

AGENDA ITEM EXECUTIVE SUMMARY: Procedural Steps for Restoring or Revoking Charters Due to an F Letter Grade

Issue

The proposed oversight procedure for schools assigned a letter grade of “F” codifies the steps guided by Arizona Administrative Code (“A.A.C.”) R7-5-601, R7-5-602 and R7-5-606.

Statutory Provisions

The Arizona State Board for Charter Schools (“Board”) is charged by Arizona Revised Statutes (“A.R.S.”) §§ 15-182(E)(1) and (2) and 15-183(R) with granting charter status to qualifying applicants for charter schools and exercising general supervision over the charter schools it sponsors. If a charter school is assigned a letter grade of “F”, the Arizona Department of Education (“Department”) must immediately notify the charter school’s sponsor. A.R.S. § 15-241.02(I). The charter school’s sponsor must either take action to restore the charter school to acceptable performance or revoke the charter school’s charter. *Id.*

On April 23, 2018, the State Board of Education took action to approve the cut scores for the fiscal year (“FY”) 2017 (July 1, 2016 to June 30, 2017) letter grades and issued letter grades to traditional elementary and high schools only. The Board’s procedure is guided by A.A.C. R7-5-601, R7-5-602 and R7-5-606 for schools that have been assigned an “F” letter grade (“F School”) under the school accountability system (A.R.S. § 15-241).

Section I: Background

Statutory Provisions	A.R.S. § 15-241.02(I) requires the Board to either take action to restore an F School to acceptable performance or revoke the F School’s charter.
Timeframe	After the annual assignment of letter grades under A.R.S. §15-241, a review of letter grades is conducted to identify F Schools.
Restore Charter for F Schools	A.A.C. R7-5-602 and R7-5-606, allow the Board to enter into an F School Consent Agreement (“Agreement”) with a charter holder operating an F School to restore the charter to acceptable performance within a specified time period. For all charter holders operating F Schools in FY 2017, the Board is offering the opportunity to restore their charter to acceptable performance.
Board Consideration	A charter holder that does not enter into the Agreement is placed on the regular agenda of the next scheduled meeting for the Board to take action of issuing a Notice of Intent to Revoke the charter.

Section 2: Steps

Steps	Action
1. Charter Holder Notification	After receiving the names of the F Schools, on April 25, 2018 Board staff sent the "Failing School Notification" to each charter holder operating an F School, communicating to the charter holder its requirements under A.A.C. R7-5-602(C) that are due to the Board within 30 days of receiving the notification.
2. Required Submission	<p>In accordance with A.A.C. R7-5-602(C), Board staff will confirm that the charter holder has submitted the following:</p> <ol style="list-style-type: none"> 1. A copy of the written notice provided under A.R.S. § 15-241.02 to the parents or guardians of all students attending the school that the Department has assigned the school a letter grade of "F" because the school is demonstrating a failing level of performance; 2. A list of the names and mailing addresses of the parents or guardians of all students attending the school; and 3. Assurance that the charter school's public communications making a statement concerning the charter school's academic performance, including the charter school's website and promotional materials, accurately describe the charter school's most current annual achievement profile assigned by the Department. <p>In order to timely execute this Agreement, the Board and charter holder will agree that a financial performance response will not be submitted by the charter holder as required by R7-5-602(C)(4).</p>
3. Consent Agreement	If the charter holder chooses to enter into the Agreement, it must be signed by the charter representative, approved by the charter holder's board, and received by Board staff by May 29, 2018. The Executive Director has discretion to allow for an extension of the May 29, 2018 deadline upon request of the charter holder. <i>See Appendix A: F School Consent Agreement</i>
4. Execution of Consent Agreement	A charter holder's Agreement will be signed by the Board President if the charter holder has fulfilled all requirements pursuant to A.A.C. R7-5-602(C)(1-3) and submitted a signed Agreement.
5. Parent Notification	Within 30 days of the signing of the Agreement, the charter holder shall provide to the Board a copy of the notice described in paragraph 15 of the Agreement and a description of how the notice will be provided to parents or guardians of students enrolling in or returning to the School.
6. Board Consideration of Issuing a Notice of Intent to Revoke	<p>A charter holder with an F School that does not sign the Agreement will be placed on the regular agenda of the next scheduled meeting for Board action to issue a Notice of Intent to Revoke. If the Charter Holder does not meet the minimum financial performance expectations, a financial performance response must be submitted within 30 days after receiving the "Failing School Notification".</p> <p>Pursuant to A.A.C. R7-5-602(E), in making this decision, the Board shall consider all relevant factors including:</p> <ol style="list-style-type: none"> 1. Whether the charter holder complied fully with all requirements pursuant to A.A.C. R7-5-602(C);

