**Benjamin Franklin Charter School, LTD.**
**Renewal Executive Summary Report**

## I. Sources of Evidence for this Document

A.R.S. 15-183.I states that "[a] charter school that elects to apply for renewal shall file an application for renewal…which shall include a detailed business plan for the charter school, a review of fiscal audits and academic performance data for the charter school and a review of the current contract between the sponsor and the charter school."

The Arizona State Board for Charter Schools (ASBCS) determined that renewal of a charter is based on affirmative evidence in three areas:

- Success of the academic program, including academic achievement
- Viability of the organization, including fiscal management and compliance
- Adherence to the terms of the charter, including contract and legal compliance

Evaluation of the charter holder's success in these three areas is based on a variety of information that will serve as sources of evidence in determining renewal. These sources include:

- Written application for renewal
- Student performance data
- Independent financial audits
- Five year interval summary reviews
- Site visit reports
- Monitoring reports

## II. School Profile

Benjamin Franklin Charter School, LTD. was granted a charter by the ASBCS effective on the first day of the operation of the school which was September 5, 1995. Benjamin Franklin Charter School, LTD. is a for-profit in good standing with the Arizona Corporation Commission. The charter representative is Eddie Farnsworth. Benjamin Franklin Charter School, LTD. operates four schools located in Gilbert, Mesa, and Queen Creek and had a total FY10 ADM of 2031.880. Gilbert and Mesa sites serve K-6 and Power and Queen Creek serve K-8.

Mission Statement:
Benjamin Franklin Charter School of Arizona is committed to providing quality instruction to Arizona students in foundational, exploratory and developmental programs in the basic skills of Reading, Mathematics History, Science, Writing, and Research. Parental involvement in determining direction and focus is the hallmark of this program. Benjamin Franklin Charter Schools, in correct with parents, regard the development of children's academic abilities and knowledge as its primary focus and fundamental to its success. Enhancement areas of Music, Art, Practical Art, Physical Education and Sports support the overall goal of a well-rounded

education. Benjamin Franklin Charter Schools of Arizona will assist students in accomplishing their educational foundation for life-long learning in the following ways:

- Train the intellect
- Teach skills
- Instill a sense of pride in and respect for self, others and country
- Equip students to be decision makers and problem solvers
- Prepare students for the world of the future by challenging them to achieve individual excellence
- Insure an atmosphere of tolerance and acceptance of all students, regardless of physical appearance and culture

## III. Academic Performance

| BFCS - Gilbert | | |
|---|---|---|
| **Fiscal Year** | **AZ LEARNS** | **Adequate Yearly Progress (AYP)** |
| 2009 | Excelling | Yes |
| 2008 | Highly Performing | Yes |
| 2007 | Highly Performing | Yes |

| **Status Scores** | **2009** | **2008** | **2007** |
|---|---|---|---|
| Reading | 90 | 83 | 84 |
| Math | 92 | 90 | 88 |
| % of students school-wide who passed AIMS. | | | |

| **Student Growth Percentile (SGP)** | **2009** | **2008** | **2007** |
|---|---|---|---|
| Reading | 61 | 48 | 54 |
| Math | 71 | 58 | 53 |
| % of students demonstrating typical growth compared to similar students. | | | |

| BFCS - Mesa | | |
|---|---|---|
| **Fiscal Year** | **AZ LEARNS** | **Adequate Yearly Progress (AYP)** |
| 2009 | Highly Performing | Yes |
| 2008 | Highly Performing | Yes |
| 2007 | Highly Performing | Yes |

| Status Scores | 2009 | 2008 | 2007 |
|---|---|---|---|
| Reading | 89 | 87 | 90 |
| Math | 91 | 88 | 89 |
| % of students school-wide who passed AIMS. | | | |

| Student Growth Percentile (SGP) | 2009 | 2008 | 2007 |
|---|---|---|---|
| Reading | 50 | 51 | 39 |
| Math | 75 | 58 | 45 |
| % of students demonstrating typical growth compared to similar students. | | | |

| BFCS - Power | | |
|---|---|---|
| **Fiscal Year** | **AZ LEARNS** | **Adequate Yearly Progress (AYP)** |
| 2009 | Highly Performing | Yes |
| 2008 | Highly Performing | No |
| 2007 | Highly Performing | Yes |

| Status Scores | 2009 | 2008 | 2007 |
|---|---|---|---|
| Reading | 87 | 88 | 87 |
| Math | 87 | 89 | 88 |
| % of students school-wide who passed AIMS. | | | |

| Student Growth Percentile (SGP) | 2009 | 2008 | 2007 |
|---|---|---|---|
| Reading | 43 | 53 | 55 |
| Math | 43 | 49 | 48 |
| % of students demonstrating typical growth compared to similar students. | | | |

| BFCS - Queen Creek | | |
|---|---|---|
| **Fiscal Year** | **AZ LEARNS** | **Adequate Yearly Progress (AYP)** |
| 2009 | Highly Performing | Yes |

| | | |
|---|---|---|
| 2008 | Highly Performing | Yes |
| 2007 | Highly Performing | Yes |

| Status Scores | 2009 | 2008 | 2007 |
|---|---|---|---|
| Reading | 90 | 85 | 85 |
| Math | 90 | 88 | 88 |
| % of students school-wide who passed AIMS. | | | |

| Student Growth Percentile (SGP) | 2009 | 2008 | 2007 |
|---|---|---|---|
| Reading | 62 | 49 | 53 |
| Math | 61 | 56 | 58 |
| % of students demonstrating typical growth compared to similar students. | | | |

## IV. Fiscal Compliance

The charter holder has timely submitted the annual audit for the past five years. For the same five years, the audits revealed no audit issues requiring a corrective action plan and no repeat issues were identified.

