Bright Beginnings School, Inc.
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

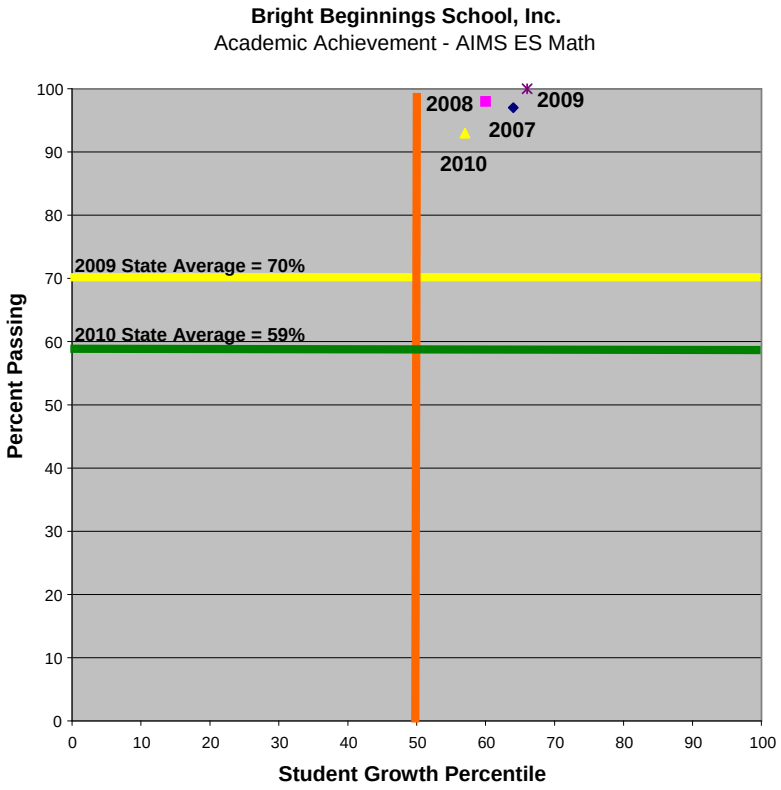
II. School Profile

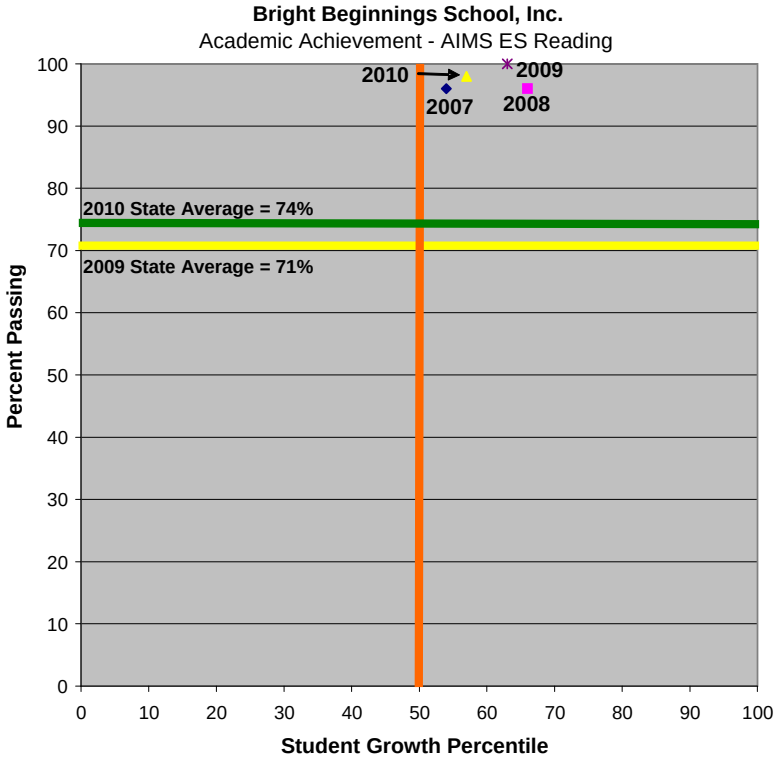
Bright Beginnings School, Inc. was granted a charter by the ASBCS, effective on August 22, 1996. Bright Beginnings School, Inc. is a for-profit corporation in good standing with the Arizona Corporation Commission. The charter representative is Karen Edris. The school, Bright Beginnings, is located in Chandler, serves grades K-6, and had a FY10 100th day ADM of 401.81.

