AGENDA ITEM: Academic Performance Reviews – DSP Demonstrating Fragmented Systems

I. Issue

Desert Sky Community School, Inc., a non-profit organization that operates Desert Sky Community School failed to demonstrate sufficient progress toward the Board's Academic Performance Expectations and is not in compliance with its charter.

Background Information

A.R.S. § 15-183.R requires the Board to ground its action in evidence of the Charter Holder's performance in accordance with the Performance Framework, which includes the Academic Performance Expectations of the charter school and the measurement of sufficient progress toward the Academic Performance Expectations. The Board's Academic Performance Framework and Guidance document includes an Academic Intervention Schedule that requires the submission of required documents when the Charter Holder fails to meet the Board's academic expectations.

Charter Holders that failed to meet the Board's academic performance standards based on FY2014 performance data and who operate one or more schools that were assigned a FY2014 letter grade of D as reported by the Arizona Department of Education were required to submit a Demonstration of Sufficient Progress (DSP) on January 7, 2015 and complete a DSP site visit. A DSP is used by the Board to determine whether a Charter Holder that fails to meet the Board's academic expectations has demonstrated sufficient progress toward the Academic Performance Expectations. Through the DSP Report and site visit, Desert Sky Community School, Inc. has failed to demonstrate it is making sufficient progress toward meeting the Board's the Academic Performance Expectations.

A.R.S. § 15-183.I.3 states, in part, that the Board may revoke a charter at any time if the charter school fails to meet or make sufficient progress toward the Academic Performance Expectations set forth in the Performance Framework.

II. Performance Summary

Area	Acceptable	Not Acceptable
Academic Framework	☐	☒
Financial Framework	☐	☒
Operational Framework	Not Yet Rated See Section VIII	Not Yet Rated See Section VIII

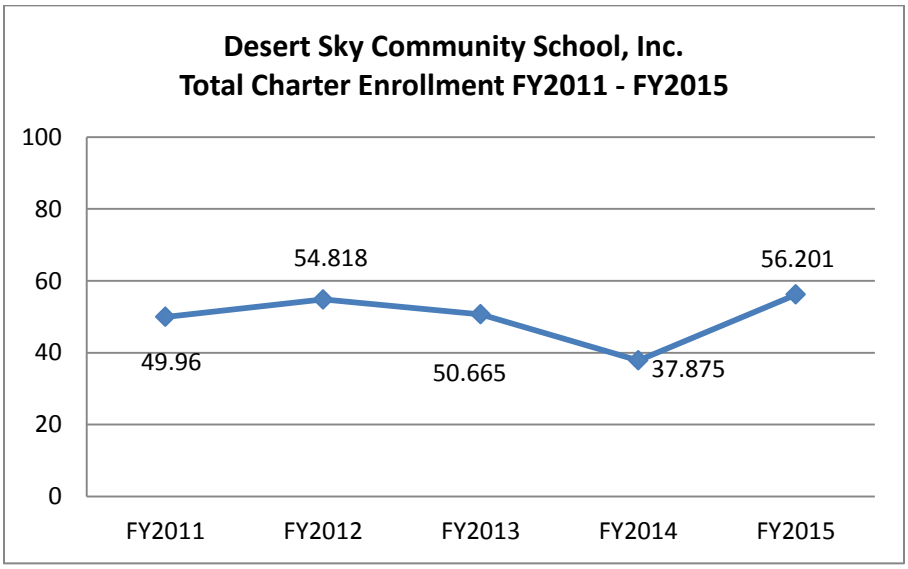
During the five-year interval review of the charter, Desert Sky Community School, Inc. was required to submit a Performance Management Plan as an intervention because Desert Sky Community School operated by the Charter Holder did not meet the academic expectations set forth by the Board. Upon reviewing the academic performance in subsequent years, in accordance with the Board's academic intervention schedule, the Charter Holder did not meet the Academic Performance Expectations of the Board as set forth in the Performance Framework and was required to submit a Demonstration of Sufficient Progress. The Charter Holder was unable to demonstrate the school is making sufficient progress toward the Board's expectations through the submission of the required information or evidence reviewed during an on-site visit. In the most recent fiscal year for which there is State assessment data available, Desert Sky Community School received an overall rating of "Does Not Meet" the Board's academic standards.

