ATTACHMENT 1

AGREEMENT

This Agreement is between the Arizona State Board for Charter Schools ("Board") and Pinnacle Education – Kino, Inc. ("Kino") to resolve matters related to the Board's decision to deny Kino's request to renew its charter for the operation of Pinnacle Charter High School ("School").

Parties

The Board is the state agency required to exercise general supervision over charter schools sponsored by the Board. A.R.S. § 15-182(E)(1).

Kino operates the School, a charter school that is sponsored by the Board and is subject to the statutory provisions set out in A.R.S. § 15-181 *et seq.*

Recitals

1. When the Board sponsors a charter school, the parties enter into a fifteen (15) year contract ("charter") that governs the responsibilities of each of the parties. A.R.S. § 15-183(I).

2. Prior to the expiration of the charter, the charter school may apply for renewal. A.R.S. § 15-181(I)(1).

3. For charter schools it sponsors, the Board is required to determine if the charter should be renewed based on its judgment whether the charter holder has met the statutorily set out requirements. A.R.S. § 15-183(I)(1).

4. The Board may deny the request for renewal if, based on its judgment, the charter school has not met the requirements set out in statute. A.R.S. § 15-183(I)(1).

5. Kino submitted a timely application for renewal on January 15, 2015.

6. At the March 9, 2015 Board meeting, the Board denied Kino's request for the renewal of its charter because, based on its judgment, Kino failed to meet or make sufficient progress toward the academic performance expectations set forth in the Board's academic performance framework.

7. The Board's denial of Kino's request for the renewal of its charter also provided an opportunity for the parties to negotiate an agreement under which a renewal contract could be granted subject to the conditions specified by the Board.

8. In full resolution of all matters relating to the non-renewal of Kino's charter, the parties have agreed to all the terms and conditions as set out in Attachments A and B which are incorporated as if fully set forth herein. This Agreement encompasses fiscal years 2015, 2016, and 2017.

9. Kino waives any further right of appeal related to the terms and conditions of this Agreement.

General Terms and Conditions

10. This Agreement may be executed in one or more counterparts, each of which is equally admissible in evidence and each of which shall fully bind each party who has executed it. The persons executing this Agreement on behalf of the parties hereby represent and guarantee that they have been authorized to do so, on behalf of themselves and the entity they represent.

11. This Agreement is not binding on either party until both the Board and Kino's governing board accept it by the number of votes necessary to pass a measure at a public meeting. The Agreement is effective immediately upon its approval and execution by the authorized representatives of the Board and Kino.

12. Both parties agree that a resolution of this issue is in the best interest of the Board and Kino.

13. This Agreement is binding upon and inures to the benefit of the parties and their respective successors and assignees.

14. This Agreement shall be governed by and construed in accordance with the law of the State of Arizona without regard to its principles of choice of law. Venue for any action to enforce this Agreement shall be in Maricopa County, Arizona.

15. This Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and may not be modified or amended except by written instrument, signed by each of the parties hereto.

16. Should any provision of this Agreement be held invalid or held unenforceable, such illegality or unenforceability shall not invalidate the whole of this Agreement, but rather this Agreement shall be construed as if it did not contain the illegal part, and the rights and obligations of the parties shall be construed and enforced accordingly.

17. Kino understands that it has the legal right to consult with an attorney prior to entering into this Agreement.

18. Each party is responsible for its own legal fees and costs in this matter.

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

_____
By: Janna Day
President, Arizona State Board for Charter Schools
Date: _____

PINNACLE EDUCATION – KINO, INC.

_____
By: Muhammad Padela
Charter Representative, Pinnacle Education – Kino, Inc.
Date: _____

ATTACHMENT A

PINNACLE EDUCATION – KINO, INC. AGREEMENT TERMS

1. The Board and Kino will enter into a renewal charter contract for 20 years beginning July 1, 2015 pursuant to A.R.S. § 15-183(J).

