

**Arizona State Board for Charter Schools**  
**May 10, 2010**  
**1700 W. Washington Street**  
**Phoenix, Arizona 85007**  
**Room 164**

**MINUTES**

**Members Present-**

Norm Butler – President  
Ruby Alvarado-Hernandez – Vice President (joined telephonically at 10:07 a.m.)  
Mary Gifford – Superintendent Designee  
Peter Bezanson– Charter School Operator  
Janna Day – Public Member  
Dana Krals – Public Member (telephonically)  
Jake Logan – Business Member  
Steve Parsons – Charter School Teacher

**Members Absent**

Doug Ducey – Business Member  
Rep. Montenegro - Advisory Member

Meeting began at 9:35 a.m.

**Agenda Item A:** Pledge of Allegiance

**Agenda Item B:** Moment of Silence

**Agenda Item C: Roll Call:**

Heather Kelley called the roll and confirmed a quorum.

**Agenda Item D: Call to the Public**

Governing board members, Ms. Shirley, Ms. Begay, and Mr. Winkle, representing Nazlini Community School, Inc. introduced themselves and provided an overview of Nazlini Community School for the Board members.

**Agenda Item E: Arizona Charter Schools Association Update**

Eileen Sigmund, President/CEO for the Arizona Charter Schools Association gave an update of the 2010 Business Conference, highlighting the sessions that were available to participants and shared the names of Innovation and Leadership award recipients: Greg and Pam Miller from Challenge Charter School for Innovation and Heidi Mitchell from Valley Academy for Leadership. Additionally, Ms. Sigmund provided an overview of the use of federal dollars for the June equalization payment and how the implementation of the change in the timing of funding will impact the schools.

**Agenda Item F: Superintendent’s Report**

Superintendent's Designee Mary Gifford commented on Ms. Sigmund’s report of the timing of funding and shared that it is different for districts that have other funding sources. Ms Gifford also noted the impact of equalization payments being paid with federal funds and how accepting the federal dollars will result in charters being subject to a single audit and the significance that it has.

**Agenda Item G: Executive Director’s Report**

1. Status of Charters with previous and/or on-going Board actions: Bradley Academy of Excellence, Inc., Cesar Chavez Learning Community, Inc., CPLC Community Schools, Discovery Plus Academy, Kin Dah Lichii Olta, Phoenix Advantage Charter School, Inc.

Ms. Rowe referred Board members to the On-going Actions document included in their materials and stated that there were no changes at this time.

2. Arizona Online Instruction Update

Ms. Rowe updated the Board on the progress and actions of staff to move the Arizona Online Instruction forward. Staff has been working with State Procurement and is looking into entering an Intergovernmental Agreement with Rio Salado Community College.

3. Legislative Update

Ms. Rowe referred Board members to the legislative tracker document included in their materials and stated that there was one update- SB 1286 was transmitted to the Governor on April 29, 2010.

**Agenda Item H. Consent Agenda**

1. ACCLAIM Academy – Instructional Days Amendment
2. Anthem Preparatory Academy. – Increase Grades Served Amendment
3. Arizona School for the Arts – Charter Mission Amendment
4. Cambridge Academy East - Increase Grades Served Amendment
5. Challenge Foundation Academies of Arizona, Inc. – Instructional Days Amendment
6. Chandler Preparatory Academy – Increase Grades Served Amendment
7. Desert Star Community School. - Increase Grades Served Amendment
8. Educational Options Foundation - Increase Grades Served Amendment
9. Great Hearts Academies – Phoenix Core - Increase Grades Served Amendment
10. Leading Edge Academy Maricopa - Increase Grades Served Amendment
11. The Odyssey Preparatory Academy - Increase Grades Served Amendment
12. US Mental Math Federation, Incorp. - Increase Grades Served Amendment
13. Wildcat School - Increase Grades Served Amendment
14. Wildcat School – Instructional Days Amendment

**MOTION**

Mary Gifford made a motion to approve the Consent Agenda. Jake Logan seconded the motion.

**Motion passed unanimously**

(Absent: Alvarado-Hernandez, Abstain: Bezanson)

**Agenda Item I. Charter Contracts**

1. Site Transfer Contract
2. Transfer Contract

Ms. Rowe outlined the changes in the revised Transfer and Site Transfer Contracts. Ms. Rowe stated that the language changes were consistent with those approved for the New Charter Contract by the Board at the March 8, 2010 meeting.

**MOTION**

Mary Gifford made a motion to approve the Site Transfer Contract as presented. Jake Logan seconded the motion.

