Flagstaff Arts and Leadership Academy, 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

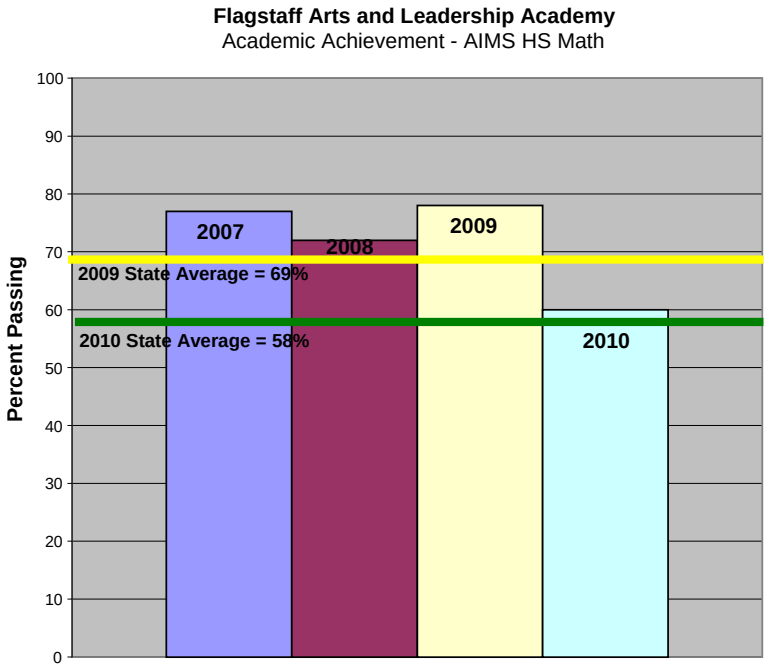
II. School Profile

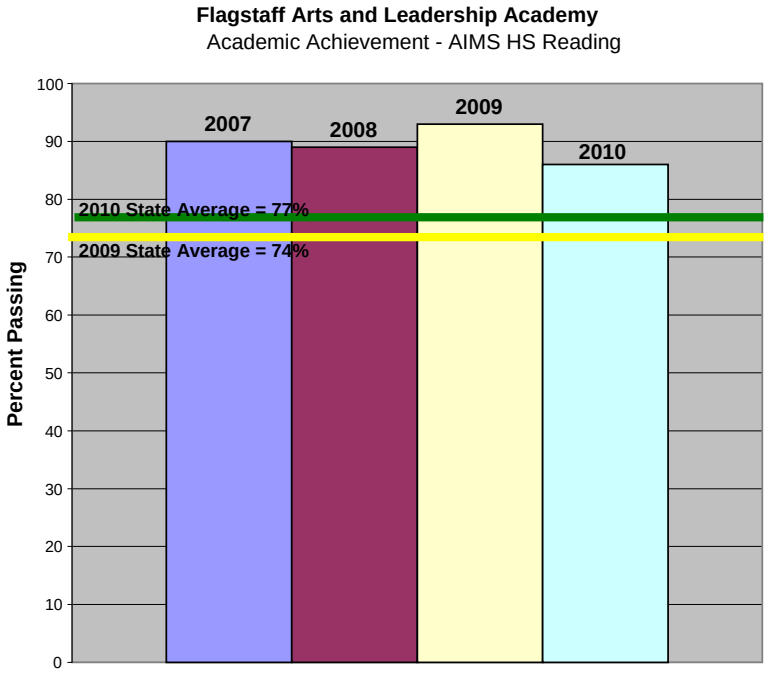
Flagstaff Arts and Leadership Academy, Inc. was granted a charter by the State Board of Education, effective on August 12, 1996. Flagstaff Arts and Leadership Academy, Inc. is a non-profit corporation in good standing with the Arizona Corporation Commission. The charter was transferred to the Arizona State Board for Charter Schools on April 6, 2004. The charter representatives are David Eckert, Sara Morley, and Dan Slayton. The school, Flagstaff Arts and Leadership Academy, is located in Flagstaff, serves grades 9-12, and had a FY10 100th day ADM of 181.317. For FY11, the school is approved to serve grades 7-12.

Mission Statement (as provided in the contract):
Flagstaff Arts and Leadership Academy celebrates individual creativity through rigorous academic and artistic programs which give students the tools and confidence to construct their own successes by: making learning revolving through the integration of disciplines, concepts, and methodologies; developing critical thinking, problem solving skills, and technical skills through the integration and synthesis of ideas; providing opportunities for the cultivation of the student as whole being; emphasizing and modeling a love of learning; valuing leadership and interpersonal skills through experiential learning and service to others; developing an

appreciation of the arts in the lives of students; strengthening learning and a sense of community through the development of partnerships.

III. Academic Performance





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

IV. Fiscal Compliance

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

- The charter holder has timely submitted its annual audit.
- No issues were identified which required a corrective action plan.
- The fiscal years 2006 and 2007 audits each identified a repeat issue.

Flagstaff Arts and Leadership Academy, 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.
- The Highly-Qualified Teacher report, updated on July 6, 2010, indicated 19 core teachers with 2 being reported as non-highly qualified.
- Cycle 2 No Child Left Behind (NCLB) Compliance Monitoring in 2006-07 met compliance.

