AGENDA ITEM: Consideration of Revocation or Restoration of a Charter of a Charter Holder Operating an F School

Issue

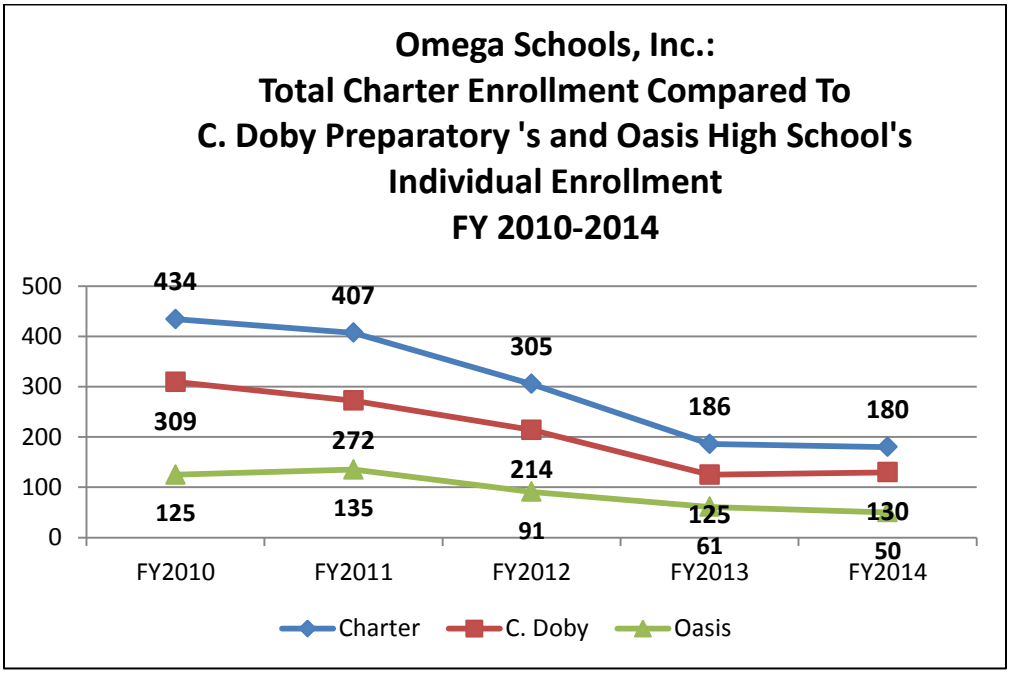
C. Doby Preparatory operated by Omega Schools, Inc. was assigned an F letter grade by the Arizona Department of Education based on its academic performance during the 2012-2013 school year. The Board must determine whether to restore the charter to acceptable performance or to revoke the charter.

Background Information

In FY2011, the school, C. Doby Preparatory, received an achievement profile of Underperforming. In FY2012, the school earned a D letter grade. In FY2013, the school was assigned an F letter grade. On September 9, 2013, the Arizona Department of Education (ADE) notified the Board of the F letter grade status (failing level of performance) of C. Doby Preparatory (portfolio: b. Letter Grade Notification). Pursuant to A.R.S. § 15-241(U), if a charter school is assigned a letter grade of F, the ADE shall immediately notify the charter school's sponsor. The charter school's sponsor shall either take action to restore the charter school to acceptable performance or revoke the charter school's charter.

Omega Schools, Inc. operates two schools, Oasis High School serving grades 9-12 and C. Doby Preparatory serving grade K-8. C. Doby Preparatory is the school that is designated an F letter grade. Oasis High School was designated as Performing in FY2011. In FY 2012, the school earned a C letter grade. In FY2013, the school earned a D letter grade.

The graph below shows the total ADM for Omega Schools, Inc., C. Doby Preparatory, and Oasis High School's actual 100th day average daily membership (ADM) for fiscal years 2010-2013 and 40th day ADM for fiscal year 2014.



C. Doby Preparatory and Oasis High School were both small schools in FY12 (dashboard contains three years of pooled data). With the State Board of Education's and the Board's changes to the small school definition, both are now classified as traditional schools for FY13 (dashboard represents academic data for FY13). A dashboard representation of C. Doby Preparatory's and Oasis High School's academic outcomes, based upon the indicators and measures adopted by the Board, is provided below.