	<ol style="list-style-type: none"> 2. Whether the charter holder failed to meet the minimum academic performance expectations based on student achievement measures specified in the Academic Performance Framework; 3. Whether the charter holder has demonstrated, under A.A.C. R7-5-508, sufficient progress toward achieving the minimum academic performance expectations; 4. Whether the charter holder meets the minimum financial performance expectations; 5. Whether the charter holder timely complied with Board requests for information and documents; 6. Whether the charter holder's historical compliance record indicates repeated or multiple breaches of its charter, other contractual agreements with the Board, federal or state law, or A.A.C. Title 7, Chapter 5; and 7. Any other factor the Board determines has a bearing on the charter holder's ability or willingness to comply with the provisions of its charter, other contractual agreements with the Board, federal and state law, and Board rules.
7. Board Consideration of Closing the F school	In the Board's consideration for issuing a Notice of Intent to Revoke the charter, the Board, with the charter holder's approval, may take action to close an F School in place of revoking the charter if the charter holder operates other schools that are not F Schools.
8. Right to an Informal Settlement Conference	<p>If the charter holder is issued a Notice of Intent to Revoke by the Board, it has the right to request an informal settlement conference pursuant to A.R.S. § 41-1092.06. If an informal settlement conference is requested, the Board must hold the conference within 15 days after receiving the request. The request must be in writing and must be filed with the Board no later than 20 calendar days before the set hearing.</p> <p>To request an informal settlement conference, the charter holder must submit the request to:</p> <p>Arizona State Board for Charter Schools Ashley Berg, Executive Director PO Box 18328 Phoenix, AZ 85009</p>

Appendix A: F School Consent Agreement



CONSENT AGREEMENT

This Consent Agreement (“Agreement”) is between **CHARTER HOLDER NAME** (“shortened name”) and the Arizona State Board for Charter Schools (“Board”) to restore charter school **SCHOOL NAME** (“the School”) to acceptable performance under A.R.S. § 15-241.02(I).

PARTIES

The Board is the state agency required to exercise general supervision over charter schools sponsored by the Board. A.R.S. § 15-183(E)(1).

CHARTER HOLDER operates the School, a charter school that is sponsored by the Board and subject to statutes and rules related to charter schools as provided in Title 15, Arizona Revised Statutes and Title 7, Chapter 5 of the Arizona Administrative Code (“A.A.C.”).

RECITALS

1. Charter schools are established under A.R.S. § 15-181 *et seq.* to provide a learning environment that will improve pupil achievement, to provide additional academic choices for parents and pupils and to serve as alternatives to traditional public schools.

2. When the Board sponsors a charter school, the parties enter into a fifteen (15) year contract (“charter”) that governs the responsibilities of each of the parties. A.R.S. § 15-183(I). The charter may be renewed for successive periods of twenty (20) years. A.R.S. § 15-183(J).

3. The School is a charter school authorized to operate under the sponsorship of the Board pursuant to a charter contract (“Charter”) between **CHARTER HOLDER** and the Board. **CHARTER HOLDER** also operates the following charter schools pursuant to the Charter: [insert names].



4. The Arizona Department of Education (“Department”) annually compiles achievement profiles which assign letter grades for all Arizona charter schools and school districts. A.R.S. § 15-241(A).

5. A school can earn a letter grade of A, B, C, D, or F. A letter grade of “A” demonstrates an excellent level of performance. A letter grade of “F” demonstrates a failing level of performance. A.R.S. § 15-241(F). A letter grade of F may also be assigned to a school that is among the “persistently lowest-achieving schools” in the state under the federal school accountability requirements pursuant to section 1003(g) of the elementary and secondary education act (20 United States Code section 6303). A.R.S. § 15-241(F).

6. When a charter school is assigned a letter grade of F, the Board is required to either take action to revoke the charter school’s charter or to restore the charter school to acceptable performance; restoration is undertaken through a consent agreement. A.R.S. § 15-241.02(I); A.A.C. R7-2-602.

7. In determining whether to revoke the charter school’s charter or restore the charter school to acceptable performance, the Board considers all relevant factors, including those stated in Board rule. A.A.C. R7-5-602.

8. On [date of notification], the Department notified the Board that the School was assigned the letter grade of F for fiscal year (“FY”) 2017 (July 1, 2016 through June 30, 2017).

9. At the **INSERT DATE** Board meeting, the Board took action to restore the School to acceptable performance through a consent agreement for the following reasons:

A. The FY 2017 letter grades were assigned to schools under the first year of the State’s revised letter grade system and were published at the end of the following school year.