Benjamin Franklin Charter School, Ltd. has received exceptions from the Uniform System of Financial Records for Charter Schools and State procurement regulations.

## V. Legal and Contractual Compliance

Except for fiscal year 2006 and fiscal year 2007, the charter holder has timely submitted its Annual Financial Report for the past five years. Except for fiscal year 2007, the charter holder has timely submitted its Budget for the past five years. All Declarations were submitted to the Arizona Department of Education (ADE) in a timely manner. The Highly-Qualified Teacher report is not required of for-profit charter schools. In 2008 noncompliance with the Individuals with Disabilities Education Act (IDEA) was determined by ADE Exceptional Student Services. A Corrective Action Plan for 2008 met minimum compliance for ADE Exceptional Student Services in March, 2009. A Five-Year Interval Review by ASBCS took place in 2006.

## VI. Renewal Application

A. Education Plan

Academic performance of the schools operated by the Charter Holder met the Board's level of adequate academic performance, including status and growth measures, for each of the previous

three years. Therefore, the Charter Holder was not required to submit any portion of the academic section of the renewal application.

## B. Detailed Business Plan

Organization

The application describes a somewhat unique structure between the corporation and Benjamin Franklin Charter School (BFCS), which is operated within the corporation as an operating sub-division. Because the corporation is a for-profit corporation, the corporate and school structure may differ from other non-profit charter schools, district operated charter schools and district schools. Consideration is given to the asset management, personal risk, personal liability, and personal guarantees given by the shareholders. Due to the personal financial risk, control of the corporation is generally limited to the operators and the operators play a significant role at all levels of operation and decision-making. The application states that benefits resulting from this structure and control are consistency, continuity and longevity of management and policy.

Sustainability

***Fiscal Viability***

Benjamin Franklin Charter School, LTD. has established financial processes and policies and procedures related to internal controls. (For the specific controls in place, please see the Sustainability section of the application.) The president and vice president of Benjamin Franklin Charter School meet with the director of finance on a weekly basis to discuss problems and review the current financial status. Risks are continually reviewed by management for specific school activities and financial processing. Monitoring is also performed to ensure the quality of internal controls. Management performs reconciliations and comparisons to determine unusual events or weaknesses in controls.

For fiscal year 2008 and fiscal year 2009, the independent certified public accountant issued an unqualified (or “clean”) opinion on Benjamin Franklin Charter School’s financial statements. In each fiscal year, the charter holder ended the year with positive stockholders’ equity. The Budget Plan submitted as part of the renewal application duplicates fiscal year 2009 revenues and expenses for fiscal years 2010 through 2012 with the exception of State Equalization Assistance, which dropped in fiscal year 2010 and then remains constant for fiscal years 2011 and 2012 and Other Non-Instructional expenses which dropped in fiscal year 2010 and then remains constant for fiscal years 2011 and 2012. According to the assumptions provided in the three-year Budget Plan, “State equalization assistance is based on tax cuts as projected by the Arizona Charter School Association” while maintaining consistent enrollment numbers. The Budget Plan does not include the actual ADM used. According to the Arizona Department of Education’s June 2010 payment report for Benjamin Franklin Charter School, the charter holder has received approximately $11.8 million in state equalization assistance this fiscal year, which is higher than the approximately $10.6 million included in the Budget Plan for fiscal years 2010 through 2012.

***Strength and Stability of the Governing Body***

BFCS has its own governing board and managers responsible for the long-term policy and general oversight of the schools. The governing board is responsible for appointing the executive director, approving and adopting budgets as described by law, and establishing the long-term policies of BFCS and any other matters specifically required by law. The executive director is appointed by the governing board to oversee the daily operations of BFCS and makes financial decisions on behalf of BFCS.

The schools are operated as a self-contained organization operating as a sub-division of the corporation. The school governance structure does not supersede the corporation's authority, but operates within it. The school structure works autonomously most of the time with overlap occurring for such things as establishing a corporate bank account, buying land etc. (these tend to be corporate related issues rather than school issues). The structure is very similar to the corporation's structure with the exception of the corporate shareholders. Instead of individual shareholders appointing the governing board, the corporate board assumes this responsibility.

