

Arizona State Board for Charter Schools
April 12, 2010
1700 W. Washington Street
Phoenix, Arizona 85007
Room 164

MINUTES

Members Present-

Norm Butler – President
Ruby Alvarado-Hernandez – Vice President
Mary Gifford – Superintendent Designee (telephonically)
Peter Bezanson– Charter School Operator
Janna Day- Public Member
Dana Krals – Public Member
Jake Logan – Business Member
Rep. Montenegro - Advisory Member (Arrived at 10:30am)

Members Absent

Doug Ducey – Business Member

Meeting began at 9:33 a.m.

Agenda Item A: Pledge of Allegiance

Agenda Item B: Moment of Silence

Agenda Item C: Roll Call:

Stephanie Bahr called the roll and confirmed a quorum.

Agenda Item D: Call to the Public

Christi Reay is the Assistant Administrator with Legacy Schools and asked the Board to consider allowing the school to retain its charter.

Beth Mendonca, who works for The Principal’s Office, LLC, an RTI contractor, stated her support for Legacy Schools. Jennifer Doucet has children who have attended Legacy Schools for the last four years and believes they are performing well and will continue doing so.

Greg Croce, the Chairman of Legacy School’s Parent Council, has had two children attend the school and stated his support of the school.

Rod Tolman submitted a form, but declined to speak.

Michael Clement submitted a form, but declined to speak.

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. The Association has developed a “Success Center Online” program that will begin at the beginning of the next school year with ten initial schools. Ms. Sigmund believes the Success Center Online will deliver improved student achievement at a reduced cost to the schools. The features are SAIS upload, an assessment system, email, server usage, admissions, alumni tracking, calendar, and more. The estimated cost for this program is about \$9,000 per school.

Agenda Item F: Superintendent’s Report

Superintendent's Designee Mary Gifford tabled her report for the next meeting, as she participated telephonically.

Agenda Item G: Executive Director’s Report

1. Status of Charters with previous and/or on-going Board actions: Bradley Academy of Excellence, Inc., Cesar Chavez Learning Community, Inc., Discovery Plus Academy, North Star Charter School, Phoenix Advantage Charter School, Inc.

DeAnna Rowe provided the Board with one update to the materials included for the meeting. Ms. Rowe reminded the

Board that at last month's meeting the Board chose to take no action based on staff's report that an Agreed Upon Procedures was underway and would be submitted shortly. Ms. Rowe further reported that conversations with the auditor were occurring as late as Thursday last week. Based on materials reviewed, it does not appear that the charter holder will be able to demonstrate compliance. Board plans to continue to work with the auditor and this item will be back on agenda at the next meeting.

2. New Charter Application – Web-based submission

Martha Morgan, Deputy Director, presented information on the new charter application that is currently accessible on the Board's website and will be an online submission through the Board's new database system. The database was originally intended to be a document management system but was built to include a transactional function for online submissions, including applications and amendments.

Ms. Morgan demonstrated how a new applicant would navigate the application, receive online technical assistance and find additional templates necessary to complete the application. Applicants prepare their application components offline and then upload the documents to the application on the website.

3. Renewal Application – First Cohort Progress Report

Martha Morgan outlined the process for the Renewal Application and news on the first cohort. The 2012 Cohort is scheduled for renewal and, as the charter must know one year in advance, staff is starting to work 18 months before expiration date. There are 53 charters eligible for renewal in the first cohort. At this time, all but two have been notified with a letter and email. Of the 53 charters, 27 have been waived from completing the academic section of the application, because they met the Board's Level of Adequate Academic Performance (LAAP). 25 charters were required to submit Performance Management Plans, but many of those were very close to meeting Board's LAAP. One charter holder was asked to submit data and information explaining their progress to reach the Board's level. The first charters in the initial cohort were notified on January 19, 2010, with the first group of applications due April 19, 2010.

