Liberty High School - Entity ID 4216
School: Liberty High School

Renewal Executive Summary

Sources of Evidence for this Document

Pursuant to A.R.S. 15-183.I, the Arizona State Board for Charter Schools (Board) has established a process for the renewal of a charter that is based on affirmative evidence in three areas:

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

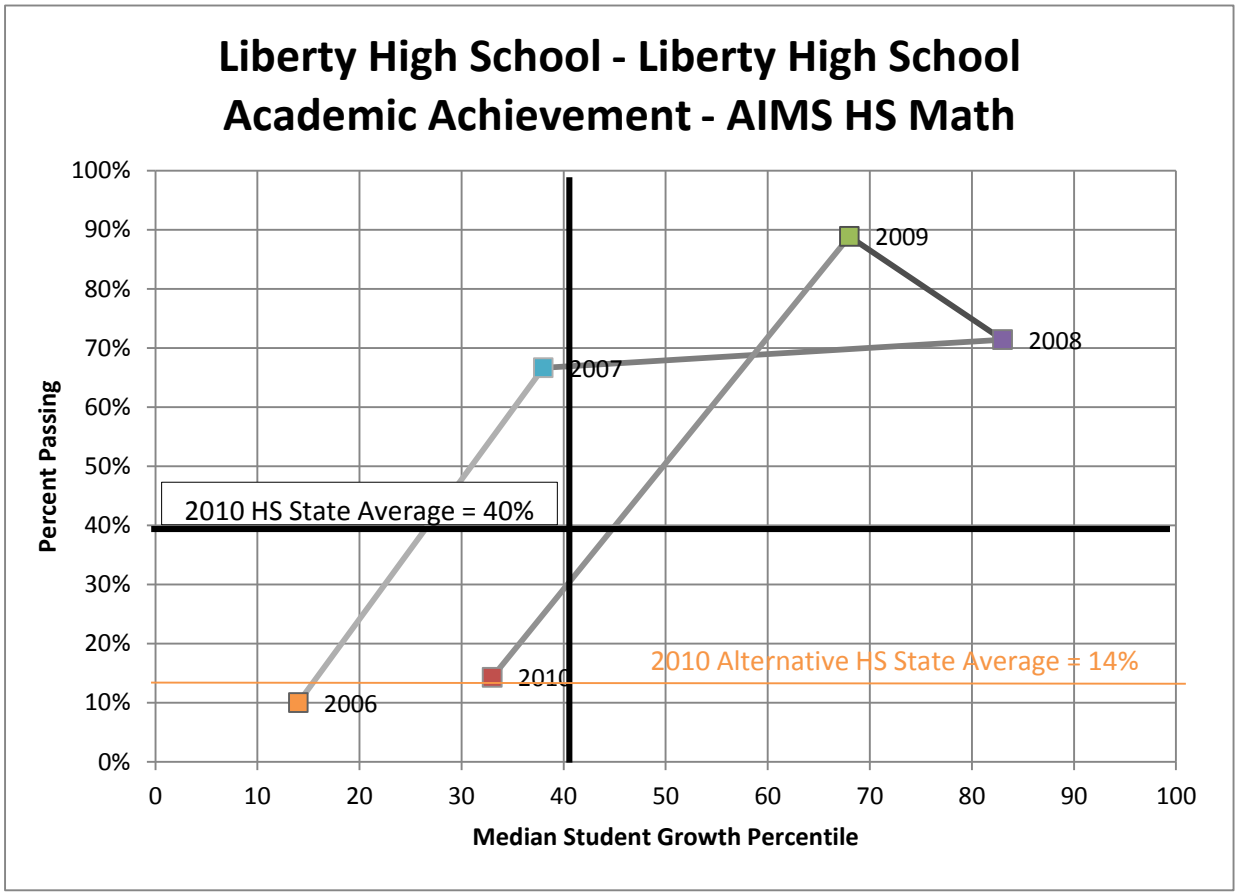
Evaluation of the charter holder's success in these three areas is based on a variety of information that will serve as sources of evidence in determining renewal of a charter. These sources include, but are not limited to:

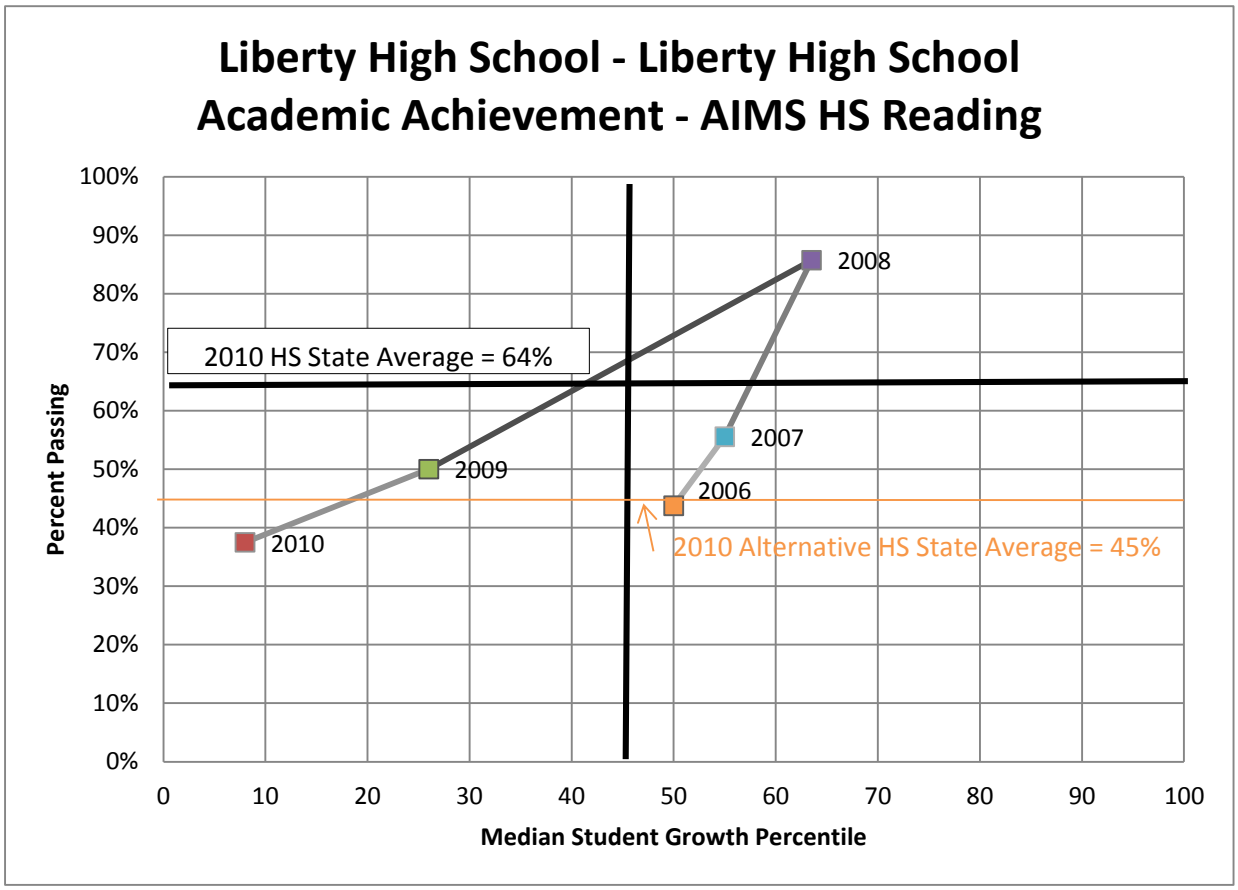
- Pupil achievement data
- Independent financial audits
- Five-year interval summary reviews
- Site visit reports
- Monitoring reports
- Application package for renewal

Profile

Liberty High School operates one (1) **alternative** school serving grades 9-12 with a total FY11 average daily membership (ADM) of 58.755. Additional information can be found in the Renewal Summary Review.