The Charter Holder did not meet the Financial Performance Expectations of the Board as set forth in the Performance Framework and was required to submit a Financial Performance Response.

The Charter Holder does have compliance matters, which are described in the "Adherence to the Terms of the Charter" and "Success of the Academic Program" sections of this report.

III. Profile

Desert Sky Community School, Inc. operates one school, Desert Sky Community School, serving grades K-4 in Tucson. The graph below shows the Charter Holder's actual 100th day average daily membership (ADM) for fiscal years 2011-2015.



The academic performance of Desert Sky Community School is represented in the table below. The Academic Dashboard for the school can be seen in the portfolio: c. Academic Dashboard.

School Name	Opened	Current Grades Served	2012 Overall Rating	2013 Overall Rating	2014 Overall Rating
Desert Sky Community School	07/01/2006	K – 4	52.5 / D	55.62 / C	46.88 / D

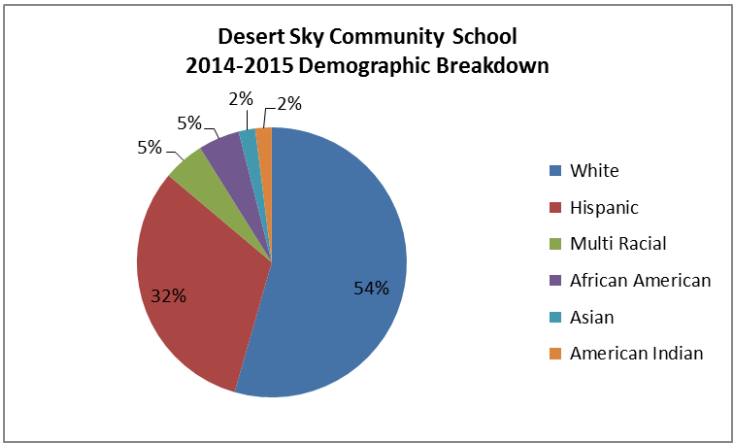
The Charter Holder's stated mission is "The mission of the Desert Sky Community School is to provide and promote Waldorf Education in Tucson. The school, based on the child development theories of Dr. Rudolf Steiner, will consider the whole child, including the academic, aesthetic, social, and emotional development of the student. A classic academic education is integrated with the arts, music at all grade levels. The goal of the school is to nurture the head, heart, and hands of each child, and instill them with a joy of learning, a sense of social responsibility, and a self-directed curiosity and respect."

The school's website further states that, "the primary purpose of Desert Sky Community School is to educate children through experiential learning, including the arts and storytelling. With a developmental approach to the whole child, our school will address the different needs of different children. Our school strives to be an aesthetically rich environment as well as a safe space for development as a whole person."

During the DSP site visit, the Charter Holder identified that students receive instruction in a multi-grade level classroom. As described in the "Adherence to the Terms of the Charter" section of this report, this program of instruction does not align with the program of instruction detailed in the charter contract, which states "four teachers will be hired - one teacher for each grade".

In the DSP Report, the Charter Holder stated that because of the small size of the K-5 school, the academic performance of the whole school is tied to the one room of students, the combined Grade 3 and 4 classroom. The Charter Holder further stated that in FY14, there were no Grade 5 students at the school at all. The Charter Holder was provided the opportunity to present data on all students as part of the DSP process, as described in the "Demonstration of Sufficient Progress" section of this report, the Charter Holder was unable to provide data that acceptable academic performance.

The demographic data for Desert Sky Community School from the 2014-2015 school year is represented in the charts below.[1]



The percentage of students who were eligible for Free and Reduced Lunch, classified as English Language Learners, and classified as students with disabilities in the 2014-2015 school year is represented in the table below.[2]

Category	Desert Sky Community School
Free and Reduced Lunch (FRL)	43%
English Language Learners (ELLs)	*
Special Education	7%

IV. Additional School Choices

Desert Sky Community School is a Small School located in Tucson near Arcadia Avenue and Speedway Boulevard. The following information identifies additional schools within a five mile radius of the school and the academic performance of those schools.

[1] Information provided by the Research and Evaluation Division of the ADE.
[2] Information provided by the Research and Evaluation Division of the ADE. If the percentage of students in a non-ethnicity-based demographic group is not reported to ADE, or is 0% or 100%, the percentage for that demographic group is redacted.

