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UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

In re HIGHLANDS COMMUNITY CHARTER AND TECHNICAL SCHOOLS, Debtor and Debtor in Possession.	Case No. 26-25868 Chapter 11
HIGHLANDS COMMUNITY CHARTER AND TECHNICAL SCHOOLS, Plaintiff, v. TWIN RIVERS UNIFIED SCHOOL DISTRICT BOARD OF TRUSTEES and CALIFORNIA STATE BOARD OF EDUCATION, Defendants.	Adv No. 26-02134 DCN: SMR-1 **EXHIBITS IN SUPPORT OF DEFENDANT TWIN RIVERS UNIFIED SCHOOL DISTRICT BOARD OF TRUSTEE'S RESPONSE TO MOTION FOR ORDER EXTENDING STAY TO THE REVOCATION APPEAL UNDER BANKRUPTCY CODE SECTIONS 105(a) AND 362** Judge: Hon. Christopher D. Jaime Date: November 10, 2026 Time: 11:00 a.m. Dept.: Dept. B, Ctrm 32, 6th Floor 501 I Street Sacramento, CA 95814

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DATED: October 27, 2026

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
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TWIN RIVERS UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES

Exhibit A

California Department of Education
Charter Schools Division
Revised 5/2018
accs-oct26item02

ADVISORY COMMISSION ON CHARTER SCHOOLS
AN ADVISORY BODY TO THE STATE BOARD OF EDUCATION

October 2026 Agenda
Item #02

Subject

Appeal of a County Board of Education's Reversal of a Charter Revocation: Consider Whether the Twin Rivers Unified School District's Revocation of the Charter of Highlands Community Charter School Is Supported by Substantial Evidence, Pursuant to California *Education Code* Section 47607(i)(4).

Type of Action

Action, Information

Summary of the Issue

Pursuant to California *Education Code* (*EC*) Section 47607(f), a charter may be revoked by the chartering authority upon a showing, supported by substantial evidence, that the charter school did any of the following:

- Committed a material violation of any of the conditions, standards, or procedures set forth in the charter;
- Failed to meet or pursue any of the pupil outcomes identified in the charter;
- Failed to meet generally accepted accounting principles or engaged in fiscal mismanagement; or
- Violated any law.

Additionally, *EC* Section 47607(h) requires the chartering authority to make written factual findings, supported by substantial evidence and specific to the charter school, to revoke a charter school.

Highlands Community Charter School (HCCS or Charter School) is a classroom-based charter school offering instruction exclusively in partnership with federal Workforce Innovation and Opportunity Act (WIOA) programs and serving adults age 22 and above. Pursuant to *EC* Section 47607(g), on June 17, 2025, the governing board of the Twin Rivers Unified School District (TRUSD) unanimously approved issuance of a Notice of

Violation (NOV) to Highlands Community Charter and Technical Schools (Highlands), in its capacity as operator and governing body of HCCS and its sister school, California Innovative Career Academy (CICA), based on findings that Highlands had done the following (Attachment 3, pp. 1–9):

- Committed a material violation of the conditions, standards, or procedures set forth in its charter by offering unauthorized grade levels and operating unauthorized locations (*EC* Section 47607[f][1]);

- Violated the law by failing to submit the annual independent audit report, failing to track instruction minutes, and violating the federal WIOA exclusive partnership (*EC* Section 47607[f][4]); and

- Committed fiscal mismanagement with unauthorized facilities expenditures (*EC* Section 47607[f][3]).

The NOV directed Highlands to respond to and/or remedy the violations by September 26, 2025 (Attachment 3, pp. 1–9); on that date, Highlands submitted a written response to the NOV (Attachment 3, pp. 6469–6489).

On November 4, 2025, following review of the response and supporting evidence submitted by Highlands, the governing board of TRUSD unanimously approved the issuance of a Notice of Intent to Revoke (NIR) of the charters of HCCS and CICA, based on District staff's determination that Highlands had failed to refute or remedy the violations identified in the NOV (Attachment 3, pp. 1202–1217). Following a public hearing held December 2, 2025, and a mutual agreement between the parties to a 30-day extension, pursuant to *EC* Section 47607(h), the District Board convened a special meeting on January 30, 2026, and voted unanimously to revoke the charters of both HCCS and CICA. Pursuant to *EC* Section 47607(f), the District found that Highlands failed to refute or remedy the following violations (Attachment 3, pp. 1235–1238):

- Highlands committed a material violation of the conditions, standards, or procedures set forth in its Charter.

- Highlands violated the law.

- Highlands engaged in fiscal mismanagement.

Pursuant to *EC* Section 47607(i)(1), Highlands appealed the revocation of both schools' charters to the Sacramento County Board of Education (SCBOE or County).

EC Section 47607(i)(2) provides that the county board of education may reverse a district's revocation decision if the county board determines that the findings made by the district are not supported by substantial evidence. At its May 19, 2026, meeting, the SCBOE determined that the District's findings were not supported by substantial

evidence and reversed the revocation of HCCS's charter by a vote of 4–3 (Attachment 3, pp. 8432– 8433).

Pursuant to *EC* Section 47607(i)(2), a school district may appeal a county board of education's reversal of a revocation decision to the California State Board of Education (SBE). TRUSD appealed the SCBOE's reversal of HCCS's revocation to the SBE on June 18, 2026, arguing that its findings in support of revocation are supported by substantial evidence.

This item is specific to the revocation of HCCS's charter. CICA's charter revocation is the subject of a related item being presented to the ACCS at the same meeting.

Proposed Recommendation

The California Department of Education (CDE) proposes to recommend that the SBE uphold the District's revocation of HCCS's charter based on its analysis that the findings made by the District are supported by substantial evidence in the record.

Procedural Requirements for Charter Revocation

As noted above, a charter may be revoked if the chartering authority makes, through a showing of substantial evidence, any of the findings listed in *EC* Section 47607(f). Before revoking a charter, the following procedures, set forth in *EC* Section 47607 and *California Code of Regulations*, Title 5 (5 *CCR*), Section 11968.5.2, must be completed:

- The chartering authority must notify the charter school of the violation(s) and allow a reasonable opportunity to cure them;
- If the charter school chooses to respond to the NOV, it must submit a detailed, written response addressing each identified violation, including any supporting evidence, by the end of the remedy period identified in the NOV;
- The chartering authority must act within 60 days of the conclusion of the remedy period outlined in the NOV, or the revocation process terminates;
- If the chartering authority issues a NIR, it must hold a public hearing no later than 30 days after the NIR is issued, on the date and time specified therein; and
- The chartering authority must issue a Final Decision, which must include written factual findings, supported by substantial evidence and specific to the charter school, within 30 days of the public hearing (or within 60 days by written mutual agreement), or the revocation process terminates.

Standard of Review for Charter Revocation

On appeal, the SBE's review of those findings is governed by the standard set forth in *EC* Section 47607(i)(4), as follows:

> The state board may reverse the revocation decision if the state board determines that the findings made by the chartering authority under subdivision (h) are not supported by substantial evidence. The state board may uphold the revocation decision of the school district if the state board determines that the findings made by the chartering authority under subdivision (h) are supported by substantial evidence.

Under the substantial evidence standard, review "begins and ends with a determination of whether there is substantial evidence, contradicted or uncontradicted, to support the findings" (*Napa Valley Unified School Dist. v. SBE* [2025] 110 Cal.App.5th 609, 625.). The SBE does not reweigh the evidence and is required to indulge all presumptions and resolve all conflicts in favor of the chartering authority unless no reasonable person could have reached the same conclusion on the evidence before it (*Id.*).

This standard requires the SBE's review to focus on whether the written factual findings made by the governing board of the District in support of the revocation of HCCS's charter are supported by substantial evidence in the administrative record. The SBE's review under this standard is of the District's revocation decision. As the County's determination on appeal is not part of that review, this item does not address or evaluate the County's determination or analysis.

Documents Submitted in this Appeal

Pursuant to 5 *CCR*, Section 11968.5.5, the following documents were submitted to the SBE and reviewed by the CDE:

- TRUSD's Notice of Appeal (Attachment 2) and the accompanying administrative record (Attachment 3), submitted June 18, 2026;
- Highlands' Written Opposition (Attachment 4), submitted July 17, 2026; and
- TRUSD's Reply to the Written Opposition (Attachment 5), submitted July 31, 2026.

All documents were timely submitted in accordance with 5 *CCR*, Section 11968.5.5.

Summary of Appeal

In its Notice of Appeal, TRUSD states that its revocation findings are supported by substantial evidence demonstrating that Highlands committed material violations of its

HCCS charter and Memorandum of Understanding, violated provisions of law, and engaged in fiscal mismanagement. Specifically, TRUSD asserts that Highlands expanded grade levels and operated locations without obtaining approved material revisions, failed to submit a required annual independent audit report, did not demonstrate compliance with instructional minute requirements, violated the requirements of its WIOA partnership agreement, and engaged in fiscal mismanagement through expenditures associated with the San Diego administrative facility and the Marysville 2 location (Attachment 2, pp. 14–28).

TRUSD states that the record contains evidence supporting these findings, including admissions by Highlands regarding certain violations, operation of unauthorized grade levels and locations, failure to submit a compliant audit report, deficiencies in documentation used to demonstrate compliance with instructional minute requirements, violations of WIOA program requirements, and expenditures of public funds for the San Diego administrative facility and the Marysville 2 location. TRUSD further states that the identified violations were not remedied during the remedy period established by the District Governing Board. (Attachment 2, pp. 14–28).

TRUSD also states that it complied with the procedural requirements set forth in *EC* Section 47607. According to the Notice of Appeal, the District Governing Board issued an NOV on June 17, 2025, provided Highlands an opportunity to remedy the identified violations through September 26, 2025, issued an NIR on November 4, 2025, conducted a public hearing on December 2, 2025, and adopted a Final Decision to Revoke on January 30, 2026. (Attachment 2, pp. 6–9).

Written Opposition from the Charter School

In its written opposition to this appeal, Highlands states that TRUSD's revocation findings were not supported by substantial evidence and the alleged violations were either refuted or remedied prior to revocation. Highlands notes that TRUSD staff's analysis, as reported to the District Board, indicated that all violations were sufficiently refuted or remedied during and after the board-adopted remedy period and that District Staff, based on its analysis, recommended the board cease the revocation process (Attachment 4, pp. 7–8, 16–22).

According to Highlands, the administrative record contains evidence reflecting its corrective actions taken in response to the NOV. Highlands states that it remedied the grade-level and location violations by requesting a material revision and terminating or buying out leases associated with noncompliant locations, submitting the delayed annual independent audit report, improving instructional-minute documentation, terminating the program associated with the WIOA violation, and terminating or buying out the San Diego facility lease (Attachment 4, pp. 16–22). Highlands states that evidence for these actions aligns with District Staff's analysis that the violations had

been sufficiently remedied and that the District Board's decision to revoke HCCS's charter is not supported by evidence in the record (Attachment 4, pp. 16–22).

Highlands also asserts that procedural deficiencies hindered its ability to refute or remedy the alleged violations. Specifically, Highlands contends that TRUSD failed to provide a reasonable opportunity to remedy certain violations, improperly disregarded proposed remedial actions, extended deadlines for submitting evidence of remedies and later relied on the original deadline, and denied a material revision request intended to remedy certain violations (Attachment 4, pp. 5–7, 22–29).

California Department of Education's Analysis

Under *EC* Section 47607(i)(4), the SBE may reverse the revocation decision if it determines that the findings made by the chartering authority are not supported by substantial evidence and may uphold the revocation decision if it determines that those findings are supported by substantial evidence.

District Findings Supported by Substantial Evidence

After reviewing the administrative record and arguments submitted by the parties to this appeal, the CDE proposes to recommend the SBE determine that TRUSD made written factual findings in accordance with *EC* Section 47607(h) and that TRUSD's findings in support of the revocation of Highlands' charter are supported by substantial evidence in the record. The record also contains evidence Highlands submitted in response to the NOV and NIR, which Highlands characterizes as remedying these violations. Under the substantial evidence standard, the SBE must resolve such conflicts in the evidence in favor of TRUSD's determination unless no reasonable person could have reached the same conclusion.

The TRUSD Governing Board revoked HCCS's charter upon making the findings required by *EC* Section 47607(f), each supported by evidence in the documentary record. The finding that Highlands committed a material violation of the conditions, standards, or procedures of its charter is supported by evidence that HCCS served grade levels not authorized in its charter and that Highlands operated additional locations without obtaining approval through the required material revision process (Attachment 3, pp. 1222–1225). Highlands did not submit a material revision request to authorize these grade levels and locations until close to the end of the remedy period, and the TRUSD Governing Board denied the request on December 2, 2025. As of the January 30, 2026, revocation, the TRUSD Board determined that Highlands had not achieved a satisfactory remedy, since no alternative path to authorization existed once the material revision was denied.

The finding that Highlands engaged in fiscal mismanagement is supported by evidence that Highlands expended public funds on an administrative facility in San Diego that was not located near any HCCS student location, and on a second facility in Marysville that

was not used to serve students (Attachment 3, pp. 1231–1233). Highlands states it terminated the San Diego lease on November 15, 2025, and the Marysville 2 lease effective November 30, 2024. The TRUSD Board determined neither action remedied the violation: the San Diego lease was not terminated until well after the close of the remedy period, and the Marysville 2 termination agreement itself left Highlands financially obligated on the lease through April 30, 2026, seven months beyond the remedy period's expiration.

The finding that Highlands violated the law is supported by evidence that Highlands failed to submit HCCS's annual independent audit report as required by *EC* Section 47605(m) and did not maintain sufficient documentation to demonstrate compliance with instructional minute requirements under *EC* Section 47612.5 (Attachment 3, pp. 1225–1227). Highlands submitted its fiscal year (FY) 2023–24 audit report on January 2, 2026, over three months after the close of the remedy period. The State Controller's Office rejected the report for failing to meet minimum reporting standards; as a result, the audit requirement remains unmet.[1] On instructional minutes, Highlands submitted a corrected attendance calendar on October 13, 2025, 17 days after the close of the remedy period, and that calendar had not yet been approved by the Highlands board at that time. While the CDE was unable to identify evidence establishing whether the WIOA partnership violation identified in the NIR remained unremedied as of the close of the remedy period, the finding that Highlands violated the law is nonetheless supported by substantial evidence.

In its written opposition, Highlands argues that TRUSD's revocation decision did not cite specific evidence to support the revocation decision, and in the next sentence, quotes the TRUSD Board resolution's citation of the NIR, which is incorporated into TRUSD's findings and lays out the evidence supporting each unremedied violation. Highlands then challenges each component of TRUSD's findings, but Highlands' arguments do not undermine the evidentiary basis TRUSD relied on for its findings. Rather, Highlands puts forth evidence it believes contradicts the evidence TRUSD relied on, contending that each of the identified violations was refuted or remedied before the TRUSD Governing Board voted to revoke the HCCS charter on January 30, 2026, and that, therefore, revocation was not "warranted" (Attachment 4, p. 16). However, the remedy period adopted in the NOV (discussed further below) ended on September 26, 2025, and the substantial evidence standard for charter revocation appeals does not ask whether revocation was "warranted," only whether TRUSD's findings are supported by evidence in the record.

Highlands also relies on the January 27, 2026, recommendation of TRUSD Staff that the TRUSD Governing Board decline to revoke the HCCS charter (Attachment 4, p. 23).

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[1] As of the September 25, 2026, posting of this item, Highlands does not have a valid and approved independent audit report for FY 2023–24.

However, the authority to revoke a charter rests with the TRUSD Governing Board, which is not bound by a staff recommendation (*EC* sections 47607[f], [h]). Further, the minutes of the January 27, 2026, meeting show that the staff recommendation was based on documentation and evidence Highlands submitted after the conclusion of the remedy period (Attachment 3, p. 8174). Under the substantial evidence standard, the question is whether the TRUSD Governing Board's findings are supported by evidence in the record, not whether the record could also support the different conclusion staff reached.

Reasonable Opportunity to Cure

In its written opposition, Highlands also argues that TRUSD failed to provide a reasonable opportunity to remedy the violations identified in the NOV, citing TRUSD's handling of Highlands' submitted evidence, TRUSD's communications regarding the evidence deadline, and the TRUSD Board's denial of Highlands' material revision request. The record does not support this argument.

Highlands contends that TRUSD refused to honor Highlands' September 26, 2025, submission date, asserting that supporting evidence was not received until September 29 when in fact TRUSD Staff were simply unable to open the exhibits Highlands had already submitted on time (Attachment 4, pp. 24–25). However, TRUSD's NIR clearly shows Staff directly reviewed and analyzed the response and supporting materials Highlands submitted, violation by violation (Attachment 3, pp. 1224, 1227, 1230).

Highlands also contends that the September 26 deadline, which is more than three months after the NOV was issued, did not allow enough time to cure certain violations, and that TRUSD improperly refused to accept proposed remedial actions in place of completed compliance (Attachment 4, pp. 25–27), but the Highlands' written opposition does not identify any evidence that TRUSD refused to consider a proposed remedial action. As to both the location and grade level violations, for example, Highlands' September 26 response offered only conditional assurance that its compliance would follow if the material revision were approved, and that it would revert to its existing charter terms if the revision were denied (Attachment 3, pp. 1223, 7716). Reverting to the terms of its existing charter required no action by TRUSD and remained a viable path for Highlands to take in order to come into compliance throughout the remedy period (Attachment 5, p. 7). Highlands does not explain why it did not pursue that path while awaiting a decision on the material revision.

Highlands further argues that TRUSD Staff extended the evidence deadline to January 2, 2026, and then reverted to the original date, and separately that the TRUSD Board's December 2, 2025, denial of its material revision request, combined with a broader pattern of delayed reporting and years of consenting to prior conduct, impeded its ability to remedy the alleged violations (Attachment 4, pp. 27–30). First, TRUSD Staff do not have the authority to extend a remedy period set by the Governing Board through

adoption of the NOV, as required by regulation, so the September 26, 2025, deadline governs regardless of later Staff communications (Attachment 3, p. 4). The original NOV deadline notwithstanding, the resolution revoking the HCCS charter indicates the board did consider evidence submitted after the close of the remedy period, despite having no obligation to do so. Second, TRUSD's Governing Board did not deny the material revision request until December 2, 2025, more than two months after the close of the remedy period. This after-the-fact denial could not have affected Highlands' opportunity to remedy before the deadline, particularly given the viable path to compliance with the existing HCCS charter noted above. By December 2, 2025, HCCS was still serving students at unauthorized sites and in unauthorized grade levels (Attachment 3, p. 8221). Highlands' broader pattern-of-conduct claim is unsupported by any citation independent of the allegations addressed above.

Conclusion

Based on its review of the administrative record and the arguments submitted by the parties to this appeal, the CDE proposes to recommend the SBE determine that the TRUSD Governing Board made written factual findings in accordance with *EC* Section 47607(h) and that its findings in support of the revocation of HCCS's charter are supported by substantial evidence in the record. Therefore, the CDE recommends the SBE uphold TRUSD's revocation of HCCS's charter.

Under *EC* Section 47607(i)(4), the SBE may reverse the revocation decision if it determines that the findings made by the chartering authority are not supported by substantial evidence and may uphold the revocation decision if it determines those findings are supported by substantial evidence. Under this standard, the SBE does not reweigh the evidence and must indulge all presumptions and resolve conflicts in the evidence in favor of TRUSD's determination unless no reasonable person could have reached the same conclusion.

Highlands' written opposition primarily asks the SBE to reweigh the evidence and reach a different conclusion than TRUSD's Governing Board, which is not permissible under the substantial evidence standard. Highlands has not demonstrated that TRUSD's findings for revocation lack substantial evidence.

A full review of TRUSD's findings and the arguments raised in this appeal is provided as Attachment 1.

Attachments

- **Attachment 1:** California Department of Education Charter School Appeal Review (16 Pages)
- **Attachment 2:** Notice of Appeal from Twin Rivers Unified School District (32 Pages)

- **Attachment 3:** Administrative Record, as submitted by Twin Rivers Unified School District (8434 Pages)
- **Attachment 4:** Charter School Written Opposition to District Appeal, submitted by Highlands Community Charter School (32 Pages)
- **Attachment 5:** District Reply to Charter School Written Opposition, submitted by Twin Rivers Unified School District (12 Pages)

Exhibit B

California Department of Education
Charter Schools Division
Created 09/2026
accs-oct26item02
Attachment 1

CHARTER SCHOOL APPEAL REVIEW: Highlands Community Charter School

CALIFORNIA DEPARTMENT OF EDUCATION

Appellant: Twin Rivers Unified School District

Respondent: Highlands Community Charter School

Type of Appeal: County Board of Education's Reversal of Charter Revocation

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Overview

This document presents the California Department of Education's (CDE) review of the appeal submitted by the governing board of the Twin Rivers Unified School District (TRUSD or District) to the California State Board of Education (SBE). The summary and analysis presented below pertains to the revocation of the charter of Highlands Community Charter School (HCCS or Charter School), which is operated by Highlands Community Charter and Technical Schools (Highlands). Highlands also operates California Innovative Career Academy (CICA), which is the subject of a related appeal item being presented to the ACCS concurrently.

On January 30, 2026, TRUSD revoked the charter of HCCS. On May 19, 2026, the Sacramento County Board of Education (SCBOE or County) reversed the revocation. On June 18, 2026, TRUSD appealed SCBOE's reversal to the SBE, arguing that its revocation decision is supported by substantial evidence.

Based on its analysis of the administrative record, the CDE proposes to recommend the SBE determine that the District made written factual findings, specific to HCCS, in accordance with California *Education Code* (*EC*) Section 47607(h). The District's findings in support of revocation are supported by substantial evidence in the record.

Applicable Law

EC Section 47607(f)–(h):

> (f) A charter may be revoked by the chartering authority if the chartering authority finds, through a showing of substantial evidence, that the charter school did any of the following:[1]
>
> (1) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.
>
> (2) Failed to meet or pursue any of the pupil outcomes identified in the charter.
>
> (3) Failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.

[1] Under the substantial evidence standard, review "begins and ends with a determination of whether there is substantial evidence, contradicted or uncontradicted, to support the findings" (*Napa Valley Unified School Dist. v. SBE* [2025] 110 Cal.App.5th 609, 625). The SBE does not reweigh the evidence and is required to indulge all presumptions and resolve all conflicts in favor of the chartering authority unless no reasonable person could have reached the same conclusion on the evidence before it (*Id.*).

(4) Violated any law.

(g) Before revocation, the chartering authority shall notify the charter school of any violation of this section and give the school a reasonable opportunity to remedy the violation, unless the chartering authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils.

(h) Before revoking a charter for failure to remedy a violation pursuant to subdivision (f), and after expiration of the school's reasonable opportunity to remedy without successfully remedying the violation, the chartering authority shall provide a written notice of intent to revoke and notice of facts in support of revocation to the charter school. No later than 30 days after providing the notice of intent to revoke a charter, the chartering authority shall hold a public hearing, in the normal course of business, on the issue of whether evidence exists to revoke the charter. No later than 30 days after the public hearing, the chartering authority shall issue a final decision to revoke or decline to revoke the charter, unless the chartering authority and the charter school agree to extend the issuance of the decision by an additional 30 days. The chartering authority shall not revoke a charter, unless it makes written factual findings supported by substantial evidence, specific to the charter school, that support its findings.

California Code of Regulations, Title 5, Section 11968.5.2(d)–(h):

(d) After conclusion of the reasonable opportunity to remedy, the chartering authority shall evaluate the response of the charter school's governing body as described in the school's charter response to the Notice of Violation and any supporting evidence, if submitted, and shall take one of the following actions:

(1) If the chartering authority has substantial evidence that the charter school has failed to refute to the chartering authority's satisfaction, or remedy a violation identified in the Notice of Violation, continue revocation of the school's charter by issuing a Notice of Intent to Revoke to the charter school's governing body as described in the school's charter; or

(2) Discontinue revocation of the school's charter and provide timely written notice of such action to the charter school's governing body as described in the school's charter.

(e) If the chartering authority does not act, as specified in subdivision (d), within 60 calendar days of the conclusion of the remedy period specified in the Notice of Violation, the revocation process is terminated and the Notice of Violation is void.

(f) On the date and time specified in the Notice of Intent to Revoke, the chartering authority shall hold a public hearing concerning revocation. No more than 30 calendar days after the public hearing (or 60 calendar days by written mutual agreement with the charter school) the chartering authority shall issue a Final Decision.

(g) The chartering authority shall provide a copy of the Final Decision to the CDE and its county board of education (unless the county board of education is also the chartering authority), within 10 calendar days of issuing the Final Decision.

(h) If the chartering authority does not act to issue a Final Decision within the timeframe specified in subdivision (f), the revocation process is terminated and the Notice of Intent to Revoke is void.

Chronology

Date	Event
March 4, 2014	TRUSD's Board approves the petition to establish HCCS.
May 31, 2018	The Fiscal Crisis and Management Assistance Team (FCMAT) publishes an extraordinary audit report commissioned by the Sacramento County Superintendent of Schools.[2]
June 25, 2019	TRUSD's Board conditionally approves the petition to establish CICA.
March 5, 2019	TRUSD's Board conditionally approves renewal of HCCS. Both terms are later extended by operation of law through June 30, 2027.[3]
April 2024—April 2025	TRUSD issues a series of Notices of Concern and Requests for Information pertaining to both HCCS and CICA, addressing facility location and MOU compliance, enrollment and CALPADS reporting, instructional-minutes tracking, and the schools' overdue 2023–24 audit reports.

[2] FCMAT's report found significant material weaknesses in Highlands' internal control environment, including charter enrollment violations, instructional day irregularities, questionable fiscal and hiring practices, and Brown Act violations.
[3] *EC* Section 47607.4 was enacted in response to the COVID-19 pandemic, in order to extend charter terms and postpone charter renewals.

Date	Event
January 2025	A TRUSD-commissioned report by an independent consultant is published reviewing attendance and enrollment practices at HCCS and CICA.[4]
June 17, 2025	TRUSD issues a Notice of Violation (NOV) to Highlands, alleging violations by both schools.
June 24, 2025	The California State Auditor releases Report No. 2024-106 on Highlands.[5]
September 26, 2025	The NOV remedy period closes. Both schools submit written responses.
November 4, 2025	TRUSD's Board adopts the Notice of Intent to Revoke (NIR) for both schools.
December 2, 2025	TRUSD's Board denies Highlands' material revision request and separately holds a public hearing on the revocation.
January 27, 2026	District staff recommends against revocation, based on information submitted between October 1, 2025, and January 9, 2026 (Attachment 3, pp. 8173–8174).
January 30, 2026	TRUSD's Board determines that the school had not refuted or remedied the violations in the NOV and votes to revoke both charters.[6]
February 27, 2026	Highlands appeals both revocations to the SCBOE.

[4] The Student Attendance Review reports deficiencies in attendance accounting at both HCCS and CICA, including incorrect attendance calendars used to calculate average daily attendance, classrooms with enrollment exceeding physical capacity, and student attendance claimed under independent study agreements signed by inadequately credentialed teachers. The Student Attendance Review Report can be found in Attachment 3, pp. 561–615.

[5] The California State Auditor's report included findings that Highlands received $180M in funds which it was not eligible to receive, engaged in wasteful spending and inappropriate hiring practices, and hired unqualified teachers and had high pupil-teacher ratios. The report can be found at https://www.auditor.ca.gov/reports/2024-106/.

[6] The parties agreed to a 30-day extension for the final decision on revocation, as allowed by *EC* Section 47607[h].

