

**Arizona State Board for Charter Schools
November 20, 2009
1700 W. Washington Street
Phoenix, Arizona 85007
Room 164**

MINUTES

Members Present-

Christy Farley – President
Lynne Adams – Public Member
Ruby Alvarado-Hernandez – Public Member
Peter Bezanson – Charter School Operator
Doug Ducey – Business Member
Dana Krals – Public Member
Jake Logan – Business Member

Members Absent

Norm Butler – Vice President
Mary Gifford – Superintendent Designee

Meeting began at 9:37 a.m.

Agenda Item A: Pledge of Allegiance

Agenda Item B: Moment of Silence

Agenda Item C: Roll Call:

Heather Kelley called the roll and confirmed a quorum.

Agenda Item D: Call to the Public

The Board received Call to the Public Request form from Scott Gill and Geneva Saint-Amour.

Scott Gill is a representative from Expeditionary Learning Schools Outward Bound. Mr. Gill provided the Board with a brief overview of Expeditionary Learning Schools Outward Bound, indicating that they are also teamed up with several charter school applicants going through this application cycle, including NorthPoint Expeditionary Learning Academy.

Geneva Saint-Amour, Director of NorthPoint Expeditionary Learning Academy introduced herself and provided the Board with an overview of her school, which currently operates as a school under Prescott Unified District. NorthPoint Expeditionary Learning Academy is an applicant in the current application cycle and Ms. Saint-Amour invited the board members to visit her school.

Agenda Item E: Race to the Top Presentation

Karla Philips, Education Policy Advisor for the Governor’s Office, presented information about the Race to the Top fund, a part of the State Fiscal Stabilization Fund. Ms. Philips identified for the Board the four education reforms that are the focus of the fund and the requirements to ensure that progress is being made in each of those reform areas. In addition, Ms. Philips outlined requirements for Race to the Top in each reform area. She also reported charter representation on each task force addressing the required reform areas.

Agenda Item E: Arizona Charter Schools Association Update

Eileen Sigmund, AZ Charter Schools Association President/CEO, gave a brief update on the Association’s work. Ms. Sigmund spotlighted Larry Pieratt, Leader of the Year and Founder and former Director of Horizons Community Learning Center.

Agenda Item F: Superintendent’s Report

There was no report.

Agenda Item G: Executive Director's Report

1. Status of charters with previous and/or on-going board actions

Deputy Director Martha Morgan stated that the update of on-going Board actions and schools under compliance monitoring was included in the Board's materials and reported that the North Star Charter Schools revocation hearing had been rescheduled to November 19th and 20th. No additional information was requested by the Board.

2. Update on Staff Conference Attendance, Presentations, Site Visits and Application Reviews

Ms. Morgan provided the board with the following information:

- Staff conference attendance and presentations: Executive Director DeAnna Rowe and Martha attended the National Association of Charter School Authorizers (NACSA) Leadership Conference in October, 2009. Also in October, Martha attended a USDOE conference for State Education Agencies on the Charter Schools Program Grant; Heather Kelley presented fingerprinting requirement training in conjunction with Arizona Department of Public Safety at the ACSA North Group Regional Meeting; DeAnna, Martha and Heather attended the annual Arizona Charter Schools Association conference in early November where Martha presented a session on the charter renewal process and a session on the new database. Martha also presented during the Association's Performance Management session at the conference. DeAnna presented a summary of the presentations at the Association's East Valley Chapter meeting.
- Site Visits: Since August, staff has conducted a total of 32 site visits. 16 of those were for the purpose of general monitoring, and 16 were 1st year site visits. Staff has conducted one failing schools visit with two additional failing schools visits scheduled in December.
- Application Reviews: There are currently 24 applications being reviewed.