Agenda Item H: Cesar Chavez Learning Community, Inc. (No. 10F-RV-001-BCS)

President Butler opened this item and indicated that this is the time set for consideration of the Administrative Law Judge's recommended decision in case number 10F-RV-001-BCS for Cesar Chavez Learning Community, Inc., Cesar Chavez Middle School, and Aztlan Academy, the charter schools. President Butler stated that the Board will discuss whether it will accept, reject or modify the Office of Administrative Hearing's decision.

For the record, the following introductions were made:

Kim Anderson identified herself as Assistant Attorney General acting on behalf of the State. Malcolm Ryder identified himself as council for Cesar Chavez Learning Community, Inc., Chris Munns, from the Solicitor General's Office, served as representation for the Board.

All Board members confirmed that they have received and reviewed the ALJ's Findings of Fact, Conclusions of Law, Recommended Order and the record in this matter.

Kim Anderson, Assistant Attorney General, provided a summary of the Administrative Law Judge's Findings of Fact and Conclusions of Law. The only change Ms. Anderson requested the Board make was to modify the statement on page 22 of the Findings of Fact 105 that should read "Student attendance data reports viewed by Ms. Leder on the ADE website on December 1, 2009 reflected no change in CCLC's report of zero student absences for the 2008-2009 school year." This is supported by transcript 1 pg 166 lines 9-22.

Malcolm Ryder, council for Cesar Chavez Learning Community, Inc., stated that, in regards to Findings of Fact, they don't agree state has met its proof, but believes it's a *fait accompli* (An accomplished, presumably irreversible deed or fact) that the Board will revoke charter of Cesar Chavez. The school's only request is that the effectiveness of the revocation be after the current school year so those students who are currently seniors can be awarded their diplomas. Mr. Ryder believes it's apparent that, once they came under the microscope of the state, there was no satisfying the Executive Director in regards to their academic program of instruction. The school submitted boxes upon boxes of documentation and, what strikes him in this particular case, on the Highly Qualified issue, the finding was they offered a class by a teacher who was not Highly Qualified at the time she gave it. There was evidence offered at the hearing that, in prior occasions, the state wasn't interested in knowing the Highly Qualified status of some teachers, but was overruled by the Administrative Law Judge at

the time, because, in his opinion, all the state was interested in was being able to hone in on that point at the time of the site visit. The school doesn't agree with overall findings of significance, including one of the allegations that they had not met responsibility for contributions to the state retirement program. Assistant Attorney General Anderson's qualification to that was at the time of the hearing the money had not yet been collected. That money has since been collected by the state and that issue has been satisfied. With respect to the whole process, the school believes that the state wasn't interested in making the charter better. The state proved there were violations, however the state took no action to be a mentor or partner in the process other than to punish CCLC and the students who were well served and they are proud of their record in serving the under-privileged. The school's only request was that the effective date of the revocation order be at the end of this fiscal year so the students can complete the school year.

No rebuttal from the state.

Sr. Judy Bisignano, Charter Representative, asked to speak before the Board. On the advice of Mr. Munns that this is a legal proceeding, so only the oral arguments with the lawyers can be heard, President Butler denied her request. Mr. Ryder asked for a moment to confer with Sr. Judy, but Sr. Judy asked to speak before the Board, saying that she was told she could speak. President Butler denied the request. Mr. Munns clarified for the Board that Sr. Judy could have spoken at the hearing, but only legal arguments can be heard at this time. Mr. Ryder asked to add a prepared statement from Sr. Judy to the record. Mr. Munns advised the Board that the Administrative Hearing was the time for the addition of any documents and to add anything to the record from either party at this time would be unfair to the other party. Mr. Ryder conferred out of the room with Sr. Judy, who then stated that she would be back at the following meeting and would speak using a Call to the Public form.

MOTION

Ruby Alvarado-Hernandez made the motion that the Board adopts the findings of fact paragraphs 1 to 140 with the spelling correction in paragraph 81, so it may read "...Ms. Antonio took and consequently passed..." as well as the corrections as described by Assistant Attorney General Anderson in paragraph 105 in the Administrative Law Judge's decision as can be seen in transcript 1, as recommended by the Administrative Law Judge. Jake Logan seconded the motion.