There are 51 public schools serving grades K-4 within a five mile radius of Desert Sky Community School. Three of these schools are also classified as Small Schools. The table below provides a breakdown of those schools. Schools are grouped by the A - F letter grade assigned by the ADE. For each letter grade, the table identifies the number of schools assigned that letter grade, the number of those schools that are charter schools, the number of the charter schools that are meeting the Board's academic performance standard for FY14, and the number of schools serving a comparable percentage of students (± 5%) in the identified subgroups.[3]

Desert Sky Community School						FRL 43%	ELL *	SPED 7%
Letter Grade	**Within 5 miles**	**Charter Schools**	**Meets Board's Standard**	**Small School**	**Meets Board's Standard**	**Comparable FRL (± 5%)**	**Comparable ELL (± 5%)**	**Comparable SPED (± 5%)**
A	15	9	9	0	N/A	0		9
B	12	3	2	1	1	1		4
C	18	4	0	2	0	1		5
D	5	0		0		0		1
F	1	0		0		0		0

V. Success of the Academic Program

For the past three years Desert Sky Community School has not met the Board's academic performance standards. From FY2012 to FY2013 the school increased its Overall Rating by 3.12 points and decreased the number of individual measures evaluated as Falls Far Below from three to one, but this left the school still 7.38 points short of being evaluated as "Meets". The improvement was reflected by a change in the A-F letter grade from D to C. From FY2013 to FY2014 the school showed a decrease in both Overall Rating points and A-F letter grade. In FY2014, four of eleven measures are evaluated as Falls Far Below which resulted in a declined in the Overall Rating of 8.74 points, which brings the school 7.88 points away from being evaluated as "Falls Far Below" the Board's academic performance standards. The school returned to an A-F letter grade of D.

The following is a timeline of activities that have occurred related to the academic performance of Desert Sky Community School, Inc.:

May, 2011: Desert Sky Community School, Inc. was notified that the Charter Holder was required to submit a Performance Management Plan on or before September 1, 2011 for the five-year interval review because Desert Sky Community School, a school operated by the Charter Holder, did not meet the Academic Expectations set forth by the Board

September, 2011: Desert Sky Community School, Inc. failed to timely submit a Performance Management Plan, but submitted a Performance Management Plan five days late on September 6, 2011 (portfolio: g. Prior Academic Intervention Submissions and Evaluations – i. Performance Management Plan).

February, 2013: The Board released FY2012 Academic Dashboards; Desert Sky Community School received an overall rating of "Does Not Meet" the Board's academic standards and Desert Sky

[3] Information provided by the Research and Evaluation Division of the ADE. If the percentage of students in a non-ethnicity-based demographic group is not reported to ADE, or is 0% or 100%, the percentage for that demographic group is redacted.

Community School, Inc. did not meet the Board's Academic Performance Expectations. The Charter Holder was assigned a Demonstration of Sufficient Progress (DSP) for Desert Sky Community School as part of an annual reporting requirement (portfolio: g. Prior Academic Intervention Submissions and Evaluations - FY2013 DSP Submission).

August, 2013: Following a preliminary evaluation of the FY2013 DSP, Board staff conducted a site visit on August 14, 2013 to meet with the school's leadership and review all evidence provided by the Charter Holder.

September, 2013: The Board released FY2013 Academic Dashboards; Desert Sky Community School received an overall rating of "Does Not Meet" the Board's academic standards. Therefore, Desert Sky Community School, Inc. did not meet the Board's Academic Performance Expectations. The Charter Holder was not assigned a DSP as part of an annual reporting requirement because a final evaluation of the FY2013 DSP had not yet been completed.

October, 2013: Board staff completed a final evaluation (portfolio: g. Prior Academic Intervention Submissions and Evaluations - FY2013 DSP Final Evaluation) of the Charter Holder's FY2013 DSP and made the evaluation available to the Charter Holder. In that final evaluation of the FY2013 DSP, Board staff determined that the Charter Holder's Demonstration of Sufficient Progress was not acceptable in all areas. In areas that were evaluated as not acceptable, Board staff provided the Charter Holder with technical guidance.

September, 2014: The Board released FY2014 Academic Dashboards; Desert Sky Community School received an overall rating of "Does Not Meet" the Board's academic standards. Therefore, Desert Sky Community School, Inc. did not meet the Board's Academic Performance Expectations.