Agenda Item H: Consent Agenda

1. Choice Academy, Inc. – Change in Instructional Hours
2. CPLC Community Schools – USFRCS and Procurement Law Exceptions
3. Educational Enterprises, Inc. – Increase Grades Served
4. Imagine Preparatory High School at Apache Junction, LLC – Change Charter Holder Name

MOTION

Lynne Adams made a motion to approve the Consent Agenda as presented. Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

Agenda Item J: Good Cause Extension Request for Consideration

1. Ball Charter Schools (Eastside)
2. Ball Charter Schools (Westside)
3. North View Public Charter High School
4. Verde Secondary Academy Public Charter High School
5. Vista Pointe Public Charter Elementary School

George Ellis, representing Ball Charter Schools, addressed the Board. Mr. Ellis shared the efforts being taken by the applicant to secure facilities for the two approved applications.

MOTION

Jake Logan made a motion to approve the Good Cause Extension to the signing and execution of the charter contract for Ball Charter Schools (Eastside) and Ball Charter Schools (Westside) until November 1, 2010 with a planned opening date of Fall 2011 and that the applicant submit any documentation necessary to bring the application current with policy, rule, state or federal law at least 90 days prior to the signing of the contract. Lynne Adams seconded the motion.

Motion passed unanimously

Michele Kaye representing North View Public Charter High School, Verde Secondary Academy Public Charter High School and Vista Pointe Public Charter Elementary School addressed the Board. Ms. Kaye shared the efforts being taken by the applicant to secure facilities for the three approved applications.

MOTION

Lynne Adams made a motion to approve the Good Cause Extension to the signing and execution of the charter contract for North View Public Charter High School, Verde Secondary Academy Public Charter High School and Vista Pointe Public Charter Elementary School until June 1, 2011 with a planned opening date of Fall 2011-2012 and that the applicant submit any documentation necessary to bring the application current with policy, rule, state or federal law at least 90 days prior to the signing of the contract. Dana Krals seconded the motion.

Motion passed unanimously

Agenda Item K: Charter Replication Application

Peter Bezanson, representing the applicant, presented information to the Board regarding the Great Hearts Academies opening a charter school in Anthem to serve grades 6-12 through the replication process.

MOTION

Jake Logan made a motion to accept the application and grant the replication charter for Anthem Preparatory Academy. Ruby Alvarado-Hernandez seconded the motion.

Motion passed
(Bezanson recused)

Agenda Item L: Compliance Matters

1. The Board will receive information to determine whether evidence exists that the Charter Holders listed below have failed to comply with the fingerprinting requirements prescribed in A.R.S. § 15-183(C) or A.R.S. § 15-512.
 - a. Espiritu Community Development Corp.

Andrea Leder presented evidence to the Board that Espiritu Community Development Corp. failed to comply with fingerprinting requirements. Shelly D. Cutts, attorney for the charter holder and Armando Ruiz, representative of Espiritu Community Development Corp., presented evidence to the Board that the fingerprint requirement was not violated by the charter holder, but by the vendor contracted by the charter holder.

MOTION

Lynne Adams made a motion that the Board find that Espiritu Community Development Corp. failed to comply with the fingerprinting requirements of A.R.S. §15-183.C when its contracted special education aide provided instruction to students at Espiritu without having a valid fingerprint clearance card and, that under A.R.S. §15-185.I, this failure constitutes Espiritu's subsequent violation of the fingerprinting requirements of A.R.S. §15-184.C or §15-512. Further, the Board imposes a civil penalty of \$1,000 against Espiritu Community Development Corp. Finally, the Board directs staff to:

- Apprise Espiritu Community Development Corp. of the Board's findings and decision in this matter; and
- Notify the Charter Operator that if the Board determines that the charter school subsequently violates the fingerprinting requirements of A.R.S. §15-184.C or §15-512 during the next five years, a civil penalty of \$1,000 per occurrence shall automatically be imposed.

Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

b. Haven Montessori Children's House, Inc.

Martha Morgan presented evidence to the Board that Haven Montessori Children's House, Inc. failed to comply with fingerprinting requirements. Elisa McKnight and Kim Avery, representing Haven Montessori Children's House, Inc., presented the Board with an outline of the efforts made by the charter to meet the 48 hour deadline for compliance.

