

Arizona State Board for Charter Schools

August 11, 2014

1616 West Adams Street

Phoenix, Arizona 85007

Suite 170

SUMMARY

<p>Members Present- Janna Day- President Kathy Senseman - Vice President Stacey Morley - Superintendent's Designee Mark Anderson - Business Member Michael Bailey - Public Member (left for the day during item I) Peter Bezanson - Charter School Operator (Joined during Item E.) Todd Juhl - Public Member Cassandra Larsen - Public Member Jake Logan - Business Member</p> <p>Meeting began at 2:51 p.m.</p>	<p>Members Absent- Tim Eyerman - Charter School Teacher Royce Jenkins - Reservation Resident Member</p>
<p>Agenda Item A. Pledge of Allegiance</p> <p>Agenda Item B. Moment of Silence</p> <p>Agenda Item C. Roll Call</p>	<p>Bianca Ulibarri called the roll and confirmed a quorum.</p>
<p>Agenda Item D. Call to the Public</p>	<p>The following individual(s) addressed the Board. Ildi Laczko-Kerr, Jody Johnson, Doug Pike, and Kelsey James (addressed the Board during item J.). Recorded comments are available.</p>
<p>Agenda Item E. Arizona Charter Schools Association Update</p>	<p>Recorded comments are available.</p>
<p>Agenda Item F. Superintendent's Report</p>	<p>Recorded comments are available.</p>
<p>Agenda Item G. Executive Director's Report</p>	<p>Recorded comments are available.</p>
<p>Agenda Item H. Consent Agenda</p> <ol style="list-style-type: none"> 1. Archway Classical Academy Mesa - Change in Entity Name 2. Deer Valley Charter Schools, Inc. - Change in Charter Mission 3. Eastpointe High School, Inc. - Change in Charter Mission 4. Educational Options Foundation - Change in Charter Mission 5. EduPreneurship, Inc. - Change in Charter Mission 6. International Charter School of Arizona, Inc. - Change in Program of Instruction 7. International Commerce Secondary Schools, Inc. - Charter Mission 8. Mesa Preparatory Academy - Change in Entity Name 	<p align="center">MOTION</p> <p>Kathy Senseman made the following motion: I move to approve items H (1-10). Mark Anderson seconded the motion.</p> <p align="center">Motion passed unanimously</p>

<p>9. Sonoran Desert School - Change in Charter Mission</p> <p>10. Vista College Preparatory, Inc. - Change in Instructional Days</p>	
<p>Agenda Item I. Surrender Agreements</p> <p>1. BASIS Schools, Inc. for the operation of BASIS Scottsdale Primary</p> <p>2. Kin Dah Lichii Olta</p>	<p style="text-align: center;">MOTION</p> <p>Kathy Senseman made the following motion: I move that the Board adopt the Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract for BASIS Schools, Inc. for the operation of BASIS Scottsdale Primary and for Kin Dah Lichii Olta. Cassandra Larsen seconded the motion.</p> <p style="text-align: center;">Motion passed unanimously (Recused: Bezanson)</p>
<p>Agenda Item J. Charter Renewal- Developing Innovations in Navajo Education, Inc. (DINE, Inc.)</p>	<p style="text-align: center;">MOTION</p> <p>Jake Logan made the following motion: Having considered the statements of the representatives of the Charter Holder today and the contents of the renewal portfolio which includes the academic performance, the fiscal compliance, and legal and contractual compliance of the charter holder provided to the Board for consideration of this request for charter renewal, I move to deny the request for charter renewal and to not grant a renewal contract to Developing Innovations in Navajo Education, Inc. (DINE, Inc.) on the basis that the charter holder failed to meet or make sufficient progress toward the academic performance expectations set forth in the performance framework as reflected in the Renewal Executive Summary and currently operates a school that, in the most recent years for which State assessment data is available, has received overall ratings of “No Rating” and letter grades of “D” in 2012, “D-ALT” in 2013, and “D” in 2014. Kathy Senseman seconded the motion.</p> <p style="text-align: center;">Motion passed through majority vote (5-3) (No: Morley, Larsen) (Abstained: Juhl)</p>
<p>Agenda Item K. Charter Amendment and Notification- Discussion and possible action on the Enrollment Cap Increase Request for StarShine Academy, a charter holder that does not meet the Board’s academic performance expectations.</p>	<p>Request withdrawn</p>
<p>Agenda Item L. Arizona School for Integrated Academics and Technologies, Inc. - Discussion and possible action to accept, reject or modify the Findings of Fact, Conclusions of Law and Recommended Order of the Administrative Law Judge in regard to the Notice of Intent to Revoke (No. 14F-RV-003-BCS).</p>	<p style="text-align: center;">MOTION</p> <p>Todd Juhl made the following motion: I move to accept the Findings of Fact, Conclusions of Law and Recommended Order of the Administrative Law Judge in regard to the Notice of Intent to Revoke (No. 14F-RV-003-BCS) and the motion to modify the ALJ’s decision regarding conclusions of law number 4 to the correct citation and contents of A.R.S. §15-183 (l)(4). Mark Anderson seconded the motion.</p> <p style="text-align: center;">Motion passed through majority vote (7-1) (Abstained: Bezanson)</p>