December, 2014: In accordance with the Board's Academic Intervention Schedule, the Charter Holder was notified of annual reporting submission requirements included the requirement to submit a Demonstration of Sufficient Progress on or before January 7, 2015.

VI. Demonstration of Sufficient Progress

Desert Sky Community School, Inc. timely submitted a DSP Report on January 7, 2015 (portfolio: f. FY2015 DSP Submission). The Charter Holder was provided a copy of the initial evaluation of the DSP Report prior to the site visit and informed that areas initially evaluated as not acceptable must be addressed with additional evidence and documentation at the time of the visit.

Following a preliminary evaluation of the DSP, staff conducted a site visit to meet with the school's leadership, as selected by the school, to confirm evidence of the processes described in the DSP and review additional evidence to be considered in the final evaluation of the Charter Holder's DSP submission. The following representatives of Desert Sky Community School, Inc. were present at the site visit:

Name	Role
Shelly Adrian	Administrator
Laura Alvarado-Coady	Director of Federal Programming / Special Education

At the site visit, Board staff completed a document inventory for all evidence presented by the Charter Holder (portfolio: e. DSP Site Visit Inventory Forms). The Charter Holder was provided a copy of the document inventory at the end of the site visit. Following the site visit, Board staff completed a final evaluation of the DSP (portfolio: d. FY2015 DSP Final Evaluation).

The following is a summary of the final DSP Evaluation:

Evaluation Summary			
Area	DSP Evaluation		
	Meets	Does Not Meet	Falls Far Below
Data	☐	☐	☒
Curriculum	☐	☐	☒
Assessment	☐	☒	☐
Monitoring Instruction	☐	☒	☐
Professional Development	☐	☐	☒

After considering information in the DSP Report and evidence provided at the time of the site visit, the Charter Holder did not demonstrate evidence of a sustained improvement plan that includes implementation of a comprehensive curriculum system, a comprehensive assessment system, a comprehensive instructional monitoring system, and a comprehensive professional development system. Additionally, the data provided by the Charter Holder failed to show improvement year-over-year for the two most recent school years in 9 out of the 10 measures required by the Board, and demonstrated declines in academic performance in some of those measures.

Based on the findings summarized above and described below, staff determined that the Charter Holder did not demonstrate sufficient progress towards meeting the Board's Academic Performance Expectations.

Data

The area of Data is evaluated as Falls Far Below. As evidenced at the DSP site visit, the data provided by the Charter Holder failed to show improvement year-over-year for the two most recent school years in 9 out of the 10 measures required by the Board, and demonstrated declines in academic performance in some of those measures. For more detailed analysis see Curriculum Inventory (portfolio: e. DSP Site Visit Inventory Forms, i. Site Visit Inventory – Data).

Question	Valid and Reliable Data	Comparative Data provided for Current Fiscal Year	Comparative Data Demonstrates Growth	Document Inventory Item
Student Median Growth Percentile (SGP) - Math	No	Yes	No	D1
Student Median Growth Percentile (SGP) - Reading	No	Yes	No	D2
Student Median Growth Percentile Bottom 25% - Math	No	No	No	D3
Student Median Growth Percentile Bottom 25% - Reading	No	Yes	Yes	D4
Percent Passing - Math	No	No	No	D5
Percent Passing - Reading	No	No	No	D6
Subgroup, FRL - Math	No	No	No	D9
Subgroup, FRL - Reading	No	No	No	D10
Subgroup, students with disabilities - Math	No	No	No	D11
Subgroup, students with disabilities - Reading	No	No	No	D12

Curriculum

The Curriculum area is evaluated as Falls Far Below. As demonstrated by the evidence provided at the DSP site visit, the Charter Holder has implemented fragmented, ad hoc efforts to develop or address school curriculum aligned with Arizona's College and Career Ready Standards. The efforts lack intentionality and prior planning, and are not consistently implemented. For more detailed analysis see Curriculum Inventory (portfolio: e. DSP Site Visit Inventory Forms, ii. Site Visit Inventory – Curriculum).

