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**AGENDA ITEM:** Settlement Agreement for North Star Charter School, Inc.

**Background Information**

North Star Charter School began its operation in the fall of 2001.

On July 13, 2009 the Board voted to issue a Notice of Intent to Revoke the Charter of North Star Charter School, Inc. for:

- Graduating students that did not have the minimum number of credits in specified subject areas and/or did not meet the competency requirements for the graduation of pupils from high school and the issuance of a high school diploma.
- Failing to provide records pursuant to Public Records Law, including student cumulative files for all students enrolled during FY08 and FY09, personnel files for all employees during FY08 and FY09, verification that teachers are highly qualified under the NCLB Act for FY08 and FY09, financial records for FY08 and FY09, and verification that its teachers met the “highly qualified” teacher requirements of the No Child Left Behind Act, and
- Failing to remain current with its reporting and member and employer contribution obligations to the Arizona State Retirement System for several pay periods from April 30 through June 30, 2009.

At the time of the Board’s action, the charter holder was encountering challenges by school board members of actions taken during various North Star Charter School, Inc. board meetings in 2009 and a period of time from late April to late June 2009 in which various school personnel and board members were excluded from the premises and operation of the school. The Charter Representative ultimately returned to the operation of the school pursuant to an Injunction Against Workplace Harassment in late June 2009.

The Hearing was set for November 16 and 17, 2009, but was not concluded. Further hearing dates are set for March 30 and 31, 2010.

Since September 2009, Board staff has continued to monitor the School’s implementation of a corrective action plan related to the areas of noncompliance identified in the Notice of Intent to Revoke. Board Staff last visited the School on March 11, 2010.

The School has satisfied the requirements of the corrective action plan and as such has corrected the items within the Notice of Intent to Revoke that could be corrected.

A Settlement Agreement has been proposed for both parties’ consideration. North Star Charter School, Inc.’s board of directors is set to consider the Settlement Agreement on Friday, March 19, 2010.

It is anticipated that a signed Agreement with evidence of the North Star Charter School, Inc.’s board of directors’ approval will be provided at the meeting.

A copy of the proposed terms is included in the Board’s materials.

Should the Board approve the terms of the Settlement Agreement, the Hearing set for March 30 and 31, 2010 would be vacated.

**Staff’s Recommendation**

Staff’s recommendation is to accept the terms of the Settlement Agreement with North Star Charter School, Inc. and vacate the continued hearing dates.

1 **BEFORE THE ARIZONA STATE BOARD**

2 **FOR CHARTER SCHOOLS**

3 In the matter of:

No. 10F-RV-002-BCS

4 **NORTH STAR CHARTER SCHOOL,**  
5 **INC.** (a non-profit corporation)  
6 and

**SETTLEMENT AGREEMENT**

7 **NORTH STAR CHARTER SCHOOL**  
8 (a charter school).

9 This Agreement is entered into between North Star Charter School, Inc., a non-profit  
10 corporation operating North Star Charter School, a charter school, and the Arizona State Board for  
11 Charter Schools, by and through its authorized representatives, and provides the following terms  
12 and agreement:

13 **FINDINGS OF FACT**

14 1. North Star Charter School (hereafter, "the School") is a charter school established  
15 pursuant to Arizona Revised Statutes (hereafter, "A.R.S.") § 15-181 *et seq.*

16 2. The School operates pursuant to a Charter Contract between North Star Charter  
17 School, Inc., a non-profit corporation organized under the laws of the State of Arizona, (hereafter,  
18 "North Star") and the Arizona State Board for Charter Schools (hereafter, the "Board"). The  
19 School is currently authorized to serve students in grades 9 through 12.

20 3. The Charter Contract was signed by Aldine Dickens as the Charter Representative  
21 and the person authorized to sign for North Star. The Charter Contract includes North Star's  
22 Articles of Incorporation and Application, which are fully incorporated into and are a part of the  
23 Charter Contract.

24 4. The parties amended the Charter Contract on May 6, 2008 to delete Aldine Dickens  
25 as the Charter Representative and to substitute Kurt Huzar in her place as the Charter  
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1 Representative and person authorized to act for North Star. The amendment was to be effective on  
2 June 1, 2008.

