

**Arizona State Board for Charter Schools
Board Retreat/Study Session
August 11, 2014
1616 West Adams Street, Suite 170
Phoenix, Arizona 85007**

Meeting began at 9:36 a.m.

Members Present-

Janna Day- President
Kathy Senseman - Vice President
Stacey Morley - Superintendent's Designee (Joined during Item C.)
Mark Anderson - Business Member
Michael Bailey - Public Member
Peter Bezanson - Charter School Operator (Telephonically)
Todd Juhl - Public Member
Cassandra Larsen - Public Member
Jake Logan - Business Member (Joined during Item E.)

Members Absent-

Tim Eyerman - Charter School Teacher
Royce Jenkins - Reservation Resident Member

A. Roll Call - Bianca Ulibarri confirmed a quorum was present.

B. Explanation of the purpose and format of the retreat – DeAnna Rowe provided an introduction to the day stating that staff was asked to take the Board through the charter process from beginning to end, focusing more on what staff does now, rather than the evolution of the processes. DeAnna shared the intent was to present the materials in a manner that provided current information, provided opportunities for questions and discussion among the members, and gave staff direction for moving the Board's work forward.

C. Presentation and discussion – Introduction: Board's mission, strategic plan, organizational structure and funding – DeAnna Rowe provided an overview of the Board's current mission and strategic plan, staffing and budget.

1. Board's current mission was adopted after an extensive strategic planning process that concluded in June of 2011. The significant shift in the mission was to the focus of the Board's work - to sponsor not just a number of schools from which the market could choose, but a portfolio of quality choices that would improve public education in Arizona.
2. The Board has 423 separate contracts with charter holders that collectively operate 546 schools. While the majority of those schools (316 by last count) are in the Maricopa County, there are also 85 schools in Pima, 21 schools in Pinal, 25 schools in Yavapai and a few schools in every remaining county except Greenlee and LaPaz. Through a quick tally of the estimated counts reported by the schools for FY2015, there are currently as many as 162,500 students attending charters sponsored by the Board.
3. Three-fourths of the Board's budget funds the staff to carry out the Board's work. For FY2015, additional legal costs and funds for site visits have been included to support the expenses related to monitoring and the appeals to the Board's decisions to revoke poor performing charters that fail to demonstrate improvement.

A. Presentation and discussion – The Application Processes Through the First Year Site Visit –

1. Johanna Medina introduced her presentation with an overview of what the School Quality Department does, including new charter applications, replication applications, expansion requests from charter holders, and overseeing schools in their first four years of operation. She then presented an overview of the Board's current New Charter Application process and how it culminates into a Board decision making process. This included significant changes that have occurred in the last few cycles, including the implementation of online submission in the 2011-2012 cycle, the addition of an in-person interview in the 2013-2014 cycle, and the use of an application fee to fund the outsourcing of the substantive review process for the 2014-2015 cycle to an external contractor. The Board had questions about how Arizona

members of the Technical Review Panel (TRP) are determined, and Johanna Medina and DeAnna Rowe explained that staff recruits members based on past experience, and have used Arizona Charter Schools Association Fellows. Each TRP member is responsible for reviewing 4 application packages.