2. Kino represents that it has or shall administer the Galileo benchmark assessment aligned to Arizona's College and Career Ready Standards to all of its students in all grades as an end-of-the-school-year assessment ("Post-test") prior to June 30, 2015.

3. For each of its administrations of the Galileo benchmark assessments identified in paragraph 4, Kino shall calculate and report[1] the following data, summaries and underlying support data, disaggregated by math and reading, to the Board staff:

A. **[Student Growth Percentile ("SGP") 1a]**[2] In fiscal year 2016 ("FY2016") (July 1, 2015 to June 30, 2016), and in fiscal year 2017 ("FY2017") (July 1, 2016 to June 30, 2017), for all students enrolled in the School through the School's 100th day in session, the data shall identify the median change in student scores from the Post-test Benchmark of the previous year to the Post-test Benchmark of the current year. The data will come from the Galileo Student Growth and Achievement Report.

B. **[Improvement 1b]** For all students who scored "High Risk" on the Pre-test benchmark assessment in FY2016 and FY2017, the data shall identify the percentage of students who have moved from "High Risk" to "Moderate," "Low," or "On-Course." The data shall come from the Risk Level Summary Report in Galileo.

C. [**Percent Passing 2a]** In FY2016 and in FY2017, for all students enrolled in the School through the 100th day in session, the data shall identify the percentage of students that are "On Course" or "Low Risk" according to the Galileo Aggregate Multi-test Report.

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[1] The format of the report is identified in paragraph 9.

[2] References in brackets identify the measures on the Board's Academic Performance Dashboard that align with the data to be provided under this Agreement.

D. **[Percent Passing English Language Learners ("ELL")[3] 2c]** In FY2016 and in FY2017, for all students enrolled in the School through the 100th day in session who have been identified as ELL, the data shall identify the percentage of students that are labeled as "On-course" or "Low Risk".

E. **[Percent Passing SPED[4] 2c]** In FY2016 and in FY2017, for all students enrolled in the School through the 100th day in session who are defined as having an Individualized Education Program (IEP) or Plan under Section 504 of the Rehabilitation Act and the Americans with Disabilities Act ("504 Plan"), the data shall identify the percentage of students that are labeled as "On Course" or "Low Risk" according to the Galileo Aggregate Multi-test Report.

4. Kino shall administer the Galileo benchmark assessment aligned to Arizona's College and Career Ready Standards to all of its students in all grades at the following intervals in fiscal year 2016 ("FY2016")(July 1, 2015 to June 30, 2016) and fiscal year 2017 ("FY2017")(July 1, 2016 to June 30, 2017):

i. August 2015 ("Pre-test");

ii. November 2015;

iii. January 2016;

iv. March 2016 ("Post-test");

v. August 2016 ("Pre-test");

vi. November 2016;

vii. January 2017; and

viii. March 2017 ("Post-test").

[3] "ELL" means students who have been identified to the Arizona Department of Education as "ELL" by Kino.

[4] "SPED" means students who have been identified to the Arizona Department of Education as students with disabilities.

5. The data from Kino's Galileo FY2016 and FY2017 benchmark administrations, disaggregated by math and reading, shall demonstrate improved academic performance as follows:

A. **[SGP Math 1a]** In FY2016 and FY2017, the data contained in the Student Growth and Achievement Report ("SGA") (which cross-classifies students in terms of student achievement and student growth) shall demonstrate an increase of no less than 10% in the median change in student scores from the Post-test Benchmark of the previous year to the Post-test Benchmark of the current year or have expected growth "met" or "exceeded" from the previous fiscal year. When the desired tests and subject are selected, the student data is displayed in quadrants: Lower Growth, Higher Achievement; Higher Growth, Higher Achievement; Lower Growth, Lower Achievement; and Higher Growth, Lower Achievement.

