

Academy of Arizona Staff Report

Background Information

Academy of Arizona operates Academy of Arizona - Main in Phoenix. The Board entered into a contract with the charter operator in May of 2000. The school currently serves approximately 240 students in grades K-8. Academy of Arizona - Main is an Underperforming school and did not meet AYP because it did not meet the required percentage of students tested or the annual measurable objectives requirements. Due to its Underperforming profile, Academy of Arizona is also on the February agenda in order for the Board to accept its Arizona School Improvement Plan.

Since fiscal year 2004, Academy of Arizona has operated two campuses: Academy of Arizona – Main and Academy of Arizona – North. Subsequent to the first school day in fiscal year 2009, Academy of Arizona closed the North campus without notifying the Board. Staff became aware of the closure when it attempted to visit the school during a site visit in November 2008. Staff is working with Academy of Arizona to obtain the necessary information to finalize the closure.

Audit History

Academy of Arizona's audit submission history for fiscal years 2005 through 2007 follows:

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| Fiscal Year 2005 | Not submitted timely (No withholding occurred) |
| Fiscal Year 2006 | Not submitted timely (No withholding occurred) |
| Fiscal Year 2007 | Not submitted timely (10% withheld for 2 months. Audit submitted following the site visit and prior to the February 2008 meeting where the Board would consider further disciplinary action.) |

During a site visit on January 22, 2009, corporate officials in Michigan informed staff that the audit was 95 percent complete. The officials anticipated providing the auditor with the outstanding items within a week and expected the audit to be issued within two weeks.

Identified Issues/Concerns

No issues or concerns were generated through the site visit, compliance check and review of complaints.

Board Options

1. The Board may direct staff to monitor Academy of Arizona's progress toward submitting its fiscal year 2008 audit and provide additional updates as they become available and continue with the current 10% withholding of Academy of Arizona's monthly State aid apportionment.
2. The Board may vote to issue a Notice of Intent to Revoke the charter contract of Academy of Arizona for failure to timely submit the fiscal year 2008 audit. 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.

Staff's Recommendation

Staff's recommendation is Option #2, with the following explanation: Although this is a single compliance matter that could be corrected quickly, it is significant, recurring, and requires substantial staff resources each year. If the audit is received following the issuance of a notice of intent to revoke the charter, the charter operator could enter a settlement agreement.

February 9, 2009 Board Meeting