Date	Event
May 19, 2026	The SCBOE reverses both revocations by a vote of 4–3.[7]
June 18, 2026	TRUSD appeals the SCBOE's reversals to the SBE.
July 17, 2026	Highlands submits its Written Opposition to the SBE appeal.
July 31, 2026	TRUSD submits its Written Reply to the Charter School's Written Opposition.
June 30, 2027	Both charters' current terms expire.

District Findings for Revocation

The resolution adopted by the District cites and incorporates the evidence identified in its Jun 17, 2025, NOV and November 4, 2025, NIR.

District Finding 1: Violations of Charter

The November 4, 2025, NIR outlines the District's findings, which include, but are not limited to, the following specific facts and analysis in support of this finding (Attachment 3, pp. 1202–1217):

Unauthorized Grade Levels

EC Section 47605(a)(4) requires a charter school to obtain approval from the chartering authority of a request for material revision to its charter before expanding to additional grade levels. TRUSD approved HCCS's charter to serve grades 1, 2, and 12 in 2014 and renewed that grade configuration in 2019. Pursuant to *EC* Section 47607.4, the charter was automatically extended through June 30, 2027 (Attachment 3, pp. 1219, 1222). In its second principal apportionment report for the 2020–21 school year, HCCS reported average daily attendance for students enrolled in grades 9 and 10 without first obtaining approval of a request for material revision from the TRUSD governing board (Attachment 3, pp. 1222–1223).

Charter School's Attempt to Remedy the Violation

The NOV, issued by the TRUSD Governing Board on June 17, 2025, provided Highlands with an opportunity to respond and/or remedy the identified violations by

[7] The Staff Report from the Sacramento County Office of Education presented an analysis of the evidence in the record but did not recommend a specific determination to the SCBOE. Although the SCBOE did not specify what evidence in the record it found lacking, the SCBOE found the TRUSD's findings unsupported by substantial evidence.

September 26, 2025 (Attachment 3, p. 1220). On October 10, 2025, Highlands submitted a request for material revision to add grades 9 and 10 (Attachment 3, p. 1223).

District Response to Charter School's Attempt to Remedy the Violation

The TRUSD Governing Board determined that Highlands did not remedy the violation because the request for material revision was submitted after the remedy period expired. The TRUSD Governing Board further determined that Highlands did not provide a transition plan, timeline, or evidence describing how HCCS would return to compliance with its approved grade configuration while the request for material revision was pending or if the request was not approved (Attachment 3, p. 1223).

Unauthorized Locations

EC Section 47605(a)(4) requires a charter school to submit a request for material revision of its charter before establishing additional school locations. Memorandum of Understanding (MOU) Amendment No. 3 between TRUSD and Highlands requires Highlands to obtain approval from the TRUSD before opening any HCCS school site, satellite facility, or resource center. District enrollment reports from July 2024 through March 2025 showed students enrolled at locations that were not authorized under the Charter or MOU (Attachment 3, p. 1224–1225). TRUSD further found that Highlands approved additional locations without first obtaining approval through the material revision process (Attachment 3, pp. 1224–1225).

Charter School's Attempt to Remedy the Violation

Highlands submitted a request for material revision to the District on October 10, 2025, requesting approval for HCCS to operate at the additional locations. Highlands also represented that unauthorized HCCS sites would be closed if the request for material revision was not approved (Attachment 3, p. 1224).

District Response to Charter School's Attempt to Remedy the Violation

The TRUSD Governing Board determined that Highlands did not remedy the violation because the request for material revision to operate additional locations was submitted after the remedy period expired (Attachment 3, p. 1225). The TRUSD Governing Board further determined that Highlands failed to provide requested lease agreements for some HCCS locations, and that Highlands did not provide an operational plan for closing or transitioning unauthorized HCCS sites (Attachment 3, p. 1225).

Charter School's Written Opposition to District's Appeal

According to its written opposition to this appeal, Highlands states that it remedied the grade level violation by ceasing enrollment in grades 9 and 10, resuming enrollment in grades 1 and 2, and committing to submit a request for material revision before making

future grade level changes. Highlands asserts that it submitted a request for material revision on September 26, 2025, the final day of the remedy period, and notified TRUSD of the additional grade levels during the remedy period. Highlands further states that the TRUSD Governing Board's subsequent denial of the requested material revision did not affect whether the violation had been remedied because *Education Code* required only that HCCS notify the District and request a material revision (Attachment 4, pp. 17–18).

Highlands states that it remedied the unauthorized locations violation by taking steps to terminate or buy out leases for unauthorized sites, relocating operations to District-approved locations, and adopting policies governing the opening and closure of school sites. Highlands asserts that it submitted a request for material revision and notified TRUSD of the additional locations during the remedy period. Highlands further argues that it subsequently provided the requested lease agreements and that the TRUSD Governing Board's denial of the material revision did not affect whether the violation had been remedied (Attachment 4, pp. 18–19).

District Reply to Charter School's Written Opposition

TRUSD states that Highlands did not remedy the grade level violation because the request for material revision was submitted after the remedy period expired. TRUSD further asserts that Highlands' subsequent corrective actions and its interpretation of *Education Code* did not alter the TRUSD Governing Board's determination that the violation remained unremedied (Attachment 5, pp. 7–11).

TRUSD states that Highlands did not remedy the location violation because the request for material revision was submitted after the remedy period expired. TRUSD further asserts that Highlands' commitment to discontinue operations at unapproved locations if the material revision were denied did not remedy the violation, as HCCS continued operating at locations that had not been approved by the District and had not demonstrated that it had taken the actions necessary to return to compliance (Attachment 5, pp. 7–11).

California Department of Education's Analysis

The District's finding is supported by substantial evidence, including but not limited to evidence of the following violations, which were not remedied prior to the expiration of the remedy period:

- Highlands did not obtain approval through the material revision process before implementing grade level changes.
    - *EC* Section 47605(a)(4) requires an approved material revision to the school's charter prior to expanding operations to additional grade levels.

- On June 13, 2024, TRUSD issued a Notice of Concern (NOC) to Highlands regarding HCCS's operations at sites not authorized in its charter and informed Highlands that the addition of sites required a material revision to the charter (Attachment 3, pp. 258-261). Additionally, the NOC states that the MOU between TRUSD and Highlands includes the requirement of an approved material revision prior to expanding operations to additional sites.

- In its September 26, 2025, response to the NOV, Highlands admitted the violation, stating "this was a failure of compliance, and we take responsibility for it" (Attachment 3, p. 4843).

- Highlands acknowledged that HCCS was still serving students at unauthorized sites as of December 2, 2025, more than two months after the close of the remedy period (Attachment 3, p. 8220).

- In its January 9, 2026, letter to TRUSD, Highlands proposed to cure this violation by redesignating its students in grades 9 and 10 beginning on January 12, 2026, over three months after the expiration of the remedy period (Attachment 3, p. 5249).

District Finding 2: Violations of Law

The November 4, 2025, NIR outlines the District's findings, which include, but are not limited to, the following specific facts and analysis in support of this finding (Attachment 3, pp. 1202–1217):

Failure to Submit Annual Independent Audit Report

EC Section 47605(m) requires a charter school to transmit a copy of its annual independent financial audit report for the preceding fiscal year to its chartering authority by December 15 of each year. Highlands requested an extension to the December 15, 2024, deadline for submitting the HCCS 2023–24 annual independent audit report. TRUSD granted an extension until January 15, 2025. The audit report was not submitted by the extended deadline and had not been received by the date TRUSD issued the NIR (Attachment 3, pp. 1225–1227).

Charter School's Attempt to Remedy the Violation

Highlands stated that the HCCS annual independent audit report was delayed by the external auditor (Attachment 3, p. 1226). Highlands provided documentation of its efforts to provide information to the external auditor and obtain the completed audit report (Attachment 3, p. 1226). Highlands also stated that it would implement stronger oversight of external auditors in the future (Attachment 3, p. 1226).

District Response to Charter School's Attempt to Remedy the Violation

The TRUSD Governing Board determined that Highlands did not remedy the violation because the HCCS annual independent audit report was not submitted by the December 15, 2024, deadline or the extended deadline of January 15, 2025, and had not been received by the date of the NIR (Attachment 3, pp. 1225–1227). The TRUSD Governing Board further determined that the delay resulted from Highlands' governance and management practices and concluded that the violation could not be cured until the audit report was received (Attachment 3, pp. 1227–1228).

Failure to Track Minimum Instructional Minutes

EC Section 47612.5(e)(1) requires that, for purposes of calculating average daily attendance for classroom-based instruction apportionment, at least 80 percent of the instructional time offered by a charter school be provided at the school site and that the charter school require attendance of all pupils for whom classroom-based apportionment is claimed at the school site for at least 80 percent of the minimum instructional time required (Attachment 3, p. 1227). HCCS's average class sizes exceeded classroom capacity, with averages as high as 227 students. During site visits conducted by TRUSD representatives and as noted in the 2024–25 attendance audit conducted by CFE Consultant Dennis Snelling, HCCS students were observed arriving and leaving continuously without remaining for instruction. Students were also observed being sent home with packets or instructed to attend only part of the instructional day due to limited classroom capacity. The TRUSD Governing Board determined that these observations and audit findings demonstrated that HCCS was not providing the level of in-person instruction required by *EC* Section 47612.5(e)(1) and did not require attendance of all pupils for the minimum instructional time prescribed by law. The 2024–25 attendance audit also noted that attendance records were discarded, removing

documentation necessary to verify the accuracy of enrollment reported for average daily attendance (Attachment 3, pp. 1227–1228).

Charter School's Attempt to Remedy the Violation

Highlands outlined corrective actions taken to improve attendance tracking and student re-engagement at HCCS, including improved attendance policies, re-engagement strategies, and employee training (Attachment 3, p. 1227). Highlands asserted that these corrective actions addressed attendance-related concerns. Highlands also stated that it could not take further action regarding the related audit appeals until the Education Audit Appeals Panel (EAAP) issued a decision (Attachment 3, pp. 1226–1227).

District Response to Charter School's Attempt to Remedy the Violation

The TRUSD Governing Board determined that pending decisions from the EAAP were not referenced or relied upon in the NOV. The TRUSD Governing Board determined that the NOV was based on direct observations from TRUSD site visits and corroborating evidence from the January 2025 District-commissioned attendance audit (Attachment 3, p. 1227). The TRUSD Governing Board further determined that the issue remained unresolved because Highlands had not provided information necessary to verify compliance, including a Highlands Board-approved school calendar, classroom capacity information, student-to-teacher ratios, and teacher rosters (Attachment 3, pp. 1227–1228).

Violations of WIOA Exclusive Partnership Agreement

During its 2024–25 oversight review, TRUSD discovered that HCCS allowed individuals who were not enrolled students to participate in its Career Technical Education (CTE) Truck Driving program. This practice violated the requirement that instruction be provided exclusively in partnership with federal Workforce Innovation and Opportunity Act (WIOA) programs (Attachment 3, p. 1230). TRUSD determined that providing instruction to non-students through Highlands partnerships with outside organizations was inconsistent with the requirements of the WIOA partnership agreement (Attachment 3, p. 1230).

Charter School's Attempt to Remedy the Violation

Highlands acknowledged that past practices in the HCCS Truck Driving program violated the requirements of its federal WIOA partnership agreement (Attachment 3, p. 1230). Highlands discontinued partnerships that allowed non-student participation and ended all non-student participation effective January 6, 2025 (Attachment 3, p. 1230).

District Response to Charter School's Attempt to Remedy the Violation

The TRUSD Governing Board determined that Highlands did not provide new or substantive evidence to refute or remedy the violation. The TRUSD Governing Board further determined that the violation remained unresolved because the corrective actions provided did not sufficiently address the violation (Attachment 3, pp. 1230–1231).

Charter School's Written Opposition to District's Appeal

Highlands states that it remedied the audit report violation by submitting the 2023–24 Annual Independent Audit Report on January 2, 2026, committing to timely submission of future audit reports, and pursuing a different independent audit firm. Highlands asserts that the delay resulted from the independent auditor's refusal to release the final audit report following the State Audit rather than from any failure by Highlands to obtain or submit the audit. Highlands further states that it had provided the District with the draft audit report while awaiting the auditor's final report (Attachment 4, p. 19).

Highlands states that it remedied the instructional minutes violation by implementing corrective actions to improve attendance policies, procedures, and student engagement, including revised school calendars, bell schedules, staff training, internal audits, and collaboration with Charter Impact to support attendance monitoring and reporting. Highlands further asserts that no evidence in the administrative record contradicted District staff's findings that these corrective actions remedied the violation (Attachment 4, p. 20).

Highlands states that it remedied the violation of the WIOA exclusive partnership agreement by terminating the external partnerships, disenrolling non-WIOA students, discontinuing the HCCS CTE Truck Driving program, and reassigning or separating staff associated with the program. Highlands further asserts that the Truck Driving program no longer existed by September 26, 2025, and that no evidence in the administrative record contradicted District staff's findings that the violation had been remedied (Attachment 4, pp. 20–21).

District Reply to Charter School's Written Opposition

TRUSD states that Highlands did not remedy the audit violation because the final annual independent audit report was not submitted during the remedy period. TRUSD further asserts that Highlands' claim that the delay resulted from circumstances outside its control does not excuse its failure to comply with the statutory audit requirements or alter the District's determination that the violation remained unremedied (Attachment 5, pp. 6–11).

TRUSD states that Highlands had a reasonable opportunity to remedy the instructional minutes violation or propose remedial actions during the remedy period. TRUSD further asserts that actions taken after the remedy period and assurances of future compliance

do not alter the TRUSD Governing Board's determination that the violation remained unremedied (Attachment 5, pp. 6–11).

TRUSD states that Highlands had a reasonable opportunity to remedy the WIOA violation or propose remedial actions during the remedy period. TRUSD further asserts that actions taken after the remedy period and assurances of future compliance did not alter the TRUSD Governing Board's determination that the violation remained unremedied (Attachment 5, pp. 7–11).

California Department of Education's Analysis

The District's finding is supported by substantial evidence, including but not limited to evidence of the following violations, which were not remedied prior to the expiration of the remedy period:

- Highlands failed to submit HCCS's annual independent audit report as required by law.
    - *EC* Section 41020(h), as it read at the time of the revocation, required Highlands' annual independent audit report for fiscal year 2023–24 to be appropriately submitted by December 15, 2024.
    - The administrative record contains several communications reflecting Highlands' requests for, and TRUSD's granting of, extensions to the audit report deadline. (Attachment 3, pp. 478, 481, 486)
    - In its December 2, 2025, response to TRUSD's NIR of HCCS's charter, Highlands acknowledges that the audit report had still not been properly submitted as of that date.[8]
- Highlands failed to meet minimum instructional minutes.

[8] As of the posting of this item on September 25, 2026, Highlands does not have a valid and approved independent audit report for the 2023─24 fiscal year. In its written opposition to this appeal, Highlands states that it submitted the audit report on January 2, 2026. Notwithstanding the expiration of the remedy period over three months prior, the audit report submitted on January 2, 2026, was rejected by the State Controller's Office, finding that "the audit report did not meet the minimum reporting standards contained in the audit guide." The rejected audit report did report several material weaknesses and noncompliance issues related to attendance accounting and internal controls. The auditor included the following Disclaimer of Opinion: "The absence of adequate documentation and reconciliations prevented us from obtaining sufficient audit evidence related to these revenue amounts recorded in the financial statements."

- *EC* Section 47612.5 (e)(1) states that at least 80 percent of instructional time offered by the charter school shall be at the school site and the charter school shall require attendance for all pupils for whom a classroom-based apportionment is claimed.

- The TRUSD-commissioned Student Attendance Review reports the following issues:

  - Class sizes were beyond classroom capacity to the extent that students could not be required to attend at least 80 percent of the time (Attachment 3 p. 590).
  - Students arrived to collect work packets but did not stay to attend class (Attachment 3 p. 590).

- Highlands' response included updated policies related to attendance but did not include evidence of implementation and monitoring (Attachment 3, pp. 627–628).

  - In its Attendance Review and Action Plan, revised February 27, 2025, Highlands stated that HCCS had "errors in instructional minutes calculations, which resulted in one track at HCCS failing to meet the minimum required instructional minutes," and that "the use of improper attendance month calendars led to inaccurate ADA calculations" (Attachment 3, p. 619).

- TRUSD notes that Highlands submitted an instructional calendar in its September 26, 2025, response to the NOV, that appeared to be missing staff in-service and student minimum days. TRUSD sought clarification on October 8, 2025, and Highlands submitted an updated calendar in response. On October 13, 2025, Highlands sent a third of version of the calendar correcting remaining errors from the previous version. At that time, 17 days past the expiration of the remedy period, the updated calendar had not yet been approved by the Highlands board.

While the administrative record contains evidence demonstrating that HCCS violated its WIOA partnership agreement by allowing non-students to participate in its program, the CDE was unable to identify evidence demonstrating that the violation was not remedied prior to the expiration of the remedy period.

District Finding 3: Fiscal Mismanagement

The November 4, 2025, NIR outlines the District's findings, which include, but are not limited to, the following specific facts and analysis in support of this finding (Attachment 3, pp. 1202–1217):

Unauthorized Facility Expenditure: San Diego Administrative Location

Highlands secured a site located at 406 9th Avenue, Suite 310, San Diego, California, as approved by the Highlands Board of Directors on or about August 4, 2022. Highlands represented that the San Diego site was used for administrative purposes; however, TRUSD determined that the expenditure of public funds for an administrative location that was not near HCCS student locations constituted fiscal mismanagement of public funds (Attachment 3, p. 1231).

Charter School's Attempt to Remedy the Violation

Highlands acknowledged that the decision to secure the San Diego site reflected poor judgment by prior leadership and recognized that the expenditure constituted fiscal mismanagement (Attachment 3, p. 1231). Highlands stated that it had vacated the property, taken corrective steps to minimize the financial impact, and implemented stronger financial controls to prevent similar issues in the future (Attachment 3, p. 1231).

District Response to Charter School's Attempt to Remedy the Violation

The TRUSD Governing Board determined that Highlands did not provide evidence demonstrating that the San Diego site had been vacated. Although the TRUSD Governing Board acknowledged that Highlands had taken steps to minimize the financial impact, the TRUSD Governing Board noted that the lease remained active and determined that Highlands failed to remedy or refute the violation (Attachment 3, p. 1232).

Unauthorized Expenditures: Marysville 2 Location

Highlands identified the Marysville 2 site at 1431 C Street, Marysville, California, as a location for HCCS CTE programs. During a District site visit on March 4, 2024, TRUSD determined that the location was not an instructional facility and that no students were enrolled at the site. Further review revealed that Highlands provided funding for upgrades to the site, including a sponsorship of the Marysville Drakes, a privately operated professional baseball team. TRUSD determined that the use of public funds for the site, including ongoing lease obligations and other expenditures, constituted fiscal mismanagement of public funds (Attachment 3, pp. 1232–1233).

Charter School's Attempt to Remedy the Violation

Highlands acknowledged that the decision to open and lease the Marysville 2 site under prior leadership did not reflect appropriate use of public funds. Highlands stated that it entered into a termination agreement with the City of Marysville that ended the lease early and reduced the financial impact of the decision. Highlands stated that it had taken steps to resolve the matter and implement improved practices for future facility decisions (Attachment 3, pp. 1232–1233).

District Response to Charter School's Attempt to Remedy the Violation

The TRUSD Governing Board determined that the Marysville 2 lease remained active through April 30, 2026, and that the violation remained unresolved. The TRUSD Governing Board further determined that ongoing lease payments, utilities, equipment purchases, and the sponsorship represented an inappropriate use of public funds and that Highlands failed to remedy or refute the violation (Attachment 3, p. 1233).

Charter School's Written Opposition to District's Appeal

Highlands states that it remedied the fiscal mismanagement violation related to the San Diego administrative location by terminating the lease on November 18, 2025, adopting and revising board policies addressing fiscal management and school site operations, and updating its Fiscal Policies and Procedures Manual. Highlands further asserts that no evidence in the administrative record contradicted District staff's findings that these corrective actions remedied the violation (Attachment 4, p. 21).

Highlands states that it remedied the fiscal mismanagement violation related to the Marysville 2 location by terminating the lease effective November 30, 2024, adopting and revising board policies addressing fiscal management, sponsorships, purchasing, and school site operations, and updating its Fiscal Policies and Procedures Manual. Highlands further asserts that no evidence in the administrative record contradicted District staff's findings that these corrective actions remedied the violation (Attachment 4, p. 21).

District Reply to Charter School's Written Opposition

TRUSD states that Highlands had a reasonable opportunity to remedy the fiscal mismanagement violation or propose remedial actions during the remedy period. TRUSD further asserts that actions taken after the remedy period and assurances of future compliance did not alter the TRUSD Governing Board's determination that the violation remained unremedied (Attachment 5, pp. 7–11).

California Department of Education’s Analysis

The District's finding is supported by substantial evidence, including but not limited to evidence of the following violations, which were not remedied prior to the expiration of the remedy period:

- Highlands used public funds for a luxury condominium as an administrative facility in San Diego, an area that is not near HCCS student locations.
    - TRUSD’s oversight report for the 2023–24 school year identified the San Diego facility in its list of concerns (Attachment 3, p. 1200).

- In response to the NOV, Highlands acknowledged that "the decision to lease a condominium office in San Diego was a misstep that does not align with our mission or our responsibility to ensure all expenditures directly benefit students," and that the facility "did not provide meaningful educational value" (Attachment 3, p. 4854).

- Highlands did not terminate its commitment to the facility until November 15, 2025, over two months after the expiration of the remedy period.

- Highlands used public funds to secure a lease for a baseball field, which was not used for student instruction, and donated $25,000 in sponsorship funds to a private organization to support upgrades to the field.

  - On March 14, 2024, TRUSD issued an NOC regarding use of funds related to the Marysville 2 baseball field (Attachment 3, p. 4570).

  - Highlands acknowledges that leasing the field was "unsound" and "did not reflect appropriate planning or stewardship of public resources" (Attachment 3, p. 4855).

  - While Highlands reached a lease termination agreement for the field, it remained financially obligated to continue payments through April 2026, extending seven months beyond the expiration of the remedy period (Attachment 3, p. 4609).

  - As part of the lease termination agreement, Highlands disposed of publicly funded equipment valued at $52,494.34 for $1.

Appeal Documents

The following documents were reviewed by the CDE in its analysis of the HCCS appeal:

- **Attachment 2:** Notice of Appeal from Twin Rivers Unified School District (32 Pages)

- **Attachment 3:** Administrative Record, as submitted by Twin Rivers Unified School District (8434 Pages)

- **Attachment 4:** Charter School Written Opposition to District Appeal, submitted by Highlands Community Charter School (32 Pages)

- **Attachment 5:** District Reply to Charter School Written Opposition, submitted by Twin Rivers Unified School District (12 Pages)

Exhibit C

This document was provided, as is, to the California Department of Education (CDE) by **Twin Rivers Unified School District** for the Advisory Commission on Charter Schools October 2026 Meeting Agenda and is posted to the CDE website to meet the legal requirements of California *Education Code* Section 33009.5. Minor formatting changes may have occurred during document remediation.

For more information regarding the content of this material, please contact the Charter Schools Division by email at charters@cde.ca.gov.

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To inspire each student to extraordinary achievement every day

June 18, 2026

Via Email

State Board of Education
1430 N Street, Room 5111
Sacramento, California 95814

c/o Ric Reyes, Director
California Department of Education
Director, Charter Schools Division
1430 N Street
Sacramento, CA 95814-5901
charters@cde.ca.gov

Re: Twin Rivers Unified School District Notice of Appeal to the State Board of Education - Highlands Community Charter School Revocation

Dear Members of the State Board of Education:

On January 30, 2026, the Twin Rivers Unified School District Board of Trustees unanimously voted to revoke the charter for the Highlands Community Charter School ("HCCS"), a charter school operated by Highlands Community Charter and Technical Schools ("HCCTS"). HCCS and HCCTS submitted their appeal of the District's revocation decision regarding HCCS to the Sacramento County Board of Education, pursuant to California Education Code section 47607 and applicable regulation.

The Sacramento County Board of Education ("SCBOE") held a public hearing on May 19, 2026, to review and consider the HCCS revocation appeal. Following the public hearing, the SCBOE took action by a vote of 4-3 to adopt Resolution No. 26-17B reversing the District Board's decision to revoke the HCCS Charter. The District received a copy of the SCBOE's written decision/Resolution by correspondence dated May 21, 2026.

At its meeting on June 16, 2026, the District Board adopted Resolution 1649 (enclosed) approving submission of the District's appeal of the SCBOE's decision overturning the revocation of HCCS, to the State Board of Education, and authorizing and directing the District Superintendent or designee to submit written Notice of Appeal to the SBE in accordance with Education Code section 47607, and Title 5, Calif. Code of Regulations, section 11968.5.5.

Therefore, the District hereby submits this Notice of Appeal to the State Board of Education (c/o the California Department of Education, Charter Schools Division), by which the District is appealing the SCBOE's decision overturning the District Board's decision to revoke the HCCS Charter.

Physical Address: 5115 Dudley Blvd. ◆ McClellan, CA 95652
Mailing Address: 3222 Winona Way ◆ North Highlands, CA 95660
(916) 566-1600 ◆ FAX (916) 566-1784 ◆ www.trusd.net

Docusign Envelope ID: 8CF7C9FA-30D6-8E62-8141-A20FFA927F50

We are enclosing with this Notice of Appeal the District's written arguments in support of our position that the SCBOE errored in its decision along with the Administrative Record and other items required by Section 11968.5.5 and respectfully requests that the State Board of Education reverse the Sacramento County Board of Education's decision overturning the revocation of the HCCS Charter.

Sincerely,

Signed by:
Superintendent Martinez
59531F8F605145E...

