Skyview 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 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:

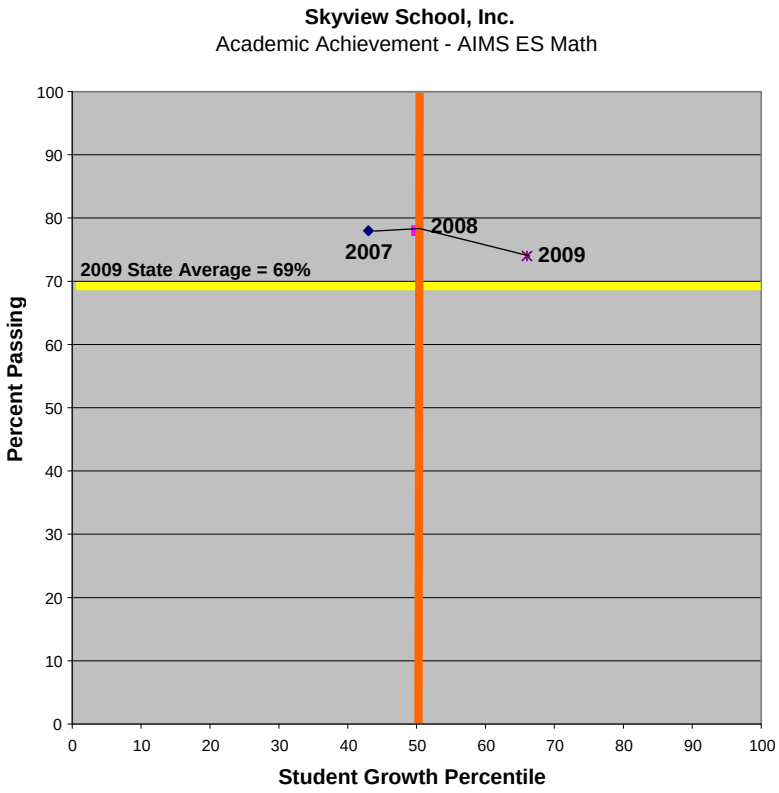
- Written application for renewal
- Student performance data
- Independent financial audits
- Five year interval summary reviews
- Site visit reports
- Monitoring reports

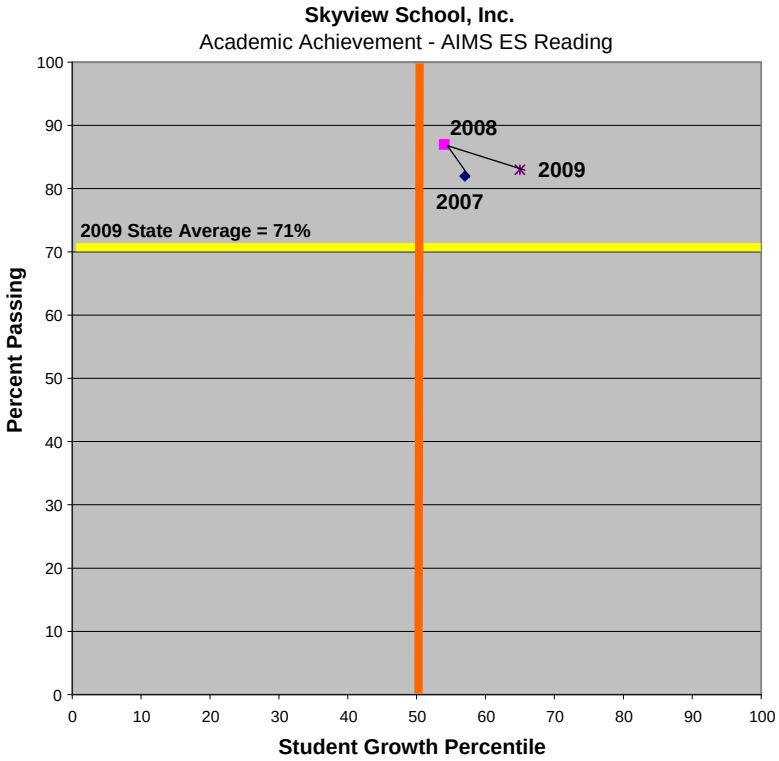
II. Profile

Skyview School, Inc. was granted a charter by the ASBCS, effective on July 29, 1996. Skyview School, Inc. is a non-profit corporation in good standing with the Arizona Corporation Commission. The charter representatives are Judy Sulltrop and Wayne Regina. The school, Skyview, is located at 125 S. Rush St. in Prescott, serves grades K-8, and had a FY10 100th day ADM of 130.348.