**Motion passed unanimously**

(Absent: Alvarado-Hernandez)

**MOTION**

Jake Logan made a motion to approve the Transfer Contract as presented. Janna Day seconded the motion.

**Motion passed unanimously**

(Absent: Alvarado-Hernandez)

**Agenda Item J. Renewal Contract**

Ms. Rowe outlined the Renewal Contract stating that the bulk of the language used in the Renewal Contract was the same language for the New Charter Contract approved by the Board at the March 8, 2010 meeting. Ms. Gifford asked for clarification of the inclusion of paragraph 13-E. Ms. Rowe stated that paragraph E would only be included in the contracts for those charter holders that were required to submit a Performance Management Plan as part of the renewal application.

**MOTION**

Mary Gifford made a motion to approve Renewal Contract as presented. Jake Logan seconded the motion.

**Motion passed unanimously**  
(Absent: Alvarado-Hernandez)

**Agenda Item K. Good Cause Extension Requests**

1. Imagine Elementary at Apache Junction, LLC
2. Imagine Elementary at Golden Valley, LLC
3. Imagine Elementary at Sahuarita, LLC

Ms. Rowe provided the Board with an overview of the Good Cause Extension Requests and reviewed the Board’s policy for requesting a Good Cause Extension to the signing and execution of the charter contract.

Dr. Nancy Hall and Monty Lange, representing the charters, addressed the Board and outlined their progress in obtaining appropriate facilities and their intent to open in the Fall 2011.

**MOTION**

Mary Gifford made a motion to approve the Good Cause Extension requests. Jake Logan seconded the motion. Ms. Gifford amended the motion to approve the Good Cause Extension requests for Imagine Elementary at Apache Junction, LLC, Imagine Elementary at Golden Valley, LLC, and Imagine Elementary at Sahuarita, LLC. Mr. Logan seconded the amended motion. After further discussion, Ms. Gifford amended the motion to include that the extension is approved until Fall 2011. Mr. Logan seconded the amended motion.

**Motion passed unanimously**  
(Abstain: Alvarado-Hernandez)

**Agenda Item L. Transfer/Assignment of Charter Contract**

Ms. Rowe introduced the item stating that Florence Crittenton Services of Arizona, an Arizona State Board of Education sponsored charter, submitted a transfer application and is requesting to transfer to the Arizona State Board for Charter Schools. Charter Representative Linda Volheim; and Bill Bressler, Business Manager for Florence Crittenton Services of Arizona, addressed the Board. Ms. Volheim provided an overview of the program offered at Crittenton Youth Academy.

**MOTION**

Mary Gifford made a motion to grant the transfer of Florence Crittenton Services of Arizona charter to the State Board for Charter Schools. Janna Day seconded the motion.

**Motion passed unanimously**

**Agenda Item M. Charter Replication Application**

Ms. Rowe provided the Board with an overview of the charter replication process and eligibility criteria and stated that Arizona Agribusiness & Equine Center, Inc. meets the criteria for replication. Linda Proctor-Downing and Suzanne Drakes representing Arizona Agribusiness & Equine Center, Inc. addressed the Board, providing background information on the program offered and the plan to expand to Prescott Valley.

**MOTION**

Jake Logan made a motion to approve the replication application and grant the charter for Arizona Agribusiness & Equine Center Prescott Valley. Mary Gifford seconded the motion.

**Motion passed unanimously**

**Agenda Item N. Compliance Matters**

1. Consent Agreement for Legacy Schools

Ms. Rowe stated that Legacy Schools has submitted the signed Consent Agreement for the purpose of restoring the charter to acceptable performance in accordance with A.R.S. §15-241(U).

### **MOTION**

Mary Gifford made a motion to approve and accept the terms of the Consent Agreement for Legacy Schools as presented. Jake Logan seconded the motion.

#### **Motion passed unanimously**

2. Discovery Plus Academy - Classroom Site Fund requirements as outlined in A.R.S. § 15-977.

Andrea Leder provided the Board with information regarding the school's non-compliance for 6 months with Classroom Site Fund requirements and previous non-compliance with Site Fund requirements. On March 8, 2010, the board was informed that Discovery Plus Academy had engaged an audit firm to conduct the agreed-upon procedures and that the agreed-upon procedures report was expected to be issued later that month. At the March 8<sup>th</sup> meeting, the Board took no action pending receipt and staff's review of the agreed-upon procedures report. On April 9<sup>th</sup>, staff received the agreed-upon procedures report which showed non-compliance with Classroom Site Fund requirements.