Steve Martinez, Ed.D.
Superintendent, Twin Rivers Unified

Cc: Sacramento County Board of Education
(c/o Dr. David Gordon, Sacramento County Superintendent of Schools)
Highlands Community Charter and Technical Schools/Highlands Community Charter School

Enclosures:

District Board Resolution 1649
District Arguments in Support of Appeal
Administrative Record Table of Contents
Administrative Record *(Via ShareFile upload link sent via email only)*

McClellan Park, California

RESOLUTION NO. 1649

RESOLUTION OF THE BOARD OF TRUSTEES OF THE TWIN RIVERS UNIFIED SCHOOL DISTRICT APPROVING THE APPEAL OF THE SACRAMENTO COUNTY BOARD OF EDUCATION'S DECISION REGARDING THE REVOCATION OF HIGHLANDS COMMUNITY CHARTER SCHOOL AND CALIFORNIA INNOVATIVE CAREER ACADEMY TO THE STATE BOARD OF EDUCATION

WHEREAS, the Twin Rivers Unified School District ("District") is the chartering authority of Highlands Community Charter School ("HCCS") and California Innovative Career Academy ("CICA"). HCCS and CICA are operated and governed independently by Highlands Community Charter and Technical Schools ("HCCTS") and its Board of Directors;

WHEREAS, as the chartering authority the District is responsible for overseeing HCCS and CICA under Education Code 47604.32, which includes monitoring whether HCCS and CICA are operating in compliance with the conditions, standards, or procedures set forth in its Charter and MOU, meeting or pursuing the pupil outcomes identified in its Charter, failing to meet generally accepted accounting principles, or engaging in fiscal mismanagement, and complying with the law (Education Code section 47607(f));

WHEREAS, on June 17, 2025, the District Board unanimously approved issuance of a Notice of Violation ("NOV") to both HCCS and CICA pursuant to Education Code section 47607 based on findings that HCCS and CICA materially violated the conditions, standards, and procedures of their Charters, failed to meet generally accepted accounting principles or engaged in fiscal mismanagement, and violated the law;

WHEREAS, with the NOV the Board provided the Charter Schools with a reasonable opportunity until September 26, 2025, to provide a written response to the NOV with supporting evidence addressing each identified violation, and placed HCCS and CICA on notice that if the violations were not addressed, the District may pursue further steps towards revocation of the Charter;

WHEREAS, at the conclusion of the remedy period, on September 26, 2025, HCCS and CICA provided their response to the NOV, but the supporting evidence was not provided to the District until September 29, 2025;

WHEREAS, District Staff evaluated the response from HCCS and CICA and all documentation produced with the response, and after conducting a thorough, objective, and data-driven review, District Staff determined that HCCS and CICA failed to refute to the District's satisfaction, or remedy all of the violations identified in the NOV, and that significant violations continued to

exist, including material violations of the conditions, standards, or procedures of its charter, and violations of law;

WHEREAS, based upon the substantial evidence demonstrating that HCCS and CICA failed to refute and/or remedy multiple violations identified in the NOV, District Staff recommended that the Board approve issuance of the a Notice of Intent to Revoke and notice of facts in support of revocation ("Notice of Intent to Revoke") to HCCS and CICA pursuant to Education Code section 47607 and California Code of Regulations, title 5, section 11968.5.2, and the Board approved issuance of the Notices of Intent to Revoke at its meeting on November 4, 2025, supported by substantial evidence presented therewith, and further scheduled a public hearing on the issue of whether substantial evidence existed to revoke the Charter;

WHEREAS, on December 2, 2025, the District Board held a public hearing in compliance with Education Code section 47607, and took testimony from HCCS/CICA representatives and the public on the issue of whether substantial evidence existed to revoke the HCCS and CICA Charters based on the facts and conclusions in the Notices of Intent to Revoke;

WHEREAS, during a special District Board meeting on January 27, 2026, District Staff presented their analysis of the measures taken by HCCTS to refute and/or remedy the violations identified in the Notice of Revocation, and while the Board thoughtfully considered Staff's analysis and recommendation regarding revocation, it ultimately did not accept Staff's recommendation and no action was effectively taken regarding the HCCS or CICA revocations;

WHEREAS, on January 30, 2026, the District Board convened at a special meeting and adopted the findings of fact contained in the Notice of Intent to Revoke and its exhibits, as initially set forth in the Notice of Violation (NOV), as its written factual findings, supported by substantial evidence specific to HCCS and CICA, and unanimously approved the issuance of a Final Decision to Revoke the HCCS and CICA Charters, effective immediately;

WHEREAS, on February 27, 2026, HCCTS timely submitted a Notice of Appeal of the HCCS and CICA revocation decisions to the Sacramento County Board of Education ("County Board") pursuant to Education Code section 47607 and California Code of Regulations, title 5, section 11968.5.4;

WHEREAS, on May 19, 2026, the County Board, by a vote of 4-3, reversed the District Board's Decision to revoke the HCCS and CICA Charters; and

WHEREAS, pursuant to California Code of Regulations, title 5, section 11968.5.5 ("Section 11968.5.5") the District Board may elect to appeal the County Board's decision to the State Board of Education ("SBE") within 30 calendar days of receiving the County Board's decision;

[Continued on next page.]

NOW, THEREFORE, BE IT RESOLVED AND ORDERED AS FOLLOWS:

1. Board finds the above-listed recitals to be true and correct and incorporates them herein by this reference.

2. The Board approves the District's appeal of the County Board's decision on May 19, 2026, overturing the revocations of HCCS and CICA, to the SBE pursuant to Education Code section 47607, and Section 11968.5.5.

3. The Superintendent or designee is hereby authorized and directed to submit written Notice of Appeal to the SBE for both HCCS and CICA in accordance with Section 11968.5.5, and to take any such other actions needed to effectuate the purpose of this Resolution.

PASSED AND ADOPTED by the Board of Trustees of the Twin Rivers Unified School District on the 16th day of June 2026 by the following vote.

AYES: 7
NOES: 0
ABSTAIN: 0
ABSENT: 0

ATTEST:

Christine Jefferson
Christine Jefferson, President
Twin Rivers Board of Trustees

Sascha Vogt
Sascha Vogt, Clerk
Twin Rivers Board of Trustees

Twin Rivers Unified School District
Written Argument in Support of Appeal to the State Board of Education
Highlands Community Charter School Revocation

A. Introduction

Pursuant to Title 5, Calif. Code Regs., section 11968.5.5, the Twin Rivers Unified School District ("District" or "TRUSD") submits this written argument with its Notice of Appeal to the State Board of Education ("SBE") by which the District is appealing the decision by the Sacramento County Board of Education ("SCBOE") overturning the District Board's decision to revoke the Charter of Highlands Community Charter School ("HCCS" or "Charter School"). The District respectfully urges the SBE to find that the SCBOE errored when it reversed the District Board's decision to revoke HCCS' Charter and uphold the revocation on appeal.

B. Procedural History

The District Board of Trustees ("Board") initially approved the petition for the establishment of HCCS in 2014 for a term running through June 30, 2019. On or about March 5, 2019, the Board conditionally approved the petition to renew HCCS' Charter for a five-year term from July 1, 2019, through June 30, 2024 ("Charter"). Pursuant to Education Code section 47607.4, HCCS' Charter was automatically extended through June 30, 2027, by operation of law.

On or about May 19, 2019, the District and HCCS entered into a Memorandum of Understanding ("MOU") to document the arrangement and agreement between the parties regarding HCCS' program, operation, structure, and obligations. Subsequent amendments to the MOU approved by the Board extended its term through June 30, 2027. On or about January 23, 2024, the District and HCCS agreed to Amendment No. 3 of the MOU ("MOU Amendment No. 3"), which among other things, confirmed the District's authorization of specified locations HCCS had established for its operations and made other clarifications regarding the process for approval of any new facility locations, facility safety expectations, and supervisorial oversight.

MOU Amendment No. 3 provides in part:

> "The terms of the MOU are intended by the District and Charter School to become part of the standards and procedures set forth in the Charter School's Charter approved by the District ("Charter"). Along with the Charter, this MOU will govern the relationship between the District and the Charter School regarding the operation of the Charter School. To the extent the terms of the MOU is/are inconsistent with any terms of the Charter, the MOU shall control. In addition, if the Charter is silent on an issue addressed by the MOU, the MOU shall control. As such, any violation of MOU by Charter School that also constitutes grounds for revocation per Education Code section 47607 will be treated and enforced by the District in the same manner, subject to Education Code Section 47607 and applicable implementing regulations, as it would any other violation constituting a ground for revocation."[1] (Emphasis added.)

[1] "Charter School" as used in the MOU Amendment No. 3 collectively refers to Highlands Community Charter and Technical Schools and HCCS.

HCCS is operated and governed independently by Highlands Community Charter and Technical Schools ("HCCTS"), a California nonprofit public benefit corporation, and its Board of Directors.

Following multiple and varying requests for information and notices of concern over a twelve-month period, the District determined that HCCTS either failed to remedy multiple areas of concern despite its receipt of multiple information requests and notices of concern from the District or makes promises of future improvements without offering viable plans that either have been implemented or are capable of being implemented by HCCTS. As a result, and since the District viewed HCCS' material violations of the conditions, standards, or procedures of its Charter and MOU, violations of law, engagement in fiscal mismanagement, as grounds for revocation, the District determined that the point has been reached where it was necessary to initiate the first step in the formal revocation process, with the issuance of a Notice of Violation per Education Code section 47607(g) ("Section 47607") and Title 5, Cal. Code of Regulations, section 11968.5.2 ("Section 11968.5.2").

On June 17, 2025, the District's Board of Trustees unanimously approved the issuance of a Notice of Violation to HCCS. On June 18, 2025, the District delivered the Notice of Violation to HCCTS specifying a reasonable remedy period of up to and including September 26, 2025, for HCCS to provide a written response to the Notice of Violation with supporting evidence addressing each identified violation. (HCCS AR – 1-1201.)

At the conclusion of the remedy period, on September 26, 2025, HCCS provided a partial response to the Notice of Violation ("HCCS Response"), which excluded the exhibits and a complete Material Revision Request. The HCCS Response exhibits were provided to the District on September 29, 2025. (HCCS AR - 6469-8101.)

District Staff evaluated the HCCS Response and all documentation produced by HCCS. After conducting a thorough, objective, and data-driven review, District Staff determined that HCCS sufficiently addressed one of the violations, but failed to refute to the District's satisfaction, or remedy all of the violations identified in the Notice of Violation, and found that significant violations continue to exist.

Consequently, on November 4, 2025, after the expiration of the remedy period District Staff recommended that the Board issue a Notice of Intent to Revoke and notice of facts in support of revocation to HCCS ("Notice of Intent to Revoke") pursuant to Section 47607 and Section 11968.5.2. Based on the findings and recommendation of District Staff, on November 4, 2025, the District's Board unanimously approved the issuance of the Notice of Intent to Revoke based upon its determination that HCCS failed to refute, take remedial action, or propose remedial action specific to each of the alleged violations constituting the following grounds for revocation: (1) HCCS committed a material violation of the conditions, standards, or procedures set forth in its Charter; (2) HCCS violated any law; and (3) HCCS engaged in fiscal mismanagement. (HCCS AR - 1202-1234.) A summary of the District's November 4, 2025 evaluation of whether HCCS remedied the violations identified in the Notice of Violation is provided in SCOE's Analysis of the HCCS Charter Revocation Appeal. (HCCS AR – 8240-8243, SCOE analysis, pp. 8-11)

In accordance with Section 47607(h), a Public Hearing was held on December 2, 2025, on the issue of whether substantial evidence existed to revoke HCCS' Charter. As part of the Public Hearing, HCCS was given the opportunity to present to the Board, and public comments were heard. (HCCS AR – 8155-8163)

During a special District Board meeting on January 27, 2026, District Staff presented their analysis of the measures taken by HCCTS/ HCCS to refute and/or remedy the violations identified in the Notice of Revocation as of that date. While the Board thoughtfully considered District Staff's analysis and recommendation regarding revocation, it ultimately did not accept Staff's recommendation and no action was effectively taken regarding HCCS' revocation at that meeting.

The District Board subsequently convened on January 30, 2026, to consider whether to approve the issuance of a Final Decision to Revoke HCCS' Charter and unanimously approved issuance of a Final Decision to Revoke HCCS' Charter effectively immediately. In support of its Final Decision to Revoke HCCS' Charter, the Board adopted the findings of fact contained in the Notice of Intent to Revoke and its exhibits, as initially set forth in the Notice of Violation ("NOV"), and as stated in the Board adopted Resolution, as its written factual findings, supported by substantial evidence specific to HCCS, and incorporated such findings into this Resolution as though set forth fully therein. In support of its decision to issue a Final Decision to Revoke HCCS' Charter, the District Board found that:

> (A) Substantial evidence demonstrates that the violations initially identified in the NOV, and demonstrated in the Notice of Intent to Revoke and exhibits thereto, and as further stated herein, have in fact occurred;
>
> (B) HCCS failed to refute, remedy, or propose remedial action sufficient to remedy all of the violations identified in the NOV;
>
> (C) The violations set forth in the NOV and Notice of Intent to Revoke, have not been sufficiently remedied by HCCS, and attempts at further corrective actions taken by HCCS, although considered by the Board, failed to sufficiently remedy the violations identified in the NOV and substantiated in the Notice of Intent to Revoke, and/or promised unsubstantiated and unreliable future performance and resulting uncertainty regarding future compliance.

The District Board authorized and directed the Superintendent or designee to notify the Sacramento County Board of Education and California Department of Education regarding the revocation approval and to take any such other actions needed to effectuate the purpose of the Resolution and notice of the revocation was provided to the SCBOE via SCOE and California Department of Education with correspondence January 30, 2026. (HCCS AR 1235-1328.)

HCCTS submitted a Notice of Appeal regarding the Revocation of HCCS' Charter by the District Board on January 30, 2026, to the SCBOE c/o the Sacramento County Office of Education ("SCOE") on February 27, 2026. By correspondence dated March 30, 2026, SCOE confirmed timely submission of HCCS' charter revocation appeal documents in both paper and electronic formats. (HCCS AR 8185-8230.)

SCOE further notified the District and HCCS that the public hearing for consideration of HCCS' appeal will be scheduled for the SCBOE's regular meeting on May 19, 2026, at 6:30 p.m., and following the public hearing, the SCBOE may take action on the appeal. In considering HCCS' revocation appeal, the SCBOE will determine whether substantial evidence in the record supports TRUSD's revocation findings.

In the March 30, 2026, correspondence, SCOE also indicated that by April 20, 2026, HCCS and TRUSD may submit written arguments no longer than 25 pages, with page citations to the appeal documents, as to whether the charter revocation met the substantial evidence standards required by Education Code Section 47607. By email correspondence dated April 14, 2026, SCOE extended this deadline and confirmed that HCCS and TRUSD have until the end of the day on April 21, 2026, to submit written arguments regarding the HCCS charter revocation appeal.

While the submission of "written arguments" is not a part of the county level charter revocation appeal process outlined in Title 5, Calif. Code Regs., section 11968.5.4, and it is unclear whether SCOE had the authority to impose step and corresponding deadline as part of the revocation appeal process, by correspondence dates April 21, 2026, the District submitted its response to HCCS' appeal in conformity with the parameters specified by SCOE. (HCCS AR 8211-8230.)

The SCBOE held a public hearing on May 19, 2026, to review and consider the HCCS revocation appeal. The SCOE submitted its Analysis of the HCCS Charter Revocation Appeal ("SCOE Analysis") and SCOE's General Counsel presented to the SCBOE regarding the SCOE Analysis at the 19, 2026, meeting. (HCCS AR 8231-8258; HCCS AR 8259-8268.)

The SCOE Analysis found that the "evidence in the appeal record shows that the District provided the notices and procedures required by Education Code section 47607, subdivision (h) before revoking the Charter Schools." (HCCS AR 8234, SCOE Analysis p. 2.)

Following the public hearing and review and consideration of the HCCS appeal and the SCOE Analysis, the SCBOE took action regarding HCCS' charter revocation appeal. Specifically, by a vote of 4-3 the SCBOE adopted Resolution No. 26-17B Reversing the District Board's Decision to Revoke the HCCS Charter. (HCCS AR 8432-8433.)

C. SCBOE's Decision was Inconsistent with the Substantial Evidence Scope of Review and Exceeded its Authority

Pursuant to Section 11968.5.4, the SCBOE was required within ninety (90) calendar days of receiving HCCS' Notice of Appeal, to issue a written decision that explains whether the District's factual findings were supported by substantial evidence and the District's decision regarding revocation is upheld, pending any further appeal.

In determining whether the District Board's factual findings were supported by substantial evidence, the SCBOE was required to consider:

- Whether the Distrct provided the charter school's governing body a Notice of Violation, a reasonable opportunity to remedy the identified violation(s), a Notice of Intent to Revoke, a public hearing, and Final Decision, pursuant to Articles 2 and 2.5 and Education Code sections 47607(f) through (h),

inclusive.

- Whether the charter school complied with the procedures set forth in Section 11968.5.2(c) in response to the Notice of Violation
- Whether an alleged procedural deficiency negatively impacted the charter school's ability to refute or remedy the alleged violation or the District's ability to comply with its procedural obligations or authorizing duties.[2]

Pursuant to Section 47607, a charter may be revoked by its chartering authority if the chartering authority finds, through a showing of substantial evidence, that the charter school did **any** of the following:

> (1) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.
>
> (2) Failed to meet or pursue any of the pupil outcomes identified in the charter.
>
> (3) Failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.
>
> (4) Violated any law.

The District Board revoked HCCS' Charter on the following grounds: (1) HCCS committed a material violation of any of the conditions, standards, or procedures set forth in its Charter; (2) HCCS engaged in fiscal mismanagement; and (3) HCCS violated any law.

Therefore, the SCBOE's first charge was to determine whether substantial evidence exists in the record that HCCS violated the law, violated material terms of its Charter, and engaged in fiscal mismanagement. "Substantial evidence" has been defined by the courts as "'relevant evidence that a reasonable mind might accept as adequate to support a conclusion....'" (*Hosford v. State Personnel Bd*. (1977) 74 Cal.App.3d 302, 307, quoting *Gubser v. Department of Employment* (1969) 271 Cal.App.2d 240, 245) Under this standard, the SCBOE was required to "view the evidence in the light most favorable to the board's findings and indulge all reasonable inferences in support thereof." (*Hosford v. State Personnel Bd*., at p. 307.)

SCOE in its Analysis recognized that "substantial evidence" is a deferential standard and advised the SCBOE that:

> "Under the substantial evidence standard, the County Board does not decide the appeal based upon whether it would have revoked the charter if it were in the place of the District under the same facts and circumstances. Rather, the County Board may only reverse it if it concludes that the revocation was not supported by substantial evidence." (Emphasis added.) (HCCS AR 8250, SCOE Analysis p. 18.)[3]

[2] The SCOE Analysis found that the District complied with all requirements of the revocation process that that there were no procedural deficiencies that negatively impacted the Charter School's ability to refute or remedy the alleged violations. (HCCS AR 8253, 8256, SCOE Analysis pp. 19, 21, 24.)

[3] This deferential standard was recognized by SCBOE Trustee Fong during the May 19 meeting. (HCCS AR 8417-8418, Transcript pp. 149:16-150:1-22.)

Furtehrmore, SCOE in its Analysis also acknowledged and advised the SCBOE that:

> The courts have recognized that an inherent part of the "substantial evidence" standard is the presumption in favor of the lower tribunal's decision. In *Napa Valley Unified School District v. State Bd. of Education* (2025) 110 Cal. App.5th 609, 625 the court explained:
>
> > Under the substantial evidence test, our review begins and ends with a determination of whether there is substantial evidence, contradicted or uncontradicted, to support the findings. We do not reweigh the evidence and are bound to indulge all presumptions and resolve all conflicts in favor of the administrative decision. Substantial evidence is relevant evidence that a reasonable mind might accept as adequate to support a conclusion. (Emphasis added.) (HCCS AR – 8250-8251, SCOE analysis pp. 18-19)

As part of SCOE's presentation to the SCBOE, SCOE's General Counsel, Tracy Stinson, described the legal definition of "substantial evidence" as follows:

- Relevant evidence that a reasonable mind might accept as adequate to support a conclusion
- Relevant evidence, contradicted or uncontradicted, to support the findings
- Reviewing entity may not reweigh the evidence or substitute its judgment for that of the deciding entity
- Indulge all presumptions and resolve all conflicts in favor of district's decision
- Uphold decision unless it is arbitrary, capricious, lacking in evidentiary support, or made without due regard for petitioner's rights

(HCCS AR 8265, Slide 7.)

SCBOE's second charge was to determine whether substantial evidence in the record exists to demonstrate that HCCS remedied the violations at issue in the Notice of Violation by the close of the remedy period.

The District issued a Notice of Violation on June 17, 2025 which afforded HCCS until September 26, 2025 (over 3 months) to remedy the violations. Following review of the evidence submitted to the District in HCCS' Response to the Notice of Violation, District Staff determined that the violations had not been remedied.[4] The District Board thereafter approved issuance of a Notice of Intent to Revoke on November 4, 2025. (HCCS AR 1202-1234.)

In accordance with Section 11968.5.2, the Notice of Intent to Revoke was not issued until after the District determined HCCS failed to successfully remedy the violations within the reasonable time period it was allotted to do so. In other words, the District Board already concluded by approval of the issuance of the Notice of Intent to Revoke, that HCCS failed to sufficiently remedy all of the violations identified in the Notice to Violation by the expiration of the remedy period.

[4] District Staff found that only one of the violations in the Notice of Violation (the one regarding credential requirements) had been remedied.

Although HCCS submitted additional materials between September 26, 2025 and January 9, 2026, after expiration of the remedy period, which HCCS asserted are additional remedial actions the District was obligated to consider, the relevant inquiry is whether the violations were remedied by the expiration of the established remedy period (See Section 11968.5.2).

SCOE's own BP 2400 cited by HCCS in its appeal of its revocation to the SCBOE concurs with this conclusion stating:

2. "Substantial evidence," within the meaning of Education Code section 47607, shall be evidence that:
   a. Demonstrates that the violation was material.
   b. Supports revocation when viewed as a whole, in light of all relevant information.
   c. Demonstrates that the violation actually occurred.
   d. **Was not cured by the charter school during its reasonable opportunity to remedy the violation**. (Emphasis added.) (HCCS AR 8192.)

Should we accept HCCS' contrary position that the District Board was obligated to consider the remedial actions taken by HCCS after the expiration of the remedy period, doing so would result in making the revocation process unworkable. If a chartering authority were required to consider every action taken in response to a NOV after the expiration of the remedy period, it would essentially force the chartering authority to restart the process, and a charter school could prevent revocation indefinitely by producing new evidence or arguments during the post-remedy period deadline and then insist that the authorizer may not evaluate them without restarting revocation proceeding. This untenable option was suggested by a SCBOE Trustee during the SCBOE meeting on May 19, 2026. (HCCS AR 8269-8431.) Nothing in Education Code section 47607 or Section 11968.5.2, requires such a result or process.

Even if the District were required to consider actions taken by HCCTS after the September 26, 2025, remedy period deadline, these actions largely consisted of revised plans, evolving explanations, and assurances of future compliance, but did not demonstrate that the violations had actually been remedied.

Applicable law does not provide a standard through which the success of remedial actions should be judged nor did it require the District Board to consider remedial efforts taken after the reasonable opportunity to remedy period expired. SCOE in its analysis recognized that the Education Code and regulations do not include a requirement to allow remedies after the close of the remedy period and "While District staff recommended accepting the post deadline remedies, the District Board was not required to accept this recommendation." (HCCS AR 8254, SCOE Analysis p. 22.) During the May 19th meeting SCOE's General Counsel explained to the SCBOE that the statute did not require the District Board to give more time to remedy past the remedy period. (HCCS AR 8390, Transcript p. 122:14-20.)

The Analysis submitted to the SCBOE by SCOE aligns with the District's position confirming three key points:

- The [District] Board was not required to allow remedies after the deadline.

- The NIRs contain substantial evidence to support the revocations.

- Even if District Board was required to consider corrective actions taken after the remedy period, the record contains relevant evidence to support the Board's finding that all alleged violations were not sufficiently remedied by January 30, 2026 (Emphasis added.)

(HCCS AR 8266, Slide 8.)

Furthermore, SCOE found and advised the SCBOE that if the SCBOE "finds that the District Board was not required to consider remedies implemented after the September 26, 2025 remedy deadline, then the District Board's January 30, 2026 revocation resolution, which was based on the November 4, 2025 Notice of Intent to Revoke, contained substantial evidence to support revocation." (Emphasis added.) (HCCS AR 8258; SCOE Analysis p. 26; HCCS AR 8387-838, Transcript pp. 119:24-120:2)

Alternatively, SCOE found and advised that if the SCBOE "determines that the District Board's dissatisfaction with the Charter Schools' remedies as of January 30, 2026 was not supported by substantial evidence in the appeal record, then it may overturn the District's revocation decision **if it also finds** that the District Board was required to consider remedies implemented between the September 26 remedy deadline and its January 30, 2026 revocation decision." (Emphasis added.) (HCCS AR 8258, SCOE Analysis p. 26.)

Therefore, SCOE expressly advised in its Analysis that the SCBOE may overturn the District's revocation decision if it "determines that the District Board's dissatisfaction with the Charter Schools' remedies as of January 30, 2026 was not supported by substantial evidence in the appeal record" **and** finds that "the District Board was required to consider remedies implemented between the September 26 remedy deadline and its January 30, 2026 revocation decision." (HCCS AR 8258, SCOE Analysis p. 26.)

This aspect of SCOE's analysis was reiterated in SCOE's presentation to the SCBOE during which SCOE advised the SCBOE that they may determine that substantial evidence does not support the revocation and may reverse the revocation if the SCBOE determines both of the following:

- District Board was required to consider remedies after the September 26, 2025, remedy deadline;
  AND
- The record does not contain relevant evidence to support the District Board's January 30, 2026, findings that the Charter Schools' violations had occurred, and that violation(s) had not been sufficiently remedied.

(HCCS AR 8267, Slide 9; See also HCCS AR 8276-8277, Transcript pp. 8:25-9:11.)

While the SCBOE by adopting Resolution No. 26-178 found "that the findings made by the Twin Rivers Unified School District Board of Trustee's to revoke the Highlands Community Charter School are not supported by substantial evidence"; it did not also find that the District Board was required to consider remedies implemented between the September 26 remedy deadline.

The failure of the SCBOE to make this finding was not for lack of being made aware of the issue. SCOE General Counsel clarified that this was the SCBOE's decision to make. (HCCS AR 8407-8408, Transcript, pp. 139:20-140:4.) Although the issue was brought up during discussion at the SCBOE meeting and it was recognized and acknowledged as something the SCBOE needed to decide, admittedly there was no consensus reflected in the verbal record of the May 19 hearing or in the written decision/Resolution. For example, one SCBOE Trustee expressed her confusion during the May 19 meeting about why the SCBOE was not coming to some consensus about the "fundamental issue" of whether an extension to attempt further remedial action past the remedy period deadline was required since the answer would impact the SCBOE's consideration of the evidence. (HCCS AR, Transcript p. 139:11-17.)

Since the SCBOE did not find that the District Board was required to consider remedies implemented by the Charter School after the conclusion of the remedy period, then it could not overturn the District Board's decision to revoke since the District Board's January 30, 2026 decision to revoke was based the November 4, 2025 Notice of Intent to Revoke, which contained substantial evidence to support revocation.

The issue that was before the SCBOE was therefore narrow and well-defined. The question was not whether HCCS made efforts toward compliance, nor whether alternative conclusions could be drawn. The question was and is whether substantial evidence in the record supports the District's findings that HCCS failed to remedy the violations and fiscal mismanagement findings identified in the Notice of Violation.

Across multiple violations, the evidence reflects a consistent pattern: HCCS acknowledged noncompliance, proposed plans contingent on future approvals or future actions, and, in several instances, continued the very conduct that gave rise to the violations. While District Staff, in some instances, recommended that progress toward compliance could support a determination that the violation was remedied, the District Board, consistent with its statutory authority, determined that actual, demonstrable remediation had not been achieved.

Under Education Code Section 47607, that determination is the legally operative one. The District Board is not required to accept assurances of future compliance in place of evidence of actual remediation. Rather, it must determine whether the violations were, in fact, remedied. The District Board reasonably concluded based on substantial evidence that they were not.

D. Grounds for Revocation are Supported by Substantial Evidence

1. Removal and Replacement of Board Members and Executive Leadership in itself Did Not Constitute a Cure or Remedy

For all of the violations at issue, HCCTS asserts that the removal of all its prior Board of Directors members constitutes a cure or remedy. It should first be noted that HCCTS failed to secure an entirely new Board of Directors. Additionally, that assertion is fundamentally flawed because changes in governance structure, standing alone, do not correct the underlying operational, fiscal, and compliance failures that gave rise to the violations. While replacing the HCCTS Board may constitute a forward-looking governance change, it does not retroactively remedy prior decision-making failures, remedy deficient internal controls, or restore missing documentation and

accountability.

Indeed, replacing the HCCTS Board of Directors does not address the absence of effective operational oversight, the lack of transparency in prior decision-making, or the failure to ensure compliance with HCCS' Charter and applicable legal requirements. Nor does it remedy the fact that unauthorized, unsupported, or unreasonable expenditures were made.

Furthermore, the wholesale replacement of the HCCTS Board introduces additional concerns regarding institutional capacity and continuity of oversight. Newly seated HCCTS Board members necessarily require significant time to become familiar with the organization's operations, fiscal systems, legal obligations, and compliance framework. Effective governance is developed through sustained onboarding, training, and experience, and cannot be immediately assumed upon appointment. As a result, the asserted "remedy" not only fails to correct past violations, but also creates a period of heightened risk in which the organization may lack the experienced oversight necessary to ensure compliance. At best, this approach is speculative as a corrective measure; at worst, it introduces additional instability and oversight risk at a time when heightened accountability is required.