Question	Sufficient Evidence	Document Inventory Item
Evaluating Curriculum		
What is the Charter Holder's process for evaluating curriculum? How does the Charter Holder evaluate how effectively the curriculum enables students to meet the standards?	No	C1
How does the Charter Holder identify gaps in the curriculum?	Yes	C2
Adopting/Revising Curriculum		
What is the Charter Holder's process for adopting or revising curriculum based on its evaluation processes?	No	C3
Who is involved in the process for adopting or revising curriculum?	Yes	C4
When adopting curriculum, how does the Charter Holder evaluate curriculum options to determine which curriculum to adopt?	No	C5
Implementing Curriculum		
What is the Charter Holder's process for ensuring consistent implementation of the curriculum across the school(s) operated by the Charter Holder?	Yes	C6
What tools exist that identify what must be taught and when it must be delivered? How does the Charter Holder ensure that all grade-level standards are covered within the academic year?	No	C7
What is the expectation for consistent use of these tools? How are these expectations communicated?	Yes	C8
What evidence is there to demonstrate usage of these tools in the classroom and alignment with instruction?	Yes	C9
Alignment of Curriculum		
How does the Charter Holder know the curriculum is aligned to standards?	No	C10
Adapted to Meet the Needs of Subgroups		
How has the Charter Holder ensured that the curriculum addresses the needs of students with proficiency in the bottom 25%?	Yes	C11
How has the Charter Holder ensured that the curriculum addresses the needs of English Language Learners (ELLs)?	N/A	C12
How has the Charter Holder ensured that the curriculum addresses the needs of Free and Reduced Lunch (FRL) students?	No	C13
How has the Charter Holder ensured that the curriculum addresses the needs of students with disabilities?	Yes	C14

Assessment

The area of Assessment is evaluated as Does Not Meet. As demonstrated by the evidence provided at the DSP site visit, the Charter Holder has consistently implemented a limited assessment approach. At the DSP site visit, the Charter Holder sufficiently demonstrated some of the components of these required elements, but failed to sufficiently demonstrate all components of the required elements. For more detailed analysis see Assessment Inventory (portfolio: e. DSP Site Visit Inventory Forms, iii. Site Visit Inventory – Assessment).

Question	Sufficient Evidence	Document Inventory Item
Assessment System		
What types of assessments does the Charter Holder use?	Yes	A1
What was the process for designing or selecting the assessment system?	No	A2
How is the assessment system aligned to the curriculum and instructional methodology?	Yes	A3
What intervals are used to assess student progress? How does the assessment plan include data collection from multiple assessments, such as formative and summative assessments and common/benchmark assessments?	Yes	A4
Analyzing Assessment Data		
How does the assessment system provide for analysis of assessment data? What intervals are used to analyze assessment data?	Yes	A5
How is the analysis used to evaluate instructional and curricular effectiveness?	Yes	A6
How is the analysis used to adjust curriculum and instruction in a timely manner? What intervals are used to adjust curriculum and instruction?	Yes	A7
Adapted to Meet the Needs of Subgroups		
How is the assessment system adapted to meet the assessment needs of students with proficiency in the bottom 25%?	Yes	A8
How is the assessment system adapted to meet the assessment needs of English Language Learners (ELLs)?	N/A	A9
How is the assessment system adapted to meet the assessment needs of Free and Reduced Lunch (FRL) students?	Yes	A10
How is the assessment system adapted to meet the assessment needs of students with disabilities?	Yes	A11

Monitoring Instruction

The area of Monitoring Instruction is evaluated as Does Not Meet. As demonstrated by the evidence provided at the DSP site visit, the Charter Holder has consistently implemented a limited instructional monitoring approach. At the DSP site visit, the Charter Holder sufficiently demonstrated the some of the components of these required elements, but failed to sufficiently demonstrate all components of these required elements. For more detailed analysis see Monitoring Instruction Inventory (portfolio: e. DSP Site Visit Inventory Forms, iv. Site Visit Inventory – Monitoring Instruction).