3 5. North Star first began operating the School in the 2001-2002 school year.

4 6. The Charter Contract of North Star and the Board requires that North Star comply  
5 with all state, federal and local laws applicable to the operation of a charter school.

6 7. On August 13, 2009, the Board issued a Notice of Intent to Revoke Charter to North  
7 Star.

8 **Minimum Course of Study and Competency Requirements**  
9 **for Graduation from High School**

10 8. The Arizona State Board of Education (hereafter, "Board of Education") prescribes  
11 the minimum course of study incorporating Arizona's Academic Standards (hereafter, "the  
12 Standards") and competency requirements for the graduation of pupils from high school. A.R.S. §  
13 15-203(A)(13), A.R.S. § 15-701.01.

14 9. The Board of Education has established: (1) 20 credits in specified subject areas as  
15 the minimum number of credits for high school graduation; and (2) receipt of a passing score on  
16 the reading, mathematics, and writing portions of the Arizona's Instrument to Measure Standards  
17 (hereafter, "AIMS") assessment for the graduation of pupils from high school or the issuance of a  
18 high school diploma, effective for the graduation classes of 2006 through 2012<sup>1</sup>. Arizona  
19 Administrative Code (hereafter, "A.A.C.") Rule 7-2-302 and 7-2-302.01.

20  
21 10. A pupil who fails to achieve a passing score on the reading, mathematics, and  
22 writing portions of the AIMS test required for graduation from high school may graduate if the  
23 pupil meets the following alternative graduation requirements (hereafter, "augmentation"): (i) the  
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25 <sup>1</sup> Effective for the graduation class of 2013, the Board of Education has established 22 credits in  
26 specified subject areas as the minimum number of credits for high school graduation.

1 pupil has taken the AIMS test each time the test was offered when the pupil was eligible to take the  
2 test; (ii) the pupil has completed with a passing grade all coursework and credits required for the  
3 graduation of pupils from high school; and (iii) the pupil has participated in any academic  
4 remediation programs available in the pupil's school in those subject areas where the pupil failed  
5 to achieve a passing score on the AIMS test. A.R.S. § 15-701.02(B).

6 11. A high school pupil who transfers from out-of-state into an Arizona public school is  
7 exempt from the AIMS graduation requirements if the student has successfully passed a statewide  
8 assessment test on state adopted standards that are substantially equivalent to the Board of  
9 Education adopted academic standards ("reciprocity"). A.R.S. § 15-701.01(A)(3).

10 12. On May 22, 2009, North Star issued a high school diploma to Student A. Student A  
11 did not have the minimum number of credits required for high school graduation.

12 13. On January 21, 2009, North Star issued a high school diploma to Student B.  
13 Student B did not meet the competency requirements for the graduation of pupils from high school.  
14 Student B did not receive a passing score on the reading, mathematics, and writing portions of the  
15 AIMS assessment required for high school graduation. Nor did Student B meet the alternative  
16 graduation requirements for augmentation because Student B had not taken the AIMS test each  
17 time the test was offered when Student B was eligible to take the test; nor did Student B participate  
18 in any academic remediation programs available at the School in those subject areas where Student  
19 B failed to achieve a passing score on the AIMS test.

20 14. On March 12, 2009, North Star issued a high school diploma to Student C. Student  
21 C did not meet the competency requirements for the graduation of pupils from high school.  
22 Student C did not receive a passing score on the reading and mathematics portions of the AIMS  
23 assessment required for high school graduation. Nor did Student C meet the alternative graduation  
24 requirements for reciprocity because the test results documentation of Student C, a student who  
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1 transferred to the School from out-of-state, did not reflect that Student C achieved a designated  
2 acceptable score on that state's statewide assessment test.

3 15. North Star currently has a transcript review process to ensure that prospective  
4 graduating students have satisfied all course and competency requirements for graduation from the  
5 School.

6 16. A review of North Star's mid-year graduating student (February 2010) indicates the  
7 student met the minimum number of credits and competency requirements for high school  
8 graduation.