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

<u>Organization</u>

The Flagstaff Arts and Leadership Academy (FALA) is governed by a seven member Board of Directors (BOD). The BOD supervises the Executive Director.

The Executive Director (ED) is responsible for all aspects of the school's operations and supervises the Dean of Academy, office manager, and school custodian. The ED is responsible for budget management, legal compliance, maintenance, fundraising, marketing, and public relations.

The Dean of Academy (Dean) is responsible for the day-to-day school operations and supervises the faculty, Counselor, and Special Education Coordinator. The Dean oversees curriculum and faculty development and handles student discipline.

The organizational chart provided with the application package shows the relationships as described.

Sustainability

Fiscal Viability

Flagstaff Arts and Leadership Academy's renewal application describes certain accounting procedures related to deposits, withdrawals, payroll, and state and federal reporting. The board of directors is ultimately responsible for the oversight of fiscal decision making. The Executive Director is responsible for approving all fiscal decisions and for providing timely and accurate financial information to the board of directors. The Executive Director is also responsible for ensuring the school is adhering to the board-approved annual budget. The Dean of Academy is responsible for adhering to academic department budgets and for providing accurate and timely information about purchases to the Executive Dean.

In the past year, Flagstaff Arts and Leadership Academy completed an organizational restructuring and hired a new Executive Director in order to make construction of a new campus, fundraising, marketing and increasing enrollment a priority. (Please see the application's "Sustainability" section for more information.)

For fiscal year 2008 and fiscal year 2009, the independent certified public accountant issued an unqualified (or "clean") opinion on Flagstaff Arts and Leadership Academy's financial statements. In each fiscal year, the charter holder ended the year with positive retained earnings. However, in fiscal year 2009, expenses exceeded revenues by $32,158. The charter holder ended fiscal year 2009 with net assets of $119,587. The Budget Plan submitted as part of the renewal application did not include any financial information. It appears that the charter holder may have uploaded the wrong document as the charter holder separately provided in the application certain assumptions related to the Budget Plan.

Strength and Stability of the Governing Body

Strength and Stability of the Corporate Board

The entity, Flagstaff Arts and Leadership Academy (FALA), the Arizona non-profit corporation, is the charter holder; the Board of Directors (BOD) represents the entity and serves as the governing body. According to the applicant, as the representative of the charter holder, the BOD has ultimate responsibility and authority over all operations of FALA. The BOD annually

reviews and approves the budget, evaluates the performance and annual goals for the Director, and sets the strategic direction for the school (including specific academic goals and standards).

Flagstaff Arts and Leadership Academy Board of Directors members:

Sara Morley, President
Robert Breunig, Treasurer
David Eckert, Secretary
David Edwards, director
Michelle Legg, director
Dan Slayton, director
Holly Yeager, director

The Board of Directors (BOD) works with the Executive Director (ED) to recruit members that will provide needed expertise in order to effectively govern the operations of the Flagstaff Arts and Leadership Academy (FALA). If a person is deemed a likely candidate for BOD membership, they are invited to a BOD meeting to discuss their experience with the rest of the board. If the BOD so moves, the board candidacy of this person is placed on the next board meeting agenda for approval.

According to the application package, while it has not been necessary for the Board of Directors to intervene directly in development of policies or organizational practices related to FALA's academic performance, in the event that FALA and the Administrative Team were not performing to the level of identified standards or established goals, the Board would assume this role in support of the Director and the Administrative Team in achieving FALA's academic objectives. The Board is also responsible for working with the Director and Administrative Team to achieve the necessary funding to support FALA's academic goals and standards including the hiring, professional development and retention of highly qualified personnel.

Succession Plan

Charter Holder: The applicant states that the Board of Directors' (BOD) succession plan includes board development to ensure that the BOD continually identifies and recruits expertise necessary to continue its effective governance. As members retire and resign, candidates are identified to replace the area of expertise the outgoing member possesses.

Instructional Leadership: The application package reports that FALA is committed to providing professional development opportunities for all faculty and staff. Each annual budget contains funds to provide for such opportunities and the Executive Director (ED) has included obtaining additional funding for professional development in the fundraising plan for FY 11.

FALA has provided merit pay to teaching staff in the past; however, recent Arizona budgetary constraints will prohibit the school from doing so in FY 11. FALA provides medical and dental insurance, contributions into employee HSAs, and short and long term disability benefits.

The application package states that, with a small advertising budget, FALA relies upon a network of local district and charter schools as well as connections with Northern Arizona University and Coconino Community College for assistance with faculty recruitment.

Facilities Plan

The Flagstaff Arts and Leadership Academy (FALA) currently operates in modular classrooms on the campus of the Museum of Northern Arizona. According to the application package, FALA recently received $4.2 million in bond financing to purchase land and build a new campus. The new site will include the current modular classrooms with some remodeling and refurbishing and a new facility, with approximately 10,000 square feet of classroom and office space, will be constructed.

In March, FALA received approval to add seventh and eighth grades. The facilities expansion and relocation includes adding classrooms and teaching staff for these grades.

All operations are scheduled to begin on the new campus in August 2010.

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 Flagstaff Arts and Leadership Academy.