- B. It is in the best interest of the students choosing to attend the School that the School continues to improve its students' academic performance.
- C. **CHARTER HOLDER** has satisfied all requirements contained in A.A.C. R7-5-602(C)(1-3), in the manner specified in the "Failing School Notification" dated [date of notification].

AGREEMENT TERMS

In settlement of the matter relating to the School's assignment of a letter grade of F and in order to restore the School to acceptable performance, the parties agree as follows:

10. Because the School was assigned a letter grade of "F" for FY 2017, **CHARTER HOLDER** is subject to the revocation and termination of its charter.
11. The restoration of the School to acceptable performance as stated herein is in the best interest of the Board and **CHARTER HOLDER**. In order for the School to demonstrate that it has been restored to acceptable performance, the School must demonstrate improved academic achievement through the assignment of a letter grade other than "F" for FY 2018 (July 1, 2017 through June 30, 2018), FY 2019 (July 1, 2018 through June 30, 2019), and FY 2020 (July 1, 2019 through June 30, 2020).
12. If the School is assigned the letter grade of "F" for FY 2018 (July 1, 2017 through June 30, 2018), the School has failed to demonstrate that it has been restored to acceptable performance and the Charter and the operations of the School shall terminate on June 30, 2019 [**OR CHARTER HOLDER shall terminate its operation of the School on June 30, 2019.**]
13. If the School is assigned the letter grade of "F" for FY 2019 (July 1, 2018 through June 30, 2019), it has failed to demonstrate that it has been restored to acceptable performance and



the Charter and the operations of the School shall terminate on June 30, 2020 [OR CHARTER HOLDER shall terminate its operation of the School on June 30, 2020].

14. If the School is assigned the letter grade of "F" for FY 2020 (July 1, 2019 through June 30, 2020), it has failed to demonstrate that it has been restored to acceptable performance and the Charter and the operations of the School shall terminate on June 30, 2021 [OR CHARTER HOLDER shall terminate its operation of the School on June 30, 2021].

15. For the duration of this agreement **CHARTER HOLDER** agrees to provide written notice of the terms described in paragraphs 10-14 to parents or guardians of all students upon their enrollment in the School; written notice is to be provided for students newly enrolled and students returning to the School. Within 30 days of the signing of this Agreement, **CHARTER HOLDER** shall provide to the Board a copy of the notice described in this paragraph and a description of how the notice will be provided to parents or guardians of students enrolling in or returning to the School.

16. It is in the best interest of the Board, the School and the students choosing to attend the School that this Agreement be executed prior to or close to the end of the current school year. Therefore, in order to timely execute this Agreement, the Board and **CHARTER HOLDER** agree that a financial performance response will not be submitted by the **CHARTER HOLDER** as required by R7-5-602(C)(4).

17. In the event that **CHARTER HOLDER** has to terminate its operation of the School [OR termination of the School and the Charter] in accordance with paragraphs 11 through 14 of this Agreement, **CHARTER HOLDER** shall, within 10 business days of receiving written notice from the Board of its requirement to terminate its operation of the School [OR termination of the School and the Charter], notify parents or guardians that the School will be closing at the end of the current school year and provide the Board a copy of the notice sent to parents or guardians.



18. The **CHARTER HOLDER** expressly waives any rights to notice and to any administrative hearing or other appeal that may be available under state law and Board rule prior to the termination of the School and the Charter [OR termination of the School] in accordance with paragraphs 11 through 14 of this Agreement.

GENERAL TERMS AND CONDITIONS

19. This Agreement may be executed in one or more counterparts, each of which is equally admissible in evidence and each of which shall fully bind each party who has executed it. The persons executing this Agreement on behalf of the parties hereby represent and guarantee that they have been authorized to do so, on behalf of themselves and the entity they represent.

20. This Agreement is not binding on either party until both the Board and **CHARTER HOLDER**'s governing board accept it by the number of votes necessary to pass a measure at a public meeting. The Agreement is effective immediately upon its approval and execution by the authorized representatives of the Board and **CHARTER HOLDER**.

21. This Agreement is binding upon and inures to the benefit of the parties and their respective successors and assignees.

22. This Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and may not be modified or amended except by written instrument, signed by each of the parties hereto.

23. **CHARTER HOLDER** has a legal right to consult with an attorney prior to entering into this Agreement.

24. Each party shall be responsible for its own legal fees and costs, if any, in this matter.

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

By: Kathy Senseman

President, Arizona State Board for Charter Schools

Date: _____

“CHARTER HOLDER”

By: “Charter Representative”

Charter Representative, “Charter Holder”

Date: _____