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C. Doby Preparatory

		2012 Small Elementary School (5-8)			2013 Traditional Elementary School (K-8)		
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1a. SGP	Math	47	50	12.5	25	25	12.5
	Reading	53	75	12.5	44	50	12.5
1b. SGP Bottom 25%	Math	47	50	12.5	32	25	12.5
	Reading	35	50	12.5	29	25	12.5
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
2a. Percent Passing	Math	26 / 42.8	50	7.5	30 / 63.7	50	7.5
	Reading	60 / 68.5	50	7.5	60 / 79.7	50	7.5
2b. Composite School Comparison	Math	-14	50	7.5	-32	25	7.5
	Reading	-7.2	50	7.5	-18.5	25	7.5
2c. Subgroup ELL	Math	27 / 23.9	75	2.5	NR	0	0
	Reading	73 / 50.8	75	2.5	NR	0	0
2c. Subgroup FRL	Math	25 / 35.2	50	2.5	38 / 54.5	50	7.5
	Reading	57 / 63	50	2.5	59 / 72.4	50	7.5
2c. Subgroup SPED	Math	14 / 15.3	50	2.5	NR	0	0
	Reading	27 / 34.1	50	2.5	NR	0	0
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
3a. State Accountability		D	25	5	F	25	5
Overall Rating		Overall Rating			Overall Rating		
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		53.13		100	35.62		100

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Oasis High School

		2012 Small High School (9-12)			2013 Traditional High School (9-12)		
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1a. SGP	Math	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0
1b. SGP Bottom 25%	Math	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
2a. Percent Passing	Math	28 / 31.9	50	10	25 / 48.8	50	10
	Reading	60 / 60.4	50	10	36 / 72.7	50	10
2b. Composite School Comparison	Math	-2.1	50	7.5	-21.6	25	7.5
	Reading	2.3	75	7.5	-37.5	25	7.5
2c. Subgroup ELL	Math	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0
2c. Subgroup FRL	Math	27 / 31.1	50	3.75	27 / 42.7	50	15
	Reading	56 / 58.7	50	3.75	NR	0	0
2c. Subgroup SPED	Math	0 / 8.8	50	3.75	NR	0	0
	Reading	25 / 29.8	50	3.75	NR	0	0
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
3a. State Accountability		C	50	5	D	25	5
4. Graduation		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
4a. Graduation		80	75	15	80	75	15
Overall Rating		Overall Rating			Overall Rating		
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		58.03		70	48.21		70

The following is a timeline of activities that have occurred related to the academic performance of Omega Schools, Inc.:

July 2011 Omega Schools, Inc. was required to submit a Performance Management Plan (portfolio: h. Performance Management Plan) as a component of a transfer application because the schools did not meet the academic expectations set forth by the Board.

August 2011 Omega Schools, Inc.'s request for a transfer from the State Board of Education to the Arizona State Board of Charter Schools was denied based on their academic performance because the schools did not meet the academic expectations set forth by the Board.