Motion passed unanimously with the following explanation:

Peter Bezanson: I think there's a lot of evidence to support the Findings of Fact, but I'd like to hang my hat on the fact that the students were poorly served by the curriculum and teachers, and I didn't find that.

MOTION

Ruby Alvarado-Hernandez made the motion that the Board adopt the Conclusions of Law, paragraphs 1 through 15 as recommended by the Administrative Law Judge. Dana Krals seconded the motion.

Motion passed unanimously

Ruby Alvarado-Hernandez brought up the request by the school to have the date of the revocation occur after the school year was finished. When asked, staff stated it did not find that this was an unreasonable request. Mr. Munns stated that this modification and another requested by the state, who had asked for other terms that include the transition of students and student records, could be added to the motion.

MOTION

Ruby Alvarado-Hernandez made the motion to accept the Administrative Law Judge's Recommended Order with the effective date of June 30, 2010 and that Cesar Chavez Learning Community be ordered to make available a complete copy of each student's education records for each student upon request of the student, the student's parent or guardian, or the student's new school. Jake Logan seconded the motion.

Motion passed unanimously with the following explanations:

Ruby Alverado-Hernandez: I do believe there is a purpose for a school such as Cesar Chavez, as well as the Aztlan School, however with the information provided, there is an enormous number of findings of fact and I do hope these students find a place to go.

Peter Bezanson: I think if this were just a matter of a) curriculum not aligned to State standards or b) teachers who are not Highly Qualified according to Federal law, and there was clear evidence that the students were still well served by that curriculum and those teachers, then I would vote "no". It hasn't been shown one way or another that the students were poorly served or well-served and that's not the only issue in the Findings of Fact.

Janna Day: I agree with Peter's assessment that we have to look at the bigger picture of whether the student's needs were served in some areas, because we do have a requirement to adhere the State standards and all these other requirements, administrative or not. I believe it's the operator's responsibility to comply with the complete package. This is not to diminish the parts of the students that were served well, but I believe it's in our mission as a Board to uphold compliance with the full package of requirements and hopefully that's what the State has determined is in the best interest of the

students.

Norm Butler: I agree with the comments made by the Board members so far. Also, if you look at it, there really weren't items that just related particularly to 2008-2009. There was a revocation process that went back as far as 2005. There are a number of items, and there is a responsibility by the charter to follow the requirements, such as the State Retirement System. Understanding that, yes, from what was presented, it was paid up by the time there was a hearing, but also it took action from the State to do that. There are a lot of items demonstrated in the Findings of Fact.

Break: 10:40 am to 10:45 am

Agenda Item G: Executive Director's Report - Continued

4. Spring Site Visits

DeAnna Rowe stated that, due to its limited resources and that due to the full workload that the staff currently carries, only the schools that do not meet a certain level of growth and test scores would receive a site visit.

Jeff Arvizu, Academic Program Specialist, stated that, at the end of April, staff will start conducting site visits. They will visit schools that are in their second, fifth, and tenth year of operation. Staff has scheduled the end of April so that the site visits will not coincide with AIMS testing. Mr. Arvizu further stated that for schools in their second year of operation, staff reviewed the school's average score in reading and math on the Fall 2009 AIMS. If a school was below the state average in either reading or math, the school will receive a site visit. There were thirty-three schools in their second year, but only fourteen will be visited. For the schools scheduled to receive 5- and 10-year reviews, staff reviewed the school's growth data, the last three years of AIMS scores, and the school's AZ Learns profile. The school will be visited if it fell below the state's median growth percentile rank, below the state average percent proficient for math and reading on AIMS, or their AZ Learns was below performing. Of the seven 5-Year Schools, three are getting a site visit and nine of the nineteen 10-year school we be visited.

