Khalsa Montessori Elementary Schools
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

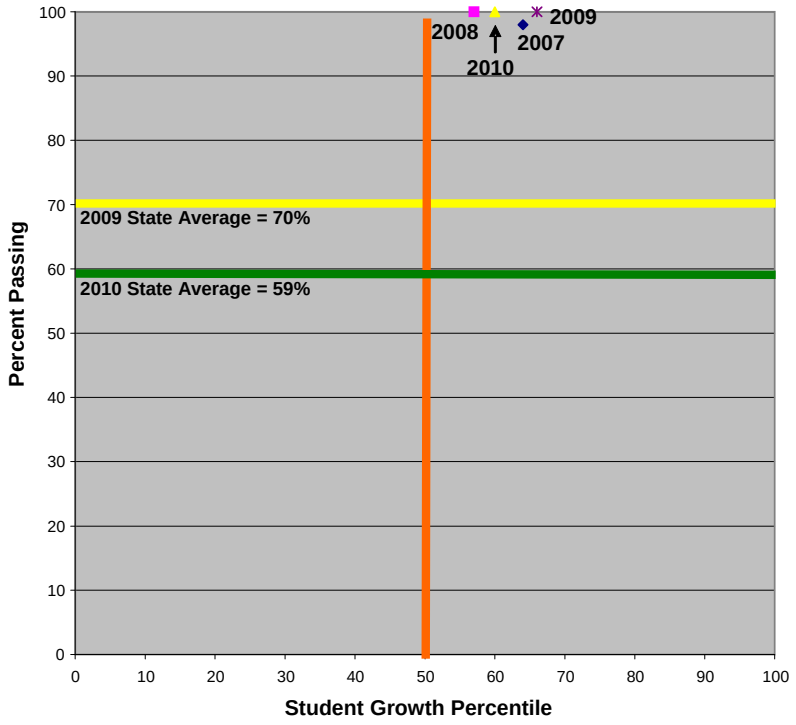
Khalsa Montessori Elementary Schools was granted a charter by the ASBCS effective on August 19, 1996. Khalsa Montessori Elementary Schools is a non-profit corporation in good standing with the Arizona Corporation Commission. The charter representative is Satwant Khalsa. The school, Khalsa Montessori Elementary – Phoenix, is located at 2536 N. 3rd Street in Phoenix, serves grades K-8, and had a FY10 100th day ADM of 146.835.

Mission Statement (as provided in the contract):
The mission of the Khalsa Montessori School (KMS) is to:

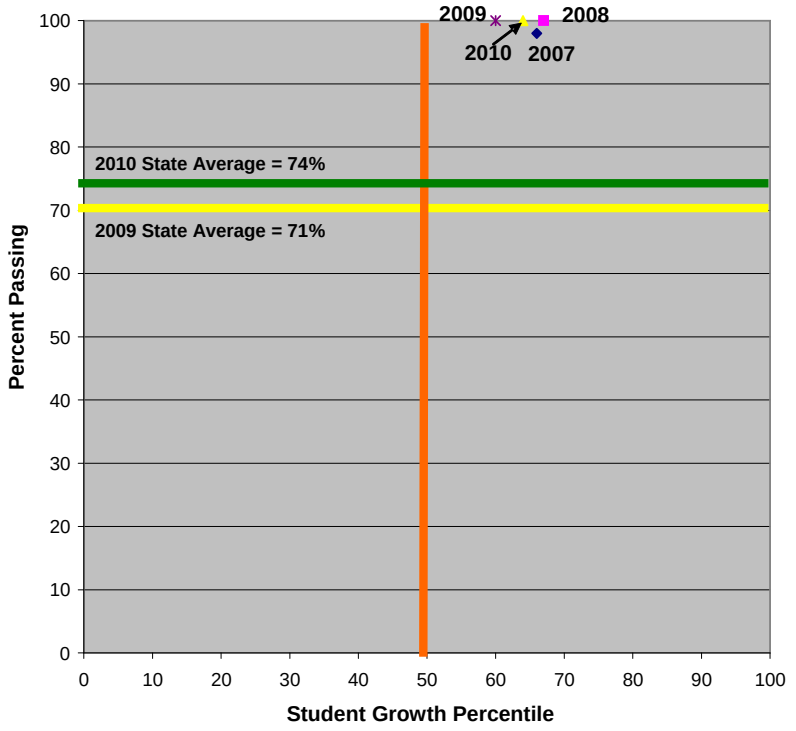
- Integrate a challenging Montessori education and a caring, responsible community to provide for the academic, social, physical and emotional growth of students.
- Offer children a holistic education in which teachers see the children as unique individuals, understand their multiple intelligences, respect their ideas, and encourage their enthusiasm for learning.
- Create an environment that offers young people opportunities to reach their highest potentials: **academically**, through appropriately high expectations, and a rich, self-paced learning environment that provides the cognitive tools to achieve mastery and build confidence; **creatively**, through the integration of a variety of avenues for creative expression such as visual arts, creative writing, drama, music and public speaking; **physically**, through the integration of fine and gross motor movement within the curriculum, and through activities to encourage physical fitness, cooperation, nutritional awareness, mind/body discipline, and yoga; **socially**, through an environment where children may develop independence, personal meaning, and responsibility for themselves, others, and our world.