November 2011	The Board reconsidered and approved Omega Schools, Inc.'s request for a transfer from the State Board of Education to the Arizona State Board of Charter Schools with the understanding that continued or additional deficiencies in future performance may negatively impact the Board's decision with regard to any future action taken with this charter.
January 2012	Omega Schools, Inc.'s renewal application was approved contingent upon the consolidation of the six schools into one elementary school and one high school.
February 8, 2013	In accordance with the Board's processes and based on the schools' performance in FY 2012 (see dashboard representation above), the charter holder was notified of its requirement to submit a Demonstration of Sufficient Progress (DSP) as an annual report for the schools on a Performance Management Plan that did not meet the Board's academic performance expectations.
May 8, 2013	C. Doby Preparatory submitted its DSP timely. • A DSP site visit scheduled for July 24 was postponed pending the release of the FY2013 data.
September 6, 2013	The charter representative resigned.
September 9, 2013	The ADE notified the Board of the F letter grade status of C. Doby Preparatory.
September 12, 2013	In accordance with the Board's processes, the charter holder (via an email to the statutory agent and the board members) was notified (portfolio: c. DSP Notification Letter) of its requirement to submit a DSP and a Financial Performance Response as part of a requirement for a failing school that does not meet the Board's academic performance expectations. In the letter, the charter holder was also told that the determination by the Board of whether to restore or to revoke the charter for Omega Schools, Inc. would be based on the evidence of the charter holder's performance in accordance with the performance framework adopted by the Board, including the charter holder's demonstration of sufficient progress toward the academic performance expectations of the Board.
October 17, 2013	In accordance with the Board's processes, the charter holder was notified (portfolio: d. Site Visit Notifications) that Board staff would conduct a site visit on November 19, 2013 and that Board staff would verify information included in the DSP.
October 25, 2013	A new charter representative for Omega Schools, Inc. was identified**.**
November 12, 2013	The charter holder submitted the DSP (portfolio: e. Demonstration of Sufficient Progress) and the Financial Performance Response timely.

November 15, 2013 Board staff sent an email to the charter representative, which confirmed the site visit date, identified items to be reviewed on site, and provided the initial evaluation of the DSP (portfolio: d. Site Visit Notifications), submitted on November 12, 2013.

November 19, 2013 Board staff conducted a site visit to meet with the leadership team (Pat Keech, Charter Representative and School Principal, and Katy Goodwin, Assistant to the Principal) to confirm the documentation presented in the DSP and review additional information to be considered in the final evaluation of the charter holder's DSP submission.

Demonstration of Sufficient Progress

The DSP submitted by Omega Schools, Inc. was required to address the areas (curriculum, monitoring instruction, assessment, and professional development) for the measures, for which the charter holder was required to provide a response. The charter holder was provided a copy of the initial evaluation prior to the site visit and informed that areas initially evaluated as not acceptable could be addressed with additional evidence and documentation at the time of the visit. The charter holder also had 48 hours following the site visit to submit relevant documentation.

After considering information in the DSP, evidence and documentation provided at the time of the site visit, and additional documentation submitted following the site visit, the charter holder failed to provide evidence of a curriculum aligned to the standards, failed to provide a systematic process for monitoring and recording the implementation of the standards in instruction, failed to provide a comprehensive assessment system based upon clearly defined performance measures aligned with the curriculum, and failed to provide a comprehensive professional development plan that was aligned to teacher needs. A summary of findings for each required area as evaluated is provided below:

Curriculum:

C. Doby Preparatory did not successfully demonstrate a system to create, implement, evaluate, and revise curriculum, including supplemental curriculum aligned with Arizona College and Career Ready Standards and are supported by data and analysis. Based on the DSP, Board staff expected to collect documentation on pacing guides, curriculum maps, curriculum evaluation documentation, meeting documentation, and curriculum alignment.

The charter holder stated in the DSP (Pg. 3 Par. 1) that C. Doby Preparatory had Professional Learning Communities (PLCs) working to finish pacing guides and curriculum maps which they began last year. At the time of the site visit, the charter holder provided Board staff with pacing guides for the ALS curriculum begun last year, and stated it is no longer used as the primary curriculum but as a supplement. The ALS pacing guides were not collected because they are no longer used as the primary curriculum. The charter representative provided Board staff with math and language arts curriculum maps for grades 3-5, stating that was all that was completed at this time. After the site visit, Board staff was provided with curriculum maps for K-2 and 6th grade. For multiple standards identified on each of the curriculum maps, there was a lack of alignment to the lesson plans provided. No curriculum maps for grades 7 or 8 were provided.

The charter holder stated in the DSP (Pg. 24 Par. 3) that it has a process to regularly evaluate curriculum for improvement. At the time of the site visit, Board staff was provided with a rubric template, but no

documentation to support the use of the rubric was provided. No evidence to support a system to regularly evaluate curriculum was provided.