HCCTS similarly asserts that the appointment of new executive leadership effectively cures or remedies the identified violations. That assertion is equally unavailing. While changes in executive leadership may be appropriate as a prospective governance measure, they do not negate the organization's responsibility for ensuring that violations are corrected within the applicable remedy period, nor do they erase the underlying noncompliance that occurred under prior administration.

The statutory cure framework requires HCCS, not any individual administrator, to demonstrate that identified violations have been remedied with verifiable evidence of compliance. Accordingly, the replacement of executive leadership does not establish that fiscal mismanagement has been corrected, or that required internal controls have been implemented and operationalized, or that deficient oversight practices have been remedied. Furthermore, it does not provide evidence that past noncompliance has been reconciled, reviewed, or brought into conformity with HCCS' Charter and appliable legal requirements.

To the contrary, new leadership inherits both the obligations and the deficiencies of the organization at the time of transition. While new administrators may be positioned to implement corrective action moving forward, their appointment does not retroactively cure violations that occurred during prior years, nor does it substitute for documentation demonstrating that remedial actions were actually implemented and effective within the required remedy period.

Moreover, reliance on leadership turnover as a "cure" improperly shifts the focus away from the central inquiry under Education Code section 47607, whether HCCS itself remedied the violations within the prescribed remedy period. Allowing leadership changes to serve as a substitute for demonstrated compliance would undermine the purpose of the statutory accountability framework and permit ongoing noncompliance to be excused through personnel changes alone.

Accordingly, HCCTS' reliance on starting over with a new Board of Directors and appointment of new executive leadership as a purported remedy is insufficient and inconsistent with the purpose of the statutory remedy process, which requires demonstrable correction of identified violations,

not merely structural change without evidence of actual remedial action. The District's findings remain grounded in whether the violations were actually remedied, not whether new personnel were installed after the fact.

2. Violation of Charter – Grade Level Changes

The District was not required to consider materials submitted after the September 26, 2025, remedy period had lapsed, and Staff findings adopted by the District Board in support of revocation are set forth in the Notice of Intent to Revoke. (HCCS AR 1223.) Even if considered, HCCS' additional submissions further substantiated those findings and confirmed that the violation was not remedied and was continuing.

Substantial evidence in the record supported the District's finding that HCCS committed a material violation of the Charter by expanding grade levels without obtaining an approved material revision. Substantial evidence in the record also supports the fact that the violation was not remedied.

HCCTS expressly acknowledged the violation, stating it would "…take responsibility for not following the proper procedures." (HCCS AR 6472.) This admission alone constituted substantial evidence supporting the District's finding.

The record further reflects that HCCTS was aware of the need to address the violation as early as June 2024. (HCCS AR 6472.) The District issued a Notice of Violation on June 17, 2025, and required submission of all materials, responses, and evidence by September 26, 2025. The Notice of Violation was issued approximately two months before HCCS's first day of school (August 14, 2025). HCCS had ample time before the start of the 2025-26 year to comply with the terms of its Charter. Instead, HCCS chose to perpetuate the violation by enrolling students into 9th and 10th grade as evidenced in multiple citations, including, but not limited to the Instructional Requirements Report that outlined instructional minutes for 9th -12th grade. (HCCS AR 7526.) HCCS made the decision to submit a remedy plan that would require an approved material revision rather than complying with the terms of its Charter.

Between September 26, 2025 and January 2, 2026 HCCS submitted three (3) material revision requests. The first material revision request was submitted on September 29, 2025, although an incomplete submission was received on September 26, 2025. (HCCS AR 6528.); the second submitted on October 10, 2025 (HCCS AR 7748.); and the third submitted on January 2, 2026 (HCCS AR 5266).

The material revision requests submitted on September 29 and October 10 constituted essentially entirely new petitions (HCCS AR 7747), as it left very little of the original Charter content intact. HCCTS actually submitted two material revision requests on October 10, one for CICA and another for HCCS. While HCCTS has indicated that the District requested they withdraw the October 10 Material Revision requests, the decision to withdraw a Material Revision request lies solely with the charter. Although not required, on December 16 and 18 the District met with HCCTS staff to inform them of multiple errors and issues that would prevent a staff recommendation for approval. Notably, the petition failed to include metrics that were measurable and achievable, failed to include the required Physical Fitness Assessment for 9th grade, and failed to show that the program was likely to be successfully implemented. Once informed of these

failures, HCCTS elected to withdraw the request. The late submission of these requests after the conclusion of the remedy period had expired, did not allow sufficient time for the entire material revision process, which required the District to conduct a full petition review, provide feedback through redline versions, and conduct a second review of the updates, before a determination regarding the violation would be made in January 2026. Outlined below are the dates and activities/actions completed for the review of the material revision requests submitted on October 10.

Date		Activity/Action
October 10		HCCTS re-submitted material revision requests for both schools (CICA and HCCS)
October 10 – October 15 (3 work-days)		TRUSD legal counsel and staff reviewed petitions to ensure they were complete.
October 16 to November 19 (23 work-days)		TRUSD staff and legal counsel conducted the initial review of both material revisions and sent redline versions to HCCTS for edits (November 19).
November 20 – December 2 (12 business-days)		HCCTS edited and returned the material revision requests asserting that all required changes were included.
December 3 – December 15 (9 work-days)		TRUSD staff and legal counsel conducted a second review to ensure all required changes were included. This review found that both petitions failed to address all required changes including, but not limited to compliance with physical fitness assessment (HCCS Response p 5985). In this instance, HCCS specifically stated they would not implement the required assessment.
December 16 and 18		HCCS and TRUSD met via zoom on both days to discuss the changes that HCCTS failed to make in the petitions.
December 19		HCCTS formally withdrew both petitions and stated intent to re-submit material revision requests that only addressed the violation of locations.

Valuable time was lost during this time because HCCS waited until December 19, 2025, to pivot from the material revision to identifying actual steps toward compliance. As outlined below, the record reflects that HCCTS proposed multiple grade-level transition plans between December 2, 2025 and January 2, 2026. However, these plans did not bring HCCS into compliance with its Charter. HCCS continues to serve students in 9th and 10th grade to date.

In the first transition plan, presented on December 12, 2025 (HCCS AR 5010), HCCTS proposed mass moving all students currently enrolled in 9th and 10th grades into 12th grade. However, this plan would have constituted another material violation because it ignored the process described in the Charter for moving students into grade 12. The Charter outlines a structured, data-driven process for student progression into high school (i.e., 12th grade) and includes specific assessment criteria for the transition. (HCCS AR 1282, under header "Re-designation".) The proposed transition plan did not reflect the described process but instead contemplated placements inconsistent with the Charter. This demonstrates that the proposed plan did not align with the Charter requirements and therefore was not remedied.

In the second transition plan submitted on January 2, 2026, HCCS proposed an alternative approach in which returning students would be enrolled into 9th and 10th grade. This proposal would have perpetuated the violation. Specifically, HCCTS' plan stated, "…students of Highlands who were previously placed in grades 9 or 10 and are now on the waitlist seeking to return would be placed in the appropriate high school grade level (e.g., in grade 9 if they started but had not yet completed 9th grade, or in 10th grade if they previously completed 9th grade or in 12th grade if they have transitioned from 9th and 10th grades)." (HCCS AR 5252.) This proposal contemplated continuing to enroll students in grade levels not authorized under HCCS' Charter and therefore also demonstrated that the violation was not remedied.

The District received a third grade-level transition plan, submitted on January 9, 2026. (HCCS AR 5248-5249.) In this third plan, HCCTS proposed to postpone full compliance with the Charter until "July 1, 2026." While this third plan asserted future compliance, the District had previously notified HCCTS in the Notice of Intent to Revoke (HCCS AR 1223) that assertions without evidence did not demonstrate compliance.

HCCTS asserts that the District's revocation findings are not supported by substantial evidence because District staff indicated during the January 27, 2026, Board meeting that this violation could be considered remedied. However, the record reflects that despite Staff's recommendation related to this violation, the District Board did not accept this recommendation and ultimately determined that substantial evidence supporting the Board's conclusion that the violation was not remedied.

Taken together, HCCTS' admission, the sequence of proposals, revisions, and withdrawals; timelines reflecting delayed and incomplete action; and the transition plans that did not align with the Charter, constitute substantial evidence supporting the District Board's finding that HCCS committed a material violation and the violation was not remedied. Regardless of whether the material revision request submitted to the District related to this Charter violation was denied by the Board, the fact remains that this violation had not been remedied by the time the remedy period had lapsed and District Staff and the Board found that HCCS' proposed remedial action did not sufficiently address this violation.

As stated in the Notice of Intent to Revoke, "The HCCS Response failed to provide any evidence or information as to how the Charter School will transition to approved grades in order to ensure compliance with the current Charter or to add 11th grade (should the material revision be approved). The HCCS Response failed to provide any plans, timelines, or actions that will be taken in order to transition from the current structure to the approved grade levels." (HCCS AR 1206, HCCS.)

3. Violation of Charter – Location Changes

As stated above, the District was under no obligation to consider evidence submitted after the September 26, 2025, remedy period had lapsed, and Staff findings adopted by the Board in support of revocation are set forth in the Notice of Intent to Revoke. (HCCS AR 1224-1225.) Even so, a review of HCCS' additional submissions further substantiates those findings and confirms that the violation was not remedied.

Substantial evidence in the record supports the District's finding that HCCS committed a material violation of the Charter and MOU Amendment No. 3 by expanding operations to additional locations and/or relocating existing locations, including satellite facilities or resource centers, without obtaining an approved material revision. Substantial evidence also supports the District's finding that this violation was not remedied.

HCCTS expressly acknowledged the violation, stating: "Highlands acknowledges that in the past, locations were opened or relocated without first completing the formal material revision process required by the MOU. This was a failure of compliance, and we take responsibility for it." (HCCS AR 6473.) This admission alone constitutes substantial evidence supporting the District's finding.

The record further reflects that HCCTS was aware of the need to address the violation as early as June 2024. (HCCS AR 6472.) The District issued a Notice of Violation on June 17, 2025, and required submission of all materials, responses, and evidence by September 26, 2025. Since the Notice of Violation was issued before the first day of school for the 2025-26 year (August 14, 2025), HCCS had nearly two months to identify student-serving locations that complied with the terms of the approved petition and MOU. Instead, HCCTS chose to perpetuate the violation by utilizing locations that were not approved. HCCS made the decision to submit a remedy plan that would require an approved material revision rather than complying with the terms of the approved Charter.

During the December 2, 2025, District Board meeting, HCCTS representatives confirmed that HCCS was still operating at unapproved locations, making commitments to return to the approved sites if the proposed material revision request was denied. HCCTS representatives further indicated that future location decisions could be made from among any approved sites. HCCTS did not provide actionable plans or information as to which sites they were referencing. (HCSS AR 8435, December 2, 2025, Board Meeting Video, Minute Marker 0:58:00–1:01:24.) This evidence reflects that HCCS continued operating at unapproved locations and openly refused to identify the sites they intended to return to, if the material revision were denied.

As stated above regarding the grade-level violation, HCCTS submitted three (3) material revision requests between September 26, 2025 and January 2, 2026. The first material revision request was submitted on September 29, 2025, although an incomplete submission was received on September 26, 2025 (HCCS AR – 6528, HCCS Appeal, p. 6564); the second on October 10, 2025 (HCCS AR 7748); and the third submitted on January 2, 2026 (HCCS AR 5266). These submissions show a clear pattern in which HCCS expended significant time and energy trying to get approval for violations, rather than taking action to ensure compliance.

The third, and final proposed material revision request was not submitted until January 2, 2026, and was denied on January 13, 2026. In this final request, HCCS proposed, through a material revision, to operate at 17 locations (14 student serving locations and 3 administrative locations). HCCS provided verbal commitments to return to approved locations if the revision request was denied. (HCCS AR 5004.) The record reflects that HCCS was occupying all fourteen (14) student serving locations. Of these 14 locations, HCCS was approved to operate at thirteen (13). The only location that HCCS needed to vacate in order to be compliant with MOU Amendment No. 3 was 10013 Folsom Blvd, Sacramento, CA 95827 (see table below).

*Approved	Address
YES	33rd St. 2520 33rd St, Sacramento, CA 95817
YES	37th Ave. 3301 37th Avenue, Sacramento, CA 95824
YES	Boxwood St. 2260 Boxwood Street, Sacramento, CA 95815
YES	Center Pkwy. 7839 Center Parkway, Sacramento, CA 95823
YES	College Oak Dr. 4545 College Oak Drive, Sacramento, CA 95841
NO	Folsom Blvd. 10013 Folsom Blvd, Sacramento, CA 95827
YES	Franklin Blvd. 5961 Franklin Blvd, Sacramento, CA 95824
YES	1333 Grand Avenue, Sacramento, CA 95838
YES	Howe Ave. 1111 Howe Avenue, Sacramento, CA 95825
YES	Industrial Pkwy. 8180 Industrial Parkway, Sacramento, CA 95824
YES	Marconi Ave. 3727 Marconi Ave, Sacramento, CA 95821
YES	Old Auburn Rd. 7817 Old Auburn Road, Citrus Heights, CA 95610
YES	800 Todhunter Ave., West Sacramento, CA 95605

**Approved locations are listed in MOU Amendment No. 3 is at HCCS AR 318-319.*

After the material revision request was denied on January 13 and during a presentation to the TRUSD Board on January 27, 2026, HCCTS provided two conflicting statements regarding the location violation:

a. HCCTS asserted it had submitted plans that, once implemented would cure the violation. Specifically, HCCTS represented that, "HCCS has submitted formal plans to cure alternatively" as noted at the bottom of the presentation slide for grade-level and location violations (HCCS AR 5234.)

b. HCCTS also represented that HCCS had "…returned to the locations approved in MOU Amendment No. 3" (HCCS AR 5236.)

However, District Staff noted that rather than confirming that HCCS had vacated from the 10013 Folsom Blvd. location, HCCTS assured that HCCS was in the process of "moving to locations that are approved." (HCCS AR 2481.) The record does not include a termination agreement for the 10013 Folsom Blvd location or even communications between HCCS and the landlord (Buzz Oates Management Services) to indicate the site has even been vacated. Evidence that HCCS had vacated from the location was absolutely necessary to ensure compliance, especially with assertions made by HCCTS on January 13, 2026, that they would move from unapproved locations.

Taken together, HCCTS' admission, its continued operation at the unapproved location, and the absence of a defined and implemented plan to return to approved sites within the time provided, constituted substantial evidence supporting the District's finding that HCCS committed a material violation of its Charter and failed to remedy that violation.

4. Violation of Law – Failure to Submit Annual Independent Audit Report

While the remedy period lapsed on September 26, 2025, and the District's operative findings regarding this violation are those contained in the Notice of Intent to Revoke (HCCS AR 1226), the following also addresses HCCS' post-remedy period submissions. As shown below, those additional submissions do not alter, and in fact further support the conclusion that the violation was not remedied.

Substantial evidence in the record supports the District's finding that HCCS committed a violation of law for failure to submit the independent audit report. Substantial evidence also supports the District's finding that this violation was not remedied.

HCCTS expressly acknowledged the violation, stating: "Highlands acknowledges that the 2023–24 audit has not yet been submitted to TRUSD and that multiple deadlines were missed. (HCCS AR 6475.) This admission alone constitutes substantial evidence supporting the District's finding.

The District's decision to proceed with revocation of HCCS' Charter is supported by substantial evidence demonstrating that HCCS failed to remedy the violation of law - the requirement to submit a valid independent financial audit. Although the Charter School ultimately submitted a 2023–24 report on January 2, 2026, the report did not result in an unqualified or even qualified opinion. Instead, the auditor (Eide Baily) issued a disclaimer of opinion, indicating an inability to obtain sufficient appropriate evidence to form any conclusion regarding the reliability of the financial statements.

Eide Bailly provided a letter dated December 31, 2025 (HCCS AR 5628-5629) in which the auditor clearly indicated that the 2023-24 report does not constitute a compliant audit and confirms the absence of any reliable financial review. In the auditor's letter to the HCCTS Board of Directors, Eide Bailly stated:

> "Our responsibility is to conduct an audit in accordance with auditing standards generally accepted in the United States of America and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements." (HCCS AR 5629.)

An audit, by definition, culminates in an opinion supported by sufficient and appropriate evidence. Here, the auditor explicitly disclaimed that HCCS did not provide such evidence and, therefore, no opinion could be rendered. As a result, the report provides no assurance as to the accuracy, completeness, or reliability of the HCCS's financial statements.

In effect, the report submitted is equivalent to not completing an audit at all. The auditor did not validate the financial records, did not reach any conclusions regarding their fairness, and did not provide the fundamental assurance required under law. Instead, the report affirmatively establishes that the auditor could not perform the core function of an audit. Under these circumstances, the District reasonably concluded that HCCS failed to meet its statutory obligation to submit the 2023-24 independent audit conducted in accordance with generally accepted auditing standards.

Compounding these concerns, the audit expressly conveyed the auditor's "substantial doubt" about the organization's "ability to continue as a going concern." (HCCS AR 5628.) These findings reflect a fundamental breakdown in fiscal management and internal controls, leaving the District without any reliable basis to assess the Charter School's financial condition. Education Code section 47607 requires that revocation decisions be supported by substantial evidence, defined as evidence that is reasonable, credible, and of solid value. Here, the record contains substantial evidence that HCCS did not satisfy its legal obligation.

While HCCTS' remedy plan included a commitment for timely submission of the audit report in the future, HCCS has failed to follow-through with this commitment. As of the date of this Appeal to the SBE, HCCTS has not submitted their 2024-25 audit, which was due December 15, 2025. This fact was shared with the SCBOE in response to an inquiry by SCBOE Trustee Keefer about the status of the audit the May 19 meeting. (HCCS AR 8413, Transcript p. 145:13-21.) It was also clarified to the SCBOE in response to an inquiry by Trustee Lefkovitz during the May 19 meeting, that it was not enough for HCCTS to "submit" an audit report – the obligation is to submit a valid audit that met all the requirements of an audit, and the report submitted by HCCTS did not meet the requirements since an opinion was not expressed. (HCCS AR 8410, Transcript p. 142:17-20.)

This fact clearly illustrates that the TRUSD Board appropriately found that HCCS failed to sufficiently remedy this violation of law. As identified by District Board President Jefferson during the November 4, 2025, Board meeting, "There has to be a process where we can get Highlands Charter into compliance because this has been ongoing for more than a year." (HCCS AR 8434, November 4, 2025, Board Meeting Video, Minute Marker 2:13:01.)

Furthermore, should the SCBOE conclude that substantial evidence in the record supports the District's findings as any one of the grounds for revocation, that determination compels the SCBOE to affirm/uphold the District's revocation decision. Since the record incontrovertibly reflects that to date HCCS remains in violation of the legal requirement to submit the independent audit report for 2024-25, the SCBOE should have affirmed/upheld the District Board's decision to revoke HCCS' Charter for violation of law.

Accordingly, the District has determined that HCCS failed to refute this violation to the satisfaction of the District or remedy this violation. Moreover, the District acted within its oversight authority and duty to protect public funds and ensure compliance with applicable law. Accepting a no-opinion audit as sufficient would be inconsistent with legal requirements and impair our ability as authorizer to conduct meaningful fiscal oversight.

5. Violation of Law – Failure to Track Minimum Instructional Minutes

In making its decision to revoke HCCS' Charter based upon this violation of law, the District Board incorporated the findings set forth in the Notice of Intent to Revoke, which reflect the District's final determination at the close of the remedy period. Those findings are supported by substantial evidence in the record and are reproduced below for SCBOE's reference and consideration:

While HCCS in its Response to the NOV references a pending decision from the Education Audit Appeal Panel regarding the State Auditor's Report, the District notes that the NOV neither cited nor relied upon any findings from the Auditor's Report. (HCCS AR 8222-8224.) As outlined in

the NOV, the District's conclusions were based on direct observations made during site visits and corroborating evidence identified in the District commissioned Attendance Audit finalized in January 2025.

> In Exhibit AI of the HCCS Response, HCCS included a student calendar for the 2025-26 school year. Many of the teacher work days and student minimum days were missing from the calendar. On October 8, 2025 the District sought clarification regarding the discrepancies. HCCTS apologized for the confusion and provided a second calendar, stating that the updated version was correct. A subsequent communication from HCCTS on October 13, 2025 provided a third calendar. HCCTS indicated that they had made another error and they were intending to bring the most recent (October 13) calendar to the HCCTS Board the following week. To-date, HCCTS has not provided the District with the final, HCCTS Board approved student calendar.
>
> The HCCS Response indicates that the Charter School is partially relying on the decision made by the Education Audit Appeal Panel to fully cure and/or remedy this violation. Therefore, the District cannot make the determination that this violation has been remedied or cured without the final determination regarding the EAAP appeal.
>
> Although the District acknowledges the level of detail in the HCCS Response and the reported efforts to increase student engagement, the core issue remains unresolved: students cannot be required to attend at least 80% of the time when classroom capacity does not accommodate all students listed on a teacher's roster. The HCCS Response failed to include documentation verifying classroom capacity, student-to teacher ratios, or teacher rosters/records necessary to confirm that enrollment does not exceed facility limitations.
>
> The NOV further cited observations of students being sent home with packets and others arriving and leaving intermittently without remaining for instruction. HCCS provided no evidence that these practices have been corrected, communicated to staff, or are being actively monitored for compliance. The District finds that the submission of revised Board Policies, absent corresponding evidence of implementation or oversight, is insufficient to demonstrate that corrective actions have occurred.
>
> Accordingly, HCCS's assertions remain unsupported by verifiable evidence. Therefore, the District has determined that HCCS failed to refute or remedy this violation to the satisfaction of the District.

(HCCS AR 1227-1228.)

6. Violation of Law – Violation of WIOA Exclusive Partnership Agreement

The District Board's final decision to revoke for violation of the WIOA exclusive partnership agreement is grounded in Staff's findings contained in the Notice of Intent to Revoke, which documents the District's findings as of the close of the remedy period and were incorporated by the District Board in support of its decision. These findings constitute the evidentiary basis for the District's action. The pertinent Notice of Intent to Revoke language is provided below for the SCBOE's reference and consideration.

> The HCCS Response acknowledges that prior practices violated the requirements of WIOA, which mandates that instruction be provided exclusively in partnership with WIOA programs. In the HCCS Response, HCCTS restated actions taken prior to the issuance of the NOV and asserted a commitment to correcting past errors and ensuring future compliance. However, the three (3) exhibits submitted were identical to those previously provided to the District and did not offer any new or substantive evidence to refute or remedy the violation.
>
> Due to the absence of additional supporting documentation, the District finds that this violation remains unremedied. Furthermore, the District notes material inconsistencies between statements provided by the CTE Instructor and representations made in the HCCS Response. Accordingly, the District has determined that HCCS failed to refute or remedy this violation to the satisfaction of the District.

(HCCS AR 1231.)

7. Engaged in Fiscal Mismanagement – San Diego Administrative Location

While the remedy period lapsed on September 26, 2025, and the District's operative findings regarding this violation are those contained in the Notice of Intent to Revoke (HCCS AR 1232), HCCS' post-remedy period submissions further demonstration that the violation was not remedied.

Substantial evidence in the record supports the District's finding that HCCS engaged in fiscal mismanagement by securing a site at 406 9th Avenue, Suite 310, San Diego, CA 92101 ("San Diego site"), which constituted a significant and inappropriate expenditure of public funds. The location is advertised as a 1,068 square foot condominium that "Includes a dedicated balcony with unparalleled views of Petco Park", a Major League Baseball stadium. This facility was located nowhere near HCCS students. (HCCS AR 4634-4636.)

HCCTS expressly acknowledged the violation by stating that the decision "was a misstep that does not align with our mission or our responsibility to ensure all expenditures directly benefit students." (HCCS AR 4854.) This admission alone constitutes substantial evidence supporting the District's finding.

The record further reflects that the District Board articulated concerns regarding both the nature of the expenditure and the lack of a plan to address this misuse of public funds. During the December 2, 2025, Board meeting, District Board Trustee Elkarra stated: "I understand it was to expand into the San Diego region, but my understanding is that this was, like, a penthouse, like, overseeing the baseball stadium. It was a very expensive suite, you know, why not just rent an office space somewhere in San Diego? Why, you know, spend so much money…" (HCSS AR 8435, December 2, 2025, Board Meeting Video, Minute Marker 2:43:29.)

Separately, District Board Trustee Baker directly raised the issue of financial remediation, asking "How the taxpayers are going to get that money back…", and further stating that this was an essential question he was "...going to need to be addressed." (HCSS AR 8435, December 2, 2025, Board Meeting Video, Minute Marker 1:31:42.) In response to Trustee Baker's question regarding

recovery of funds, HCCTS legal counsel stated: "They're not. They're not gonna get it back." (HCSS AR 8435, December 2, 2025, Board Meeting Video, Minute Marker 1:32:07.) This response demonstrates that HCCTS declined to pursue or even consider a path to possibly recoup the improperly expended public funds. As a result, HCCTS failed to identify a remedy reasonably calculated to address the fiscal violation.

Although HCCTS leadership asserted that they could not "go back in time" to address past expenditures, the record shows that HCCTS has taken a dramatically different position in similar circumstances involving expenditures it later determined to be improper. HCCTS has openly declared that it has sought repayment from individuals who participated in travel and Professional Development opportunities, that had originally been approved by HCCTS, but was later determined to have been inappropriate. HCCTS acknowledged taking such steps in other contexts, stating:

> "I can tell you, though, that with regard to some expenses, the school has sent letters. Asking for money to be **returned to the school**. And specifically, that relates to the trip to Hawaii and the trip to Paris that occurred. Jonathan personally sent the letters to the individuals who went on those trips, **demanding they return that money.**" (HCSS AR 8435, HCCS Appeal HCCS2501, December 2, 2025, Board Meeting Video, Minute Marker 1:34:04.)

These efforts to recover past spent funds for expenditures that were previously approved by HCCTS, demonstrate an understanding that improper expenditures may require affirmative corrective measures beyond simply discontinuing the underlying activity. These actions undermine HCCTS's assertion that remedying fiscal mismanagement is impossible because funds have already been spent or because they are cannot "go back in time". Although these actions demonstrate HCCTS recognized that seeking repayment is a viable means of addressing improper expenditures, HCCTS leadership did not propose or pursue a comparable remedy to address the funds expended on the San Diego site.

The District informed HCCS of its failure to remedy the violation as described in the November 4, 2025 Notice of Intent to Revoke: "The District notes that considerable public funds were expended on a facility that has not been used to serve HCCTS students, and no evidence has been provided to demonstrate that these expenditures have been appropriately addressed, mitigated, or remedied. Although the District recognizes the actions taken to reduce ongoing costs, this violation remains unresolved." (HCCS AR 1232.)

On January 2, 2026, HCCS provided a remedy plan with an explanation of the evidence they had submitted to address the violation. (HCCS AR 5874-5876.) The remedy plan focused exclusively on the San Diego lease agreement and promises of future compliance through updates to HCCTS board policies. HCCS did not present corrective actions directed at restoring misused public funds or otherwise mitigating the fiscal impact.