Lynne Adams made a motion that the one occurrence, as it has been presented and documented in the Board materials and discussed, constitutes Haven Montessori Children's House, Inc.'s first time for civil penalty purposes under A.R.S. § 15-185.I. This motion is based on the following findings:

- 1) Haven Montessori Children's House, Inc. failed to comply with fingerprinting requirements prescribed in A.R.S. §15-183.C or A.R.S. §15-512.
- 2) Haven Montessori Children's House, Inc. provided proof within a couple of hours of the required timeframe of the written notification that an application for the appropriate fingerprint check has been received by the Department of Public Safety and that Haven Montessori Children's House, Inc. provided information and basis for that additional 2 hours to meet the deadline that was satisfactory to the Board.

Further, the Board directs staff to:

- 3) Apprise Haven Montessori Children's House, Inc. of the Board's findings and decision in this matter; and
- 4) Notify the Charter Operator that if the Board determines that the charter school subsequently violates the fingerprinting requirements during the next five years, a civil penalty of \$1,000 per occurrence shall automatically be imposed.

Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

c. US Mental Math Federation Incorp.

Heather Kelley presented evidence to the Board that US Mental Math Federation Incorp. failed to comply with fingerprinting requirements. A representative of US Mental Math Federation Incorp was not present.

MOTION

Jake Logan made a motion that the Board determine that this constitutes a first occurrence and that the charter school is out of compliance with fingerprinting requirements and that the school provided timely proof of submission to the department. Further, the motion included that the 3 occurrences, as they have been presented and documented in the Board materials and discussed, constitute US Mental Math Federation Incorp's first time for civil penalty purposes under A.R.S. § 15-185(I). This motion is based on the following findings:

- 3) US Mental Math Federation Incorp failed to comply with fingerprinting requirements prescribed in A.R.S. § 15-183(C) or A.R.S. § 15-512.
- 4) US Mental Math Federation Incorp provided proof within the required timeframe of the written notification that an application for the appropriate fingerprint check has been received by the Department of Public Safety.

Further, the Board directs staff to:

- 1) Apprise US Mental Math Federation Incorp of the Board's findings and decision in this matter; and
- 2) Notify the Charter Operator that if the Board determines that the charter school subsequently violates the fingerprinting requirements during the next five years, a civil penalty of \$1,000 per occurrence shall automatically be imposed.

Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

2. The Board will receive information to determine whether evidence exists that the Charter Holders listed below are in breach of one or more provisions of their charter contract, federal, state, or local laws regarding their failure to meet the timeframes established in one or more of the following areas: failure to timely submit the annual financial audit in accordance with A.R.S. § 15-183(E)(6), and/or failure to timely submit the annual financial report in accordance with A.R.S. § 15-183(E)(6), and/or failure to timely submit the Declaration of

Curricular and Instructional Alignment.

a. Fiscal Year 2009 Annual Financial Audit

First Year Late

1. Blue Adobe Project
2. Children's Success Academy, Inc.
3. Compass High School, Inc.

Second Consecutive Year Late

1. El Pueblo Integral - Teaching and Learning Collaborative
2. Global Education Foundation, Inc.
3. Heritage Elementary School
4. Liberty Traditional Charter School
5. Vechij Himdag Alternative School, Inc.

Third Consecutive Year Late

1. Academy of Arizona

b. Fiscal Year 2009 Annual Financial Report

1. Blue Adobe Project

c. Fiscal Year 2009 Declarations of Curricular and Instructional Alignment

1. Academy of Arizona (Governing Board and Charter Administrator Declarations)
2. Khalsa Family Services (Governing Board and Charter Administrator Declarations)
3. Phoenix Education Management, LLC (Governing Board Declaration)

Andrea Leder presented the Board with background information and timeframes established by the Board. Ms. Leder then provided the Board with information regarding the charters that failed to timely submit the annual financial audit and/or failed to timely submit the annual financial report. Ms. Leder stated that four charters had sent letters to the Board which were provided to members at the time of the meeting.

Shari Popin, representing Blue Adobe Project, addressed the Board and provided information regarding the current status of Blue Adobe Project's annual financial audit and submission of the annual financial report.