B. **[SGP Reading 1a]** In FY2016 and FY2017, the data contained in the SGA shall demonstrate an increase of no less than 10% in the median change in student scores from the Post-test Benchmark of the previous year to the Post-test Benchmark of the current year or have expected growth "met" or "exceeded" from the previous fiscal year. When the desired tests and subject are selected, the student data is displayed in quadrants: Lower Growth, Higher Achievement; Higher Growth, Higher Achievement; Lower Growth, Lower Achievement; and Higher Growth, Lower Achievement.

C. **[Improvement Math 1b]** In FY2016 and FY2017, the post-test data shall demonstrate an increase of no less than 10% in the percentage of students who have moved from "High Risk" to "Moderate," "Low," or "On-Course" or that all students at the School in the "Low Risk" or "On Course" categories in the Risk level report have moved up one or more levels from the pre-test administered the same fiscal year. This report shows progress reflected in performance on a series of district-wide tests that have been placed on a common scale. Since the tests have been placed on a common scale, the scores can be directly compared and an estimate can be generated related to each student's risk of not meeting the standards on the next state standardized assessment. This risk level is based on where his or her Development Level (DL) score falls relative to the Meets cut score on each ATI district-wide assessment taken. The cut scores on the district-wide assessments are set to correspond to the cut score on the state standardized test.

D. **[Improvement Reading 1b]** In FY2016 and FY2017, the post-test data shall demonstrate an increase of no less than 10% in the percentage of students who have moved from "High Risk" to "Moderate," "Low," or "On-Course" or show all students in the "Low Risk" or "On Course" categories in the Risk level report have moved up

one or more levels from the pre-test administered the same fiscal year. This report shows progress reflected in performance on a series of district-wide tests that have been placed on a common scale. Since the tests have been placed on a common scale, the scores can be directly compared and an estimate can be generated related to each student's risk of not meeting the standards on the next state standardized assessment. This risk level is based on where his or her Development Level (DL) score falls relative to the Meets cut score on each ATI district-wide assessment taken. The cut scores on the district-wide assessments are set to correspond to the cut score on the state standardized test.

E. **[Percent Passing Math 2a]** The data shall demonstrate an increase of no less than 10% increase in the percentage of students that are "On Course" or "Low Risk" according to the Galileo Aggregate Multi-test Report or meet or exceed the Benchmark Goal year over year in the Aggregate Multiple Test Report. This report categorizes student progress on a series of district-wide assessments that have been placed on a common scale. This report displays the student's Development Level (DL) score and performance level relative to the cut score on each ATI district-wide assessment taken. The cut scores on the district-wide assessments are set to correspond to the cut scores on the state standardized test. Students with scores at or above the "passing" cut score are classified as having met the standards on the district-wide test. Educators may run this report only on ATI provided district-wide and Computerized Adaptive Test (CAT) assessments. From the Galileo post-test benchmark assessment administration from the previous year to the Galileo post-test benchmark assessment of the current year.

F. **[Percent Passing Reading 2a]** The data shall demonstrate an increase of no less than 10% increase in the percentage of students that are "On Course" or "Low Risk" according to the Galileo Aggregate Multi-test Report or meet or exceed the Benchmark Goal year over year in the Aggregate Multiple test Report. This report categorizes student progress on a series of district-wide assessments that have been placed on a common scale. This report displays the student's Development Level (DL) score and performance level relative to the cut score on each ATI district-wide assessment taken. The cut scores on the district-wide assessments are set to correspond to the cut scores on the state standardized test. Students with scores at or above the "passing" cut score are classified as having met the standards on the district-wide test. Educators may run this report only on ATI provided district-wide and Computerized Adaptive Test (CAT) assessments. From the Galileo post-test benchmark assessment administration from the previous year to the Galileo post-test benchmark assessment of the current year.