2. Johanna Medina then shared the elements that make up the portfolio provided to the Board for consideration, including the Staff Report, the complete application package, and the preliminary and final scoring results. DeAnna Rowe asked whether the portfolio met the Board's needs, or whether it had too much or too little information. Board members expressed general satisfaction with the contents of the portfolio, but requested that issues noted in the Staff Report include page numbers for the section of the application package where the issue was identified.
3. Johanna Medina then reviewed the number of applications each cycle, and noted that while the number of applicants has dropped since the implementation of the application processing fee, the number of administratively complete application packages has remained stable. She also reviewed staff's role as quality control for external reviewers. Board members expressed satisfaction with the quality of applications that has been seen since the implementation of the fee, and asked about the future of the contract with the current contractor. DeAnna Rowe described staff's satisfaction with their services, but outlined their current restructuring. Stacey Morley described contractors providing similar services to the Arizona Department of Education ("ADE"), and interns used for the Empowerment Scholarship process. The Board directed staff to look into reallocating funds from the new application fees to reduce the contracted amount paid to service providers and allocate a portion to the Board's operational budget for internal costs associated with processing applications. DeAnna Rowe described that the time staff spends on administrative review could be allocated to the fee, but that it is difficult to budget based on an unpredictable number of applications each year. The Board also directed staff to explore other qualified vendors that have contracts with the ADE for providing services and the development of an RFP process, if needed.
4. DeAnna Rowe presented an overview of the steps that occur between the Board's approval of a charter and the opening of the school. She described how she reviews the terms of the charter contract with charter representatives when they come in to sign. She also outlined the documents and assurances the charter holder must provide to ensure the safety of the students at the new school.
5. Johanna Medina presented an overview of the First Year Site Visit process, which focuses on areas of compliance and student safety. These include ensuring that school employees have the required fingerprinting documentation, counting students to ensure accurate reporting to ADE, conducting a preliminary check that the program of instruction identified in the contract has been implemented, and checking that enrollment policies conform to statute. She stated that on average a first year site visit took 5.5 hours of staff time, not including travel. Board members had questions regarding the extent to which enrollment practices were specified by statute, and Stacey Morley and DeAnna Rowe reviewed current statutory guidelines. The Board directed staff to explore adding clarifying language to statute or the charter contract regarding the information collected by schools for enrollment purposes. Stacey Morley stated this would be part of the ADE's legislative agenda.

B. Presentation and discussion – The Academic Framework: Measuring Improved Pupil Achievement. Background, Implementation, Lessons Learned and Moving Forward –

1. DeAnna Rowe introduced the presentation with a review of the evolution of the academic expectations of the Board since 2007, when the Board was considering requirements for the renewal process. She described how the Board had asked for more information than was available from the AZ LEARNS legacy labels, which only addressed proficiency, and how they wanted to add a growth measure into the expectations. She described the "5 minute renewal" process for charter holders that meet the academic and financial performance expectations and are in compliance with their contract terms, and the additional requirements for those that do not meet the Board's expectations.
2. Katie Poulos presented an overview of the Board's current Academic Framework and Intervention Policy, used by both School Quality and School Accountability, and described how the ongoing implementation of the framework should result in a higher-quality portfolio of schools. She noted that the intervention policy is designed to limit the interactions the Board has with schools that are performing at an acceptable level. She described how revisions to the framework in January allow a charter holder to be assigned an academic corrective action plan, Performance Management Plan (PMP), when academic

deficiencies are first identified. She noted that there are still charters approaching renewal that do not meet the Board's expectations and that have not been subject to the intervention schedule throughout the lives of their charters, but that the intention was in time, with full implementation of the intervention schedule, all charters that reach renewal will meet the Board's expectations. The Board asked whether longitudinal performance data beyond the initial dashboards would be useful in ensuring schools with a good record were not closed based on two bad years, and DeAnna Rowe stated that, due to changes in the expectations, older data had limited value and the Board has specified that it wanted the most recent 5 years of performance data for renewal consideration. She said that the intent of the frameworks was to have five years of data available for consideration at the time of renewal, and that currently five years of compliance data was provided. Stacey Morley noted that charter holders were given the opportunity to address years that did not meet expectations in their Demonstrations of Sufficient Progress. Board members asked whether the environment of the school could be considered, and requested the percentage of total student population be provided for student subgroups (ELL, FRL, and students with disabilities) in staff reports. The Board also requested the inclusion of letter grades for the five nearest schools serving similar grade levels in staff reports.