5. Notice of Hearing for Failing Schools

DeAnna Rowe briefly updated the Board as to the notices of hearings for failure to meet academic standards for Gila Educational Group and Ha:San Educational Services, which are scheduled for May 24th and 26th. Both of the Charter Holders have been notified and the Board will receive reminders.

6. NACSA Grant Application

DeAnna Rowe reported that NACSA posted a grant opportunity for assistance in developing authorizers' strategic plans. \$50,000 can be requested to help the Board evaluate its current strategic plan and revise it to include the Board's current work including level of adequate academic performance, site visits, and the renewal process with additional performance measures. A letter of intent was submitted and the Board was given the OK from NACSA to proceed. Because staff was unable to timely submit a proposal, NACSA agreed to extend deadline to early this summer. Ms. Rowe asked that the PRC committee or whole Board agree to be a part of the plan development as one of the components of the application is participation of the Board.

Agenda Item I. Consent Agenda—All items on this agenda will be considered by a single motion with no discussion, unless requested otherwise by a Board member (to Board staff's knowledge, the following charter schools are in compliance with their charter contract):

1. Academy Del Sol, Inc. – Increase grades served
2. AIBT Non-Profit Charter High School, Inc. – Increase grades served
3. All Aboard Charter School – Increase grades served
4. Aprender Tucson – Increase grades served
5. Arizona Montessori Charter School at Anthem – Change program of instruction
6. AZ Compass Schools, Inc. – Exception to the USFRCS and Procurement Law
7. Camelback Education, Inc. – Increase grades served
8. Challenge Foundation Academies of Arizona, Inc. – Increase grades served
9. Educational Options Foundation – Change in instructional days
10. Freedom Academy, Inc. – Change program of instruction
11. Northern Arizona Academy for Career Development, Incorporated – Change by-laws
12. The Odyssey Preparatory Academy, Inc. - Exception to the USFRCS and Procurement Law
13. The Phoenix School of Academic Excellence - Change in instructional days and schedule

14. Premier Charter High School – Change mission
15. Skyline Gila River Schools, LLC - Exception to the USFRCS and Procurement
16. Vector School District, Inc. - Exception to the USFRCS and Procurement Law

MOTION

Jake Logan moved to approve the Consent Agenda items 1-16 under section I. Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

Agenda Item J. Arizona Online Instruction

DeAnna Rowe presented the amendment to SB1039 which will allow for the Board to charge a fee to any charter school that amends their charter to participate in the AOI program. A.R.S. § 15-183(W) will state “Notwithstanding subsection X of this section, the State Board for Charter Schools shall charge a processing fee to any charter school that amends their contract to participate in the Arizona Online Instruction program pursuant to section 15-808. The Charter Arizona Online Instruction Processing Fund is established consisting of fees collected and administered by the State Board for Charter Schools. The State Board for Charter Schools shall use the monies in the fund only for the processing of contract amendments for charter schools participating in the Arizona Online programs. Monies in the fund are continuously appropriated.” Ms. Rowe stated that the bill has passed out of the House Education committee and is on the Rules agenda this morning. It is our understanding that as the bill moves forward, an emergency clause will be attached. Should the bill continue to be successful, staff has prepared an AOI Program of Instruction Amendment Request form which includes a description of the eligibility requirements, fees, and submission and evaluation criteria. Once passed and signed, staff is prepared to put forward an RFP for the identification of a contractor and the fees the contractor will require for the processing and evaluating each amendment. The bill and the amendment request form, as they have been written, would require any participant to hold a charter with the Board as its sponsor. It does not create a means for an entity that does not currently have a contract with the Board to be an AOI provider or school.

MOTION

Jake Logan moved to adopt the AOI program of instructional amendment request form and process and direct staff to make it available to schools and the processing of any requests, contingent upon the governor’s signature of SB1039, and the staff’s identification and collection of an appropriate fee for processing the amendment. Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

Agenda Item K. Compliance Matters

1. Presentation, discussion and consideration of the ADE School Effectiveness and ASBCS Staff Joint Report for Consideration of Revocation or Restoration to Acceptable Performance in accordance with A.R.S. §15-241(U) for Legacy Schools, a charter holder.