BFCS operates four campuses. According to the application, BFCS is operated with the philosophy that it is a single entity with four locations and therefore, most processes that affect all of the campuses are centralized to maintain consistency, continuity and operational integrity between campuses. Additional personnel identified in the application that contribute to the operational integrity include directors of curriculum, personnel, and finance, as well as the principals and a special education coordinator. The application goes into detail regarding each manager's responsibilities.

***Strength and Stability of the Corporate Board***

The application identified roles of the members of the corporate board and provides their education and experience that contributes to the management team. Because the corporation is For Profit, it has shareholders that play a role in the corporate governance by appointing the corporate board of directors. There are currently three shareholders: Edwin Farnsworth, William Clark and Roy Perkins, Jr. Other than appointment of the corporate board, the shareholders have no role in governance, policy, or daily operations of the corporation.

Eddie Farnsworth serves as the current president of the corporation. The president is responsible for, among other things, personnel, finances, compliance, operations, and implementation of policies. The president reports directly to the Corporate Board of Directors. Mr. Farnsworth's experience and expertise are included in the application. Bill Clark currently serves as the vice president of the corporation. Mr. Clark's experience and expertise are also included in the application information.

<u>Succession Plan</u>

Charter Holder: The process the corporation will follow to fill an opening on the Board of Directors is to call a meeting of shareholders who would appoint a new member to the board. If there were a vacancy in the office of President, the corporate board would appoint someone to serve in that position. Any other vacant position will be filled in the normal course and operation of the corporation. At the school level, any opening on the governing board would be filled by appointment and at the discretion of the corporate board. The governing board would fill a

vacancy in the Executive Director position. The balance of positions will be filled in the normal course and operation of the school.

Instructional Leadership: The application describes an aggressive development plan for building instructional leadership within the school organization. From the time teachers are identified as candidates for hire at BFCS they enter into a highly structured framework that is designed to identify instructional skills and talent, leadership skills, and other traits that can be built upon through experience and training provided by BFCS.

The process begins with the recruiting/hiring of compatible teachers. Teachers experience a preliminary interview to determine compatibility from both the teachers' point of view and the needs of the schools. Upon successful completion of the preliminary interview, the teachers are interviewed by all of principals and invited to perform a teaching demonstration in front of a live classroom.

Once teachers are hired, they are required to take a 45-hour Spalding I course provided by BFCS's resident certified Spalding Teacher Trainers prior to entering a classroom for the first time. Additionally, they are oriented and trained on the school's discipline policy, curriculum, and planning procedures by their grade-level mentor. Ongoing evaluation, coaching, and training by principals, staff specialists, and grade-level mentors are a central feature of the new teacher induction program. At the end of their first year with BFCS, teachers are required to take a more reflective version of the 45-hour Spalding I course with special emphasis on philosophy, skill refinement, and classroom diagnosis/implementation. In the second year with BFCS, teachers are expected to take the 45-hour Spalding II course. After the required training process has been completed, teachers may choose to become a certified Spalding teacher. Upon completion of this process, teachers become candidates for grade-level leadership as a mentor, choose to begin the process of becoming a Spalding 1 and/or 2 Teacher Trainer, begin an administrative internship with one of the principals as part of their Administrative degree program, and/or choose to specialize in other educational areas important to the organization.

The mentor program provides master teachers with a leadership opportunity to help administrators evaluate, coach, and train teachers at their grade level. The mentor teachers receive a stipend for this extra responsibility, which includes: beginning of the year training and orientation, in-service planning and delivery, formal and informal observations of peers, and subsequent coaching.

BFCS has a competitive salary structure aligned with most surrounding school districts. Annual increases and bonuses are based on a merit system with objective and subjective measurement procedures utilizing a series of formal and informal observations and performance goals/objectives. Additional measurements of performance are derived from classroom academic growth on monthly testing, pre- and post criterion reference tests, and AIMS-DPA exams.

According to the application, over the term of the charter, BFCS has used and refined a process to develop a strong leadership core to serve, train, and replenish faculties and staffs. As a result, BFCS presently has three principals (out of a total of four) who have come through this process beginning as teachers. BFCS has eight grade level mentors for each grade level across all

campuses, special-areas mentors in music, physical education, and resource, certified Spalding teachers at most grade levels on each campus, six certified Spalding Trainers, and a corporate level Spalding Liaison and Mentor-mentor. The BFCS program is dependant on consistency from campus to campus in order to provide the same level of school program regardless of which school a student attends. Having a process of training and a measure for quality control ensures a consistent delivery of the BFCS instructional program.

Facilities Plan

BFCS operates four campuses in the East Valley with one campus each located in Mesa and Gilbert while two campuses are located in Queen Creek. Each of the campuses continues to operate at the location where it was originally opened. Though BFCS may work toward expanding to other locations and additional sites in the future, it does not have any plans for the near future as a result of the current economic downturn and challenged funding stream. With the exception of the adopted reductions in funding for the coming year, BFCS expects relatively stable enrollment, revenues and expenses.

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## VII. Staff Recommendation

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Based upon the information in the application, academic performance over the charter term, fiscal compliance, and legal and contractual compliance, I move to approve the renewal application and grant a renewal contract for Benjamin Franklin Charter School, LTD.