The charter holder stated in the DSP (Pg. 18 Par. 1) that C. Doby Preparatory had the data review team, the reading specialist, and the administration working together to implement, evaluate, and revise curriculum as needed based on the evidence gathered from assessments. At the time of the site visit, the only data review documentation provided to Board staff was documentation of data meetings regarding the acquisition of early literacy skills for grades K-3. No documentation was provided for language arts for grades 4-8 and no documentation was provided for math K-8.

A Common Core standards curriculum alignment document generated by the publisher of Harcourt Trophies (reading text) was provided for grades 2 and 3 at the site visit. There was no evidence provided of how this document was being used, nor was there evidence of curriculum alignment to the Arizona College and Career Ready Standards for language arts for grades K-1 and 4-8. There was no evidence of curriculum alignment to the Arizona College and Career Ready Standards for math for grades K-8.

The charter holder provided data charts generated from Auto Skills Academy of Math and Auto Skills Academy of Reading for grade levels and individual students. However, there was no analysis of the data provided that demonstrated that the curriculum contributed to increased student growth and proficiency in math or reading.

Monitoring Instruction:
C. Doby Preparatory did not successfully demonstrate a system to monitor the integration of Arizona College and Career Ready Standards into instruction and the evaluation of instructional practices of the teachers supported by data, data analysis and feedback to further develop the system. Based on the DSP, Board staff expected to collect documentation regarding lesson plans that reflect Arizona College and Career Ready Standards and appropriate level of rigor, lesson plan review, standards checklists, informal and formal observations, and data review teams.

The charter holder stated in the DSP (Pg. 3 Par. 2) that the teachers are required to submit lesson plans reflecting Common Core Standards and that each lesson is to be taught at the appropriate level of rigor using instructional best practices. At the time of the site visit, Board staff requested C. Doby Preparatory's best example of grade level lesson plans and were provided with ten weeks of $5^{th}/6^{th}$ grade combination class lesson plans. Upon review of the documents, it was determined that many of these plans were duplicative of one another. Additionally, the plans did not align with the curriculum maps and the objectives and activities did not align with the standard listed. The $5^{th}/6^{th}$ grade combination class was not differentiated between 5th and 6th grades and these plans did not reflect the "I do, we do, you do" method as identified in the DSP (Pg. 3 Par. 2). Some of the lesson plans included the signature of the school principal. The school principal stated that this signified she had reviewed the plans and determined they were acceptable. There was no documentation provided that the appropriate level of rigor was occurring in the instruction. After the site visit, Board staff was provided with eleven weeks of Kindergarten lesson plans, five weeks of $1^{st}/2^{nd}$ grade combination class lesson plans, thirteen weeks of $3^{rd}/4^{th}$ grade combination class, and five weeks of 7th-12th math lesson plans. The deficiencies found in the $3^{rd}/4^{th}$ grade combination class were similar to those described for the $5^{th}/6^{th}$ combo class. Additionally, the only lesson plans to include the "I do, we do, you do" method as identified in the DSP and grade level differentiation were the $1^{st}/2^{nd}$ grade combination class lesson

plans where two of the five of the lesson plans identified these elements. Board staff was not provided with curriculum maps for 7th and 8th grades so no determination of alignment could be made.

The charter holder stated in the DSP (Pg. 12 Par. 1) that the teachers use standards checklists within their lesson plans and instruction. At the site visit, Board staff was provided with lists of highlighted standards used at the beginning of the school year to monitor the incorporation of standards into instruction. The charter representative provided Board staff with the standards checklist template stating that the template was provided to teachers three weeks prior to the site visit. After the site visit, Board staff was provided with completed standards checklists since the beginning of the year. In multiple instances, the standards checklists provided did not align with the curriculum maps provided.

The DSP (Pg. 14 Par. 2) identified that a minimum of three informal observations and two formal observations are completed each school year per teacher. At the time of the site visit, a formal evaluation template was provided and the charter representative stated that no formal evaluations had yet been completed. Board staff was also provided with one informal observation for two different teachers; each was completed in a note-taking fashion; one included mention of the standards; and neither included the instructional strategies to be monitored by observations as stated in the DSP (Pg. 9 Par. 2).

