



CCA Notification
Letter
5.19.10

Via e-mail dgonzal1@amfam.com and Certified Mail – Return Receipt Requested:
9171082133393663930115

May 18, 2010

Ms. Donielle Gonzales
President, Boards of Directors
Dolores Huerta Preparatory High and
Cesar Chavez Academy
2500 West 18th Street
Pueblo, CO 81003

Dear Ms. Gonzales:

This letter formally advises you that the Board of Education of Pueblo School District 60 declares Dolores Huerta Preparatory High and Cesar Chavez Academy to be in default in their charter contracts with Pueblo City Schools. The recent audit conducted by MGT of America and its findings in that regard as well as other individual deficiencies associated with academic performance, dropout rates, graduation rates and deteriorating CSAP scores each and all give rise to our decision pursuant to the terms of Board Policy LBD (Relations with Charter Schools) as well as the District Contracts with each of the two (2) schools to place each school on probationary status. (Section 33 of the Policy) We reach this determination in that the MGT findings and deficiencies rise to the level of severity that justifies revocation of the charters, as there has been a violation of Section 34 of that policy which states that termination is warranted when the Charter School has:

“Failed to meet or make reasonable progress toward achievement of content standards or pupil performance standards identified in the charter application;

Failed to meet generally accepted standards of fiscal management;

Violated any provision of law from which the Charter School was not specifically exempted.”

The schools have also violated various Sections of the DHPH & CCA Contracts. Specifically your deficiencies include but are not limited to:

1. Failure to provide evidence that CCA/DHPH are currently recognized as 501(c)(3) entities;
2. Severe nepotism in hiring practices and operations of the schools;
3. Failure to maintain reserves pursuant to the bond documents;
4. Failure to constitute and maintain Boards of Directors in accordance with your Bylaws and allowed participation on your Boards of Directors by individuals who have clear conflicts of interest in violation of Paragraph 17.7 of the DHPH Contract
5. Use and payment of cell phone and credit card accounts without maintaining supporting records;
6. Payment by the Boards of exorbitant compensation packages to the CEO, COO and CFO while insolvent and/or without sufficient reserves;
7. Failure to develop strategies to deal with accelerating dropout rates, falling graduation rates and poor CSAP performance and failure to properly justify inordinately high accommodations for CSAP participants in violation of Article II of the CCA/DHPH Charter Contracts;
8. Evidence that improper grade changes have taken place at either or both CCA and DHPH;
9. Use of CCSN in a business manner not allowed by the Contracts with the District;
10. Decisions by Board without a quorum;
11. Violation of Article V of the CCA/DHPH Charter Contracts regarding keeping records;
12. Violation of Title X, Paragraph 10.2 of the CCA/DHPH Charter Contracts regarding annual audits;
13. Violation of Title XIII, Paragraph 13.9 of the CCA/DHPH Charter Contracts regarding the competitive bidding process;
14. Violation of Title IXX, Paragraph 19.5 of the DHPH Charter Contract regarding comingling of CCA/DHPH assets;

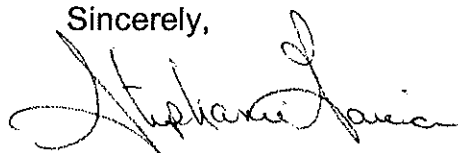
Based on these undisclosed findings and deficiencies and others of which we may not be aware at this time, the following requirements are placed on the schools to satisfy School District 60 in its efforts to get the Charters on the right track. Other requirements may come to light during the next few weeks which may be added to the list of non-compliance.

REQUIREMENTS

1. Immediately terminate the CFO without use of taxpayer dollars;
2. Immediately commence re-negotiations of the Charter Contracts of DHPH and CCA to insure that deficiencies do not continue or reoccur. School District 60 reserves the sole discretion to determine if it would be in the best interests of the schools and its students to negotiate one consolidated contract for both schools which would be governed by one board;
3. Provide verification of credentials of teachers to establish them as being "highly qualified" pursuant to Federal and State law;
4. Develop a cohesive written strategy for lowering dropout rates with specific goals acceptable to Pueblo School District 60;
5. Develop written strategies for increasing graduation rates;
6. Develop written strategies for appropriate preparation of students for CSAP;
7. Immediately discontinue any efforts to settle pending litigation against the schools, past and/or present board members, administration and/or staff with the use Federal, State or local taxpayer dollars;
8. Adopt the recommendations of the MGT audit;
9. Please send the current names of the Board of Directors of CCA and their resumes.

Item 1 of the forgoing requirements must be accomplished within 48 hours of receipt of this letter and immediately deny access by your CFO to school records. Please call upon Pueblo School District 60 to help monitor the CFO's retrieval of personal items from his office. The remaining requirements must be accomplished not later than 30 (thirty) days from receipt of this letter, unless the Board of Education of School District 60 agrees otherwise in writing.

Sincerely,



Stephanie Garcia
President, Board of Education
Pueblo School District 60