Graphs displaying the academic achievement for the past five years, if available, are provided on the next page.


Liberty High School - Liberty High School
Academic Achievement - AIMS HS Math
Percent Passing
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
0
10
20
30
40
50
60
70
80
90
100
Median Student Growth Percentile
2009
2008
2007
2010 HS State Average = 40%
2010 Alternative HS State Average = 14%
2010
2006


Liberty High School - Liberty High School
Academic Achievement - AIMS HS Reading
Percent Passing
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
0
10
20
30
40
50
60
70
80
90
100
Median Student Growth Percentile
2008
2010 HS State Average = 64%
2007
2009
2006
2010
2010 Alternative HS State Average = 45%

I. Success of the Academic Program

The academic performance of the school operated by the charter holder did not meet or demonstrate sufficient progress toward the Board's level of adequate academic performance. Therefore, the charter holder was required to submit a Performance Management Plan (PMP) in the academic section of the renewal application and to complete the Renewal Budget Plan.

A PMP was submitted for Math, Reading, and Graduation Rate. The Graduation Rate PMP was not evaluated as it is not a required indicator. The PMP instructions require documentation of academic oversight by the board which includes meeting agendas and minutes. No documentation was submitted.

A leadership team discussion took place on May 25, 2011 at Liberty High School with Colleen DeRose (Charter Representative). The questions focused on curriculum, standards, assessment, student proficiency, and professional development. The information gleaned supported the Performance Management Plan narrative and templates submitted. In addition, the team's response to why they did not submit documentation of academic oversight by their board was they did not realize this was a required submission.

Required submissions for the Academic Performance Section and the Renewal Budget Plan, as well as the applicable evaluation instrument and checklist, are included in the charter holder's portfolio. The evaluation instrument completed by staff identifies whether the required information provided included a Full Description, a Partial Description, or a Very Limited Description. The checklist completed by staff identifies whether the required elements of the Detailed Business Plan were addressed.

The *Renewal Application Instructions* and the Renewal Budget Plan Template require the inclusion of the average daily membership (ADM) used in each fiscal year and assumptions for all projected revenue line items used. As identified in the checklist, the Renewal Budget Plan submitted by the charter holder did not include this information. Since the Renewal Budget Plan did not include this information, Board staff reviewed the fiscal year 2010 audit and payment and ADM reports available through the Arizona Department of Education's (ADE) website.

For fiscal year 2010, total revenues and total expenses reported in the Renewal Budget Plan were in line with the information in the fiscal year 2010 audit. Additionally, the first four revenue line items matched reports available through ADE's website. For fiscal year 2010, Liberty High School had an ADM of 65.714. During the four prior fiscal years, Liberty High School's ADM ranged from a low of 58.940 in fiscal year 2006 to a high of 66.019 in fiscal year 2009.

Although fiscal year 2011 data has not yet been finalized, Board staff reviewed the most current ADM and revenue information available through ADE's website. As of June 13, 2011, Liberty High School's ADM is 58.755 for fiscal year 2011, which is down approximately 7 ADM from the prior year. Based on June 2011 ADE reports, the State Equalization Assistance, Classroom Site Fund and Federal Funds/Grants amounts included in Liberty High School's Renewal Budget Plan for fiscal year 2011 are higher than the current amounts supported by the reports (please see table below).

	ADE Report: Current Amount	ADE Report: Highest Amount	Renewal Budget Plan Amount
State Equalization Assistance	$398,479[A]	$468,935	$493,501
Classroom Site Fund	$20,152	$23,666	$23,666
Federal Funds/Grants	$26,896	--	$33,091

[A] The $398,479 amount referenced above does not include adjustments that were made to all charter holders' payments as a result of federal stimulus money or due to state budget reductions.

II. Viability of the Organization

The charter holder meets the standards specified in the *Renewal Application Instructions*. Therefore, the charter holder was not required to submit the charter holder's Financial Sustainability portion of the Detailed Business Plan Section.