MOTION

Lynne Adams made a motion that Blue Adobe Project is in noncompliance with state law for their failure to submit the annual financial statement and compliance audit for fiscal year 2009 and its failure to submit the fiscal year Annual Financial Report and approve withholding 10% of each charter holder's monthly State aid apportionment until the 1) fiscal year 2009 annual financial statement and compliance audit is submitted and 2) until the fiscal year 2009 Annual Financial Report is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914. Dana Krals seconded the motion.

Motion passed unanimously

President Farley asked if there was a representative present for Children's Success Academy, Inc. There was no response.

MOTION

Lynne Adams made a motion that the Board find Children's Success Academy, Inc. is in noncompliance with state law for their failure to submit the annual financial statement and compliance audit for fiscal year 2009 and approve withholding 10% of each charter holder's monthly State aid apportionment until the fiscal year 2009 annual financial statement and compliance audit is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914. Doug Ducey seconded the motion.

Motion passed unanimously

President Farley asked if there was a representative present for Compass High School, Inc. There was no response.

MOTION

Lynne Adams made a motion that the Board find Compass High School, Inc. is in noncompliance with state law for their failure to submit the annual financial statement and compliance audit for fiscal year 2009 and approve withholding 10% of each charter holder's monthly State aid apportionment until the fiscal year 2009 annual financial statement and compliance audit is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914. Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

President Farley asked if there was a representative present for El Pueblo Integral – Teaching and Learning Collaborative. There was no response.

MOTION

Lynne Adams made a motion that the Board find El Pueblo Integral – Teaching and Learning Collaborative is in noncompliance with state law for their failure to submit the annual financial statement and compliance audit for fiscal year 2009 and approve withholding 10% of each charter holder's monthly State aid apportionment until the fiscal year 2009 annual financial statement and compliance audit is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914. Dana Krals seconded the motion.

Motion passed unanimously

President Farley asked if there was a representative present for Global Education Foundation, Inc. There was no response.

MOTION

Lynne Adams made a motion that the Board find Global Education Foundation, Inc. is in noncompliance with state law for their failure to submit the annual financial statement and compliance audit for fiscal year 2009 and approve withholding 10% of each charter holder's monthly State aid apportionment until the fiscal year 2009 annual financial statement and compliance audit is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914. Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

President Farley asked if there was a representative present for Heritage Elementary School. There was no response.

MOTION

Lynne Adams made a motion that the Board find Heritage Elementary School is in noncompliance with state law for their failure to submit the annual financial statement and compliance audit for fiscal year 2009 and approve withholding 10% of each charter holder's monthly State aid apportionment until the fiscal year 2009 annual financial statement and compliance audit is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914. Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

President Farley asked if there was a representative present for Liberty Traditional Charter School. There was no response.

MOTION

Lynne Adams made a motion that the Board find Liberty Traditional Charter School is in noncompliance with state law for their failure to submit the annual financial statement and compliance audit for fiscal year 2009 and approve withholding 10% of each charter holder's monthly State aid apportionment until the fiscal year 2009 annual financial statement and compliance audit is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914.

Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

President Farley asked if there was a representative present for Vechij Himdag Alternative School, Inc. Lilian Kim Franklin, principal, addressed the Board. Ms. Franklin stated that the charter is taking this situation very seriously and will be submitting the audit late but complete and accurate.

MOTION

Lynne Adams made a motion that the Board find Vechij Himdag Alternative School, Inc. is in noncompliance with state law for their failure to submit the annual financial statement and compliance audit for fiscal year 2009 and approve withholding 10% of each charter holder's monthly State aid apportionment until the fiscal year 2009 annual financial statement and compliance audit is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914. Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

President Farley asked if there was a representative present for Academy of Arizona. There was no response.