G. **[Percent Passing SPED Math 2c]** The data shall demonstrate an increase of no less than 5% increase in the percentage of students that are labeled as "On Course" or "Low Risk" according to the Galileo Aggregate Multi-test Report or meet or exceed the Benchmark Goal year over year in the Aggregate Multiple Test Report. This report categorizes student progress on a series of district-wide assessments that have been placed on a common scale. This report displays the student's Development Level (DL) score and performance level relative to the cut score on each ATI district-wide assessment taken. The cut scores on the district-wide assessments are set to correspond to the cut scores on the state standardized test. Students with scores at or above the "passing" cut score are classified as having met the standards on the district-wide test. Educators may run this report only on ATI provided district-wide and Computerized Adaptive Test (CAT) assessments. From the Galileo post-test benchmark assessment administration from the previous year to the Galileo post-test benchmark assessment of the current year.

H. **[Percent Passing SPED Reading 2.c.]** – The data shall demonstrate an increase of no less than 5% increase in the percentage of students that are labeled as "On Course" or "Low Risk" according to the Galileo Aggregate Multi-test Report or meet or exceed the Benchmark Goal year over year in the Aggregate Multiple Test Report. This report categorizes student progress on a series of district-wide assessments that have been placed on a common scale. This report displays the student's Development Level (DL) score and performance level relative to the cut score on each ATI district-wide assessment taken. The cut scores on the district-wide assessments are set to correspond to the cut scores on the state standardized test. Students with scores at or above the "passing" cut score are classified as having met the standards on the district-wide test. Educators may run this report only on ATI provided district-wide and Computerized Adaptive Test (CAT) assessments. From the Galileo post-test benchmark assessment administration from the previous year to the Galileo post-test benchmark assessment of the current year.

I. **[Percent Passing ELL Math 2.c.]** – The data shall demonstrate an increase of no less than 3% increase in the percentage of students that are labeled as "On Course" or "Low Risk" according to the Galileo Aggregate Multi-test Report or meet or exceed the Benchmark Goal year over year in the Aggregate Multiple Test Report due to the small number of students that would be in this category. This report categorizes student progress on a series of district-wide assessments that have been placed on a common scale. This report displays the student's Development Level (DL) score and performance level relative to the cut score on each ATI district-wide assessment taken. The cut scores on the district-wide assessments are set to correspond to the cut scores on the state standardized test. Students with scores at or above the "passing"

cut score are classified as having met the standards on the district-wide test. Educators may run this report only on ATI provided district-wide and Computerized Adaptive Test (CAT) assessments. From the Galileo post-test benchmark assessment administration from the previous year to the Galileo post-test benchmark assessment of the current year.

J. **[Percent Passing ELL Reading 2.c.]** – the data shall demonstrate an increase of no less than 3% increase in the percentage of students that are labeled as "On Course" or "Low Risk" according to the Galileo Aggregate Multi-test Report or meet or exceed the Benchmark Goal year over year in the Aggregate Multiple Test Report due to the small number of students that would be in this category. This report categorizes student progress on a series of district-wide assessments that have been placed on a common scale. This report displays the student's Development Level (DL) score and performance level relative to the cut score on each ATI district-wide assessment taken. The cut scores on the district-wide assessments are set to correspond to the cut scores on the state standardized test. Students with scores at or above the "passing" cut score are classified as having met the standards on the district-wide test. Educators may run this report only on ATI provided district-wide and Computerized Adaptive Test (CAT) assessments. From the Galileo post-test benchmark assessment administration from the previous year to the Galileo post-test benchmark assessment of the current year.

6. If any of the measures being reported under paragraph 5 (A through J) "meet" the Board's academic performance standards on the Board's FY2015 Academic Performance Dashboard, Kino is waived from its percentage points increase requirement for that measure for FY 2016; Kino will continue to meet the reporting requirements for all other measures under paragraph 5.

7. If any of the measures being reported under paragraph 5 (A through J) "meet" the Board's academic performance standards on the Board's FY2016 Academic Performance Dashboard, Kino is waived from its percentage points increase requirement for that measure for FY2017; Kino will continue to meet the reporting requirements for all other measures under paragraph 5.