Agenda Item M. Compliance Matters-

1. Legacy Education Group

MOTION

Mark Anderson made the following motion: I move to find Legacy Education Group is in noncompliance with state law for its failure to comply with financial record retention requirements and approve withholding 10% of the charter holder's monthly State aid apportionment until compliance is demonstrated through no material weaknesses, significant deficiencies or other instances of noncompliance being identified in the charter holder's fiscal year 2014 audit report package relating to noncompliance with financial record retention requirements. Further, I move to issue a Notice of Intent to Revoke the charter contract of Legacy Education Group for failing to comply with state law and its charter contract when it failed to comply with state financial record retention requirements, which contributed to the charter holder's fiscal year 2013 audit including a qualified opinion on the financial statements.

- Within 48 hours of receipt of the Notice the charter operator shall notify staff and parents/guardians of registered students of the Notice of Hearing on Intent to Revoke Charter and provide a school location where the copy may be reviewed;

- Within 20 days of receipt of the Notice the charter operator shall provide copies of all correspondence and communications used to comply with the preceding provision; and

- Within 20 days of receipt of the Notice the charter operator shall provide the Board with the names and mailing addresses of parents/guardians of all students registered with the school.

All that taken into consideration, the Board will enter into a consent agreement that includes the same terms and provisions as the consent agreement included with the staff report provided for this agenda item. If Legacy Education Group is unwilling to agree to the terms of the consent agreement and a signed consent agreement, along with governing board minutes approving the consent agreement, are not received within 20 business days of today's date, then it is the Board's decision that the 10% withholding will begin with the charter holder's October payment and the revocation process will proceed based on the reasons already specified.

Kathy Senseman seconded the motion.

Motion passed unanimously

MOTION

Mark Anderson made the following motion: I move to find Legacy Schools is in noncompliance with federal law for its failure to comply with federal payroll tax requirements and with state law for its failure to

2. Legacy Schools.

	<p>comply with financial record retention requirements and approve withholding 10% of the charter holder’s monthly State aid apportionment until compliance is demonstrated. Compliance will be demonstrated as follows:</p> <ul style="list-style-type: none"> - No material weaknesses, significant deficiencies or other instances of noncompliance identified in the charter holder’s fiscal year 2014 audit report package relating to noncompliance with financial record retention requirements. - Evidence that the charter holder has timely made the August 2014 through November 2014 payments required under its installment agreement with the IRS. Further, I move to issue a Notice of Intent to Revoke the charter contract of Legacy Schools for failing to comply with state and federal law and its charter contract when it failed to comply with federal payroll tax requirements and state financial record retention requirements, which contributed to the charter holder’s fiscal year 2013 audit including a qualified opinion on the financial statements. - Within 48 hours of receipt of the Notice the charter operator shall notify staff and parents/guardians of registered students of the Notice of Hearing on Intent to Revoke Charter and provide a school location where the copy may be reviewed; - Within 20 days of receipt of the Notice the charter operator shall provide copies of all correspondence and communications used to comply with the preceding provision; and - Within 20 days of receipt of the Notice the charter operator shall provide the Board with the names and mailing addresses of parents/guardians of all students registered with the school. <p>All that taken into consideration, the Board will enter into a consent agreement that includes the same terms and provisions as the consent agreement included with the staff report provided for this agenda item. If Legacy Schools is unwilling to agree to the terms of the consent agreement and a signed consent agreement, along with governing board minutes approving the consent agreement, are not received within 20 business days of today’s date, then it is the Board’s decision that the 10% withholding will begin with the charter holder’s October payment and the revocation process will proceed based on the reasons already specified.</p> <p>Kathy Senseman seconded the motion.</p> <p style="text-align: center;">Motion passed unanimously</p>
<p>Agenda Item N. Summary of Current Events, Future Meeting Dates and Items for Future Agendas</p>	<p>Recorded comments are available.</p>

Agenda Item O. Adjournment	
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The meeting adjourned at approximately 4:23 p.m.	
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