- Build a partnership of students, families, teachers and administrators who create an environment that lays the foundation for those habits of mind that support happiness and success both in school and in life.

III. Academic Performance



Khalsa Montessori Elementary Schools
Academic Achievement - AIMS ES Math



Khalsa Montessori Elementary Schools
Academic Achievement - AIMS ES Reading

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.
- No issues were identified which required a corrective action plan.
- No repeat issues were identified.

Khalsa Montessori Elementary Schools 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 exception of the Superintendent's form in 2008.
- The Highly-Qualified Teacher report, updated on July 6, 2010, indicated all eight (8) core teachers were highly qualified.
- In October 2008 compliance with the Individuals with Disabilities Education Act (IDEA) was reported by ADE.

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 Khalsa Montessori Elementary School (KMES) is a non-profit 501(c)3 corporation overseen by the KMES Board of Directors and run by the KMES administration in partnership with KMES teachers and parents. The KMES Board of Directors approves all major KMES decisions including, but not limited to, budgets, state reporting, contracts, staffing, and financial and educational procedures and policies. The Board is not involved in day-to-day management of KMES.

The KMES Education Administration is a team of KMES educational and operational administrators who meet weekly to discuss all KMES major educational, procedural and policy decisions. The Education Administration members include the School Director, Education Director, SPED Director, Admissions Director, Primary School Director, and any administration director-in-training. The KMES Site Council consists of KMES administrators and all KMES Lead Teachers. This group meets weekly and meets to review and discuss administrative decisions that affect the classrooms. The site council includes lead teachers, and the education and admissions directors. The KMES Operational Administration is responsible for the daily operations of KMES including enrollment, attendance, financial accountability, scheduling, program operations, parent communication, state reporting and record keeping. Faculty and staff as well as the financial team are also a part of the organizational structure. The school has a Parent-Teacher Organization that is involved in school fund-raising and community development.

The application package includes an organizational chart which depicts the relationship of these entities to one another.

Sustainability

Fiscal Viability

In its application, Khalsa Montessori Elementary School details the financial procedures it has in place to assure financial accountability and viability. (For the specific procedures, please see the application's "Sustainability" section.) All budgets and financial planning is done by the financial team of financial experts overseen by the Director and board of directors. According to the application's "Organizational Narrative", the financial team includes the financial consultant, director, contracted bookkeeper (state reporting), and school bookkeeper. Financial operational procedures are designed to require direct daily oversight by the School Director and final review by the board of directors. The application's "Organizational Narrative" states that the board of directors reviews and signs all school expenditure vouchers. Monthly, the school's financial consultant presents the board with a detailed budget report and analysis. In the application's "Sustainability" section, the charter holder states, that the administration team "has carefully budgeted over the past 14 years resulting in contingency funds being grown to assure viability through any unexpected circumstances including decreases in state funding." According to the application, the charter holder has built a contingency fund of $150,000, which is in addition to approximately $100,000 in available operating funds.

The Khalsa Montessori School Parent/Teacher Organization, a non-profit 501(c)3 that is separate from Khalsa Montessori Elementary School, raises money for the charter school's educational programs.

For fiscal year 2008 and fiscal year 2009, the independent certified public accountant issued an unqualified (or "clean") opinion on Khalsa Montessori Elementary School's financial statements. In each fiscal year, the charter holder ended the year with positive net assets. 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. Although the specific ADM used for the three years of projections is not provided, the application's "Sustainability" section states that the charter holder does not anticipate any major changes to its size over the next several years. According to information from the Arizona Department of Education's website, the charter holder's current ADM is approximately 147. Based on information in the application's "Sustainability" section, the Budget Plan incorporates state funding cuts.

