
AGENDA ITEM: Compliance Matters – Sierra Summit Academy

Issue

On May 14, 2009, staff of the State Board for Charter Schools conducted a site visit at Sierra Summit Academy (“Charter Operator”). The site visit was conducted at the direction of the Board following a review of the letter submitted by Sierra Summit Academy dated April 4, 2007 (received via email May 1, 2009), which was in response to the Board’s request for a corrective action plan because of third-year Classroom Site Fund noncompliance disclosed in the FY 2008 annual financial audit.

Following the site visit, a letter sent to the Charter Operator, dated June 5, 2009, requested additional information. The Charter Operator responded in a letter dated June 24th. The identified areas of concern report information gathered during the site visit and a review of additional information provided by the Charter Operator.

Student Count

Twenty-eight students were observed on campus. Per school records, 8 students were absent. The “student list” provided by the school showed 36 students enrolled at the school as of May 5, 2009.

Attendance documentation was obtained for the period May 4th through May 14th.

The counts from the site visit and attendance documentation were compared to information available through the Arizona Department of Education’s website. As of May 26th, information obtained from ADE showed the school reporting 38 students. In comparing the “grade list” to the data submitted by the school to ADE for payment purposes, the following differences were noted:

- One 9th grader included on the May 5th “grade list” was listed as withdrawn as of March 26th per information obtained from ADE.
- Three students were listed on the information obtained by ADE as still enrolled at the school, but were not included on the May 5th “grade list” provided by the school. These students include a 9th grader whose first day was February 3rd, an 11th grader who re-enrolled on August 27th, and a 12th grader whose first day was August 7th.

On June 24, 2009, the Charter Operator provided copies of transcripts and class schedules for the four students as well as dates of attendance for the students.

Conclusion:

The Charter Operator has submitted information that it has corrected the attendance reporting. Once SAIS reopens, staff will determine if the data submitted to ADE for these students has been revised to accurately reflect their time at the school. If changes have not been made, the Charter Operator can be brought back before the Board.

Employment Eligibility Verification

Staff reviewed personnel files for employment eligibility records and did not find any documentation. Principal Gargiul stated that Ray Lang conducts the employment verifications for the school.

On May 22nd, Andrea Leder spoke with Dr. Lang, who indicated that his company handles the school’s payroll accounting, but that the school should be doing its own hiring and verifying of employees.

Pursuant to federal law, all U.S. employers must verify the employment authorization of all workers they hire regardless of the worker’s immigration status and document this through the completion and retention of Form I-9

(Employment Eligibility Verification Form). Additionally, under Arizona law (The Legal Arizona Workers Act) employers may not hire any “unauthorized alien” as an employee or independent contractor and must use the federal government’s E-Verify program to check the employment eligibility of every new employee hired after December 31, 2007.

In its June 24th letter, the school stated that now the school will use the I-9 form for employment eligibility verification. The letter also states that on June 15th, Principal Joseph Gargiul registered the school into the E-Verify system. Principal Gargiul achieved a score of 94 percent on the required mastery test and will serve as program administrator.

Conclusion:

The school appears to have taken steps to be able to comply with the law. However, the school did not provide evidence it has complied with federal employment eligibility verification requirements.

Financial Condition

The letter received by this Office on May 1st in response to issues identified in the school’s fiscal year 2008 audit stated, “Due to the transient nature of the population we serve we have not been able to maintain an adequate student enrollment to sustain the operational costs of our school.”

This Office intended to discuss the school’s financial situation during the visit. However, Principal Gargiul indicated that he is not involved in the financial decisions nor does he receive budget information. Principal Gargiul stated that all he has been told, related to the budget, is that the school needs to have 50 students.

In subsequent correspondence, the school was asked for and did provide fiscal year 2010 monthly cash flow projection based on an ADM of 40. In terms of decreasing expenses, the school stated that it cut two teaching positions, representing “almost a 40 percent reduction in staff due to the 10 percent withholding penalty”. Regarding efforts to increase revenue, the school states efforts are underway to increase enrollment. Additionally, the school indicates its other efforts include increasing cash donations and tax credit revenues, continuing to build business partnerships that benefit the school with not only monetary donations but material goods donations and volunteer hours to improve the campus, and creating a better marketing system to improve communications to the public about the benefits of having their student attend Sierra Summit.

Conclusion:

Additional clarification regarding certain line items in the projection is needed. Staff did not have the opportunity prior to the Board meeting to request clarification from the school. If the clarification provided by the school raises issues, the financial condition of Sierra Summit Academy will be brought back to the Board.

Program of Instruction

The School operates on a block schedule with four quarters in the school year. Classes are 90 minutes and students earn one-half credit for each course completed each quarter. This provides the students an opportunity to earn up to 8 credits each year.