Assessment:
C. Doby Preparatory did not successfully demonstrate a comprehensive assessment system based on clearly defined performance measures aligned with the curriculum and instructional methodology that includes data collection and analysis from multiple assessments. Based on the DSP, Board staff expected to review relevant data from multiple assessments aligned with the curriculum and instructional methodology and the analysis and documentation to support it.

The charter holder stated in multiple sections of the DSP (Pg. 4 Par.1, Pg. 8 Par. 4, Pg. 12 Par. 2, Pg. 17 Par. 2) that C. Doby Preparatory uses Auto Skills Academy of Math and Auto Skills Academy of Reading which are aligned to the Common Core Standards. At the time of the site visit, Board staff was provided with Auto Skills pretest reports in August and post-tests reports in October for each grade level in reading and math, including two grade levels' individualized school report. Interpretation of the graphs was provided but no specific analysis of the data or documentation of data analysis meetings was provided.

Based on follow-up with a representative from Auto Skills Academy of Math and Auto Skills Academy of Reading, these products are intended to be an intervention software program. Neither program is intended for the proficient or advanced student. The data reports generated from the program are intended to monitor the progress within the program. Pretests assign a grade level equivalency and designate foundational skills the student should work on independently in order to bring him/her up to grade level. While the program is correlated to the Common Core standards the skills are assessed and instructed at a lower level, rather than the higher order skills of Common Core, in order to build the foundational skills necessary. This is not a benchmark assessment nor is it a valid method to determine growth or proficiency within the general education population.

After the site visit, Board staff was provided with ALS math and language arts assessment reports for grades 6-8 with no data analysis to accompany it. Staff was also provided with a K/1 reading assessment summary report with no data analysis to accompany it. No documentation that these assessments are

aligned with the curriculum and instructional methodology was provided. Additionally, no documentation was provided to demonstrate how these programs are used to inform instruction.

Professional Development:
C. Doby Preparatory did not successfully demonstrate a comprehensive professional development plan that is aligned with teacher learning needs, includes follow up and monitoring strategies, and is supported by data and analysis. Based on the DSP, Board staff expected to collect documentation regarding the personalized professional development plan, needs assessment, and Professional Learning Community (PLC) documentation.

The charter holder stated in the DSP (Pg. 9 Par. 4) that the school was moving slowly to a personalized professional development plan. At the time of the site visit, the school principal stated that at this time surveys have been passed out to the teachers. No documentation was available to support the school is in the process of developing a personalized professional development plan.

The charter holder stated in the DSP (Pg. 9 Par. 3) that after assessing teacher needs at the school, professional development was determined. At the time of the site visit, no documentation to support the assessment of needs was provided. After the site visit, a professional development plan for 2013-2014 was provided, as well as a professional development evaluation, an orientation schedule, and agendas and sign-in sheets to support the scheduled professional development. Although some professional development was provided at the school, no documentation of follow-up and monitoring strategies, no evidence of effectiveness, and no evidence of PLCs were provided.

Financial Performance:
The charter holder did not meet the Board's financial performance expectations based on the fiscal year 2012 audit. The following table includes the charter holder's financial data and financial performance for the last three audited fiscal years. Omega Schools has not yet submitted its fiscal year 2013 audit, which was due by November 15, 2013. The Board is currently withholding 10% of the charter holder's monthly state equalization assistance.

Omega Schools, Inc.

Financial Data				
	2012	2011*	2010	
Statement of Financial Position				2009
Cash	$17,657	$17,695	$25,374	$283,790
Unrestricted Cash	$17,657	$17,657	$25,374	
Total Assets	$7,536,465	$7,777,331	$8,130,273	
Total Liabilities	$7,569,287	$7,989,388	$8,140,727	
Current Portion of Long-Term Debt & Capital Leases	$413,000	$398,000	$373,000	
Net Assets	($32,822)	($212,057)	($10,454)	
Statement of Activities				
Revenue	$3,206,099	$4,147,472	$4,133,074	
Expenses	$3,026,864	$4,241,075	$4,753,684	
Net Income	$179,235	($93,603)	($620,610)	
Change in Net Assets	$179,235	($93,603)	($620,610)	
Financial Statements or Notes				
Depreciation & Amortization Expense	$304,391	$279,843	$238,876	
Interest Expense	$319,598	$505,479	$469,483	
Lease Expense	-	-	-	

Financial Performance				
	2012	2011	2010	3-yr Cumulative
Near-Term Indicators				
Going Concern	No	Yes	No	N/A
Unrestricted Days Cash	2.13	1.52	1.95	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Net Income	$179,235	($93,603)	($620,610)	N/A
Cash Flow	($38)	($7,679)	($258,416)	($266,133)
Fixed Charge Coverage Ratio	1.10	0.77	0.10	N/A

* The fiscal year 2012 audit included prior period adjustments to financial statements.