Mission Statement (as provided in the contract):
The mission of Bright Beginnings School is to: Provide a challenging learning environment that will improve pupil achievement. Create joyful life long learners. Assist students to experience academic success. Develop the physical well being of each child. Help students appreciate cultural differences. Practice the principles of good citizenship. Develop a positive self concept in each student. Encourage creative approaches to problem solving. Involve parents in their child's education. Bright Beginnings School offers students of grades K-8 a wide variety of educational experiences in the areas of Literacy Development, Mathematics, Science, Social Studies, Computers, Spanish, Music, Art, and Physical Education. Students learn by doing!

Instruction is provided in a hands-on, discovery manner by experienced instructors in a small group setting.

III. Academic Performance





Fiscal Year	AZ LEARNS	Adequate Yearly Progress (AYP)
2010	Excelling	Yes
2009	Excelling	Yes
2008	Excelling	Yes
2007	Excelling	Yes

IV. Fiscal Compliance

As detailed in the Audit and Fiscal Compliance section of the *Renewal Summary Review*:

- The charter holder has failed to timely submit its annual audit for one or more years.
- The fiscal year 2005 and 2006[1] audits each identified at least one issue which required a corrective action plan.
- The fiscal years 2006 and 2007 audits each identified a repeat issue.

Bright Beginnings School, Inc. has received exceptions from the Uniform System of Financial Records for Charter Schools and State procurement regulations.

V. Legal and Contractual Compliance

For the previous five fiscal years –

- The charter holder has failed to timely submit the Annual Financial Report for one or more years.
- The charter holder has timely submitted the Budget.
- All Declarations of Curricular and Instructional Alignment were submitted to the Arizona Department of Education (ADE) in a timely manner with the exceptions of the Governing Body and Superintendent forms in 2007 and the Principal's form in 2008.
- The Highly-Qualified Teacher report is not required of for-profit charter schools.
- Cycle 3 No Child Left Behind (NCLB) Compliance Monitoring in 2005 met compliance.
- In 2006 a Corrective Action Plan was required by ADE Exceptional Student Services for noncompliance with the Individuals with Disabilities Education Act (IDEA).

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

[1] In the *Renewal Summary Review*, "No CAP Fingerprinting" means that as of the audit firm's testing date, the charter holder was not in compliance with fingerprinting requirements. However, subsequent to the testing date and prior to the audit report's release, the charter holder provided proof of compliance (e.g., a valid fingerprint clearance card) or staff conducted a site visit after reviewing the audit and determined the charter holder was now in compliance.

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

Bright Beginnings Charter School (BBS) is a division of Bright Beginnings, Inc, a for-profit entity established as an S corporation. The applicant states that the corporation has a board of directors that is responsible for ensuring that the mission of the school is met and that the charter is complying with its contract. However, it has delegated all school level policies, procedures, compliance and academic monitoring to the Governance Committee (Governing Body). According to the corporation's bylaws, the president of the corporation or his/her nominee also serves as the chair of the Governance Committee.

The principal at BBS serves as the administrative and instructional leader of the school and has responsibility for all aspects of the site. The curriculum director works with the principal to oversee the development and facilitation of specific educational programming, including curriculum, enrichment programs, and summer programs. According to the narrative, all teachers and the curriculum director report directly to the Principal.

The application package also included an organizational chart which depicted relationships within the organization of the various entities.