Recent evidence supports that this remedial measure was not effective in addressing the violation. In fact, the District has recently observed that during HCCTS' March 26, 2026, meeting, it bypassed one of those newly adopted board policies altogether. Specifically, the agenda said that they were waiving Board Policy 3310 for three (3) contracts. BP 3310 is the Purchasing and Vendor Selection Policy that HCCTS submitted as part of its remedy plan promising future

compliance. Together, those three (3) contracts equated to more than $272,000. Here, about two months after the revocation process ended, HCCTS is circumventing their own internal policies, which were intended as a fiscal safeguard to remedy the ground for revocation. (HCCS AR 8301-8302, Transcript pp. 33:17-34:4.)

During the January 27, 2026, District Board meeting, District Staff presented its findings and recommendation regarding this fiscal mismanagement basis to revoke. (HCCS AR 2482.) The presentation shows that staff found that HCCS had terminated or bought out the lease (addressing the cessation of future expenses), adopted or revised board policies (which included requirements already outlined in law), and updated the fiscal policies and procedures manual (promises of future compliance). District Staff represented that they believed the violation could be considered remedied because HCCTS addressed the issue of ongoing expenditures and promised to comply with law moving forward. However, Staff did not find that HCCS had addressed the misspent funds. The District Board ultimately disagreed with Staff's recommendation related to this fiscal mismanagement ground to revoke, concluding that the fiscal harm had not been addressed, and that HCCS failed to remedy the violation as no attempt was made to return the misused public funds.

HCCTS's chosen course of action was limited to a two-month early lease termination which failed to address the core issue identified by the District - the improper expenditure of public funds and the absence of accountability for those funds. HCCTS' failure to explore any potential avenue for restitution or mitigation substantially supports the Board's determination that the violation remained not sufficiently remedied. Accordingly, the District Board's determination to revoke HCCS' Charter is supported by substantial evidence and reflects a rational and appropriate exercise of its oversight responsibility to ensure fiscal accountability and protect against the inappropriate use of public funds.

8. Engaged in Fiscal Mismanagement – Marysville 2 Baseball Field

As stated above, the District was under no obligation to consider evidence submitted after the September 26, 2025, remedy period had lapsed, and Staff findings adopted by the Board in support of revocation are set forth in the Notice of Intent to Revoke. (HCCS AR 1233.) Even so, a review of HCCS' additional submissions after the remedy period had lapsed, further substantiates those findings and confirms that the violation was not remedied.

Substantial evidence in the record supports the District's finding that HCCS engaged in fiscal mismanagement and misuse of public funds related to the Marysville baseball field location. Substantial evidence also supports the District's finding that the violation was not remedied.

HCCTS expressly acknowledged the violation, stating that the decision was "unsound and did not reflect appropriate planning or stewardship of public resources." HCCTS further admitted that "Entering into the lease and purchasing equipment were poor decisions that created the appearance - and in practice, the reality - of fiscal mismanagement." (HCCS AR 4855.) This admission alone constitutes substantial evidence supporting the District's finding.

The record reflects that HCCS and the City of Marysville entered into a questionable agreement. (HCCS AR 7660-7661.) This agreement obligated HCCS to make monthly rent payments starting at $2,000 per month but did not provide HCCS with access to the baseball field. Instead, it obligated HCCTS to assume extensive financial and operational responsibilities. The only access to

the facility as described in the agreement was limited to "Other Reserved Events." There is no other provision that described any other access to the facility for HCCS students and/or staff.

Specifically, the agreement states "Lessee shall have the right to book, promote, sponsor and/or stage Other Reserved Events on condition that Lessee provide City a **minimum of 60 days advance notice** of Lessee's proposed Other Reserved Event and obtains the City's consent to same, which consent will not be unreasonably withheld." (HCCS AR 7659.)

While the language restricted access to the facility, it also imposed broad financial obligations on HCCS, including responsibility for capital repairs and major systems: "Lessee is Responsible for all Aspects of Maintenance and Repair…These maintenance obligations are ongoing. Lessee shall be responsible for all aspects of maintenance and repairs to include without limitation any capital repairs and major maintenance of the Property and all City owned capital facilities therein." (HCCS AR 7660-7661.) These obligations included, but were not limited to:

- **Regular Maintenance -** "…be responsible for regular maintenance… seats, public lavatories and restroom facilities, regular and routine maintenance of the HVAC, plumbing, electrical, water, sewage and onsite drainage systems." (HCCS AR 7660-7661.)
- **No "Wear and Tear" Considerations** - The facilities must be "…in at least as good or better condition at the end of this Agreement…Lessee's obligations of maintenance, replacement and repair shall not take into consideration 'reasonable wear and tear'. To the contrary, Lessee's obligations require Lessee to maintain and repair the Property and all City-owned capital facilities at all times so as to negate the effects of 'ordinary wear and tear'." (HCCS AR 7661.)
- **Structural Repairs, Plumbing, and Electrical -** "Lessee is responsible for capital replacement and repairs of the structure, structural members, foundations, footings, roof, balconies, floors, columns, steps, ramps, doors, windows, walls, fixed stadium seats and seating areas, fixed concession areas, water and plumbing systems, electrical systems and electrical lights (including light standards and field lighting/ballasts), pipes and mains, sidewalks, fencing, parking surfaces, the scoreboard and all integral components of the foregoing and all fences and fencing. Such major maintenance and repair responsibilities Lessee apply whether the major maintenance or repair is ordinary or extraordinary, foreseen or unforeseen, necessitated by wear and tear, obsolescence, or any other cause." (HCCS AR 7661.)
- **Taxes/Levies -** "Lessee shall pay any possessory interest tax levied against the Property by the Assessor of Yuba County. Any taxes owing as a result of the private or commercial use of the Property are the sole expense of Lessee, including any subsequent taxes, levies or increases to existing taxes to which Lessee or its affiliates would be subject." (HCCS AR 7767.)

The record reflects (HCCS AR 4690-4695) that between May 2023 and January 2025, HCCS expended approximately $228,305 in public funds related to the baseball field.

- 99,276.95 in maintenance and repairs
- $21,050.00 in OSHA-related corrections
- $23,206.25 in utilities

- $30,477.66 in field use fees (this in addition to monthly rent)
- $44,087.81 in rent.

The record further reflects inappropriate transactions associated with the facility, including a $25,000 donation characterized as a "sponsorship" (HCCS AR 1027); a termination agreement requiring payments exceeding $33,000 through April 30, 2026; and the transfer of publicly funded equipment valued at more than $52,000 to the City of Marysville for $1 (HCCS AR 4604-4606). This evidence further supports the District's finding that public resources were used in a manner inconsistent with prudent fiscal management and that considerations for a method to make the taxpayers whole was never a consideration for HCCTS.

With respect to its asserted remedy to address this ground to revoke, HCCS points to the termination agreement that required lease through April 30, 2026, the adoption of new HCCTS board policies, and implementing leadership changes.

The termination agreement HCCTS entered into with the City stated, "City shall continue to receive payment equal lease payments from Lessee from December 1, 2024, through April 30, 2026, in the amount of $33,639.80. (HCCS AR 4604.) By signing this agreement, HCCS committed itself to continued financial obligations through the end of April 2026.

While HCCTS has adopted policies related to this violation, the addition of HCCTS authored policies does not provide evidence of achieved compliance and does not address recovery of expended funds or demonstrate implementation of enhanced fiscal controls sufficient to prevent similar expenditures in the future.

The record reflects that HCCS did not take action or make any attempt to recover or reimburse the public funds expended under the agreement. As referenced above, the District Board expressed significant concern with the misuse of public funds and inquired about how HCCTS would address these expenditures (HCSS AR 8435, December 2, 2025, Board Meeting Video, Minute marker 1:31:42.) By declaring that the taxpayers are "not going to get it back" (HCSS AR 8435, December 2, 2025, Board Meeting Video, Minute Marker 1:32:07), HCCTS discarded the concerns expressed by the District Board, opting for a remedy plan that essentially consisted of promises of future compliance.

Taken together, HCCS's admission, the terms of the facility agreement imposing substantial financial obligations with limited educational access or benefit, the waste of significant public funds, the transfer of publicly funded assets for nominal value, and the failure to make any attempts at making taxpayers whole, constitutes substantial evidence supporting the District's determination that HCCS failed to remedy this failure to remedy this engagement in fiscal mismanagement ground to revoke.

E. Conclusion

The record before the SCBOE contains substantial evidence supporting the District's findings in support of revocation. For each violation, there is substantial evidence on the record that HCCS violated the law, its Charter/MOU, and engaged in fiscal mismanagement, and failed to remedy those violations within the required remedy period (June 17, 2025 – September 26, 2025). In multiple instances, HCCS continued to operate out of compliance, failed to provide required

documentation, and relied on assurances of future compliance rather than demonstrating that compliance had been achieved and violations remedied.

HCCS' assertions that progress, intent, or future plans should be deemed sufficient to find that its violations have been remedied is inconsistent with the statutory framework. Education Code section 47607 requires that violations be remedied, not merely addressed through proposed actions or deferred commitments. The District Board properly applied this standard and concluded that based upon substantial evidence HCCS violated the law, its Charter, and engaged in fiscal mismanagement, and that HCCS failed to sufficiently remedy these violations.

While District Staff identified areas of improvement and, with some of the violations recommended that progress made by HCCS could support a finding that the violation had been remedied, the District Board did not accept Staff's recommendation and ultimately determined that the violations were not remedied. That determination and final decision to revoke was within the District Board's lawful authority and discretion and is supported by substantial evidence in the record.

Even when viewed individually, the violations provide substantial evidence supporting revocation. Taken together, the violations demonstrate a broader pattern of noncompliance, including:

- Expanding grade levels without an approved material revision
- Continued operation at unapproved locations;
- Failure to produce a valid independent audit;
- Misuse of public funds without meaningful corrective action; and
- Failure to establish or document compliance with instructional minute requirements.

These are not technical or minor deficiencies, but fundamental failures affecting fiscal integrity, legal compliance, and the District's ability to provide effective oversight.

HCCS was afforded both notice and ample opportunity to remedy these violations. Rather than demonstrating compliance within the remedy period, HCCS elected to pursue alternative strategies, seeking approval after the fact, revising plans, and offering assurances of future compliance. In doing so, HCCS assumed the risk that such efforts would not be sufficient for the District Board to decline to revoke HCCS' Charter, which the District Board ultimately concluded that it did not based on substantial evidence.

The SCBOEs decision to overturn the Districts decision to revoke the HCCS Charter on appeal was in error and must be set aside.

Not only did the SCBOE fail to acknowledge the existence of substantial evidence in support of the Notice of Intent to Revoke which the District Board incorporated in support of its decision to revoke, but given that there was substantial evidence on the record in support of the Notice of Intent to Revoke which was incorporated into the District's decision to revoke, SCBOE failed to make any decision/findings about whether a chartering authority is required to consider post expiration of the remedy period when making a decision whether to revoke.

The record on appeal also indicates that individual SCBOE members, who ultimately voted in favor of overturning the revocation, substituted their judgment for that of the District Board and/or

reweighed the evidence in contravention of the substantial evidence standard. For example, one SCBOE Trustee seemingly ignores the guidance provided both verbally and in writing regarding the applicable substantial evidence standard of review stating, "a reasonable person would definitely not take away the ability of Highlands to do their job." (HCCS AR 8419, Transcript p. 151:8-12.) Additionally, another SCBOE Trustee, also appears to ignore guidance, basing her decision on reasons beyond the limits of the substantial evidence standard of review, including her stated interest of not wanting to get in the way of innovation, because she believes the Charter School is serving students that no one else is serving, and to give the Charter School another chance since it "seems like things are turning around." (HCCS AR 8415-8416, Transcript pp. 147:17-25; 148:7-12.)

Therefore, the District respectfully urges the State Board of Education to find that the SCBOE errored when it reversed the District Board's decision to revoke HCCS' Charter and uphold the revocation on appeal.

TWIN RIVERS UNIFIED SCHOOL DISTRICT NOTICE OF APPEAL TO SBE

HIGHLANDS COMMUNITY CHARTER SCHOOL ("HCCS") REVOCATION

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Section #1	• Notice of Violation (NOV) • Notice of Intent to Revoke (NIR) • Final Decision issued by TRUSD, and all evidence relied upon by the TRUSD Board in determining whether substantial evidence existed that HCCS failed to remedy the violations identified in the NOV.	**HCCS AR 1 – HCCS AR 6464** NOV: HCCS AR 1-1201 NIR: HCCS AR 1202-1234 Final Decision: HCCS 1235-1238 Evidence Relied Upon by Chartering Authority: HCCS 1239-6464
Section #2	• Evidence of the TRUSD Board's final vote to revoke.	**HCCS AR 6465 – HCCS AR 6468**
Section #3	• Evidence and correspondence submitted by the HCCS governing body in response to TRUSD's NOV and NIR.	**HCCS AR 6469 – HCCS AR 8101**
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Section #6	• Sacramento County Office of Education Analysis (SCOE Analysis) • SCOE Presentation 5/19/26 Meeting • SCBOE 5/19/26 Meeting Transcript • SCBOE Resolution re Revocation	**HCCS AR 8231 – HCCS AR 8433** SCOE Analysis: HCCS AR 8231-8258 SCOE Presentation: HCCS AR 8259-8268 SCBOE Meeting Transcript: HCCS AR 8269-8431 SCBOE Resolution: HCCS AR 8432-8433

Exhibit D

This document was provided, as is, to the California Department of Education (CDE) by **Highlands Community Charter School** for the Advisory Commission on Charter Schools October 2026 Meeting Agenda and is posted to the CDE website to meet the legal requirements of California *Education Code* Section 33009.5. Minor formatting changes may have occurred during document remediation.

For more information regarding the content of this material, please contact the Charter Schools Division by email at charters@cde.ca.gov.

HIGHLANDS COMMUNITY CHARTER SCHOOL

California State Board of Education
C/O Charter Schools Division,
California Department of Education
1430 N Street, Room 5111
Sacramento, CA 95814

via e-mail at Charters@cde.ca.gov

Re: Opposition to Twin Rivers Unified School District's Appeal of the Sacramento County Board of Education's Reversal of the Revocation of the Charter for Highlands Community Charter School

Dear Members of the California State Board of Education:

On June 18, 2026, the Twin Rivers Unified School District Board of Trustees ("TRUSD" or the "District" or "District Board" submitted an appeal to the California State Board of Education ("SBE") of the Sacramento County Board of Education's ("SCBOE") reversal of TRUSD's decision to revoke the charter of Highlands Community Charter School ("HCCS" or the "Charter School"), an all-adult charter school operated by Highlands Community Charter and Technical Schools ("HCCTS" or "Highlands"). HCCTS, and HCCS, now timely submit this opposition to TRUSD's appeal, pursuant to Cal. Code Regs., tit. 5, § 11968.5.5(d). SCBOE did not err in its decision to reverse TRUSD's revocation of HCCS—which was mired in procedural defects by TRUSD that negatively impacted HCCS's ability to refute and/or remedy the alleged violations.

I. Summary of the Procedural and Substantive Facts in the Administrative Record

a. Background

From August 2014 to the present, HCCTS has served approximately 60,000 students across its two schools—Highlands Community Charter School and California Innovative Career Academy ("CICA"). Currently, HCCS, Highlands' in-person school, serves 957 students. HCCS' students are, by design, exclusively adults, many of whom are immigrants to the United States who are attending the school to learn English while pursuing a high school diploma and at the same time gaining valuable career skills to make themselves employable. HCCS serves a large, underserved immigrant population and is crucial to helping these vulnerable students and their families succeed in Sacramento County. It benefits not only the immigrant community, but the rest of our local community as well, to ensure that these families have a pathway to learn English, access resources, and gain the skills needed to become employable in this country. HCCS has also served numerous local residents who needed a second chance to get a high school education, including single parents and people who have faced homelessness and other significant life challenges. Highlands' two schools are often the only viable option for these students because they are too old to attend a traditional high school program, and their need for robust support services makes other adult education options inaccessible.

HIGHLANDS COMMUNITY CHARTER SCHOOL

The Twin Rivers Unified School District ("TRUSD") is the charter authorizer for HCCS under Education Code section 47604.32 and has been the authorizer since August of 2014. In June 2025, the California Office of the State Auditor issued an audit report accusing HCCS of various compliance violations, including issues related to alleged fiscal mismanagement by members of HCCS' prior leadership team. Notably, the State Audit report does not allege fraud—rather, it alleges unwise use of funds and various other compliance issues such as problems with attendance tracking processes and improper use of Adult Education Teaching Credentials. The State Auditor also accused TRUSD of failing in its oversight responsibilities as HCCS' authorizer, which contributed to the compliance issues that HCCS faced. The issues raised in the State Audit had not previously been raised by the professional auditing firm that HCCTS had retained to conduct its annual audit for the 2022-2023 audit year, although the State Auditor claimed the issues were present during that timeframe. As a result of the school's independent audit not raising these concerns, the Highlands Board at the time was therefore not put on notice about these concerns—it had reasonably relied on the professionals it had hired to assess for compliance. Moreover, the issues pertaining to both credentialing and attendance accounting had not been raised in any of the independent audit reports, all of which were conducted by independent auditors on the State Controller's list of approved education audit firms and all of these audits were accepted by the Controller.

The current HCCS leadership team, which began working at the school in July of 2025, and the new Board of Directors members see these charter schools as valuable assets to the community and have been working tirelessly to correct any deficiencies caused by the prior executive director and team.

Jonathan Raymond, Executive Director

Jonathan Raymond is a nationally respected education leader known for helping institutions navigate moments of deep crisis and emerge stronger, more accountable, and more student-centered. He most recently served as Senior Vice President and Superintendent in Residence at City Year, a national youth development and education nonprofit, where he oversaw education policy and provided strategic guidance to local and national systems working at the intersection of education, equity, and workforce development. As the Superintendent of the City School District of New Rochelle, he led the district through the final stages of the COVID-19 pandemic, investing in whole-child supports, accelerating learning recovery, and strengthening school-community partnerships. His leadership prioritized mental health, expanded after-school and summer enrichment, and delivered resources to students most impacted by the Pandemic.

Prior to that, Raymond served as Superintendent of Sacramento City Unified School District, where he guided one of California's largest urban districts through historic budget deficits, deep structural reform, and the early stages of a statewide shift toward equity-driven education. Under his leadership, the district raised graduation rates, introduced whole-child support, launched early learning and summer programs, and transformed some of its most

underserved schools into high-performing campuses - all while navigating one of the toughest fiscal climates in California history.

Raymond's crisis-tested leadership is grounded in a lifelong commitment to public service. He previously served as Executive Director of the Massachusetts COVID-19 Relief Fund, Chief Accountability Officer of the Charlotte-Mecklenburg Schools in North Carolina, and President of the Stuart Foundation, California's largest K-12 education philanthropy. He began his career as a labor law attorney and brings legal, nonprofit, and philanthropic expertise to every challenge. He is a graduate of the Broad Superintendents Academy, and holds a JD from George Mason University School of Law, an MA from The Fletcher School of Law and Diplomacy at Tufts University, and a BA from Tufts University. He also completed the Executive Management Program at Harvard Business School.

Throughout his work, Raymond has earned a reputation for putting students first, building trust in fractured environments and helping systems rise from instability to renewal. As the newly appointed Executive Director of Highlands Community Charter, he brings that same steady hand to a school community that is ready to rebuild and thrive.

Teresa Cummings, Ph.D., Deputy Director/Chief Operating Officer

Teresa is a seasoned systems-level leader with over three decades of experience transforming education through strategy, accountability, and innovation. She has served as Chief of Staff and Chief Accountability Officer, bringing clarity, alignment, and execution to large-scale organizational priorities. Holding a Ph.D. from the University of Illinois, Chicago, Teresa's career spans the full spectrum of education-from PreK-12 classrooms to community colleges and universities—where she has excelled as a teacher, administrator, and author of mathematics curricula.

Her leadership portfolio includes extensive executive-level district administration, where she has shaped policy, accountability systems, and instructional improvement at scale. Beyond the district level, Teresa has advanced research and development efforts for non-profits, the Riverside County Office of Education, and the Stuart Foundation, where she co-developed an organizational health review now used to strengthen institutional performance.
Across every role, Teresa has been recognized for her ability to integrate research, practice, and policy into sustainable systems that drive student achievement and organizational excellence.

Eric Chapman, Deputy Director/Chief Academic Officer

Eric Chapman holds a Master of Education from California State University, Sacramento, and has dedicated more than 25 years to the field of education. He began his career as a classroom teacher and instructional coach in the Del Paso Heights School District before moving into school leadership, serving as principal at four sites within the Sacramento City Unified School District. In these roles, he led transformative turnaround efforts in literacy, family

engagement, and community school models, while guiding schools through continuous improvement cycles, professional learning, and student-centered restructuring initiatives. Since 2008, his leadership has focused on building systems that foster equity, innovation, and academic achievement. Eric now serves as Chief Academic Officer for Highlands Community Charter and Technical Schools, where he directs efforts in career technical education, workforce alignment, and equity-driven systems that expand opportunities for adult learners. Recognized as a mentor and collaborator, he is deeply committed to advancing student success and harnessing the power of schools to strengthen communities.

Bindy Grewal, Ed.D. Director of Human Resources

Bindy Grewal is an accomplished educational leader and human resources executive with more than three decades of experience serving California public schools. She holds an Ed.D. in Educational Administration and Foundations from the University of the Pacific and a Master's in Educational Leadership from California State University, East Bay. Over the course of her distinguished career, she has held roles spanning classroom teaching, school administration, district leadership, and senior-level human resources management.

Bindy most recently served as the Assistant Superintendent for Elk Grove Unified School District, where she oversaw 43 schools serving more than 30,000 students. In this role, she provided strategic leadership as part of the Superintendent's Cabinet, guided principals and directors, managed complex operational and instructional systems across multiple school calendars, and played a key role in districtwide initiatives including COVID-19 distance-learning transitions, school closures during environmental crises, early learning program enhancements, and major facilities planning. She was also an active member of the district bargaining team, addressing negotiations, compliance matters, and board-level issues with professionalism and clarity.

Prior to her executive leadership role, Dr. Grewal served as Director of Certificated Human Resources, where she led all aspects of certificated HR operations, including recruitment, employee relations, policy interpretation, staffing, investigations, and labor compliance. Her earlier administrative career included serving as a principal for nine years, earning the California Distinguished School Award, and as a vice principal for four years, where she strengthened school cultures, improved academic performance, and supervised comprehensive instructional programs.

Despite this, in the public perception, HCCTS remains associated with the mistakes of its past. It is important to note that although HCCS has moved to best practices in its operations in order to avoid any doubt about compliance on a going-forward basis, some of the contentions of the State Auditor related to attendance accounting and credentialing are not correct as a matter of law. This is the subject of two appeals filed with the Education Audit Appeals Panel by HCCS and its sister school, CICA.

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b. Notice of Violation

On June 17, 2025, the TRUSD District Board approved issuance of a Notice of Violation ("NOV") alleging that HCCS committed material violations of the conditions, standards, and procedures of its Charter, failed to meet generally accepted accounting principles and/or engaged in fiscal mismanagement, and violated the law. HCCS ultimately refuted and cured all of the violations to the satisfaction of both District staff and the District's legal counsel.

Alleged Violations of the Charter:

- Grade Level Changes – adding grades 9 and 10 without first requesting a material revision of the charter and notifying the District, where the school's charter only included grades 1, 2, and 12.
- Location Changes – adding additional locations which were not previously approved without first providing notice and requesting a material revision, and without providing fully executed copies of lease agreements.

Alleged Violations of the Law:

- Failure to Submit Annual Audit Report – failing to complete and submit a 2023-24 annual independent audit report to the District, violating Education Code sections 47604.33 and 47605.
- Credential Misassignments – using instructors with Adult Education Credentials to teach adults in its K-12 program, which the District contends violates Education Code section 47605(*l*).
- Failure to Track Minimum Instructional Minutes – claim that many students received less than 80% in-person instruction due to leaving class early, and that HCCS did not maintain enough attendance records to accurately track attendance.
- Violation of WIOA Exclusive Partnership Agreement – allowing individuals who were not enrolled students to participate in the school's Career Technical Education ("CTE") Truck Driving program.

Alleged Fiscal Mismanagement:

- San Diego Administrative Location – improper expenditure of public funds on luxury office space.
- Marysville 2 Location – site was a baseball field and not a proper instructional site.

All of these claims allege conduct that either predated the current HCCS executive

leadership team or relate to claims of failure by the current team to resolve issues that originated with prior leadership to the District's satisfaction.

The NOV provided a response period up to and including September 26, 2025. HCCS timely responded, per Cal. Code Regs., tit. 5, § 11968.5.2, with a letter addressing each of the alleged violations and explaining how each had been refuted or remedied. HCCS also provided documentary evidence to either refute the claims or, where applicable, demonstrate that a remedy or remedy plan had been implemented. (*See* HCCS Response dated 9/26/26 and Exhibits A-BB, HCCS AR 004839 - 004859.) Contrary to later assertions by the District Board, HCCS did submit exhibits to the District on September 26, 2025. Then, after the fact, the District contacted HCCS and communicated that it was unable to access the exhibits (due to technical issues on the District's end), resulting in HCCS re-providing the exhibits a few days later in a different format. (HCCS AR 005036.)

The District also communicated multiple times that Highlands would have more time, beyond the original deadline from the NOV, to provide evidence and demonstrate resolution of the issues. This makes sense, as the original date of September 26, 2025 did not provide a reasonable opportunity to remedy some of these issues, especially those that would require a material revision of the charter (which would need to be approved by the District Board) and those that would require addressing existing leases and other complicating financial factors. For example, on December 3, 2025, TRUSD staff member Sharilyn Warta e-mailed the following to Highlands staff:

> As part of the District's efforts to ensure a fair and thorough review during the Notice of Intent to Revoke process, **we are working to remain as flexible as possible regarding how your school submits evidence in response to the identified violations**. At the same time, the District is required to comply with the timelines established in the California Education Code and with the legally mandated Brown Act posting deadlines for Board materials. To meet these statutory obligations and to ensure that all evidence is evaluated with the care and thoroughness required, the District must establish a firm deadline for evidence submission. **Accordingly, any evidence submitted after January 2nd will not be accepted or considered as part of this process**. This deadline ensures that District staff have sufficient time to review, analyze, and prepare materials for Board consideration.

(*See* HCCS AR 008289, *Emphasis added*.) TRUSD's Board echoed this assertion that Highlands would have more time beyond the original September 26, 2025 date from the NOV. TRUSD's minutes from the November 4, 2025 District Board meeting contain the following comment from Trustee Baker:

> Trustee Baker commented that Highlands Community Charter had been issued several violations and remains out of compliance. **The school will be given**

> **additional time to correct these violations or provide demonstrative evidence of progress toward compliance.** He noted that the process allows multiple opportunities for Highlands to address the issues through detailed plans and documented steps toward resolution.

(HCCS AR 008149, *Emphasis Added*.) This is further confirmation that the District Board itself communicated to HCCTS that it would have additional time beyond the original September 26, 2025 deadline to correct the violations and/or provide evidence.

Following the June 2025 Notice of Violation, the District's staff asked HCCS to submit a material revision request to address additional site locations and grade levels, which HCCS did submit on September 26, 2025. (HCCS AR 004860.) HCCS indicated that its plan to cure these issues all along was to submit a material revision to bring the charter into alignment with its current practices on both site locations and grade levels, but that it would instead align both sites and grade levels with the existing charter language if the material revision was denied by the District Board. Thus, HCCS did identify two distinct paths to fully remedy the District's concerns – one that required approval by the District Board of new sites and grade levels and one that could be implemented by HCCS without any further action by the District Board (full compliance with existing charter provisions).

c. Notice of Intent to Revoke and Continuation of the Revocation Process

Notwithstanding HCCS demonstrating an appropriate and lawful response, the District Board voted to issue a Notice of Intent to Revoke ("NIR") on November 4, 2025. A public hearing on the issue of revocation was held on December 2, 2025, along with public hearings on the issuance of the material revisions for both HCCS and CICA at the same meeting.