DeeAnn Williams, Charter Representative, addressed the Board and outlined all of the steps the charter was taking to restore Discovery Plus Academy to be in compliance.

### **MOTION**

Jake Logan made a motion to allow Discovery Plus Academy to demonstrate compliance with Classroom Site Funds requirements through the fiscal year 2010 audit and that the 10% withholding would continue until compliance is demonstrated through either another agreed upon procedures or the fiscal year 2010 audit. Mary Gifford seconded the motion.

#### **Motion passed unanimously**

3. New World Education Center – Failure to comply with fingerprinting requirements

Andrea Leder presented evidence to the Board that New World Education Center failed to comply with fingerprinting requirements. Jesus Armenta and Josue Martinez spoke as representatives of New World Education Center and provided the Board with background, actions taken, potential disciplinary action it might take, and answered the Board's questions.

Ms. Gifford stated that the laws are clear and that the school should look very carefully at the law. Mr. Logan stated that parents trust the school is doing its job, as the legislature intended, and conducting the appropriate background checks on its personnel.

Assistant Attorney General Kim Anderson, acting as Board's counsel, stated that she wanted to clarify for the school that whatever decision the Board makes today, that decision is not any type of recommendation about what the school should do personnel wise and the school should not take it as such.

### **MOTION**

Mary Gifford made a motion that the Board find that this constitutes a first time that the charter school is out of compliance with the fingerprinting requirements and that the school failed to provide timely proof of the required submissions and that the Board impose a civil penalty of \$1,000 for the one occurrence as it has been presented and documented in the Board materials with my motion including the findings that New World Education Center failed to comply with fingerprinting requirements prescribed in A.R.S. §15-183 (C); that written notification was provided to New World Education Center as required by A.R.S. §15-185(I); that this is the first time for civil penalty purposes that New World Education Center is out of compliance with statutory fingerprinting requirements; and New World Education Center failed to provide proof within 48 hours of the written notification that an application for the appropriate fingerprint check has been received by the Department of Public Safety. I ask that the staff apprise the Charter Operator of the Board's findings and decision in this matter and its appeal rights under Arizona Law; that they notify the Charter Operator that if the Board determines that the charter school subsequently violates the fingerprinting requirements during the next five years, a civil penalty of \$1,000 per occurrence shall automatically be imposed; and that we timely request the Arizona Department of Education to reduce the amount of state aid that the charter school would otherwise receive by an amount equal to the civil penalty. Steve Parsons seconded the motion.

Ms. Gifford stated for the record that the fingerprinting information for the State is very easily and readily available, that this is front page news repeatedly and that for someone who works in a school and who works in the school and receive Classroom Site Funds and not have a valid fingerprint clearance card since 2006 is troublesome to me and that a charter operator would be at the helm and would not respond to an audit in a timely manner and would not know the fingerprinting

laws on the front end is troublesome to me.

**Motion passed unanimously**

4. Back-to-Basics School and Scottsdale Horizons Charter School – Failing to report student attendance data in accordance with A.R.S. §15-185(B)(2), 15-901 and 15-902

Andrea Leder presented to the Board that, through staff reviews of the accuracy of the student attendance data being reported by Back-to-Basics School and Scottsdale Horizons Charter School to the Arizona Department of Education for funding purpose conducted between February 2010 and May 2010, evidence identified two separate records created for students and uploaded to ADE which were not supported by the teacher-marked attendance rosters (“duplicate students”) and instances where student data reported to ADE did not match the information supported by the teacher-marked rosters, including overstatement of student membership days. For Back-to-Basics Schools, staff identified two duplicate students and a net overstatement of 571 membership days. For Scottsdale Horizons Charter School, staff identified four duplicate students and a net overstatement of 421 membership days.

Further, Ms. Leder stated that this is not the first time staff has identified issues with the student data these charter holders have submitted to ADE for funding purposes. In fiscal year 2009, site visits conducted to the three charter schools operated by Back-to-Basics School and Scottsdale Horizons Charter School identified more than 80 students being reported to ADE for funding that were not supported by the schools’ teacher-marked attendance rosters.

Marcia Lee, Charter Representative for both Back-to-Basics School and Scottsdale Horizons Charter School addressed the Board. Ms. Lee stated that her staff had researched the discrepancies identified by staff and has determined that the duplicate students were due to a glitch in the schools’ student management software or with ADE Student Accountability Information System. Ms. Lee further stated that while the students were reported for Estimated Counts, the charters did not receive any funding for them because there has been no attendance submitted for actual data and that the funding is then a wash. Ms. Lee had written statements from the charters’ compliance officer that he had identified the problem and that no additional funding had been received for the identified students. Staff collected the documents.