The charter holder was required to submit a financial performance response based on the fiscal year 2012 audit (portfolio: i. Financial Evaluation and Response). Staff's evaluation of the initial financial performance response resulted in zero "Acceptable" and two "Not Acceptable" determinations (portfolio: i. Financial Evaluation and Response). On November 19, 2013, the charter holder was given the opportunity to provide additional information within 48 hours. No additional information was submitted.

Board Options

Option 1: The Board may vote to issue a Notice of Intent to Revoke the charter holder's charter contract. Staff recommends the following language for consideration: I move that the Board issue a Notice of Intent to Revoke the charter of Founding Fathers Academies, Inc. on the basis of its designation as an F school for FY 2013 and its failure to meet or demonstrate sufficient progress toward the Board's academic expectations as set forth in the performance framework. The charter holder failed to provide evidence of a system to adopt, implement, evaluate, and revise curriculum aligned with Arizona College and Career Ready Standards, failed to provide a systematic process for monitoring and recording the implementation of the standards in instruction, failed to provide a comprehensive assessment system based upon clearly defined performance measures aligned with the curriculum, and failed to provide a comprehensive professional development plan that was aligned to teacher needs, provides for monitoring and follow-up strategies and is supported by data and analysis. Additionally, Omega Schools, Inc.'s failure to meet the Board's financial performance expectations reflects a lack of capacity to support improved performance. The charter holder has also failed to timely submit the fiscal year 2013 annual financial statement and compliance audit as required by A.R.S. §15-183(E)(6), A.R.S. §15-914 and the charter contract.

I further move 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.

Option 2: The Board may vote to restore the charter to acceptable performance. The following language is provided for consideration: I move to direct staff to work with Founding Fathers Academies, Inc. to create a Consent Agreement for the purpose of restoring the charter to acceptable performance in accordance with A.R.S. § 15-241(U) that would minimally include quarterly progress reports that demonstrate evidence of a system to adopt, implement, evaluate, and revise curriculum aligned with Arizona College and Career Ready Standards supported by data and analysis, evidence of a systematic process for monitoring and recording the implementation of the standards in instruction supported by data and analysis, evidence of a comprehensive assessment system based upon clearly defined performance measures aligned with the curriculum supported by data and analysis, and evidence of a comprehensive professional development plan that is aligned to teacher needs and provides for monitoring and follow-up strategies supported by data and analysis, which collectively improves student achievement as supported by data.

I further move that if the terms of a consent agreement that cannot be reached by the January Board meeting that the Board issue a Notice of Intent to Revoke the charter of Founding Fathers Academies, Inc. on the basis of its designation as an F school for FY 2013 and its failure to meet or demonstrate sufficient progress toward the Board's academic expectations as set forth in the performance framework. The charter holder failed to provide evidence of a system to adopt, implement, evaluate, and revise curriculum aligned with Arizona College and Career Ready Standards, failed to provide a systematic process for monitoring and recording the implementation of the standards in instruction, failed to provide a comprehensive assessment system based upon clearly defined performance measures aligned with the curriculum, and failed to provide a comprehensive professional development

plan that was aligned to teacher needs, provides for monitoring and follow-up strategies and is supported by data and analysis. Additionally, Omega Schools, Inc.'s failure to meet the Board's financial performance expectations reflects a lack of capacity to support improved performance. The charter holder has also failed to timely submit the fiscal year 2013 annual financial statement and compliance audit as required by A.R.S. §15-183(E)(6), A.R.S. §15-914 and the charter contract.

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- 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.