While instruction appeared to be subject appropriate, the school could not provide curriculum maps, a scope and sequence or other documentation that demonstrated each course is aligned to State Academic Standards or that the School provides a comprehensive program of instruction.

In some classes observed, teachers stated that all instruction had been delivered. No enrichment, reinforcement or remediation was being provided. Students had “free time” until the next week when finals were scheduled.

Mr. Gargiul stated that teachers are provided a copy of the State Academic Standards and they are expected to be professionals and implement them. Mr. Gargiul further stated that he conducts walk-throughs and has observed the teachers providing instructional content on topic with the course title. No formal evaluation tool is used.

In the June 5th letter from Board staff, the Charter Operator was asked to contact the Highly Qualified Professionals Division of the Arizona Department of Education to ensure that the Highly Qualified Teacher Report status is current and reflects the qualifications of the instructional staff.

The Charter Operator was asked to provide curriculum maps, scope and sequence, or some other documentation for each content area course required for graduation that demonstrates the course is aligned with the State Academic Standards. The Charter Operator responded in the June 24th letter that it is the intent to have school staff members begin developing curriculum maps for each academic discipline in August. The entire process is expected to be completed within the first semester of the 2009-2010 school year.

In the June 5th letter from Board staff, the Charter Operator was asked to provide evidence of implementation of an evaluation process consistent with the Principal's Declaration of Curricular and Instructional Alignment. In the documentation provided on June 24th, the Charter Operator stated that Principal Gargiul will begin a formal teacher evaluation process with the start of the Fall 2009 semester. The Charter Operator stated that the Highly Qualified Professionals Division at the Arizona Department of Education was contacted to review and confirm that the school's current teachers are highly qualified. A check with the Department confirmed this is correct.

Conclusion:

Evidence of implementation of an evaluation process consistent with the Principal's Declaration of Curricular and Instructional Alignment was not provided and the school does not have evidence that it provides a comprehensive program of instruction aligned to the State Academic Standards.

General Compliance

Sierra Summit Academy was NOT IN GOOD STANDING with the Arizona Corporation Commission (ACC) at the time of a compliance review and was asked to provide required documentation that would return the Charter Operator to "In Compliance or Good Standing" status with this and all general compliance areas, including any amendments necessary to document changes in the membership of the corporation.

The Charter Operator provided a copy of the annual report submitted to the Arizona Corporation Commission and is currently in good standing. In the June 24th letter, the Charter Operator stated that no amendments have been submitted to reflect membership changes in the governing body because no changes have occurred. Though minutes of board meetings identified those present as board members, the Charter Operator stated that the "present" status in the minutes does not reflect board membership but simply a documentation of faculty present during a board meeting. The Charter Operator stated that there have been no changes in the charter contract as Ms. Cohne was and still is the charter holder.

Conclusion:

No additional information is needed.

Board Options

1. The Board may direct staff to monitor the charter operator's progress and provide additional updates as they become available.
2. The Board may decide to continue with the current 10% withholding of Sierra Summit Academy's monthly State aid apportionment and add, as deemed appropriate, other issues identified through the site visit and compliance review for the withholding including 1) failure to provide a comprehensive program of instruction aligned to the State Academic Standards as demonstrated by lack of a curriculum and lack

of an evaluation process to assess integration of Standards into instructional practices, and 2) failure to comply with federal immigration laws. A corrective action plan for the new items would include: 1) demonstration of a curriculum aligned to the State Academic Standards and demonstration of an evaluation of the integration of Standards into instructional practices as required in the annual Declarations of Curricular and Instructional Alignment to the State Academic Standards; 2) demonstration of verification of employment eligibility for every employee.

3. The Board may vote to issue a Notice of Intent to Revoke the charter contract of Sierra Summit Academy, Inc. for any or all of the following issues: a) failure to provide a comprehensive program of instruction, b) failure to comply with federal immigration laws, and c) failure to comply with Classroom Site Fund requirements.

The motion should also require 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.
4. The Board may choose to add to the basis of the current 10% withholding (Option #2) and to issue a Notice of Intent to Revoke the charter contract of Sierra Summit Academy, Inc. (Option #3).

Staff's Recommendation: Option #2

Add to the basis of the current 10% withholding of Sierra Summit Academy's monthly State aid apportionment and require a corrective action plan for

- 1) Failure to provide a comprehensive program of instruction aligned to the State Academic Standards as demonstrated by lack of a curriculum and lack of an evaluation process to assess integration of Standards into instructional practices, and
- 2) Failure to comply with federal immigration laws.

Further,

A corrective action plan for the new items includes:

- 1) Demonstration of a curriculum aligned to the State Academic Standards and demonstration of an evaluation of the integration of Standards into instructional practices as required in the annual Declarations of Curricular and Instructional Alignment to the State Academic Standards; and
- 2) Evidence of verification of employment eligibility for every employee hired.