Ms. Rowe and Ms. Leder reiterated for the Board that staff reviewed ADE reports summarizing the 40<sup>th</sup> and 100<sup>th</sup> day data submitted by Back-to-Basics School and Scottsdale Horizons Charter School to ADE and used by ADE for funding purposes and clarified that the FY2010 review did not address Estimated Count data. Ms. Leder further stated that the ADE reports are available to the schools for the purpose of reconciliation and for ensuring the reporting of accurate data.

**MOTION**

Peter Bezanson made a motion that the Board find Back-to-Basics School in noncompliance with state law for failing to report student attendance data in accordance with A.R.S. §15-185(B)(2), 15-901 and 15-902 and approve withholding 10% of its monthly state aid apportionment until compliance is demonstrated. In order to demonstrate compliance, the corrective action plan for the charter holder includes: 1) Demonstration that the charter holder has corrected the student attendance data for fiscal year 2010 reported to ADE and used for funding purposes. This would include providing all information to and completing all steps required by ADE. Board staff will review the revised student attendance data for the charter holder after the data have been aggregated by ADE to ensure the data accurately reflect, within 2%, the information found on the teacher-marked attendance rosters; 2) Detailed policies and procedures related to student attendance recording and reporting that address the charter holder’s overall processes as well as specific steps included to ensure the issues identified by the Board during its site visits to the school do not recur; 3) Evidence that the policies and procedures have been adopted by the charter holder’s corporate or governing body, as appropriate (e.g., meeting minutes); and 4) Implementation of the policies and procedures developed and adopted by the charter holder that result in the submission of accurate data through the first 40 days of fiscal year 2011. Additionally, the Board votes to issue a Notice of Intent to Revoke the charter contract of Back-to-Basics School for failing to report student attendance data in accordance with A.R.S. §15-185(B)(2), 15-901 and 15-902. 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. Mary Gifford seconded the motion.

**Motion passed unanimously**

**MOTION**

Peter Bezanson made a motion that the Board find Scottsdale Horizons Charter School in noncompliance with state law for failing to report student attendance data in accordance with A.R.S. §15-185(B)(2), 15-901 and 15-902 and approve

withholding 10% of its monthly state aid apportionment until compliance is demonstrated. In order to demonstrated compliance, the corrective action plan for the charter holder includes: 1) Demonstration that the charter holder has corrected the student attendance data for fiscal year 2010 reported to ADE and used for funding purposes. This would include providing all information to and completing all steps required by ADE. Board staff will review the revised student attendance data for the charter holder after the data have been aggregated by ADE to ensure the data accurately reflect, within 2%, the information found on the teacher-marked attendance rosters; 2) Detailed policies and procedures related to student attendance recording and reporting that address the charter holder's overall processes as well as specific steps included to ensure the issues identified by the Board during its site visits to the school do not recur; 3) Evidence that the policies and procedures have been adopted by the charter holder's corporate or governing body, as appropriate (e.g., meeting minutes); and 4) Implementation of the policies and procedures developed and adopted by the charter holder that result in the submission of accurate data through the first 40 days of fiscal year 2011. Additionally, the Board finds there is a basis on which to revoke the charter contract for Scottsdale Horizons Charter School, but given the fact that the charter holder's renewal application will be considered in July, the Board should proceed with the withholding, but not issue a Notice of Intent to Revoke the Charter until after a determination to renew the charter has been made. Jake Logan seconded the motion.

**Motion passed unanimously**

**Agenda Item O. Race To The Top Application**

Ms. Rowe provided the Board with an update for the Round 2 submission for the Race To The Top Application. Upon discussion, the Board directed Ms. Rowe to write a letter of support on behalf of the Board.

**Agenda Item P. Strategic Planning Grant Application**

Ms. Rowe stated that given the Board's priorities and current on-going projects, staff would not be submitting an application for the Strategic Planning Grant as previously reported.

**Agenda Item Q. Board Comments**

There were no Board Comments.

**Agenda Item R. Approval of Minutes**

April 12, 2010 Regular Session

**MOTION**

Mary Gifford made a motion to approve the April 12, 2010 minutes. Jake Logan seconded the motion. Peter Bezanson identified corrections to language in the minutes. Mary Gifford amended the motion to include the changes as identified by Dr. Bezanson. Jake Logan seconded the amended motion.

**Motion passed unanimously**

**Agenda Item S: Adjournment**

The meeting adjourned at approximately 11:59 a.m.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date