9 17. A review of the content of the course requirements for the graduation of a student  
10 from North Star supports the ability of the School to offer coursework aligned with the Standards.  
11

12 **Public Records and No Child Left Behind Act of 2001**

13 18. A.R.S. § 39-121.01 requires the School and North Star to maintain and preserve all  
14 records reasonably necessary or appropriate to maintain an accurate knowledge of its official  
15 activities which are supported by monies from the state.

16 19. The Charter Contract between North Star and the Board requires North Star to hold  
17 open for inspection by the Board all records, all documents and files relating to any activity or  
18 program provided by North Star relating to the School or by the School.

19 20. At a site visit to the School on September 11, 2009, the student cumulative files of  
20 eleven of twenty currently enrolled students were incomplete. Specifically, the files did not  
21 contain the students' scores on the reading, mathematics, and writing portions of the AIMS test  
22 required for graduation from high school.

23 21. At a site visit to the School on September 11 and October 19, 2009, personnel files  
24 were available and held open for inspection but, in several instances, contained Form I-9s  
25 (Employment Eligibility Verification) that were not timely and properly completed by North Star.  
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1           5.       Within thirty (30) days of the parties' execution of this Agreement, North Star  
2 agrees to submit to the Board written procedures of its transcript review process used to ensure that  
3 prospective graduating students have satisfied all course and competency requirements for  
4 graduation from the School.

5           6.       Within thirty (30) days of the parties' execution of this Agreement, North Star  
6 agrees to submit to the Board written procedures to assess whether the course content assigned for  
7 credit toward graduation requirements integrates the Standards and written procedures to evaluate  
8 whether the teacher of record assesses student work to the level stated in the Standards, to the  
9 extent the Standards apply to their teaching area(s).

10           7.       North Star agrees that it shall not graduate students that do not have the minimum  
11 number of credits required for high school graduation and/or do not meet the competency  
12 requirements for the graduation of pupils from high school.

13           8.       North Star agrees to maintain, preserve and hold open for the Board's inspection  
14 student cumulative files for all students enrolled at the School, personnel files for all employees  
15 employed at the School, and financial records for the School.

16           9.       North Star agrees that it shall not employ teachers of core academic subjects that are  
17 not "highly qualified" as that term is defined in the No Child Left Behind Act of 2001.

18           10.      North Star agrees to timely submit the appropriate remittance of employee and  
19 employer contributions to ASRS.

20           11.      The Board and North Star agree that if North Star fails to comply with the terms and  
21 conditions of this Agreement, the Board may, on no less than thirty (30) calendar days notice, hold  
22 a hearing at which time the Board will receive information to determine whether evidence exists  
23 that North Star failed to comply with the terms and conditions of this Agreement. North Star shall  
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1 be entitled to present all relevant evidence at this hearing. If the Board determines that a breach of  
2 this Agreement has occurred, the Board may revoke North Star's charter to operate the School and  
3 terminate its charter contract for breach of this Agreement which resolved the issues stated in the  
4 Notice of Intent to Revoke Charter.

5 12. This Agreement is not binding on either party until both the Board and North Star's  
6 Governing Board accept it by a majority vote at a public meeting. This Agreement is effective  
7 immediately upon its approval and execution by the authorized representatives of North Star and  
8 the Board.

9 13. If either party rejects this Agreement or any part of it, then this Agreement is null  
10 and void and not binding on the parties and the Board is free to proceed with the charter revocation  
11 hearing.

12 14. North Star has consulted with an attorney prior to entering into this Agreement.

13 15. Each party is responsible for its own attorneys' fees and costs in this matter.

14  
15 Signed this \_\_\_\_ day of March, 2010 for  
16 ARIZONA STATE BOARD FOR CHARTER SCHOOLS

17  
18 \_\_\_\_\_  
19 By: Norm Butler  
20 President  
Arizona State Board for Charter Schools

21 Signed this \_\_\_\_ day of March, 2010 for  
22 NORTH STAR CHARTER SCHOOL, INC. and  
23 NORTH STAR CHARTER SCHOOL

24 \_\_\_\_\_  
25 By: Kurt Huzar  
26 Charter Representative  
North Star Charter School, Inc.

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COPIES mailed this \_\_\_\_ day of  
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By \_\_\_\_\_  
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