District staff had reviewed the material revisions and recommended approval, but the District Board denied them anyway. This denial was in bad faith, since the District Board had been presented the HCCS plan to cure these issues and at no time expressed a concern about approving a material revision. It was fully aware that its staff was meeting regularly with HCCS to get to mutual agreement on material revision language. District staff then asked HCCS to revise the material revision to remove grade levels and related educational program changes so that these could be studied further, which the school did. HCCS then resubmitted the material revision request on January 2, 2026 related only to site locations. The District Board ultimately denied the request for a material revision for just site changes on January 13, 2026. (HCCS AR 008243.) This demonstrates additional bad faith on the part of the District that prevented the charter school from being able to immediately remedy through complying with the existing charter language. If HCCS had known that the District had no interest in approving a material revision from the outset, it could have saved hundreds of hours of time and just immediately complied with the grade levels and site locations as identified in the current charter. The District, however, led HCCS down a path that suggested they were willing to approve the change. The District cannot now argue, after granting additional time and leading the charter

school down this path, that the charter school had to cure before the original remedy date.

Notwithstanding the District Board's bad faith denial of the material revisions recommended by its own staff after an extensive negotiation process, HCCS still fully cured the site issue by going to extraordinary lengths to vacate all non-approved sites prior to the revocation date in accordance with the plan previously outlined to the District Board. This was an extremely fast timeline and posed numerous operational challenges, but HCCS ensured that no non-approved sites remained prior to the revocation vote.

In terms of the issue of including additional grades without first notifying the District and requesting a material revision of the charter, the District has created roadblocks by refusing to approve any material revision on the topic. In fact, District staff specifically asked HCCS to revise its material revision to remove grade level changes and related educational program changes. Throughout this process, HCCS demonstrated good faith collaboration with District staff, and the District Board's arbitrary and capricious refusal to approve a material revision to address all of these issues was no fault of HCCS and represented bad faith on behalf of the District Board. Still, HCCS did implement the backup plan it had outlined to District Trustees prior to the revocation date, and brought its grade levels into alignment with the charter by offering grades one and two and enrolling new students in these grades. Thus, this issue was also fully addressed through this different strategy outlined in HCCS' original plan submitted before the remedy period expired, eliminating the need to request a material revision entirely.

d. TRUSD Board Vote for Revocation, Against the Recommendation of TRUSD's Own Staff

On January 27, 2026, the District Board met to consider a recommendation from District staff and District legal counsel that the charter not be revoked based on a finding by District staff and legal counsel that the school had fully cured all issues in the Notice of Violation.

The minutes from the January 27, 2026 District Board meeting confirm that TRUSD's staff and counsel presented staff findings and recommendations regarding the revocation of the charter of HCCS. (HCCS AR 008173.) The minutes summarize their review as follows:

> Based on a data-driven review of the documentation and evidence submitted after the conclusion of the remedy period, District staff determined that all violations have been remedied to the district's satisfaction and recommended that the Board decline to revoke the charter. (HCCS AR 008174.)

By a vote of 6-1, the District Board rejected the recommendation to not revoke the charter, but took no further action to revoke HCCS at that meeting. The District Board then convened on January 30, 2026, on which date it voted to revoke the Charter of HCCS.

e. HCCS and HCCTS Appeal of TRUSD's Revocation Decision to SCBOE

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HCCS and HCCTS then appealed the revocation to SCBOE because neither the law, the facts, nor substantial evidence supported revocation under California law or under SCBOE's relevant Board Policy. At its May 19, 2026 meeting, SCBOE voted to overturn TRUSD's revocation of HCCS's charter. This was accompanied by a corresponding SCBOE Resolution. (HCCS AR 008432-008433.) TRUSD then appealed SCBOE's reversal of the revocation of HCCS's charter to the State Board of Education.

II. Summary of Arguments in Support of Position that the County Board of Education Did Not Err in Its Decision, with Specific Citations to the Administrative Record

a. Standard of Review

i. The State Board of Education Must Uphold the Reversal if the County Board's Findings Support Its Decision Reversing the Revocation of HCCS's Charter.

Education Code Section 47607(h) states, in relevant part, "The chartering authority shall not revoke a charter, unless it makes written factual findings supported by substantial evidence, specific to the charter school, that support its findings." (Ed. Code, § 47607(h).) If a school district revokes a charter, the charter school may appeal to the county board of education. (Ed. Code, § 47607, subd. (i)(1).) The county board may reverse the revocation if it determines that the chartering authority's findings under subdivision (h) are not supported by substantial evidence, and the school district may then appeal that reversal to the State Board. (Ed. Code, § 47607, subd. (i)(2).)

If the county board does not act within ninety days or upholds the revocation, the statutory appeal process provides specifically for an appeal by a charter school. (Ed. Code, § 47607, subd. (i)(3).) The State Board may reverse a revocation if it determines the chartering authority's findings under subdivision (h) are not supported by substantial evidence, or alternatively, it may uphold a revocation if it determines those findings are supported by substantial evidence. (Ed. Code, § 47607, subd. (i)(3) and (4).) The statute does not set a specific standard in a situation where the district appeals an adverse county decision to reverse a revocation decision not supported by substantial evidence.

Before reversing a revocation on appeal by the charter school under subdivision (i)(2), the county board of education must consider whether the chartering authority provided the charter school with a Notice of Violation, a reasonable opportunity to remedy, a Notice of Intent to Revoke, and a Final Decision. (Cal. Code Regs., tit. 5, § 11968.5.4, subd. (b).) It must further determine whether any procedural deficiency impaired the charter school's ability to refute or remedy the alleged violations. (*Ibid.*) In submitting an appeal to the State Board, the appellant must then support "the appellant's position that the chartering authority and/or the county board of education erred in its decision." (Cal. Code Regs., tit. 5, § 11968.5.5, subd. (c)(2).)

When an agency seeks to revoke a license or otherwise deprive a private party of a desired status, the agency must bear both the burden of production and the burden of persuasion. (*Daniels v. Department of Motor Vehicles* (1983) 33 Cal.3d 532, 536.) While the burden of proof may shift, the burden of persuasion remains all along with the party on which it is placed by law. (*Farr v. County of Nevada* (2010) 187 Cal.App.4th 669, 682.) When appealing a decision enjoining revocation, an appellant school district "has the burden on appeal" to show that the decision constitutes an abuse of discretion. (*American Indian Model Schools v. Oakland Unified School Dist.* (2014) 227 Cal.App.4th 258, 278.) "Under the substantial evidence test…we do not reweigh the evidence and are bound to indulge all presumptions and resolve all conflicts in favor of the administrative decision." (*Napa Valley Unified School Dist. v. State Bd. of Education* (2025) 110 Cal.App.5th 609, 625.)

TRUSD's Written Argument in Support of Appeal to the State Board of Education asks that the SBE "find that the SCBOE errored [sic] when it reversed the District Board's decision to revoke HCCS' Charter and uphold the revocation on appeal." Essentially, its appeal demands that the SBE perform an independent review of the underlying decision "de novo," reaching past the decision at issue in this review.

Here, however, there *is* no revocation to "uphold," because SCBOE reversed that decision. Therefore, the scope of review defined by Education Code section 47607, subdivision (i)(4), does not apply. TRUSD, as the party appealing SCBOE's reversal, bears the burden of persuasion on appeal to show that SCBOE erred in its findings and decision. It has no basis for demanding that SBE review the evidence presented by the district and reach past SCBOE to "uphold" a decision that was found invalid and unsupported. Under the substantial evidence test, SBE may not reweigh the evidence. Instead, it "must indulge all presumptions and resolve all conflicts in favor of the administrative decision under appeal."

The decision under appeal here is SCBOE's administrative decision to reverse the revocation, *not* TRUSD's original revocation decision. SCBOE has authority grounded in statute to issue a final decision on the matter of HCCS's revocation. As such, in reviewing this appeal, SBE must uphold the decision of SBCOE that *reversed* the revocation unless it finds that SCBOE abused its discretion. In other words, the same presumption of deference inherent in the substantial evidence standard now applies to the decision of SCBOE for the purposes of this appeal. SBE must review SCBOE's decision based on this standard.

ii. SCOE Was Tasked with Determining Whether the District's Revocation Decision Was Supported by Substantial Evidence.

Education Code Section 47607(i) states as follows:

> (1) If a school district is the chartering authority and it revokes a charter pursuant to this section, the charter school may appeal the revocation to the county board of education within 30 days following the final decision of the chartering authority.



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> (2) The county board of education may reverse the revocation decision if the county board of education determines that the findings made by the chartering authority under subdivision (h) are not supported by substantial evidence. The school district may appeal the reversal to the state board.
>
> (3) If the county board of education does not issue a decision on the appeal within 90 days of receipt, or the county board of education upholds the revocation, the charter school may appeal the revocation to the state board.
>
> (4) **The state board may reverse the revocation decision if the state board determines that the findings made by the chartering authority under subdivision (h) are not supported by substantial evidence.** The state board may uphold the revocation decision of the school district if the state board determines that the findings made by the chartering authority under subdivision (h) are supported by substantial evidence.

(*Emphasis added*.) The statute uses the phrase "are not supported by substantial evidence," present tense. (*See id.*) This supports that the State Board may make its own determination of whether the findings by the chartering authority are supported by substantial evidence—vs. relying on the school district's prior determination.

Education Code Section 47607(h) states, in relevant part, "The chartering authority shall not revoke a charter, unless it makes written factual findings supported by substantial evidence, specific to the charter school, that support its findings." (Ed. Code, § 47607(h).) TRUSD's revocation decision needed to meet this standard in order survive legal challenge.

Cal. Code Regs., tit. 5, § 11968.5.5 states that a respondent's opposition to an appellant's appeal of a County Board of Education's decision to reverse a charter revocation shall include submitting the following to the State Board of Education:

> (1) a summary of the procedural and substantive facts limited to matters in the record as submitted to the chartering authority and the county board of education, as appropriate;
>
> (2) a summary of the arguments in support of the respondent's position that the chartering authority and/or the county board of education did not err in its decision; and
>
> (3) specific citations to the administrative record in support of each argument presented.

(Cal. Code Regs., tit. 5, § 11968.5.5(d).)

iii. The County Board of Education Did Not Err in Its Decision to Overturn the Revocation of HCCS's Charter.

HIGHLANDS COMMUNITY CHARTER SCHOOL

Education Code Section 47607(i)(2) states, in relevant part, "The county board of education may reverse the revocation decision if the county board of education determines that the findings made by the chartering authority under subdivision (h) are not supported by substantial evidence." (*See* Ed. Code, § 47607(i)(2).) Cal. Code Regs., tit. 5, § 11968.5.4(b) states, in relevant part:

> (1) In determining whether the district chartering authority's factual findings are supported by substantial evidence, the county board of education shall consider whether the district chartering authority provided the charter school's governing body as described in the school's charter a Notice of Violation, a reasonable opportunity to remedy the identified violation(s), a Notice of Intent to Revoke, a public hearing, and Final Decision, pursuant to Articles 2 and 2.5 and Education Code sections 47607(f) through (h), inclusive.
>
> (2) If the charter school submits a response to the Notice of Violation pursuant to section 11968.5.2(c), the county board of education shall, in determining whether the district chartering authority's factual findings are supported by substantial evidence, consider whether the charter school complied with the procedures set forth in that section.
>
> (3) The county board of education shall also consider whether an alleged procedural deficiency negatively impacted the charter school's ability to refute or remedy the alleged violation or the chartering authority's ability to comply with its procedural obligations or authorizing duties.

Cal. Code Regs., tit. 5, § 11968.5.4.

Notably, neither the statute nor the regulation states that the County Board of Education must accept the school district's substantial evidence determination as true. Quite the opposite, Education Code Section 47607(i)(2) states "The county board of education may reverse the revocation decision if the county board of education determines that the findings made by the chartering authority under subdivision (h) are not supported by substantial evidence," explicitly empowering the County Board to second guess the school district's decision and make its own determination of whether the District's decision was supported by substantial evidence on the record. (*See* Ed. Code, § 47607(i)(2).)

The regulation applying this statute also requires the County Board of Education to consider whether the chartering authority had complied with its procedural obligations, as part of the County Board's determination of whether the chartering authority's decision was based on substantial evidence. (*See* Cal. Code Regs., tit. 5, § 11968.5.4(b).) Not only is this mandatory under the regulation, it is crucial because a chartering authority's failure to comply with its procedural obligations can negatively impact whether or not the Charter School is able to refute



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or remedy the alleged violations. In those instances, this regulatory scheme provides safeguards so that a charter authorizer, like TRUSD, cannot shirk its procedural obligations, interfere with a charter school's ability to respond by a certain date, then revoke the school's charter by claiming substantial evidence exists that the school failed to refute or remedy by that date.

Unlike TRUSD, which was required by law to make "written factual findings supported by substantial evidence, specific to the charter school, that support its findings" in order to revoke the charter, SCBOE's review of TRUSD's decision does not require SCBOE make written factual findings. (*See* Ed. Code, § 47607(h)-(i).) Education Code Section 47607(i) states, in relevant part, "The county board of education may reverse the revocation decision if the county board of education determines that the findings made by the chartering authority under subdivision (h) are not supported by substantial evidence." (*See* Ed. Code, § 47607(i).) SCBOE needed only assess TRUSD's revocation decision and determine whether TRUSD's findings are supported by substantial evidence.

Here, SCBOE's decision reversing TRUSD's revocation of HCCS states, in relevant part:

> WHEREAS, on May 19, 2026, within 90 days of receiving HCCS's charter revocation appeal, the County Board held a public hearing, reviewed and considered HCCS's charter revocation appeal, SCOE's Analysis of the appeal, and arguments presented by HCCS and the District. At the hearing, HCCS and District representatives had equivalent time and procedures to present their positions regarding the appeal and respond to SCOE's Analysis;
>
> WHEREAS, on May 19, 2026, following review of the appeal and the public hearing noted above, the County Board considered and deliberated upon HCCS's charter revocation appeal;
>
> NOW, THEREFORE, BE IT RESOLVED that having reviewed HCCS's appeal, conducted a public hearing, and considered and deliberated upon the appeal, the County Board adopts SCOE's Analysis of the HCCS charter revocation appeal and further finds that the findings made by the Twin Rivers Unified School District Board of Trustee's to revoke the Highlands Community Charter School are not supported by substantial evidence.
>
> NOW, THEREFORE, BE IT FURTHER RESOLVED that having determined that the Twin Rivers Unified School District Board's findings are not supported by substantial evidence, the decision to revoke the charter of the Highlands Community Charter School is hereby reversed.

(HCCS AR 008432-008433.) SCBOE's decision complies with its obligations under Ed. Code, § 47607(i), as it confirms that SCBOE has determined that the TRUSD Board's findings were not supported by substantial evidence.

TRUSD's appeal of SCBOE's decision claimed that SCBOE erred in various ways.



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However, these contentions by TRUSD are not supported by the facts or the law.

TRUSD claims that SCBOE was charged with determining "whether substantial evidence in the record exists to demonstrate that HCCS remedied the violations at issue in the Notice of Violation by the close of the remedy period." This is an inaccurate description of the legal standard because it leaves out the requirement that the remedy period has to be reasonable. SCBOE was not simply tasked with determining whether substantial evidence existed on the record that HCCS had cured all of the violations by whatever remedy date the District had chosen. Education Code Section 47607(g) is clear: "Before revocation, the chartering authority shall notify the charter school of any violation of this section and give the school a reasonable opportunity to remedy the violation, unless the chartering authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils." (*See* Ed. Code, § 47607(g).)

Further, SCBOE's Board Policy 2400 defines substantial evidence for these purposes as evidence that:

a. Demonstrates that the violation was material.
b. Supports revocation when viewed as a whole, in light of all relevant information.
c. Demonstrates that the violation actually occurred.
d. Was not cured by the charter school during its reasonable opportunity to remedy the violation.

(*See* Sacramento County Office of Education Board Policy 2400.) This policy was originally adopted on April 20, 2004 and was most recently revised on August 11, 2020. Under this definition, SCBOE was tasked with determining whether the evidence "Supports revocation when viewed as a whole, **in light of all relevant information**." (*See id.*, *emphasis added*.) TRUSD's analysis both disregards the fact that SCBOE was tasked with considering whether the evidence supports revocation when viewed as a whole, in light of all relevant information, and minimizes the fact that the amount of time given to remedy the violations must have been reasonable. The law, and SCBOE's relevant policy, do not support revocation simply based on failure to remedy by "the remedy period" without taking reasonableness into account.

Using the legal revocation process, as codified in the relevant laws and regulations, would not render the revocation process "unworkable," as TRUSD claims. A school district would not be required to consider every action taken by a charter school in response to an NOV regardless of when that action occurred. However, a school district already is required to give the charter school a reasonable opportunity to cure and to consider actions taken within that reasonable opportunity. Here, there is ample evidence in the record that SCBOE reviewed to support that September 26, 2025 was not a reasonable date by which to fully remedy all of the alleged violations. (*See* HCCS AR 008269 - 008433.)



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TRUSD contends that SCBOE erred by reversing the revocation decisions while not also finding that the District Board was required to consider remedies implemented after the September 26th deadline. This contention by TRUSD adds additional legal requirements that SCBOE did not have when making its determination. As discussed, Education Code Section 47607(i) states, in relevant part, "The county board of education may reverse the revocation decision if the county board of education determines that the findings made by the chartering authority under subdivision (h) are not supported by substantial evidence." (*See* Ed. Code, § 47607(i).) The statute does not require SCBOE's decision to specify why it found that TRUSD's findings were not supported by substantial evidence. The relevant law and regulations and the record provide many reasons that SCBOE could have lawfully come to that conclusion, including a consideration of procedural errors by TRUSD, but the statute does not specify that these need to be listed in SCBOE's written decision/Resolution. (*See id.*)

SCBOE was well within its authority to determine that TRUSD's findings were not supported by substantial evidence, especially given that TRUSD's own staff determined the violations had all been sufficiently refuted and/or remedied, the TRUSD Board's revocation decision did not cite any specific facts to back up its assertion to the contrary, and the record is filled with evidence of TRUSD's procedural violations that impact the substantial evidence analysis.

iv. The Charter Schools Act Does Not Allow Revocation Based on Past Violations Alone—A Reasonable Opportunity to Remedy is Mandatory.

Multiple times in the District's appeal, TRUSD argues that a subsequent remedial action does not change the fact that the violation happened in the first place (or arguments to that effect). However, this contention ignores the fundamental framework around charter revocation, established by the Charter Schools Act.

Pursuant to California Education Code § 47607(g), before revocation, the chartering authority shall notify the charter school of any violation of this section and ***give the school a reasonable opportunity to remedy the violation***, unless the chartering authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils. (*Emphasis added*). If the existence of a previous violation means that it can never truly be remedied, then the entire charter revocation process would be rendered pointless.

Additionally, to supplement what constitutes a "reasonable opportunity to remedy", the State Board of Education developed a set of regulations designed to govern the obligations of the chartering authority and the charter school during the revocation process. Cal. Code Regs., tit. 5, § 11968.5.2 states:

> (c) Upon receipt of a Notice of Violation, the charter school's governing body as described in the school's charter, if it chooses to respond, shall take the following actions:
>
> (1) Submit to the chartering authority a detailed, written response addressing each identified violation which shall include the refutation, remedial action taken, **or proposed**

> **remedial action** by the charter school specific to each alleged violation. **The written response** shall be due **by the end of the remedy period** identified in the Notice of Violation.
>
> (2) Attach to its written response supporting evidence of the refutation, remedial action, **or proposed remedial action**, if any, including written reports, statements, and other appropriate documentation. (*Emphasis added*).

Here, the District provided the NOV on June 18, 2025 and granted a period up to and including September 26, 2025 to refute, remedy, or propose a remedy to the alleged violations. (HCCS AR 000001 - 000009.) The District continues to maintain that "The District Board is not required to accept assurances of future compliance in place of evidence of actual remediation." This flies in the face of the very law and regulations that control the chartering authority's obligations. (*See* Cal. Code Regs., tit. 5, § 11968.5.2(c).) Proposed remedial actions are explicitly included as a sufficient response to a NOV in the regulation that controls the revocation procedures.

The intent of the drafters is clear; there would be no language included in the regulations relating to "proposed remedial actions" if the chartering authority was not required to consider them. There was also never a severe and imminent threat to the health or safety of the pupils (and TRUSD never alleged there was), thus, the District was required to allow a reasonable opportunity to remedy violations, including via proposed remedial actions as allowed by law. In some instances, like in the instant case, considering proposed remedial actions are necessary where an actual remedy is not logistically possible by the response date set forth in the NOV. Failing to acknowledge this reality that some remedies take longer than an arbitrary remedy period established by TRUSD amounts to failure to provide a reasonable opportunity to remedy, which is a legal requirement.

b. The District's Revocation Decision Was Not Supported by Substantial Evidence

i. The District's Revocation Decision Does Not Cite Any Specific Evidence to Support its Conclusions

The District Board's final decision to revoke HCCS is included in the administrative record at HCCS AR 001236 - 001238. In its decision, the TRUSD Board did not cite any specific evidence to support its conclusion that revocation was warranted. The extent of the District Board's comment on the topic is as follows:

> The violations set forth in the NOV and Notice of Intent to Revoke, have not been sufficiently remedied by HCCS, and attempts at further corrective actions taken by HCCS, although considered by the Board, failed to sufficiently remedy the violations identified in the NOV and substantiated in the Notice of Intent to Revoke, and/or promised unsubstantiated and unreliable future performance and resulting uncertainty regarding future compliance.

This is akin to saying the violations have not been remedied because the violations have not been remedied, and the proposed corrective action is insufficient to ensure future compliance because it is insufficient to ensure future compliance. A conclusory statement that the violations have not been remedied, without identifying any specific facts to back it up, is per se not supported by substantial evidence. The statute would not have specified that the District needed to make written factual findings, supported by substantial evidence, if a conclusion alone was sufficient. (*See* Ed. Code, § 47607(h).)

ii. The District's Revocation Decision Was Not Supported by Substantial Evidence.

The District's revocation decision was not supported by substantial evidence, as discussed in detail in the appeal to SCBOE regarding the revocation of HCCS's charter. (*See* HCCS AR 008269 - 008433.) Crucially, ***no*** evidence was presented on the record to support the idea that HCCS had failed to refute or remedy all of the alleged violations within the reasonable amount of time provided by the District. In fact, TRUSD's staff report concluded that ***all*** of the alleged violations were sufficiently refuted and/or remedied. (HCCS AR 008174.) TRUSD's Board then, against the recommendation and findings of its staff, chose to revoke HCCS's charter anyway, citing no specific facts whatsoever to justify its decision. Not only was this recommendation not supported by substantial evidence, it was not supported by any evidence at all (as discussed above). (HCCS AR 001236 - 001238.) Moreover, it was arbitrary and capricious because it "was not supported by a fair and substantial reason." (*See Abshear v. Teacs' Retirement Board* (1991) 231 Cal.App.3d 1629, 1639.)

Grade Levels Not Approved – Remedied

District staff's report presented the following findings indicating why this issue was remedied:

- HCCS has ceased the practice of enrolling students into 9th and 10th grade.
- HCCS has started enrollment into 1st and 2nd grades.
- Before adding or changing grades, HCCS will submit a material revision request.
- If not approved, HCCS will continue to serve 1st, 2nd, and 12th grades only, as approved in their petition.

Further, the June 17, 2025 Notice of Violation stated: "Education Code section 47604(a)(4) provides in part: 'After receiving approval of its petition, a charter school that proposes to expand operations to one or more additional sites or grade levels shall **request** a material revision to its charter and shall **notify** the chartering authority of those additional locations or grade levels.'." (*Emphasis added*). Between the June 17, 2025 Notice of Violation and the December 2, 2025 District Board Meeting, HCCS requested material revisions of its charter to address the additional grade levels and locations and had extensive communication with the District on these topics. HCCS submitted a proposed material revision on September 26, 2025 that would have addressed both the grade levels issue and the sites issue from the June 17th Notice of Violation. Leading up to the December 2, 2025 District Board Meeting, HCCS

discussed the material revision with District staff to ensure that it was sufficient. The requested material revisions (one for HCCS and one for CICA) then went before the District Board at its December 2, 2025 meeting, where the District Board voted to reject them.

Given this, HCCS had both **notified** the District of the additional grade levels and **requested** the material revisions during the cure period of up to and including September 26, 2025. All of the evidence before the District Board confirms that these events occurred, and the fact that the District Board refused to approve the material revision has no bearing on whether HCCS had notified the District and requested the revision. Further, the District Board cannot reasonably have found that the District was not notified about the additional grade levels, where the evidence provided by HCCS in its September 26th Response includes detailed correspondence from HCCS to the District about the grade levels from December 2024 *(see* HCCS AR 004839 - 004859). By notifying the District and requesting the revision by September 26, 2025, HCCS remedied the issue. This is uncontroverted on the record.

Locations Not Approved – Remedied

District staff's report presented the following findings indicating why this issue was remedied:

- HCCTS Board has been taking action to terminate or buy-out leases.
- HCCS is moving to locations that are approved by the District and will not add any new locations without prior approval by the District through the Material Revision process.
- HCCTS has adopted or revised multiple Board Policies, including BP 7150.5 "School Site Opening and Closure Policy"

Further, the June 17, 2025 Notice of Violation stated: "The MOU Amendment No. 3 includes the express requirement for HCCS to **submit a written request**" to the District if the "Charter School seeks to establish operations at one or more additional locations(s) or move any of its existing location(s), including satellite facilities or resource centers..." and "To date, no **material revision request** has been submitted for these locations and HCCS continues to operate at these locations in violation of the MOU Amendment No. 3 and Education Code section 47605(a)(4)." (*Emphasis added*.) Education Code 47605(a)(4) states:

> After receiving approval of its petition, a charter school that proposes to expand operations to one or more additional sites or grade levels **shall request** a material revision to its charter and **shall notify** the chartering authority of those additional locations or grade levels. The chartering authority shall consider whether to approve those additional locations or grade levels at an open, public meeting. If the additional locations or grade levels are approved pursuant to the standards and criteria described in subdivision (c), they shall be a material revision to the charter school's charter. (*Emphasis added*.)

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Just as with the grade levels issue (discussed above), HCCS had both **notified** the District of the additional sites and **requested** the material revision during the cure period of up to and including September 26, 2025. (*See* HCCS AR 004839 – 004859, including exhibits.) All of the evidence before the District Board confirms that these events occurred, and the fact that the District Board refused to approve the material revision has no bearing on whether HCCS had notified the District and requested the revision. By notifying the District and requesting the revision by September 26, 2025, HCCS remedied the issue.

Additionally, HCCS has provided the requested copies of lease agreements, which the District claims that it had requested in an April 23, 2025 Notice of Concern/Request for information.

Failure to Submit Audit Report – Remedied

District staff's report presented the following findings indicating why this issue was remedied:

- On 01/02/2026 HCCTS submitted the 2024 Annual Independent Audit report.
- HCCTS has committed to submitting future reports in a timely manner.
- HCCTS is pursuing a different audit firm to ensure this issue is not perpetuated.

Further, it is important to emphasize that the audit report for the 2023-2024 audit year was delayed because the independent auditing firm that HCCTS had hired to conduct the audit refused to release its report after it learned about the State Audit in the summer of 2025. (*See* HCCS AR 000474, 000478, 000481, 000497, 000512, and 000516.) It is not the case that HCCS failed to retain an auditing firm to conduct the audit, nor is it the case that HCCS was in possession of the final audit report and simply failed to provide it to the District. HCCS was in possession of a draft audit report from the independent auditor, which it had provided to the District. The auditor substantially modified the draft report following the State Audit report and this was provided to the District as noted by District staff in their findings that this issue had been fully remedied.