Question	Sufficient Evidence	Document Inventory Item
Monitoring the Integration of Standards		
What is the Charter Holder's process for monitoring the integration of standards into classroom instruction? How does the Charter Holder monitor whether or not instructional staff implements an ACCRS-aligned curriculum with fidelity?	Yes	M1
How does the Charter Holder monitor the effectiveness of standards-based instruction throughout the year?	Yes	M2
Evaluating Instructional Practices		
What is the Charter Holder's process for evaluating the instructional practices? How does this process evaluate the quality of instruction?	No	M3
How does this process identify individual strengths, weaknesses, and needs?	Yes	M4
Providing Analysis and Feedback to Further Develop Instructional Quality		
How does the Charter Holder provide feedback on strengths, weaknesses, and learning needs based on the evaluation of instructional practices?	Yes	M5
How does this Charter Holder analyze this information? What does the data about quality of instruction tell the Charter Holder? What has the Charter Holder done in response?	Yes	M6
Adapted to Meet the Needs of Subgroups		
How does the Charter Holder monitor instruction to ensure it is meeting the needs of students with proficiency in the bottom 25%/non-proficient students?	No	M7
How does the Charter Holder monitor instruction to ensure it is meeting the needs of English Language Learners (ELLs)?	N/A	M8
How does the Charter Holder monitor instruction to ensure it is meeting the needs of Free and Reduced Lunch (FRL) students?	No	M9
How does the Charter Holder monitor instruction to ensure it is meeting the needs of students with disabilities?	No	M10

Professional Development

The area of Professional Development is evaluated as Falls Far Below. As demonstrated by the evidence provided at the DSP site visit, the Charter Holder has implemented fragmented, ad hoc efforts to provide professional development that is aligned with instructional staff learning needs, focuses on areas of high importance, addresses the needs of relevant subgroup populations, and supports high quality implementation; and monitoring follow-up to support and develop implementation of the strategies learned. The efforts lack intentionality and prior planning, and are not consistently implemented. For more detailed analysis see Professional Development Inventory (portfolio: e. DSP Site Visit Inventory Forms, v. Site Visit Inventory – Professional Development).

Question	Sufficient Evidence	Document Inventory Item
Professional Development System		
What is the Charter Holder's professional development plan?	Yes	P1
How was the professional development plan developed?	No	P2
How is the professional development plan aligned with instructional staff learning needs?	No	P3
How does this plan address areas of high importance?	No	P4
Supporting High Quality Implementation		
How does the Charter Holder support high quality implementation of the strategies learned in professional development sessions?	No	P5
How does the Charter Holder provide the resources that are necessary for high quality implementation?	Yes	P6
Monitoring Implementation		
How does the Charter Holder monitor the implementation of the strategies learned in professional development sessions?	No	P7
How does the Charter Holder monitor and follow-up with instructional staff to support and develop implementation of the strategies learned in professional development?	No	P8
Adapted to Meet the Needs of Subgroups		
How does the professional development plan ensure that instructional staff receives the type of development required to meet the needs of students with proficiency in the bottom 25%/non-proficient students?	No	P9
How does the professional development plan ensure that instructional staff receives the type of development required to meet the needs of English Language Learners (ELLs)?	N/A	P10
How does the professional development plan ensure that instructional staff receives the type of development required to meet the needs of Free and Reduced Lunch (FRL) students?	No	P11
How does the professional development plan ensure that instructional staff receives the type of development required to meet the needs of students with disabilities?	Yes	P12

VII. Viability of the Organization

The Charter Holder was required to submit a financial performance response because it did not meet the Board's Financial Performance Expectations, as reflected in the table below which includes the Charter Holder's financial data and financial performance for the last three audited fiscal years.

Financial Data				
Statement of Financial Position	**2014**	**2013**	**2012**	**2011**
Cash	$54,345	$27,601	$91,868	$294,360
Unrestricted Cash	$52,320	$25,514	$91,628	
Other Liquidity	-	-		
Total Assets	$506,010	$507,745	$598,606	
Total Liabilities	$313,218	$315,504	$292,187	
Current Portion of Long-Term Debt & Capital Leases	$63,411	$42,665	$11,960	
Net Assets	$192,792	$192,241	$306,419	
Statement of Activities	**2014**	**2013**	**2012**	
Revenue	$345,505	$433,401	$498,434	
Expenses	$344,874	$547,579	$525,598	
Net Income	$631	($114,178)	($27,164)	
Change in Net Assets	$631	($114,178)	($27,164)	
Financial Statements or Notes	**2014**	**2013**	**2012**	
Depreciation & Amortization Expense	$18,268	$21,542	$17,089	
Interest Expense	$14,178	$14,285	$12,525	
Lease Expense	-	-	-	
Financial Performance				
	2014	**2013**	**2012**	**3-yr Cumulative**
Near-Term Indicators				
Going Concern	No	No	No	N/A
Unrestricted Days Liquidity*	55.37	17.01	63.63	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Net Income	$631	($114,178)	($27,164)	N/A
Cash Flow	$26,744	($64,267)	($202,492)	($240,015)
Fixed Charge Coverage Ratio	0.43	(1.38)	0.10	N/A

* For fiscal year 2012, the field reflects the charter holder's performance under the financial framework's previous "Unrestricted Days Cash" measure.