Sustainability

Fiscal Viability

As required by its charter contract, Bright Beginnings follows GAAP. Suggestions made by the auditor to enhance operations are discussed by the Governance Committee as a potential change to fiscal operations. The school principal has the fiscal authority to approve all expenditures. To ensure fiscal capacity prior to approving disbursements, the principal reviews various monthly financial reports that are provided by the contracted financial service provider. The principal monitors budget to actual information and expenditure trends. The application states that "The school enjoys substantial parental support which translates into generous donations to the school." Bright Beginnings School reports that the school completed fiscal year 2009 with stockholders' equity of $441,308 and a gain in net income of $184,284. Net cash provided by the school's operating activities was $273,918 for the same fiscal year.

For fiscal year 2008 and fiscal year 2009, the independent certified public accountant issued an unqualified (or "clean") opinion on Bright Beginnings' financial statements. In each fiscal year, the charter holder ended the year with positive retained earnings. The Budget Plan submitted as part of the renewal application indicates that the charter holder's ending net assets will increase between fiscal years 2010 and 2012. The projections for fiscal years 2011 and 2012 are based on an ADM of 392, which is about 10 ADM less than the fiscal year 2010 actual. The Budget Plan incorporates known cuts to State funding fiscal year 2011. As disclosed in the "Notes/Assumptions", state equalization assistance for fiscal year 2011 includes the loss of full-

day kindergarten funding and the projected per pupil reduction should the sales tax increase not pass. The Budget Plan states that if the sales tax increase passes, the charter holder's state equalization assistance would increase by approximately $107,000.

Strength and Stability of the Governing Body

Members of the Governance Committee are recruited from the school community when vacancies occur. Interested parties apply and may be interviewed. Selection criteria include areas of expertise, reliability and willingness to participate, and commitment to the school's mission. Once an applicant has been chosen, the principal provides training for the new member.

The Governance Committee is responsible for major policy decisions as well as making recommendations for hiring personnel and reviewing and monitoring the budget plan. The application package outlines additional school-related responsibilities.

Bright Beginnings School, Inc. Governance Committee members:

Karen Edris
Carol Slaybaugh
Terri Harris

The school's Governance Committee has responsibility for oversight and monitoring of the school's academic performance. The principal presents information annually to the governing body after analyzing the results of AIMS, AYP, and AZ LEARNS, current-year grade-level assessment results as well as trends over time. The principal and curriculum director work together to address deficiencies or areas of concern and determine the additional actions or support that is needed to improve pupil achievement in that area. The principal then shares this information with the Governance Committee with any recommended changes to the curriculum, textbooks and programs.

Strength and Stability of the Corporate Board

The charter holder is responsible for ensuring the mission of the school is being met and that the charter is complying with its contract. The charter holder has delegated all school level policies, procedures, compliance and academic monitoring to the Governance Committee. There is a board member both have in common. This provides an opportunity to communicate between the two boards.

Bright Beginnings School, Inc. Corporate Board of Directors members:

Karen Edris, Director and President
Jeff Edris, Director and Secretary

All academic monitoring is conducted by the Governance Committee.

<u>Succession Plan</u>

Charter Holder: In the event that the current Board of Directors decides to retire, there would be a formalized process to choose a successor. The planned departure would occur over a sufficient period of time in order to advertise and interview numerous candidates to determine alignment to the mission. The successor would be trained over time in all areas critical for the new charter

holder to be successful. According to the application package, should there be an unexpected departure by the current directors of the corporation due to death or incapacitation, the bylaws state that the successor shareholders as outlined in a will or other estate planning documents are responsible for determining the corporation's successor directors. Because the corporate Board of Directors has delegated all school level policies, procedures, compliance and academic monitoring to the Governance Committee, it is expected that the continuity and stability of the school would not be in jeopardy during this process.

Instructional Leadership: The instructional team at Bright Beginnings Charter School (BBS) is comprised primarily of the principal and the curriculum director. According to the applicant, the principal has cross trained the curriculum director in her administrative responsibilities and relies on the curriculum director to assume her leadership role during the principal's absence. Whenever possible, the curriculum director provides increased opportunities and cross training to teachers with a high potential and interest in performing administrative responsibilities.

Facilities Plan

According to the application package submitted, Bright Beginnings has no plans to expand or change facilities at this point in time.

VII. Staff Recommendation

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 Bright Beginnings School, Inc.