Credential Misassignment – Remedied

District staff's report presented the following findings indicating why this issue was remedied:

- TRUSD has verified evidence that HCCTS has changed staffing practices.
- HCCTS staff have become more knowledgeable about credentialing compliance.
- HCCTS' subsequent actions show a credible shift towards compliance.

Further, the November 2025 Notice of Intent to Revoke, which was approved by the District Board, even confirmed that the credential misassignment issue had been remedied.



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Specifically, it stated, in relevant part:

> The District's review of HCCTS' response, the evidence provided, and information collected through the annual oversight activities reflect clear and convincing evidence that HCCTS has changed staffing practices and reformed to comply with the law. The District staff have seen evidence that the HCCTS staff have become more knowledgeable about credentialing options to ensure compliance. HCCTS subsequent actions show a credible shift to K-12 appropriate credentialing. (HCCS AR 001229 – 001230.)

The District Board unanimously voted to adopt this November 4, 2025 Notice of Intent to Revoke, which included this statement as to the credentialing issue, and no evidence was presented in the record to dispute that the credentialing issue had in fact been remedied. The District Board, then, contradicted its own prior findings in voting to revoke for this reason without adopting any new findings or putting any new evidence on the record at all to contradict both its and its staff's findings. This is the very definition of arbitrary and capricious behavior.

Failure to Track & Meet Instructional Minutes – Remedied

District staff's report presented the following findings indicating why this issue was remedied:

- HCCS has taken corrective actions to improve attendance policies & procedures as evidenced by revised calendars, bell schedules, staff trainings, and internal audits.
- Serious efforts to improve practices related to student attendance enforcement and engagement have been made.
- Collaborating with Charter Impact to support with attendance monitoring and reporting.

There was no evidence entered into the record contravening these findings, so it was impossible for the District to revoke on the basis of this issue. (*See* HCCS AR 8435 and 8436.)

Violation of Exclusive Partnership Agreement – Remedied

District staff's report presented the following findings indicating why this issue was remedied:

- HCCTS submitted evidence that the external partnerships have been terminated.
- Non-WIOA students were dis-enrolled.
- HCCTS has terminated the CTE Truck Driving program.
- Staff who were assigned to the Truck Driving program have been re-assigned or are no longer with the organization.

Further, it is not disputable that the Truck Driving program did not exist by September

26, 2025, therefore no non-students could have still been enrolled in it. This was proven by documentary evidence provided by HCCS in its Response to the Notice of Violation (*See* HCCS AR 004839 – 004859, including exhibits, and HCCS AR 007536-007625, AR 007626-007629, AR 7630.) There was no evidence entered into the record contravening these findings, so it was impossible for the District to revoke on the basis of this issue. (*See* HCCS AR 8435 and 8436.)

Fiscal Mismanagement – San Diego Location – Remedied

District staff's report presented the following findings indicating why this issue was remedied:

- Lease Termination/Buy-Out on 11/18/25
- Adopted or Revised Policies to Address Root Issues of Fiscal Mismanagement:
  - BP 3410 RE. Allowability of Costs
  - BP 3110 RE. Debt Management
  - BP 3310: Purchasing and Vendor Selection
  - BP 7150.5: School Site Opening and Closure Policy
- Updated the Fiscal Policies and Procedures Manual

There was no evidence entered into the record contravening these findings, so it was impossible for the District to revoke on the basis of this issue. (*See* HCCS AR 8435 and 8436.)

Fiscal Mismanagement – Marysville 2 Location – Remedied

District staff's report presented the following findings indicating why this issue was remedied:

- Lease Termination/Buy-Out showing termination as of 1/24/25
- Adopted or Revised Policies to Address Root Issues of Fiscal Mismanagement:
  - BP 3410 RE. Allowability of Costs
  - BP 3110 RE. Debt Management
  - BP 1325 Marketing: Advertising and Sponsorship
  - BP 3310: Purchasing and Vendor Selection
  - BP 7150.5: School Site Opening and Closure Policy
- Updated the Fiscal Policies and Procedures Manual

There was no evidence entered into the record contravening these findings, so it was impossible for the District to revoke on the basis of this issue. (*See* HCCS AR 8435 and 8436.)

By the January 27, 2026 Board Meeting, "District Staff [had] determined that all the violations identified in the Notice of Revocation have been refuted or remedied to the District's

satisfaction." (*See* District Board Meeting Minutes from January 27, 2026, HCCS AR 008171.) Given this, the District Board's unsupported conclusion that the violations had not been refuted or remedied, with no explanation of which violations remained and no citations to the facts, was not supported by substantial evidence. In fact, all evidence was that HCCS and HCCTS had fully remedied all violations noted in the NOV.

TRUSD's appeal makes various claims to argue that its decision to revoke HCCS's charter was supported by substantial evidence. These claims are at times legally or factually inaccurate or otherwise involve circular arguments devoid of any supporting evidence.

For example, TRUSD's appeal claims that removal of HCCTS Board Members, "standing alone" did not "correct the underlying operational, fiscal, and compliance factors." However, the change of HCCTS Board Members, as well as executive leadership, did not "stand alone"—rather, it was accompanied by the adoption of numerous new policies and procedures and changes in actual operation of HCCS and HCCTS. (*See* HCCS AR 004839 – 004859.) Further, this statement, and so many others, was never made on the record during the revocation proceedings. It cannot be raised for the first time as part of TRUSD's arbitrary and capricious decision.

TRUSD's appeal also claims that the fact that leases from the unauthorized sites were bought out "does not remedy the fact that unauthorized, unsupported, or unreasonable expenditures were made." However, by this logic, a charter school could never remedy a past violation because it is impossible to undo the fact that it happened in the first place. That is not how the charter revocation process under the Charter Schools Act works. Addressing an improper lease, by negotiating a buyout and thus removing the improper lease, is an entirely reasonable remedy option. Refusing to acknowledge this type of fix as a remedy defies both law and reason. Further, this statement, and so many others, was never made on the record during the revocation proceedings. It cannot be raised for the first time as part of TRUSD's arbitrary and capricious decision.

Similarly, TRUSD's appeal states that HCCTS had expressly acknowledged the violation regarding grade levels and stated that it would take responsibility for not following the proper procedures, concluding that "[t]his admission alone constituted substantial evidence supporting the District's finding." Again, this amounts to a misrepresentation of the relevant legal framework. Admitting that a violation occurred in the past, and taking responsibility for it having occurred in the past, does not mean there was substantial evidence that the charter school failed to cure it within a reasonable period of time provided by the chartering authority. (*See* Ed. Code, § 47607(g)-(h).) Whether the violation happened in the past, and whether it was later cured, are two different questions. TRUSD cannot rely on evidence that the violation had happened in the past to justify a conclusion that it had not been timely cured.

TRUSD's appeal makes this contention as to multiple different alleged violations—essentially claiming that the Charter School's admission that the violation had occurred in the

past was enough to meet the substantial evidence standard, as if the TRUSD Board had only been tasked with finding whether there was substantial evidence that the violations had happened at all. This is a legally flawed analysis. Further, much of TRUSD's argument that its decision was supported by substantial evidence relies entirely on information that predates even the September 26, 2025 remedy period.

For any information that TRUSD cites regarding alleged failure to remedy violations by September 26, 2025, it must be viewed in light of all other relevant information, including procedural violations by TRUSD that negatively impacted the charter school's ability to refute or remedy. (*See* Cal. Code Regs., tit. 5, § 11968.5.4(b).) This was, and is, part of the determination of whether TRUSD's revocation decision was supported by substantial evidence. There was ***no*** evidence on the record supporting a lack of a full remedy by HCCS and HCCTS. (*See* HCCS AR 8435 and 8436.) In fact, all evidence on the record was that HCCS and HCCTS had fully cured the issues raised in the NOV. Across the board, it is uncontroverted that HCCS and HCCTS had fully remedied all issues raised in the NOV. Not only did District staff and legal counsel find that all issues had been remedied, but none of the whistleblowers who raised concerns about Highlands in the first instance testified that any issues raised in the NOV remained uncured. No members of the public testified that any issues remained unremedied. (*See* HCCS AR 8435 and 8436.)

c. The District Did Not Provide a Reasonable Opportunity to Remedy the Alleged Violations in the NOV, Which Was Required under Education Code Section 47607, Subdivisions (g) and (h), or a Reasonable Opportunity to Refute or Propose to Remedy the Alleged Violations, Which Was Required under Cal. Code Regs., tit. 5, § 11968.5.2.

The District failed to meet its legally mandated requirement as the chartering authority to provide a reasonable opportunity to remedy the alleged violations contained in the NOV prior to revocation.

California Education Code § 47607(g) requires that "Before revocation, the chartering authority shall notify the charter school of any violation of this section and ***give the school a reasonable opportunity to remedy the violation***, unless the chartering authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils." (*Emphasis added*). Further, a chartering authority may only issue a Notice of Intent to Revoke after the charter has failed to remedy a violation after the expiration of the reasonable opportunity to remedy… (Cal. Educ. Code § 47607(h)). Crucially, the law does not state that the charter school must remedy by whatever deadline the chartering authority sets forth in the NOV, regardless of whether the specified date is reasonable.

A "reasonable opportunity to remedy" is a longstanding legal concept. While exact rules vary across contexts, the core concept remains consistent: fairness. A fair opportunity to correct mistakes, a fair chance to prevent harsh penalties, a fair timeframe to actualize remedies. The term "reasonable" also has a longstanding history across American jurisprudence. Most significantly it is situation and fact specific, not arbitrary and subject to the whim of its enforcer.



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In contract law, a "reasonable time" is a question of fact and depends upon the situation of the parties, nature of the transaction, and facts of a particular case. A cure period will be deemed unreasonable if it is so short that it does not allow the breaching party a fair chance to correct the breach, especially if the issue is complex, or requires external resources.

Here, multiple of the issues alleged in the NOV required actions from third parties as well as many months of time to logistically accomplish. (*See* HCCS AR 004839 – 004859, including exhibits.) No single, arbitrary period of time, decided at the outset, was likely to be reasonable for all of this wide variety of types of claims.

The District was required to grant a reasonable opportunity to remedy **all** of the alleged violations contained in the NOV. If the original date the District set forth in the NOV is an unreasonable timeframe to correct any of the alleged violations, then more time must be given. Enforcing a uniform timeframe without deference to the complexity of each individualized allegation, especially when issuing blanket refusals of proposals to remedy, does not constitute a reasonable opportunity to remedy under the law.

i. The District Refused to Honor Evidence Presented by the Charter School by the District's Refute, Remedy, or Proposed Remedy Date Listed in the Notice of Violation

TRUSD's June 2025 NOV for HCCS provided September 26, 2025 as the date by which the Charter School could:

> (1) Submit to the chartering authority a detailed, written response addressing each identified violation which shall include the refutation, remedial action taken, or proposed remedial action by the charter school specific to each alleged violation; the written response shall be due by the end of the remedy period identified in the Notice of Violation; and
>
> (2) Attach to its written response supporting evidence of the refutation, remedial action, or proposed remedial action, if any, including written reports, statements, and other appropriate documentation

(HCCS AR 000001 - 000009). The NOV further stated, "The District provides HCCTS with a reasonable remedy period of up to and including **September 26, 2025**, to provide the written response described above." (HCCS AR 000001 - 000009). The NOV itself does not state that September 26, 2025 was a reasonable amount of time to cure all of the alleged violations—rather it specifies that this was the date by which the Charter School could provide the specified written response.

As discussed above, HCCS provided the written response and supporting evidence to TRUSD by September 26, 2025. Then, only after September 26, 2025 had passed, TRUSD staff told HCCS that it could not open the exhibits due to technical issues on TRUSD's end—not on Highlands' end, where the exhibits were fully accessible and where Highlands could not have predicted that TRUSD staff would have difficulty opening the files. After TRUSD notified

Highlands staff that TRUSD was unable to open the exhibits, Highlands re-submitted the exact same exhibits for HCCS that were already submitted on September 26, 2025. (HCCS AR 005036.)

It is disingenuous for TRUSD to now claim, as stated in its appeal, that "at the conclusion of the remedy period, on September 26, 2025, HCCS and CICA provided their response to the NOV, but the supporting evidence was not provided to the District until September 29, 2025." TRUSD staff chose to wait until after September 26, 2025 to notify Highlands staff that TRUSD staff were having trouble opening the documents that had been submitted. The fact that Highlands later re-provided the information to SCCOE upon request does not mean HCCS did not first provide it by September 26, 2025.

TRUSD has now chosen to assert that the supporting documents were not timely provided, which is false. By refusing to honor evidence presented by the Charter School by the District's cure date, the District has denied the Charter School a reasonable opportunity to refute, remedy, and/or propose to remedy the alleged violations. Furthermore, the District specifically granted extensions of time to consider additional information all the way until at least January 2, 2026. It is a violation of due process to now attempt to assert that all information had to be received by September 26, 2025 when the District specifically granted extensions well beyond this date. In a recent case in Santa Clara County where a charter school contested revocation decisions by a school district authorizer, the Superior Court found that the school district was bound by the extended response deadline it had created and that the school district could not later hold the charter school to the original deadline from the NOV.

ii. The District Enforced a Cure Date of September 26, 2025 for Alleged Violations Which Were Not Curable by That Date and Refused to Accept a Proposed Remedial Action Which Was Timely Provided

The District refused to accept proposed remedial actions as a sufficient response to the NOV, despite the September 26, 2025 deadline being insufficient to fully cure multiple of the allegations. The NOV provided a remedy period up to and including September 26, 2025. Cal. Code Regs., tit. 5, § 11968.5.2 states:

> (c) Upon receipt of a Notice of Violation, the charter school's governing body as described in the school's charter, if it chooses to respond, shall take the following actions:
>
> (1) Submit to the chartering authority a detailed, written response addressing each identified violation which shall include the refutation, remedial action taken, or **proposed remedial action** by the charter school specific to each alleged violation. The written response shall be due by the end of the remedy period identified in the Notice of Violation.
>
> (2) Attach to its written response supporting evidence of the refutation, remedial action, or **proposed remedial action**, if any, including written reports, statements, and other appropriate documentation. (*Emphasis added*).

The law specifically allows proposed remedial actions as viable responses to a NOV. The intent of the regulation is clear—proposed remedial actions are sufficient for the charter's written response due by the end of the remedy period set forth in the NOV. Rejecting legally acceptable forms of responses as insufficient is not a sound argument for revocation.

When considering what constitutes a "reasonable opportunity to cure," TRUSD was not entitled to ignore the fact that it was impossible for HCCS to effectively resolve all of the alleged violations within the time frame provided in the NOV. As noted above, what constitutes a reasonable time to remedy is fact-dependent. In contract law, a cure period will be deemed unreasonable if it is so short that it does not allow the breaching party a fair chance to correct the breach, especially if the issue is complex, or requires external resources. Here, several of the alleged violations relied heavily on the participation of external parties and required expert advice.

First, the delayed 2023-2024 audit report was entirely dependent on an independent service provider. The audit was delayed because the independent auditing firm that HCCTS had hired to conduct the audit refused to release its report after it learned about the State Audit in the summer of 2025. (*See* HCCS AR 000474, 000478, 000481, 000497, 000512, and 000516.) Audits are a time-consuming process and, outside of hiring the auditing firm, the process is completely out of the control of HCCS staff. As of January 2, 2026, the audit was completed and was thus remedied. (*See* HCCS AR 008223.)

In terms of the material revisions to address grade level changes and location changes, HCCS labored intensively – in conjunction with District staff – to develop material revision languages to be voted on by the District Board. District staff had reviewed the material revisions and recommended approval, but the District Board denied the material revision as to the school sites anyway on January 13, 2026. (HCCS AR 008243.) The District Board had been presented the HCCS plan to cure these issues and at no time expressed a concern about approving a material revision. It was fully aware that its staff was meeting regularly with HCCS to get to mutual agreement on material revision language. District staff then asked HCCS to revise the material revision to remove grade levels and related educational program changes so that these could be studied further, which the school did and resubmitted the material revision request on January 2, 2026. To date, the District Board has still refused to approve a material revision for either of these topics. The District Board's failure to engage cannot later become a basis for revocation when it was their own interference that prevented the remedy.

Regarding the alleged fiscal mismanagement, both the San Diego site location and the Marysville location were tied to contracts with third parties. (*See* HCCS AR 004576 - HCCS AR 004593.) The legal realities of dissolving a binding contract do not support a 3-month timeframe. Once HCCS was put on notice via the NOV, the school immediately began preparations for lease termination/buy-outs for the two lease contracts that were at issue. As of November 15, 2025 and November 30, 2024, both leases had been terminated[1]. The nature of this violation is such that it is unreasonable to expect a bow tied neatly around the problem within 3 months. The proper

[1] The Marysville Lease was terminated on November 30, 2024 with an agreement for a 6 month schedule of buyout payments, however the final buyout was invoiced on January 24, 2025.

remedy here was to develop a proposed remedial action, which was done when HCCS began the process to dissolve the lease agreements. On both accounts, District staff contended that the issue was remedied and no further evidence was provided to support an argument of non-remedy. (*See* HCCS AR 004630 and HCCS AR 007648.)

It is unreasonable, especially in light of all the relevant information, that HCCS be held to a timeframe that neglects the unique set of circumstances attached to each alleged violation. HCCS refuted or remedied any and all alleged violations that were capable of expedient solutions, and timely presented proposed remedial actions for those that required more time. The legal standard is not that by the end of the remedy period from the NOV all violations will be cured; the standard is that the charter's written response, including proposed remedial actions, shall be due by the end of the remedy period specified in the Notice of Violation and that the chartering authority must provide a reasonable opportunity to remedy alleged violations before seeking revocation. HCCS complied with the relevant legal obligations.

The District's appeal relies almost exclusively on an idea that evidence of remedy from beyond September 26, 2025 should not be considered. Even disregarding the fact that the District continued to grant an extended remedy period, it is clear in the plain language of the regulation that proposed remedial actions are sufficient to satisfy the charter school's requirements under Cal. Code Regs., tit. 5, § 11968.5.2. Thus, revocation for failure to cure by the September 26, 2025 deadline, without confirmation that this deadline was reasonable, and without allowing for proposed remedial actions, is not legally supportable.

HCCS has a protected property interest and is entitled to due process under the law prior to revocation. Both the federal and state Constitutions compel the government to afford persons due process before depriving them of any property interest (*See* U.S. Const. amend. XIV; *See* also Cal.Const. Art. 1, § 7). In *Today's Fresh Start, Inc. v. Los Angeles County Office of Education*, (2013) 57 Cal.4th 197, 215, the California Supreme Court found that once a charter has been granted, the charter school then has a property interest in its charter that is protected by due process of law. Therefore, HCCS must be afforded due process prior to the revocation of its charter.

The District Board clearly erred by revoking the charter based on its strict, legally unsound assessment that all alleged violations needed to be fully cured by the September 26, 2025 deadline from the NOV. No reasonable opportunity to cure was afforded, proposed remedial changes were ignored, and communications directly from the District about extending the timeline counteracted any later emphasis placed on the original cure date. A revocation process that the District can change midway through, to the detriment of the HCCS, is not due process.

By providing a cure date of September 26, 2025 for alleged violations which were not curable by that date, and refusing to accept a proposed remedial action, the District has denied the Charter School a reasonable opportunity to remedy the alleged violations.

iv. The District Communicated to the Charter School That It Had Extended the Cure Period and Later Reneged on That Assurance

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As discussed above, TRUSD communicated to the Charter School that it had extended the period by which the Charter School could remedy and/or propose to remedy the alleged violations from the June 2025 NOV. In TRUSD Board Trustee Baker's words at the November 4, 2025 District Board Meeting minutes, "The school will be given additional time to correct these violations or provide demonstrative evidence of progress toward compliance." November 4, 2025 is well after the original September 26, 2025 response date. TRUSD staff then confirmed, in writing, that the extended deadline for HCCS to provide this documentation was January 2, 2026 (*See* HCCS AR 008289).

TRUSD's extension of the amount of time to correct the violations and/or provide evidence of progress toward correction serve as a tacit acknowledgement by TRUSD that September 26, 2025 was not a reasonable amount of time to remedy some of these issues. TRUSD later withdrew this reasonable opportunity to remedy by demanding that HCCS should have cured all of the issues by September 26, 2025—even though the original NOV did not even say that (as discussed above). All of this amounts to failure to provide a reasonable opportunity to refute, remedy, or propose to remedy the claimed violations.

Additionally, HCCS detrimentally relied on TRUSD's communications of the extended amount of time to remedy and provide documentation. This raises equitable issues. Detrimental reliance requires that there is 1) a clear and definite promise; 2) reasonable and foreseeable reliance; 3) actual harm or detriment; 4) injustice can only be avoided by enforcement (*See* Restatement (Second) of Contracts § 90 (1981).) The doctrines of fairness and equity compel the reversal of any finding for revocation based on a date that was arbitrarily enforced to serve the whims of the District, especially where the District's own staff gave the Charter School contrary instructions.

Several email communications with the District illustrate that HCCS had been misled to believe they had more time to cure, causing them to detrimentally rely on the District's assurances. (*See*, for example, HCCS AR 008289.) These confirmed, written communications serve as a basis for HCCS's well-founded belief that the District granted the Charter School an extended period to remedy. The District may not now argue that HCCS did not cure the issues by the original September 26, 2025 deadline where the District repeatedly communicated to HCCTS, in writing, that it would have more time. HCCS detrimentally relied on the District's communications of extended time to refute or remedy. It is a violation of HCCS's right to due process for the District to extend the deadline and then, partway through the process, change the process and decide that the original deadline applied.

v. The District's Procedural Errors Negatively Impacted the Charter School's Ability to Remedy the Alleged Violations

The District's procedural errors negatively impacted HCCS's ability to remedy the violations contained in the NOV. Under California Code of Regulations Title 5, section

11968.5.4, subdivision (b), the SCBOE was required to consider whether an alleged procedural deficiency negatively impacted the charter school's ability to refute or remedy the alleged violation or the chartering authority's ability to comply with its procedural obligations or authorizing duties.

Here, the District interfered with the Charter School's ability to remedy by revoking on "findings" that predated the cure period, extending the cure period and then not honoring the new timeline, delaying reporting violations, consenting to "violations" for years, and refusing to adopt material revisions relating to the same. (See HCCS AR 008289, 008149, 008436, and 008437[2].)

To the extent that the District Board argues that its factual "findings" are the findings from the June 17, 2025 Notice of Violation, which the District Board incorporated by reference, this constitutes a procedural error and omission in the revocation process which negatively impacted the charter school's ability to refute or remedy the alleged violation, because findings made on June 17, 2025 did not take into account whether or not the charter school had adequately responded by September 26, 2025 or subsequent extensions granted by TRUSD. Relying on the pre-September 26, 2025 findings would, by definition, deprive HCCS of an opportunity to refute or remedy the alleged violations because it would mean that, regardless of subsequent actions by HCCS to refute or remedy, the District intends to revoke HCCS's charter based on the June 17, 2025 information alone. Relying on the findings in the June 17, 2025 Notice of Violation would therefore also constitute a negative impact on the charter school's ability to refute or remedy, in addition to constituting a negative impact on the District's ability to complete its procedural obligations.

Similarly, the cure period was consistently altered during communications with District staff, upon which HCCS reasonably relied. By later basing revocation on HCCS's failure to sufficiently remedy by the original cure date of September 26, 2025, the District substantially interfered with HCCS's ability to comply with its procedural obligations and remedy violations.

Relative to the violations alleged in the NOV, the District was aware that HCCS was operating additional sites and grade levels and acted such that HCCS had a right to believe that HCCS was permitted to utilize the additional grade levels and sites without going through the formal material revision process. HCCS relied upon the District's conduct to its injury where the District later sought to revoke HCCS's charter for not having requested the material revisions sooner.

Relatedly, the District Board voted to deny the material revision requests drafted in conjunction with District staff after the NOV was issued. District staff had reviewed the material revisions and recommended approval, but the District Board denied them anyway on December 2, 2025. This denial was in bad faith, since the District Board had been presented the HCCS plan to cure these issues and at no time expressed a concern about approving a material revision. It

[2] The recordings of the January 27 and 30, 2026 TRUSD Board Meetings were inadvertently left out of TRUSD's version of the administrative record. HCCS now submits them to augment the record, labeled HCCS AR 008436 and 008437.

was fully aware that its staff were meeting regularly with HCCS to get to mutual agreement on material revision language. To date, the District Board has still refused to approve a material revision for either of these topics—the school sites or the grade levels. This interference and lack of good faith engagement by the District were the cause of HCCS's delay in remedying the material violations of the charter.

Predating the NOV, the District has made it nearly impossible for HCCS to sufficiently meet its obligations under the law. From consenting to prior conduct, to revoking on unjust findings, to continually acting contrarily to what was communicated to HCCS by the District's staff and Board members, the District has created procedural deficiencies that negatively impacted the charter school's ability to refute or remedy alleged violations.

d. To the Extent that the District Has Raised New Allegations and Evidence in its Appeal to the State Board of Education, the Charter School Has Been Given No Reasonable Opportunity to Refute or Remedy These Claims, and New Evidence from Outside the Administrative Record Must Not Be Considered.

Throughout its appeal, the District continuously raises new allegations and introduces new evidence into its record of appeal. For example, the following allegations are from outside the relevant timeframe and/or outside of the Notice of Violation[3]:

- "Furthermore, the wholesale replacement of the HCCTS Board introduces additional concerns regarding institutional capacity and continuity of oversight." (TRUSD Appeal, p.10.)
- Claim that HCCTS has not yet submitted an audit for the 2024-25 school year. (TRUSD Appeal, p. 17)
- Allegation of violation of WIOA exclusive partnership agreement is entirely based on evidence that predates the conclusion of the original September 26, 2025 remedy period from the NOV. (*See* TRUSD Appeal, pp. 18-19)

It is standard legal practice that no new evidence or claims can be introduced on appeal. Only items put on the record by the District prior to revocation may be cited to by the District as support for the revocation decisions. It cannot invent new reasons after the fact.

HCCS has been given no meaningful opportunity to respond to any new alleged violations raised in TRUSD's appeal, once again denying HCCS its due process rights. The only record that is acceptable for review by the State Board of Education at this juncture is the existing administrative record. Moreover, any new allegations are completely unrelated to the question of whether or not HCCS sufficiently remedied the violations contained in the June 18, 2025 NOV.

[3] This is not an exhaustive list.

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HIGHLANDS COMMUNITY CHARTER SCHOOL

It is far past the point of the District being permitted to introduce new evidence or allegations that were not raised in the original June 2025 NOV. The SBE should therefore disregard any new factual allegations made by TRUSD in its appeal.

III. Conclusion

Under Education Code Section 47607(i), the County Board of Education was tasked with assessing whether the findings made by the chartering authority under Education Code Section 47607(h) are supported by substantial evidence. (*See* Ed. Code, § 47607(i).) This assessment involves consideration of multiple factors, outlined in the relevant statutes and regulations, including whether the charter school was given a reasonable opportunity to cure the alleged violations and whether any procedural deficiencies on the part of the chartering authority hindered this process.

Here, procedural deficiencies, inconsistent and contradictory communication by the District, and an unreasonable, after-the-fact demand that all issues be fully cured by September 26, 2025, all resulted in a process that negatively impacted the Charter School's ability to remedy. Additionally, the District, in writing and via communication from its Board and staff, extended the cure period to at least January 2, 2026. The District's later refusal to honor this extended cure period violated both the Charter School's right to due process and the principles of basic equity. For some of the alleged violations, such as terminating certain leases, more time beyond January 2, 2026 was needed to reasonably be able to remedy.