3. Katie Poulos and DeAnna Rowe described how the current dashboard provides comparative evidence of how the school serves subgroup populations, and elaborated on how this data went beyond what was provided in the A-F letter grades, which aggregate math and reading growth. They also described how schools are only compared with schools of the same type (traditional, small, alternative).
4. Katie Poulos discussed potential areas of development of the Academic Framework, specifically the weighting of dashboard measures for alternative schools. She noted that in FY2013 8 schools with a letter grade of D-Alt met the Board's expectations, speculating that this may be because of the heavy weighting of the persistence measure. She also indicated that the ADE does not calculate persistence for elementary grades because students cannot be considered "drop outs" until middle school, but that the Board does calculate persistence for elementary grades. Stacey Morley noted that students are required to be in school from ages 6 to 16, and that the definition of alternative schools serving elementary students should be reviewed.
5. Katie Poulos identified issues regarding applying the framework to AOI schools, which tend to have low numbers of Full Academic Year (FAY) students. She asked whether the Board wanted to consider additional academic performance measures for schools serving special populations, such as the recently approved charter school that is targeting students with autism. DeAnna Rowe said that special populations would have to be defined, and Stacey Morley noted that schools could only test a certain percentage of students with AIMA-A. The Board directed staff to gather information and feedback from stakeholders regarding schools serving special populations. The Board identified two subcommittees to be created. One to explore incorporating information into the framework for Arizona Online Instruction schools and the weighting of the measures for alternative schools specifically around persistence, and one to explore incorporating information into the framework for schools serving special populations.

The Board voted to go into Executive Session for the purpose of receiving legal advice on its decision-making processes at 12:23 p.m. (Motion made by Stacey Morley, seconded by Kathy Senseman)

The Board resumed the Board Retreat/Study Session at 1:12 p.m.

E. Presentation and discussion – The Academic Framework: Measuring Improved Pupil Achievement. Background, Implementation, Lessons Learned and Moving Forward (continued) –

1. Katie Poulos continued her presentation of the Board's Intervention Policy, providing analysis of the consistency of performance of the portfolio over time. She described the current PMP and DSP processes, how the DSP process has evolved, and proposed changes to the DSP process, with charter holders providing responses to guiding questions and the identification of specific documentation rather than narratives. The Board discussed the current intervention policy and Board actions that can be taken for charter holders that fail to timely submit a PMP. DeAnna Rowe stated that revisions to statute would be required in order to apply a 10% withholding for late submissions of PMPs.
2. Katie Poulos presented a summary of the amount of staff time required for monitoring charter holders and schools in accordance with the Board's Intervention Schedule. She reviewed how the evidence

presented in staff reports has become more detailed and focused to better align documents used in subsequent legal proceedings. She stated that, on average, the review of a PMP takes 12 hours of staff time, and the review of a DSP takes 40 hours, including site visits but not including travel time. She stated that in FY2014, the intervention schedule was estimated to require intervention for 100 schools, and in FY2015, 210 schools, with 12 F schools, which require an average of 144 hours of staff time. She showed how the estimated workload for the 2014-2015 year is at 7,632 hours for three staff members, necessitating all staff time to be allocated to renewals and F schools with none left for the intervention schedule. Janna Day discussed presenting a request for increased funding to the new governor's administration. The Board discussed requesting an increase in funding to increase staffing levels. After discussion of the political situation, the Board requested Board staff to create a "plan b" for maintaining the current intervention policy with current staffing levels.

3. DeAnna Rowe and Stacey Morley discussed the State's adoption of a new assessment, how this could impact dashboard data in FY2015, and how this could impact applying the framework to decisions. DeAnna Rowe noted that due to historical patterns of charter approval, there would be a balloon every five years in the intervention schedule, and suggested that one way to address the shortage would be to stop allowing expansion requests for charter holders that do not meet the Board's expectations. She noted that expansion is discretionary for the Board, not statutorily set like renewal and interval reviews. The Board asked staff to prepare a summary of policy considerations regarding options for addressing the workload.

The Board Retreat/Study Session was recessed at 2:40 p.m. to resume after the Board meeting.

At the conclusion of the Board meeting the Board voted to adjourn the Board Retreat/Study Session and resume at the conclusion of the September 8th Board meeting.

Meeting ended at 4:23 p.m.