MOTION

Lynne Adams made a motion that the Board find Academy of Arizona is in noncompliance with state law for their failure to submit its fiscal year 2009 annual financial statement and compliance audits and for its failure to submit fiscal year 2010 Declaration of Curricular and Instructional Alignment and approve withholding 10% of the charter holder's monthly State aid apportionment until both 1) fiscal year 2009 annual financial statement and compliance audit is submitted and 2) the fiscal year 2010 Declaration of Curricular and Instructional Alignment is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914. Lynne Adams also made a motion to issue a Notice of Intent to Revoke the charter contract of Academy of Arizona for failure to submit the fiscal year 2009 annual financial statement and compliance audit on time for three consecutive fiscal years as required by A.R.S. §15-183.E.6, A.R.S. §15-914, and also for its failure to submit in a timely fashion its fiscal year 2010 Declaration of Curricular and Instructional Alignment and pursuant to their charter contract. Further, within 24 hours of receipt of the Notice, the charter operator is required to notify staff and parents or guardians of registered students of the Notice of Intent to Revoke and the Notice of Hearing and provide a school location where the copy may be reviewed; that within 20 days of the Notice of Intent, the charter operator shall provide copies of all correspondence and communications used to comply with the proceeding provision to the staff of the Board and that within 20 days of receipt of the Notice of Intent, the charter operator shall provide the Board with the names and mailing addresses of parents and/or guardians of all students registered with the school. Member Adams also noted that, although this is a single compliance matter that could be quickly corrected, it is significant, recurring as noted for three consecutive years and requires substantial staff resources each year to remedy. Dan Krals seconded the motion.

After further discussion, Lynne Adams amended the motion to find Academy of Arizona is in noncompliance with state law for their failure to submit its fiscal year 2009 annual financial statement and compliance audits and for its failure to submit its fiscal year 2010 Declaration of Curricular and Instructional Alignment and approve withholding 10% of the charter holder's monthly State aid apportionment until both 1) fiscal year 2009 annual financial statement and compliance audit is submitted and 2) the fiscal year 2010 Declaration of Curricular and Instructional Alignment is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914. I also move that issue a Notice of Intent to Revoke the charter contract of Academy of Arizona for failure to submit the fiscal year 2009 annual financial statement and compliance audit on time for three consecutive fiscal years as required by A.R.S. §15-183.E.6, A.R.S. §15-914, and also for its failure to submit in a timely fashion its fiscal year 2010 Declaration of Curricular and Instructional Alignment and pursuant to their charter contract. Further require that within 48 hours of receipt of the Notice, the charter operator notifies staff and parents or guardians of registered students of the Notice of Intent to Revoke and the Notice of Hearing and provide a school location where the copy may be reviewed; that within 20 days of the Notice of Intent, the charter operator shall provide copies of all correspondence and communications used to comply with the proceeding provision to the staff of the Board and that within 20 days of receipt of the Notice of Intent, the charter operator shall provide the Board with the names and mailing addresses of parents and/or guardians of all students registered with the school. Dan Krals seconded the amended motion.

Motion passed unanimously

President Farley asked if there was a representative present for Khalsa Family Services. There was no response.

MOTION

Lynne Adams made a motion that the Board find Khalsa Family Services in noncompliance with the requirement to timely submit the fiscal year 2010 Declaration of Curricular and Instructional Alignment and approve withholding 10% of the charter holder's monthly State aid apportionment until the fiscal year 2010 Declaration of Curricular and Instructional Alignment is submitted. Dana Krals seconded the motion.

Motion passed unanimously

President Farley asked if there was a representative present for Paramount Education Management, LLC. There was no response.

MOTION

Lynne Adams made a motion that the Board find Paramount Education Management, LLC in noncompliance with the requirement to timely submit the fiscal year 2010 Declaration of Curricular and Instructional Alignment and approve withholding 10% of the charter holder's monthly State aid apportionment until the fiscal year 2010 Declaration of Curricular and Instructional Alignment is submitted. Jake Logan seconded the motion.

Motion passed unanimously

Agenda Item M: Board Comments

There were none.

Agenda Item N: Approval of Minutes

September 28, 2009 Regular Session
September 28, 2009 Executive Session

MOTION

Jake Logan made a motion to approve the regular session minutes of September 28, 2009 with revisions as presented. Ruby Alvarado-Hernandez seconded the motion.

Motion passed
(Ducey recused)

MOTION

Jake Logan made a motion to approve the executive session minutes of September 28, 2009 as presented. Ruby Alvarado-Hernandez seconded the motion.

Motion passed
(Ducey recused)

Agenda Item O: Adjournment

The meeting adjourned at approximately 11:46 a.m.

Signature Date