III. Adherence to the Terms of the Charter

A. Compliance Matters Requiring Board or Other Agency Action[1]

Over the past six years, there were no items to report.

B. Other Compliance Matters[2]

In May 2005, ADE Exceptional Student Services notified the charter holder of partial compliance and non-compliance in some areas with regard to specific regulations for Part B, Individuals with Disabilities Education Act (IDEA), and the Arizona Revised Statutes. The compliance issues were reported by ADE as resolved in September 2006.

The fiscal year 2007 audit identified an issue that required a corrective action plan (CAP). State law requires high school subjects, if taught each school day for the minimum number of days required in a school year, to meet a minimum of 123 hours a year. The audit identified that for 5 of 6 classes tested the class instructional time fell short of the 123 hour requirement by just under 2 hours per class. The charter holder submitted a satisfactory CAP.

The same repeat issue was identified in the fiscal years 2008 and 2009 audits. The issue pertained to the organization being unable to prepare full disclosure financial statements in accordance with GAAP and as a result, relying upon its auditor to compile the financial statements and related disclosures.[3] As indicated in the Renewal Summary Review, this issue was not repeated in the fiscal year 2010 audit.

[1] For more information about the areas of compliance reviewed for this section, please see the "Renewal Guide".
[2] For more information about the areas of compliance reviewed for this section, please see the "Renewal Guide".
[3] Liberty High School's charter contract requires it to comply with GAAP.

C. Charter Holder's Organizational Membership

Because the organizational membership on file with the Board was not consistent with the information on file with the Arizona Corporation Commission, the charter holder was required to submit the charter holder's Organizational Membership portion of the Detailed Business Plan Section.

Although required by the application, the charter holder did not submit any appropriate filings or any other information related to their Organizational Membership. The applicable checklist is included in the charter holder's portfolio.

A review of the corporate board members on file with ASBCS and the Arizona Corporation Commission (ACC) on May 13, 2011 indicated different members as shown below:

ASBCS	ACC
Robert Pastor	Robert Pastor
Jerry DeRose	Jerry DeRose
Sara MacDonald	Colleen DeRose
Keziah Maxfield	
Margo Bracamonte	

The corporate board members listed above were updated by the charter holder as of May 11, 2011 with the ACC. No changes were filed with ASBCS before the renewal application submission deadline of May 3, 2011.

On May 25, 2011 during the leadership team discussion on the performance management plan, the charter representative was notified of the discrepancy. On June 2, 2011 the charter holder submitted the Charter Holder Governance Notification Request to ASBCS changing the corporate board membership by removing Keziah Maxfield and adding Colleen DeRose as a member. The corporate board membership records on file at ASBCS and ACC still indicated different members as shown below:

ASBCS	ACC
Robert Pastor	Robert Pastor
Jerry DeRose	Jerry DeRose
Colleen DeRose	Colleen DeRose
Sara MacDonald	
Margo Bracamonte	

On June 3, 2011 the charter holder was notified of the discrepancy of the corporate board membership. On June 9, 2011 the charter holder submitted documentation from ACC that their records had been updated. On June 9, 2011 ASBCS processed the Charter Holder Governance Notification Request. The records on file at ASBCS and ACC are now aligned.

ASBCS	ACC
Robert Pastor	Robert Pastor
Jerry DeRose	Jerry DeRose
Colleen DeRose	Colleen DeRose
Sara MacDonald	Sara MacDonald
Margo Bracamonte	Margo Bracamonte

Staff Recommendation

Renewal is based on consideration of academic, fiscal and contractual compliance of the charter holder. In this case, there is a record of academic performance below the Board's level of adequate academic performance, which has been addressed by the charter holder through the inclusion of a performance management plan as part of the renewal application package and can be incorporated in the charter contract. With that taken into consideration and based upon the fiscal compliance and all information provided to the Board for consideration of this renewal application package, I move to approve the request for charter renewal and grant a renewal contract to Liberty High School that incorporates the performance management plan.