The Charter Holder's financial performance response has been provided in the meeting materials (portfolio: i. Supplemented Financial Response).[4] Staff's final evaluation of the financial performance

[4] On March 3, 2015, Board staff emailed a copy of staff's initial evaluation and provided a deadline by which the Charter Holder could supplement its financial performance response to address areas evaluated as "Not Acceptable". By the deadline, the Charter Holder submitted supplemental information.

response resulted in two "Acceptable" and zero "Not Acceptable" determinations (portfolio: h. Financial Response Evaluation). An analysis of the Charter Holder's financial performance, focusing on those measures where the Charter Holder failed to meet the Board's target and using information from the Charter Holder's financial performance response and related documents, is provided below.

Fixed Charge Coverage Ratio (FCCR)

The Charter Holder experienced a loss of approximately 13 ADM in 2014, which impacted revenues and resulted in the Charter Holder entering into loan agreements. In 2015, the Charter Holder increased ADM by approximately 18 and began repayments of loan balances. According to the Cash Flow Budget Worksheet, the Charter Holder anticipates positive net income in 2015 and projects to meet the measure's target.

Cash Flow

The Charter Holder indicated that a one-time cash donation of $250,000 was received at the end of 2011. Due to the donation having been received in 2011, but not expended until the following year, the table above reflects a negative cash flow of $202,492 in 2012. Had the donation been received and expended in the same year, the increase in cash would have been offset by investments the Charter Holder made in property and equipment. According to the Cash Flow Budget Worksheet, the Charter Holder projects to meet the measure's target in 2015.

VIII. Adherence to the Terms of the Charter

Does the delivery of the education program and operation reflect the essential terms of the educational program as described in the charter contract?

Based on the available information in the current fiscal year, the Charter Holder's education program, in operation, reflects the essential terms as described in the charter contract except that the Charter Holder's program of instruction does not align with the program of instruction detailed in the charter contract. During the DSP site visit and in the DSP report, the Charter Holder identified that students receive instruction in multi-grade level classrooms. The Charter contract, however, describes a program of instruction that utilizes single grade classrooms.

Does the Charter Holder adhere with applicable education requirements defined in state and federal law?

Yes. Based on the available information in the current fiscal year, the Charter Holder adheres with applicable education requirements defined in state and federal law.

Do the Charter Holder's annual audit reporting packages reflect sound operations?

Yes. As reported in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to the fiscal year 2014 annual audit reporting package.

Is the Charter Holder administering student admission and attendance appropriately?

Yes. Based on the available information in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to administering student admission and attendance.

Is the Charter Holder maintaining a safe environment consistent with state and local requirements?

Yes. Based on the available information in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to maintaining a safe environment.

Is the Charter Holder transparent in its operations?
Yes. Based on the available information in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to transparency of operations.

Is the Charter Holder complying with its obligations to the Board?
Yes. Based on the available information in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to its obligations to the Board.

Is the Charter Holder complying with reporting requirements of other entities to which the Charter Holder is accountable?
Yes. Based on the available information in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements monitored by other entities to which the Charter Holder is accountable.

Is the Charter Holder complying with all other obligations?
Yes. Based on the available information in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to all other obligations.

IX. Board Options

Option 1: The Board may vote to issue a Notice of Intent to Revoke the Charter Holder's charter contract unless the Charter Holder enters into a Consent Agreement to restore the charter to acceptable performance. Staff recommends the following language provided for consideration: I move that, having considered the statements of the representatives of the Charter Holder today and the academic performance, the fiscal compliance, and legal and contractual compliance of the Charter Holder, the Board has sufficient basis to issue a Notice of Intent to Revoke the charter of Desert Sky Community School, Inc. on the grounds 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 Staff Report, the Inventory Documents, and the DSP Final Evaluation. Data and analysis provided by the Charter Holder does not demonstrate improved academic performance based on data generated from valid and reliable assessment sources. Additionally, the Charter Holder was unable to provide evidence that it has consistently implemented a sustained improvement plan that includes a comprehensive curriculum system, a comprehensive assessment system, a comprehensive monitoring instruction system, or a comprehensive professional development system. Further, the Charter Holder's delivery of the education program and operations do not reflect the essential terms of the educational program as described in the charter contract.