Ultimately, the District's staff assessed that HCCS had sufficiently refuted or remedied all of the alleged violations, and presented specific facts to justify these findings. The TRUSD Board then issued a cursory decision stating that it disagreed, citing to no specific facts at all. Under these egregious facts and with ***no*** evidence on the record to support the District's contentions, SCBOE was well within its authority to determine that there was not substantial evidence to support this decision, especially when taking all relevant information into account.

HCCS respectfully asks that the State Board of Education let the decision of SCBOE stand, which reversed the revocation decision of TRUSD.

Sincerely,

Signed by:
Matthew Levesque
DAA472AFBC07434...

Matthew
Levesque,
Board Chair
Highlands Community Charter School

Exhibit E

This document was provided, as is, to the California Department of Education (CDE) by **Twin Rivers Unified School District** for the Advisory Commission on Charter Schools October 2026 Meeting Agenda and is posted to the CDE website to meet the legal requirements of California *Education Code* Section 33009.5. Minor formatting changes may have occurred during document remediation.

For more information regarding the content of this material, please contact the Charter Schools Division by email at charters@cde.ca.gov.

TwinRivers
UNIFIED SCHOOL DISTRICT

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Superintendent

Tu Moua Carroz, Ed. D.

To inspire each student to extraordinary achievement every day!

July 31, 2026

First Class Mail and Email

State Board of Education
1430 N Street, Room 5111
Sacramento, California 95814

c/o Ric Reyes, Director
California Department of Education
Director, Charter Schools Division
1430 N Street
Sacramento, CA 95814-5901
charters@cde.ca.gov

Re: Twin Rivers Unified School District Written Reply to Respondent's Opposition Highlands Community Charter School Revocation Appeal

Dear Members of the State Board of Education:

Pursuant to Title 5, Calif. Code of Regulations, section 11968.5.5 and direction from the California Department of Education Charter Schools Division dated July 20, 2026, please find enclosed with this letter the Twin Rivers Unified School District's ("District") written reply to the opposition submitted to the State Board of Education by Highlands Community Charter School ("HCCS") regarding the District's appeal of the Sacramento County Board of Education's decision to reverse the District Board of Trustee's revocation of HCCS' Charter.

We respectfully urge the State Board of Education to find that the District Board's decision to revoke HCCS' Charter was supported by substantial evidence, and that the Sacramento County Board of Education erred when it reversed the decision to revoke HCCS Charter.

Sincerely,

Dr. Tu Moua Carroz
Superintendent

Cc: Sacramento County Board of Education
(c/o Dr. David Gordon, Sacramento County Superintendent of Schools)
Highlands Community Charter and Technical Schools/ Highlands Community Charter School

Enclosure: District Reply to HCCS Opposition

Physical Address: 5115 Dudley Blvd. | McClellan, CA 95652
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916.566.1660 | FAX: 916.566.1784 | www.trusd.net

Twin Rivers Unified School District's Written Reply to Respondent's Opposition to the District's Appeal of the Sacramento County Board of Education's Reversal of the Highlands Community Charter School Revocation

Submitted July 31, 2026

A. Introduction

Pursuant to Title 5, California Code of Regulations, section 11968.5.5 ("Section 11968.5.5"), on June 18, 2026, the Twin Rivers Unified School District ("District" or "TRUSD") submitted its Notice of Appeal and written arguments, along with the Administrative Record in support of the appeal ("District Appeal"), to the California State Board of Education ("SBE") via the California Department of Education Charter Schools Division regarding the Sacramento County Board of Education's ("SCBOE") decision to reverse the District's revocation of the charter for Highlands Community Charter School ("HCCS").

On or about July 17, 2026, the CDE received HCCS' Opposition to the District Appeal ("HCCS Opposition"). The HCCS Opposition in footnote 2 on page 7 states: "SCOE's Analysis of HCCS and HCCS Charter Revocation Appeals was included in TRUSD's administrative record as to TRUSD's appeal of the reversal of the revocation for HCCS, but not for HCCS. HCCS has provided an augmented record with this *and other missing documents*, labeled HCCS AR 007372 – 007443."

The District already included the SCOE's Analysis with the Administrative Record ("AR") submitted with the Notice of Appeal (see HCCS AR 7166-7366.), so any cites by HCCS to that Analysis should be to the AR submitted by the District on appeal. As to the documents HCCS identifies as "missing documents" which it has enclosed with new AR numbers as part of its Opposition, it is similarly unclear why HCCS seeks to augment the record to includes these documents. HCCS needs to either cite to the AR submitted with the District's appeal for any documents that are already included in the AR (which may include all of the records HCCS seeks to add), or the added documents should not be considered by SBE on appeal.

By correspondence to the District dated July 20, 2026, the CDE Charter Schools Division notified the District that it may submit a written reply to HCCS's written oppositions to the CDE by email at Charters@cde.ca.gov by 4:00 p.m. on August 3, 2026.

Pursuant to Section 11968.5.5 and direction from CDE Charter Schools Division, the District hereby submits its Reply to HCCS' Opposition and respectfully urges the SBE to find that the District Board's decision to revoke HCCS' Charter was supported by substantial evidence, and that SCBOE erred when it reversed the District Board's decision to revoke HCCS' Charter.

B. District Arguments

1. Standard of Review

Substantial Evidence is the appropriate standard of review applicable to this charter revocation reversal appeal. Education Code section 47607(i) provides:

> (4) The state board may reverse the revocation decision if the state board determines that the findings made by the chartering authority under subdivision (h) are not supported by substantial evidence. The state board may uphold the revocation decision of the school district if the state board determines that the **findings made by the chartering authority** under subdivision (h) **are supported by substantial evidence.** (Emphasis added.)

In its Opposition HCCS asserts that the "scope of review defined by Education Code section 47607, subdivision (i)(4), does not apply" and the District "has no basis" for demanding that SBE review the evidence presented by the District to determine whether its decision was supported by substantial evidence. (See HCCS Opposition, p. 10.)

Instead HCCS asserts that "in reviewing this appeal, SBE must uphold the decision of SBCOE that reversed the revocation unless it finds that SCBOE abused its discretion." (HCCS Opposition, p. 10.) This interpretation is misguided, not supported by appliable law, and inconsistent with Section 47607 on its face. Education Code section 47607(i) clearly provides that the SBE is guided by the deferential substantial evidence standard of review regarding this appeal.

2. District's Revocation Decision was Supported by Substantial Evidence

The District Appeal (pp. 9-23) and cited Administrative Record documents demonstrate that the District's decision to revoke HCCS' Charter was supported by substantial evidence.

The District Board convened on January 30, 2026, to consider whether to approve the issuance of a Final Decision to Revoke HCCS' Charter and unanimously approved issuance of a Final Decision to Revoke HCCS's Charter effectively immediately. In support of its Final Decision to Revoke HCCS' Charter, the Board adopted the findings of fact contained **in the Notice of Intent to Revoke and its exhibits** as its written factual findings, supported by substantial evidence specific to HCCS, and incorporated those findings into its approved Resolution as though set forth fully therein. In support of its decision to issue a Final Decision to Revoke HCCS' Charter, the Board further found that:

> (A) Substantial evidence demonstrates that the violations initially identified in the NOV, and demonstrated in the Notice of Intent to Revoke and exhibits thereto, and as further stated herein, have in fact occurred;
>
> (B) HCCS failed to refute, remedy, or propose remedial action sufficient to remedy all of the violations identified in the NOV;
>
> (C) The violations set forth in the NOV and Notice of Intent to Revoke, have not been sufficiently remedied by HCCS, and attempts at further corrective actions taken by HCCS, although considered by the Board, failed to sufficiently remedy the violations identified in the NOV and substantiated in the Notice of Intent to Revoke, and/or promised unsubstantiated and unreliable future performance and resulting uncertainty regarding future compliance

(HCCS AR 1236-1238.)

3. SBCOE Erred in its Decision to Reverse HCCS' Revocation

The SCBOE erred by finding that the District Board's revocation of HCCS' Charter was not supported by substantial evidence on the record that was presented to the SCBOE on appeal. Per operative Section 11968.5.5:

> (c) At the same time the appellant submits its Notice of Appeal to the SBE, the appellant shall also submit to the SBE a written argument in the form of a brief or letter that shall be individually and sequentially numbered, one number per page; be delivered to the respondent within five calendar days of delivery to the SBE; and contain the following:
>
> […]
> (2) **a summary of the arguments in support of the appellant's position that** the chartering authority and/or **the county board of education erred in its decision**; and
> […]
> (d) If the respondent chooses to submit a written opposition to the SBE, it must do so within 30 calendar days of the delivery of the appellant's written argument to the SBE. This written opposition shall be in the form of a brief or letter that shall be individually and sequentially numbered, one number per page; be delivered to the appellant within five calendar days of delivery to the SBE; and contain the following:
>
> […]
> (2) **a summary of the arguments in support of the respondent's position that** the chartering authority and/or **the county board of education did not err in its decision**;

As stated in the District's Appeal, the record on appeal indicates that individual SCBOE members, who ultimately voted in favor of reversing the revocation, engaged in "second guessing" the District Board's decision by substituting their judgment for that of the District Board and/or reweighed the evidence in contravention of the substantial evidence standard. For example, one SCBOE Trustee seemingly ignores the guidance provided both verbally and in writing by the Sacramento County Office of Education's ("SCOE") General Counsel and the District regarding the applicable substantial evidence standard of review stating, "a reasonable person would definitely not take away the ability of Highlands to do their job." (HCCS AR 8421, Transcript p. 154:18-20.) Another SCBOE Trustee also appeared to ignore guidance, basing her decision on reasons beyond the limits of the substantial evidence standard of review, including her stated self-interest of not wanting to get in the way of innovation because she believes the Charter School is serving students that no one else is serving, and to give the Charter School another chance since it "seems like things are turning around." (HCCS AR 8417-8418, Transcript pp. 149:24-25, 150:1-25.)

Per Education Code section 47607 ("Section 47607"):

> (i) (1) If a school district is the chartering authority and it revokes a charter pursuant to this section, the charter school may appeal the revocation to the county board of education within 30 days following the final decision of the chartering authority.

> (2) The county board of education may reverse the revocation decision **if** the county board of education determines that the findings made by the chartering authority under subdivision (h) are not supported by substantial evidence. The school district may appeal the reversal to the state board. (Emphasis added.)

Contrary to Section 47607 and the interpretation of the substantial evidence legal standard by California courts, HCCS asserts that Section 47607(i)(2) "explicitly" empowers "the County Board to second guess the school district's decision and make its own determination of whether the District's decision was supported by substantial evidence on the record." (Emphasis added.)(HCCS Opposition, p 12.)

As noted in the District Appeal and recognized by SCOE General Counsel and staff, and HCCS itself, substantial evidence is a deferential standard which required the SCBOE to "view the evidence in the light most favorable to the board's findings and indulge all reasonable inferences in support thereof." (*Hosford v. State Personnel Bd*. (1977) 74 Cal.App.3d 302, 307, quoting *Gubser v. Department of Employment* (1969) 271 Cal.App.2d 240, 245.) As stated in SCOE's Analysis presented to the SCBOE regarding HCCS's appeal:

> Under the substantial evidence standard, the County Board does not decide the appeal based upon whether it would have revoked the charter if it were in the place of the District under the same facts and circumstances. Rather, the County Board may only reverse it if it concludes that the revocation was not supported by substantial evidence. (Emphasis added.) (HCCS AR 8250, SCOE Analysis p. 18.)

This deferential substantial evidence standard was verbally recognized by SCBOE Trustee Fong during the May 19 meeting. (HCCS AR 8419-8420, Transcript pp. 151:20-153:5.)

Furthermore, SCOE in its Analysis also acknowledged and advised the SCBOE that:

> The courts have recognized that an inherent part of the "substantial evidence" standard is the presumption in favor of the lower tribunal's decision. In *Napa Valley Unified School District v. State Bd. of Education* (2025) 110 Cal. App.5th 609, 625 the court explained:
>
> > Under the substantial evidence test, our review begins and ends with a determination of whether there is substantial evidence, contradicted or uncontradicted, to support the findings. We do not reweigh the evidence and are bound to indulge all presumptions and resolve all conflicts in favor of the administrative decision. Substantial evidence is relevant evidence that a reasonable mind might accept as adequate to support a conclusion. (Emphasis added.) (HCCS AR 8250-8251, SCOE Analysis pp. 18-19.)

See also SCOE General Counsel's presentation to the SCBOE, describing the legal definition of "substantial evidence" (HCCS AR 8265, Slide 7); and HCCS Opposition, p. 10, stating, "the same presumption of deference inherent in the substantial evidence standard now applies to the decision of SCBOE for the purposes of this appeal. … Under the substantial evidence test, SBE may not

reweigh the evidence. Instead, it "must indulge all presumptions and resolve all conflicts in favor of the administrative decision under appeal." (Emphasis added.)

4. The SCBOE Did Adopt Findings in Support of its Decision

While HCCS asserts that Section 47607 does not require SCBOE's decision to specify why it found that TRUSD's findings were not supported by substantial evidence in support of its decision to reverse HCCS' revocation (HCCS Opposition, p. 15), the SCBOE did adopt Resolution No. 26-17B by a vote of 4-3, with which it expressly adopted SCOE's Analysis of the HCCS charter revocation appeal and found that the findings made by the District Board of Trustee's to revoke the Highlands Community Charter School are not supported by substantial evidence. (See HCCS AR 8432-8433; HCCS Opposition, p, 13.)

By adopting SCOE's Analysis, the SCBOE adopted the findings therein when making its decision to reverse the revocation. SCOE expressly states the following in its Analysis:

> If the County Board finds that the District Board was not required to consider remedies implemented after the September 26, 2025 remedy deadline, **then the District Board's January 30, 2026 revocation resolution, which was based on the November 4, 2025 Notice of Intent to Revoke, contained substantial evidence to support revocation**.
>
> Alternatively, if the County Board determines that the District Board's dissatisfaction with the Charter Schools' remedies as of January 30, 2026 was not supported by substantial evidence in the appeal record, then it may overturn the District's revocation decision if it also finds that the District Board was required to consider remedies implemented between the September 26 remedy deadline and its January 30, 2026 revocation decision.
>
> (HCCS AR 8258.)

While the SCBOE, by adopting Resolution No. 26-17B, found that the District Board's findings are not supported by substantial evidence, it did not find that the District Board was required to consider remedies implemented after the September 26 remedy period deadline.

As noted in the District's Appeal, the failure of the SCBOE to make this finding was not for lack of being made aware of the issue. SCOE General Counsel clarified that this was the SCBOE's decision to make. (HCCS AR 8410, Transcript, pp. 142:1-10.) Although the issue was brought up during discussion at the SCBOE May 19 meeting and it was recognized and acknowledged as something the SCBOE needed to decide, admittedly there was no consensus reflected in the verbal record of the May 19 hearing or in the written decision/Resolution. For example, one SCBOE Trustee expressed her confusion during the May 19 meeting about why the SCBOE was not coming to some consensus about the "fundamental issue" of whether an extension to attempt further remedial action past the remedy period deadline was required since the answer would impact the SCBOE's consideration of the evidence. (HCCS AR 8409, Transcript p. 141:7-24.)

Since the SCBOE adopted SCOE Staff's Analysis finding that the District Board's decision to revoke HCCS' Charter was supported by substantial evidence, the SCBOE could not reverse the District Board's decision to revoke unless it also found that the District Board was required to

consider remedies implemented by the Charter School after the conclusion of the remedy period. The SCBOE did not make this finding.

5. The District Provided HCCS with a Reasonable Opportunity to Remedy

HCCS is operated and governed independently by Highlands Community Charter and Technical Schools ("HCCTS"), a California nonprofit public benefit corporation, and its Board of Directors.

Following multiple and varying requests for information and notices of concern over a twelve-month period, the District determined that HCCTS either failed to remedy multiple areas of concern despite its receipt of multiple information requests and notices of concern from the District or makes promises of future improvements without offering viable plans that either have been implemented or are capable of being implemented by HCCTS. As a result, and since the District viewed HCCS' material violations of the conditions, standards, or procedures of its Charter and MOU, violations of law, engagement in fiscal mismanagement, as grounds for revocation, the District determined that the point had been reached where it was necessary to initiate the first step in the formal revocation process, with the issuance of a Notice of Violation per Education Code section 47607 ("Section 47607") and Title 5, California Code of Regulations, section 11968.5.2 ("Section 11968.5.2").

The District issued the Notice of Violation on June 17, 2025, and provided HCCS over three months until September 26, 2025, to respond to the Notice of Violation.[1] Furthermore, HCCTS had knowledge of the underlying violations well before the Notice of Violation was issued. For all violations, HCCTS/HCCS had been aware of the issues for many months, and for some instances more than a year.

For example, corrective actions to address the credential misassignment violation had already been well under way before the Notice of Violation was issued. As to site locations, California Innovative Career Academy ("CICA") had approximately twenty (20) approved locations available, and HCCS had more than fifty (50) approved instructional locations available to choose from. (HCCS AR 1563-1564.) This provided both schools with numerous options that would allow them to start the school year in compliance with their Charter/MOU and applicable law without needing to secure any new facilities or leases and without the need for an approved material rev

Accordingly, the reasonableness of remedy period must be viewed with awareness and consideration of the substantial advance notice that HCCTS/HCCS had already received.

Likewise, HCCS had sufficient time to start the school year compliant with the approved grade levels. They were not required to start serving students in 1st and 2nd grade to cure the violation, the only action necessary was to discontinue serving the unapproved grades before the year started. This action did not require an approved material revision.

[1] HCCS baselessly asserts that TRUSD denied HCCS a reasonable opportunity to remedy by claiming that the documents HCCS submitted after 9/26/25 in support of its response to the Notic of Violation were untimely. (HCCS Opposition, p. 24.) TRUSD never represented that the documents submitted in response to the Notice of Violation were rejected as untimely and TRUSD received and thoroughly considered those supporting documents as part of its determination whether to move forward with the issuance of the Notice of Intent to Revoke.

For those violations that HCCTS asserts could not reasonably be corrected within the remedy period, Section 11968.5.2 expressly permitted HCCTS to submit proposed remedial actions. Such proposals only required HCCTS to identify the actions HCCS planned to take to address a specific violation and explain how the violation would be remedied. The only statements in HCCS' September 26 response to the Notice of Violation regarding future compliance were promises that compliance will somehow be achieved: "*This issue will be fully resolved once the TRUSD Board approves the submitted material revision. If the Board does not approve certain sites, Highlands will immediately limit operations to District-approved locations*." (HCCS AR 7716.) Such statements did not address significant questions related to the violations. In this instance a remedial plan should have, for example, provided a plan addressing how the lease agreements with the unapproved sites would be handled, actionable steps that would be taken, and/or some type of timeline outlining when compliance would be achieved. In order for the District to consider proposed remedial actions, HCCTS would have had to propose remedial actions.

HCCTS therefore cannot now assert that the District rejected proposed remedial plans or that the District improperly insisted that every violation be fully corrected within the remedy period. Instead, the fault lies with HCCTS' own decision not to utilize the options available under Section 11968.5.2. The record supports the conclusion that the District provided a reasonable opportunity to refute, remedy, or propose remedial actions consistent with the Statute.[2]

When viewed in its entirety, the record demonstrates that the remedy period was reasonable. HCCTS had advance notice of the violations, students were out of session during much of the remedy period, HCCTS had already taken steps toward compliance in several instances, and the Education Code expressly permitted the submission of proposed remedial actions for any violations that could not be fully resolved before the remedy period deadline.

6. The Existence of Third-Party Factors Did not Render the Remedy Period Unreasonable

HCCS asserts in its Opposition that the September 26, 2025, remedy deadline was unreasonable because certain violations depended on actions by third parties, including completion of the independent audit, execution of lease termination agreements, and the District's review of material revision requests. The existence of third-party factors, however, does not establish that the District failed to provide a reasonable opportunity to remedy the identified violations.

As acknowledged by HCCS in its Opposition, Section 11968.5.2 afforded HCCTS/HCCS the opportunity to submit a proposed remedial action specific to each alleged violation if it could not be fully corrected during the remedy period. (HCCS Opposition, pp. 15-16.) Since it seems that HCCTS determined that completion of the audit, execution of lease termination agreements, or

[2] Based on the findings and recommendation of District Staff, on November 4, 2025, the District's Board unanimously approved the issuance of the Notice of Intent to Revoke based upon its determination that HCCS failed to refute, take remedial action, or propose remedial action specific to each of the alleged violations constituting the following grounds for revocation: (1) HCCS committed a material violation of the conditions, standards, or procedures set forth in its Charter; (2) HCCS violated any law; and (3) HCCS engaged in fiscal mismanagement. (HCCS AR 1202-1234.) A summary of the District's November 4, 2025 evaluation of whether HCCS remedied the violations identified in the Notice of Violation is provided in SCOE's Analysis of the HCCS Charter Revocation Appeal. (HCCS AR 8240-8234, SCOE Analysis, pp. 8-11.)

approval of material revisions could not reasonably occur before the September 26, 2025, remedy period deadline, it could have submitted proposed remedial actions describing what HCCTS proposed to do to remedy the violation(s).

Instead, HCCTS elected to rely upon the future actions of third parties. It relied on its independent auditor to complete the audit, on landlords to execute lease termination agreements, and on the District to review and act upon material revision requests. While those actions may have required additional time, they did not preclude HCCTS from proposing a path to compliance as contemplated by Section 11968.5.2

Moreover, HCCTS' reliance on third party factors was in several instances the result of its own operational decisions. Both HCCS' and CICA's material revision requests were submitted at the same time. Both sought extensive amendments that substantially expanded and, in many respects, rewrote the approved charters. Given the scope of those requests, HCCTS knew, or reasonably should have known, that the District's review of the extensive charter changes proposed would require careful consideration and could not be completed on an expedited basis. Nevertheless, HCCTS continued to permit HCCS and CICA to operate outside the scope of their approved charters while awaiting discretionary approval of those requests.

Similarly, the violations involving unauthorized grade levels and unapproved locations were not dependent upon third-party action. HCCTS retained the authority to discontinue serving unapproved grades and to operate only at locations authorized under the existing respective charters/MOUs while any material revisions were pending. Rather than exercising those options, HCCTS chose to continue operating the two charter schools outside the terms of its approved charters.

Therefore, the reasonableness of the remedy period cannot be evaluated based on delays associated with actions outside the District's control or on compliance strategies selected by HCCTS. Consistent with Section 47607 and Section 11968.5.2, the District provided HCCS with a reasonable opportunity to remedy, refute, or propose remedial action specific to the violations. HCCTS' decision to rely on uncertain future actions by third parties, rather than utilizing the processes it had available to address those circumstances, does not render the remedy period unreasonable.

7. There Were No Procedural Deficiencies that Impacted HCCS' Ability to Remedy the Violations

In determining whether the District Board's factual findings were supported by substantial evidence, the SCBOE was required to consider "whether an alleged procedural deficiency negatively impacted the charter school's ability to refute or remedy the alleged violation or the District's ability to comply with its procedural obligations or authorizing duties." (Calif. Code Regs., tit. 5, § 11968.5.4.)

The SCOE Analysis found that the District complied with all requirements of the revocation process and there were no procedural deficiencies that negatively impacted HCCS's ability to refute or remedy the alleged violations. (HCCS AR 8251, 8253, 8256, SCOE Analysis pp. 19, 21, 24.) The SCBOE adopted Resolution No. 26-17B by which it expressly adopted SCOE's Analysis of the HCCS charter revocation appeal, and there were no other findings made by the SCBOE to the contrary.

8. The District did not Grant an Extension to the Remedy Period Deadline

The District issued a Notice of Violation on June 17, 2025, which afforded HCCS until September 26, 2025 (over 3 months) to remedy the violations. Following review of the evidence submitted to the District in HCCS' Response to the Notice of Violation, District Staff determined that the violations had not been remedied.[3] The District Board thereafter approved issuance of a Notice of Intent to Revoke on November 4, 2025. (HCCS AR 1202-1234.)

In accordance with Section 11968.5.2, the Notice of Intent to Revoke was not issued until after the District determined HCCS failed to successfully remedy the violations within the reasonable time period it was allotted to do so.

Although HCCTS submitted additional materials between September 26, 2025 and January 9, 2026, after expiration of the remedy period, which HCCTS/HCCS asserted are additional remedial actions the District was obligated to consider, the relevant inquiry is whether the violations were remedied by the expiration of the established remedy period (See Section 11968.5.2).[4]

As was asserted in the District Appeal, if a chartering authority were required to consider every action taken in response to a Notice of Violation after the expiration of the remedy period, it would essentially force the chartering authority to restart the process, and a charter school could prevent revocation indefinitely by producing new evidence or arguments during the post-remedy period deadline and then insist that the authorizer may not evaluate them without restarting revocation proceeding. This untenable option was suggested by a SCBOE Trustee during the SCBOE meeting on May 19, 2026. (HCCS AR 7331.) Nothing in Section 47607 or Section 11968.5.2, requires such a result or process.

SCOE's Analysis recognized that the Education Code and regulations do not include a requirement to allow remedies after the close of the remedy period and "While District staff recommended accepting the post deadline remedies, the District Board was not required to accept this recommendation." (HCCS AR 8254, SCOE Analysis p. 22.) During the May 19 meeting SCOE's General Counsel explained to the SCBOE that the statute did not require the District Board to give more time to remedy beyond expiration of the remedy period. (HCCS AR 8392, Transcript p. 124:19-24; See also SCOE presentation, HCCS AR 8266, Slide 8.)

Even if the District were required to consider actions taken by HCCTS after the September 26, 2025, remedy period deadline, these actions largely consisted of revised plans, evolving explanations, and assurances of future compliance, but did not demonstrate that the violations had actually been remedied.

Applicable law does not provide a standard through which the success of remedial actions should be judged nor did it require the District Board to consider remedial efforts taken after the reasonable opportunity to remedy period expired. Across multiple violations, the evidence reflects a consistent pattern: HCCS acknowledged noncompliance, proposed plans contingent on future

[3] District Staff found that only one of the violations in the Notice of Violation (the one regarding credential requirements) had been remedied.

[4] SCOE's own BP 2400 cited by HCCS in its appeal of its revocation to the SCBOE and in its Opposition concurs with this conclusion stating: **"Substantial evidence," within the meaning of Education Code section 47607, shall be evidence that**: […] **Was not cured by the charter school during its reasonable opportunity to remedy the violation**. (Emphasis added.) (HCCS AR 8192.)

approvals or future actions, and, in several instances, continued the very conduct that gave rise to the violations. While District Staff, in some instances, recommended that progress toward compliance could support a determination that the violation was remedied, the District Board, consistent with its statutory authority, determined that actual, demonstrable remediation had not been achieved.

C. Conclusion

The record before the SCBOE and now on appeal to the SBE contains substantial evidence supporting the District's findings in support of HCCS' revocation. For each violation, there is substantial evidence on the record that HCCS violated the law, its Charter/MOU, or engaged in fiscal mismanagement, and failed to remedy those violations within the required remedy period (June 17, 2025 – September 26, 2025). In multiple instances, HCCS continued to operate out of compliance, failed to provide required documentation, and relied on assurances of future compliance without a sufficient proposed remedial action to address the violations.

The District Board properly concluded that based upon substantial evidence HCCS violated the law, its Charter/MOU, and engaged in fiscal mismanagement, and that HCCS failed to refute, remedy, or propose remedial action sufficient to remedy all of the violations identified in the Notice of Violation.

Therefore, the District respectfully urges the SBE to find that the District Board's decision to revoke HCCS' Charter was supported by substantial evidence, and that SCBOE erred when it reversed the District Board's decision to revoke HCCS' Charter.