Vicki Morris presented the Board’s findings from its Failing School site visit made in conjunction with the Arizona Department of Education’s School Intervention Department. Kathy Tolman, Charter Representative and Tracy Leonard, Site Administrator, for Legacy Schools addressed the Board, providing a response to the site visit findings and outlining what the school is doing to improve their scores such as replacement of elementary principal, reading coach, and middle school teachers, increased hours, restructured RTI implementation, bought new math books for grades 4-6, reestablished weekly staff meetings, the submission of written lesson plans, and added benchmark testing, professional development, and classroom accountability. Teachers who didn’t follow the new program were terminated or voluntarily left. The school has not used the state Assist Coach during any of this progress. Ms. Tolman answered questions from Board members related to the timeline of the changes, the downward trend of test scores, accountability, and demographics.

MOTION

Peter Bezanson made the motion to direct the staff to work with Legacy Schools to create a Consent Agreement for the purpose of restoring the charter to acceptable performance in accordance with A.R.S. § 15-241(U) that would minimally include a performance management plan, evidence of Highly Qualified staff throughout the year, site leadership plan, budget that supports PMP and all consent agreement terms, and quarterly progress reports. If the terms of a consent agreement that cannot be reached prior to May 3, 2010, the Board will consider referring the matter to hearing for revocation of the charter at the May 2010 Board meeting. Jake Logan seconded the motion.

Motion passed unanimously

2. The Board will receive information to determine whether evidence exists that the following schools are in breach of one or more provisions of their charter contract, federal, state, or local laws regarding their failure to submit the fiscal year ending June 30, 2009 annual financial single audit in accordance with A.R.S. 15-183(E)(6).

DeAnna Rowe stated staff received all of the requested annual financial single audit except for items F and G. The Board asked if there had been any contact with the school, which was answered by Andrea Leder. Ms. Leder stated that the school has not contacted staff regarding this matter and has been late on past audits.

- f. CPLC Community Schools (Calli Ollin High School)
- g. CPLC Community Schools (Toltecalli Academy)

MOTION

Jake Logan made the motion that the Board find the charter holders of items F and G are in noncompliance for their failure to timely submit the annual financial single audit and compliance questionnaire and approve withholding 10% of each charter holder's monthly State aid apportionment until the fiscal year 2009 annual financial single audit and compliance questionnaire is submitted as required by A.R.S. §15-183.E.6 and A.R.S. §15-914. Janna Day seconded the motion.

Motion passed unanimously

3. 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 timely submit the Principal Declaration of Curricular and Instructional Alignment.

DeAnna Rowe gave a background on the requested form and stated that the Department of Education is in charge of collecting this information and contacts the Board if any Charter Holders have not submitted the documentation.

- a. Cesar Chavez Learning Community, Inc.
- b. Kin Dah Lichii Olta

MOTION

Peter Bezanson made the motion that the Board shall find the charter holders are in noncompliance with the requirement to timely submit the fiscal year 2010 Principal Declaration of Curricular and Instructional Alignment and approve withholding 10% of each charter holder's monthly apportionment until the fiscal year 2010 Principal Declaration of Curricular and Instructional Alignment has been submitted. Ruby Alvarado-Hernandez seconded the motion.

Motion passed unanimously

Agenda Item L. Board Comments

There were no Board Comments.

Agenda Item M. Approval of Minutes

March 8, 2010 Regular Session

MOTION

Dana Krals moved to approve March 8, 2010 regular session minutes as presented. Jake Logan seconded the motion.

**Motion passed unanimously
(Alvarado-Hernandez and Day Abstained)**

March 22, 2010 Special Session

MOTION

Ruby Alvarado-Hernandez moved to approve the March 22, 2010 minutes. Jake Logan seconded the motion.

**Motion passed unanimously
(Day Abstained)**

Agenda Item N: Adjournment

The meeting adjourned at approximately 11:39 a.m.

Signature

Date