All that taken into consideration, the Board directs staff to work with Desert Sky Community School, Inc. to create a Consent Agreement for the purpose of restoring the charter to acceptable performance using the Consent Agreement Template contained in the portfolio. The terms of the consent agreement to be negotiated include only the terms concerning the data that will be reported to the board and the methodology used to calculate that data. All other terms contained in the template must be accepted. Among other terms, these terms require that the Charter Holder shall complete and submit a Performance Management Plan that Meets the Board's evaluation criteria no later than June 30, 2015.

The Charter Holder must also submit a program of instruction amendment request to the Board no later than May 15, 2015. This submission must provide sufficient information for the Board to determine whether it is appropriate to approve changes to the essential terms of the educational program as

described in the charter contract in order to reflect the delivery of the education program and operations.

I further move that if the terms of a Consent Agreement cannot be reached by June 30, 2015 the Board issue a Notice of Intent to Revoke the charter for the reasons previously stated and that:

- Within 48 hours of receipt of the Notice the charter operator shall notify staff and parents/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;
- 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.

Option 2: The Board may vote to implement heightened monitoring of this Charter Holder. The following language is provided for consideration: I move that, having considered the statements of the representatives of the Charter Holder today and the academic performance, the fiscal compliance, and legal and contractual compliance of the Charter Holder, the Board has sufficient basis to issue a Notice of Intent to Revoke the charter of Desert Sky Community School, Inc. on the grounds 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 Staff Report, the Inventory Documents, and the DSP Final Evaluation. Data and analysis provided by the Charter Holder does not demonstrate improved academic performance based on data generated from valid and reliable assessment sources. Additionally, the Charter Holder was unable to provide evidence that it has consistently implemented a sustained improvement plan that includes a comprehensive curriculum system, a comprehensive assessment system, a comprehensive monitoring instruction system, or a comprehensive professional development system. Further, the Charter Holder's delivery of the education program and operations do not reflect the essential terms of the educational program as described in the charter contract.

All that taken into consideration, the Board directs staff to implement heightened monitoring of Desert Sky Community School, Inc. Specifically, the Charter Holder shall 1) submit a revised PMP that Meets the Board's evaluation criteria no later than June 30, 2015, using a template provided by Board staff and 2) submit evidence of the implementation of a sustained improvement plan that includes implementation of a comprehensive curriculum system, a comprehensive assessment system, a comprehensive instructional monitoring system, and a comprehensive professional development system, and, if required a system for ensuring students in grades 9-12 graduate on time, and a system for keeping students motivated and engaged in school along with data and analysis to demonstrate changes in academic performance at quarterly intervals (September 15, December 15, March 15, June 15) until the Charter Holder's Academic Dashboards demonstrate improved academic performance or until further consideration of the Charter Holder's academic performance by this Board. If Desert Sky Community School, Inc. does not submit an acceptable PMP, does not submit evidence of the implementation of comprehensive systems at the quarterly monitoring, or if the academic performance of the school operated by the Charter Holder does not improve as reported at quarterly monitoring or through the Academic Dashboard, the Board will again review the performance of this Charter Holder and may impose disciplinary action at that time.

The Charter Holder must also submit a program of instruction amendment request to the Board no later than May 15, 2015. This submission must provide sufficient information for the Board to determine

whether it is appropriate to approve changes to the essential terms of the educational program as described in the charter contract in order to reflect the delivery of the education program and operations.

Option 3: The Board may vote to continue monitoring the Charter Holder through the Academic Intervention Schedule as set out in the Academic Performance Framework and Guidance document. The following language is provided for consideration: I move that the board direct staff to continue monitoring Desert Sky Community School, Inc. through the Academic Intervention Schedule as set out in the Academic Performance Framework and Guidance document. If the academic performance of the school operated by the Charter Holder, as reported on the Academic Dashboard, does not improve, the Board will again review the performance of this Charter Holder and may impose disciplinary action at that time.