacy and leadership, we monitor charter school activities to support the growth of high quality charter public schools throughout the state. It is in that role, that CCSA wants to alert you to concerns relating to Valiant Preparatory (Valiant Prep) and Academic Arts and Action Charter Academy (A3), two California charter school entities.

Valiant Prep is a charter school organization with charters authorized by Acton-Agua Dulce Unified School District in Los Angeles County, Dehesa Elementary School District in San Diego County, and Cuyama Joint Unified School District in Santa Barbara County. The Valiant Prep web site is located at www.valiantprep.org. It is our understanding that Valiant Preparatory charter schools are also known and operated as Valiant Academy of Los Angeles, Valiant Academy DESD, Valiant Academy of Southern California, and Valiant Santa Barbara. Additionally, Valiant Academy of Los Angeles and Valiant Academy DESD may have previously been operated as Mosaica Online Academy of Southern California or Mosaica Online Academy of Los Angeles. It is also our understanding that Valiant Prep is managed and operated by A3, a California nonprofit public benefit corporation, currently located in Newport Beach.¹ CCSA has received information about Valiant Prep and A3 which raise concerns about compliance with laws governing California charter schools and nonprofit public benefit corporations.

Valiant Prep

Specifically, CCSA received a forwarded copy of an email, dated November 21, 2017, sent by Lori Borden, the Director for Heart Christian Academy, a Christian homeschool program located in San Juan Capistrano, announcing a partnership with Valiant Prep. See attached copy of email from Lori Borden dated November 21, 2017. According to Ms. Borden's email, "students enrolled in Valiant Prep Charter School can now use their educational funds to pay a portion of their monthly tuition at Heart!" Moreover, Ms. Borden's email invited parents to a meeting on

¹ According to an Executive Summary prepared on January 22, 2017 for Advance Education, Inc., A3 also manages and operates California Prep Academy, California STEAM San Bernadino, California STEAM Fresno and California STEAM Sonoma.

November 27, 2017 with Valiant Prep administrators to provide more information about the program and answer questions.

If the information in Ms. Borden's email is true and accurate, we believe that the arrangement may potentially violate the Charter Schools Act. Under Education Code section 47602(b), "[n]o charter school shall receive any public funds for a pupil if the pupil also attends a private school that charges the pupil's family for tuition." Moreover, Education Code section 47605(d)(1) states "a charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations."

A3

On October 2, 2017, the Rialto News, an Inland Empire news blog, posted an article about campaign contributions to the Inland Empire Business Alliance (IEBA) in support of Mars Serna, a 2017 candidate for the Fontana Unified School Board. See [Over \\$71 Thousand Donated to Fontana School Board Candidate at https://rialtonow.com/2017/10/02/over-71-thousand-donated-to-fontana-school-board-candidate/](https://rialtonow.com/2017/10/02/over-71-thousand-donated-to-fontana-school-board-candidate/). According to the post, the IEBA received a \$40,000 contribution from Academics in Arts Charter. The post also included a copy of the Form 496 Independent Expenditure Report (Form 496) filed by IEBA on September 28, 2017, in which the \$40,000 contribution was identified as having been made by Academics Arts and Action Charter from Costa Mesa. CCSA has obtained a copy of the IEBA Form 496 filed with the County of San Bernardino Public Portal for Campaign Finance Disclosure, and confirmed that the \$40,000 contribution is identified as made by Academics Arts and Action from Costa Mesa. See attached Form 496 filed by IEBA dated September 28, 2017.

We believe that the actual charter school entity identified on the IEBA Form 496 is A3 currently located in Newport Beach. Our search result from the California Secretary of State web site for any California corporation named Academics Arts and Action Charter Academy has only identified A3 in Newport Beach. See Academics Arts and Action Charter Academy Statement of Information dated January 31, 2017. Moreover, the Articles of Incorporation filed on March 11, 2016 with the California Secretary of State by California STEAM San Bernadino, a charter school affiliated with A3, identify a corporate address located in Costa Mesa. See attached copy of California STEAM San Bernadino filed on March 11, 2016. A3 is a California nonprofit public benefit corporation. See attached copy of Academics Arts and Action Charter Academy Articles of Incorporation filed on February 17, 2015. Under the Articles of Incorporation, A3 cannot "participate or intervene in any political campaign . . . on behalf of any candidate for public office." We believe that A3 may have violated its articles of incorporation as a nonprofit public benefit corporation, and state and federal law.

We are providing this information concerning Valiant Prep and A3 because of the potential violations of California law governing charter schools and nonprofit benefit corporations if determined to be true and accurate. As the Superintendent of Public Instruction, you are authorized to make reasonable inquiries, which includes requesting financial records from a charter school, under Education Code section 47604.3. While Education Code section 47604.3 also provides for chartering authorities and county offices of education to conduct similar inquiries, we have seen small district authorizers fail to appropriately hold some operators accountable – a problem that CCSA has identified previously and is working to address legislatively. Furthermore, A3 and Valiant Prep operate in multiple school districts and counties, and it is difficult for CCSA to have confidence that proper accountability across the many

authorizers involved in this situation will be ensured unless we bring the matter to the State Superintendent of Public Instruction and State Board of Education. We encourage you to exercise your legal authority to make reasonable inquiries of Valiant Prep and A3 concerning the information provided herein, and take appropriate action, including revocation of the charters if necessary, to address any violations of law.

If you have any questions, please feel free to contact me.

Very truly yours,



RICARDO J. SOTO
General Counsel and Senior Vice President, Legal
Advocacy

Attachments:

Email from Heart Christian Academy dated November 21, 2017
Form 496 filed by Inland Empire Business Alliance dated September 28, 2017
Academics Arts and Action Charter Academy Statement of Information dated January 31, 2017
Academics Arts and Action Charter Academy Articles of Incorporation filed on February 17, 2015
California STEAM San Bernadino Articles of Incorporation filed on March 11, 2016.

C: Michael Kirst, President, State Board of Education (Sent Via Email)
Trish Boyd Williams, Member, State Board of Education (Sent Via Email)