8. The reports[5] required under this Agreement shall be submitted to Board staff on the following dates:

A. No later than thirty days after the last date of the testing window of the August 2015 administration of Galileo (shall contain Galileo Student Growth and Achievement Report data, disaggregated by math and reading identified in paragraph 3(A-E));

B. No later than thirty days after the last date of the testing window of the November 2015 administration of Galileo (shall contain Galileo Student Growth and Achievement Report data, disaggregated by math and reading identified in paragraph 3(A-E));

C. No later than thirty days after the last date of the testing window of the January 2016 administration of Galileo (shall contain Galileo Student Growth and Achievement Report data, disaggregated by math and reading identified in paragraph 3(A-E);

D. No later than thirty days after the last date of the testing window of the March 2016 administration of Galileo (shall contain Galileo Student Growth and Achievement Report data, disaggregated by math and reading identified in paragraph 3(A-E);

E. No later than thirty days after the last date of the testing window of the August 2016 administration of Galileo (shall contain Galileo Student Growth and Achievement Report data, disaggregated by math and reading identified in paragraph 3(A-E);

F. No later than thirty days after the last date of the testing window of the November 2016 administration of Galileo (shall contain Galileo Student Growth and Achievement Report data, disaggregated by math and reading identified in paragraph 3(A-E);

G. No later than thirty days after the last date of the testing window of the January 2017 administration of Galileo (shall contain Galileo Student Growth and Achievement Report data, disaggregated by math and reading identified in paragraph 3(A-E);

H. No later than thirty days after the last date of the testing window of the March 2017 administration of Galileo (shall contain Galileo Student Growth and Achievement Report data, disaggregated by math and reading identified in paragraph 3(A-E);

[5] The format of the report is identified in paragraph 9.

9. The reports required under this Agreement shall be submitted in the format identified in Attachment B.

10. If the School receives two consecutive overall ratings of “Meets” or “Exceeds” on the Board’s Academic Performance Dashboard in FY2016 or FY2017, Kino will be waived from submitting the reports required under paragraph 8 as long as the data submitted under paragraph 3 demonstrates that the academic performance for the School is not declining. If the data submitted under paragraph 3 demonstrates that the academic performance for the School is declining, Kino’s waiver will be terminated.

11. Kino’s charter contract will terminate on June 30, 2016 if Kino does not meet the terms and conditions contained in this Agreement for FY2016. Notwithstanding any other terms of the Agreement or this Attachment, should Board staff believe that Kino has not met the terms and conditions of this Agreement for FY2016, staff will present its findings to the Board at a public meeting in June 2016, and Kino will have an opportunity to address the Board regarding staff’s findings and any other matters that are related to its performance under the renewal contract and this Agreement. The final determination regarding whether Kino has or has not met the terms of the Agreement will be made by the Board at that public meeting.

12. Kino’s charter contract will terminate on June 30, 2017 if Kino does not meet the terms and conditions contained in this Agreement for 2017. Notwithstanding any other terms of the Agreement or this Attachment, should Board staff believe that Kino has not met the terms and conditions of this Agreement for FY2017, staff will present its findings to the Board at a public meeting in June 2017, and Kino will have an opportunity to address the Board regarding staff’s findings and any other matters that are related to its performance under the renewal contract and this Agreement. The

final determination regarding whether Kino has or has not met the terms of the Agreement will be made by the Board at that public meeting.

13. Beginning FY2018, the School, if operating, will continue to be monitored in accordance with the Board's Academic Performance Framework.

ARI ZONA STATE BOARD FOR CHARTER SCHOOLS

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By: Janna Day
President, Arizona State Board for Charter Schools
Date: _____

KINO TUCSON

_____
By: Muhammad Padela
Charter Representative, Pinnacle Education – Kino, Inc.
Date: _____