Strength and Stability of the Governing Body

Strength and Stability of the Corporate Board

The Khalsa Montessori Elementary School (KMES) Board of Directors is the KMES corporate and governing board. The board is not involved in the day-to-day operations of KMES. Each month, the School Director gives a report to the board of all aspects of school operations and staff and student

performance. Monthly, the school financial consultant presents the board with a detailed budget report and analysis.

Khalsa Montessori Elementary School Board of Directors members:

Satwant Singh Khalsa, President
Thomas Caglio, Vice President
Karen Paxton, Secretary
Jaswant Khalsa, director
Keerat Giordano, director
Bryan Murphy, director
Donna Waters, director
Janet Wilson, director

The application package provides additional information regarding the background and area(s) of expertise for each board member.

According to the applicant, KMES board members are recruited and selected by the current board members from the school community based on areas of expertise and their dedication to the educational philosophy and standard of excellence of KMES. Membership is also based on the representation of parents, teachers, school administration and the community. It is the responsibility of the school director to evaluate potential new board members. When positions become open, the school director is responsible for discussing potential selection with the KMES Site Council and KMES administration and presenting an evaluation of candidates to the KMES Board of Directors. New members may be proposed to the board by any current board members.

The KMES Board of Directors reviews student academic performance when standardized test results are available. The board relies on the KMES Site Council, School Director and Education Director to regularly review student academic performance and classroom development. The KMES Director and Education Director monthly report to the board results of their ongoing classroom, teacher and student academic performance evaluation.

Succession Plan
Charter Holder: The KMES School Director is responsible for evaluating and recruiting potential board members.

According to the application package, KMES is preparing for a gradual transition of school leadership due to the planned retirement of the KMES Director and current KMES Education Director. The KMES Director and administration team determined that the best path for a seamless leadership transition that would maintain the long-term quality and culture of the school is leadership that comes from within the school team. A Director-In-Training was selected this year and will work with the current Director for the next two years until his retirement. After he retires, the former Director will work as a KMES consultant, available when needed, for the following three to five years. A similar process for transition of the Education Director position as well as classroom lead teacher positions being vacated by teachers moving into these administrative roles.

Instructional Leadership: Potential lead teachers are initially hired as classroom assistants. Once hired as assistant teachers, they must demonstrate their capacity for a future lead teacher position, which is generally determined after one to three years as a classroom assistant. If the teacher makes a long-term commitment to the school, KMES supports this teacher in taking Montessori teacher training. Once the teacher has taken teacher training courses, this lead teacher-in-training is mentored by one of the school's

experienced master teachers. Over half of the school's current lead teachers have followed this mentoring process. Mentoring teachers are then candidates for other school educational administrative roles.

The applicant states that KMES has supported ongoing teacher development by setting aside funds for Montessori teacher training and education courses for continuing lead teachers. The PTO has also supported teacher development by giving each classroom funds raised by PTO events for the use by the teacher for teacher development or classroom improvement. The KMES Education Administration also coordinates regular in-house teacher training facilitated by the Education Director, Special Education Director or a teacher who has taken an educational course or seminar of interest to all teachers.

Facilities Plan

The KMES campus at 2536 North 3rd Street is on a lot that is 52,678 square feet and contains three buildings that are 6446, 4554, and 2145 square feet respectively. Within these buildings are 3 lower elementary (1st-3rd grade) and 2 upper elementary (4th-6th grade) classrooms, each between 1100 and 1300 square feet in size. Also included is a 650 square foot kindergarten only classroom, an 1100 square foot multipurpose room, a 575 square foot after school room, five offices, and a teacher work room. The yard contains three playground areas, a small amphitheatre, a peace pole area, and variety of gardening areas.

According to the application package, the current site was purchased in increments. KMES first purchased the 6445 sq. ft. building (2536 N. 3rd ST) in 1996, then the 4554 sq. ft. 2-story building (317 East Virginia) in 2000 and finally the 2145 sq. ft building (327 East Virginia) in 2005. The charter holder does not currently have plans from any major additional expansion of KMES at either site. The holder has developed plans for a small building remodel that would increase the size of the kindergarten only classroom at 2536 N. 3rd Street to that of a full 1000 square foot classroom, but has no plan to complete this expansion in the near future. The applicant states that acquiring other property in the area may be a possibility in the future but would be contingent upon the sale of some of the existing property held by the applicant.

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 Khalsa Montessori Elementary Schools.