Mission Statement (as provided in the contract):
Skyview School's mission is to enrich the lives of students and ensure that future generations are well prepared to live their lives with meaning, dignity, and the ability to work together for a better world. Respect and responsibility towards self, others, and the natural environment are our guiding principles. We believe that children possess a blend of multiple intelligences (Gardner, 1983) and, drawing on "the best practices in education" (Daniels, 2000), we celebrate each child's uniqueness and tailor education to develop the fullest potential of each learner. Encouraging a sense of competence and self-motivation, classroom life is interwoven with community life through practical experience.

III. Academic Performance





Fiscal Year	AZ LEARNS	Adequate Yearly Progress (AYP)
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 timely submitted its annual audit.
- The fiscal year 2005 audit identified an issue which required a corrective action plan.
- No repeat issues were identified.

Skyview 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 timely submitted the Annual Financial Report.
- 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 (HQT) report, updated on May 7, 2010, indicated nine core teachers with two being reported as non-highly qualified. ADE sent the charter holder a noncompliance letter for not updating the HQT report on time.
- Cycle 5 No Child Left Behind (NCLB) Compliance Monitoring in 2005-06, Cycle 6 occurred in 2006-07, and Cycle 1 in 2007-08. Cycles 5 and 1 met compliance and Cycle 6 had findings that were corrected.
- In 2006, noncompliance with the Individuals with Disabilities Education Act (IDEA) was determined by ADE Exceptional Student Services and a Corrective Action Plan was required.

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 applicant documented the reporting structures within the organization and the specific responsibilities of each entity. The detailed information provided in the application describes the types of positions in the organization and complete job descriptions of each. The organization includes the Board of Directors, the director, the operations manager, the accountant which is Educational Services, Inc., classroom teachers, the integrated arts coordinator, the music teacher, the special education consultant, and support staff. The application package also included an organizational chart which depicts the relationship of the entities to one another.

Sustainability

Fiscal Viability

Skyview School has established accounting and purchasing procedures. The director is responsible for the development of the annual budget. The board of directors has established that the director must present them a balanced budget for review. When the Director has completed the proposed budget, it is presented to the board of directors for review and action. The Director and Operations Manager meet monthly with the accountant before the scheduled board meeting. The Director presents a monthly report of expenditures and revenues to the board of directors and reports on any variances within the budget categories. Periodically throughout the year, the budget is reconciled with actual expenditures of the school. The Director is granted the discretion to make fiscal decisions on expenditures up to $5,000. For all expenditures exceeding $5,000, the board of directors has the sole authority.

The applications states that over the past 14 years, Skyview School has raised close to $1 million dollars through family foundation and corporate grants, donations from the school's parent community and local businesses, and fundraising events. Additionally, according to the application, Skyview School families have annually logged around 8,000 volunteer hours for the past 14 years. (For more information, please see the application's "Sustainability" section.)

For fiscal year 2008 and fiscal year 2009, the independent certified public accountant issued an unqualified (or "clean") opinion on Skyview School's financial statements. In each fiscal year, the charter holder ended the year with positive net assets although in 2008 expenses exceeded revenues. The Budget Plan submitted as part of the renewal application indicates that Skyview School's ending net assets will increase between fiscal year 2010 and fiscal year 2012. No growth in ADM is planned for fiscal year 2011 with a slight increase projected for fiscal year 2012. According to information included in the application, the charter holder is projecting an $89,760 reduction in state aid for fiscal year 2011. Additionally, the Budget Plan includes revenue received through kindergarten fees.[1] (Please see the application's "Sustainability" section for information steps taken by the school in recent years to help ensure its fiscal sustainability.)

[1] During the 2010 Legislative Session, half-day kindergarten was restored. Session law enacted during the 2010 session allows charter schools and school districts to charge tuition for full day kindergarten (FDK) in fiscal year 2011 if they decide not to provide free FDK in fiscal year 2011.

Strength and Stability of the Governing Body
Strength and Stability of the Corporate Board

The legally responsible entity of Skyview School is the Skyview School Board of Directors. The charter holder and the governing board are the same. The application provides detailed information on the board members including areas of expertise.

Skyview School Board of Directors members:

Judy Sulltrop, President
Chrissy Shumaker, Vice-President
Kathryn Miedema, Member
Warren Miller, Member
Wayne Regina, Member
Jason Whitten, Member

According to the applicant, the Skyview School Board of Directors is responsible for developing a functional, cohesive, working Board to promote the educational mission and vision of Skyview School in support of the greater community. As such, according to the application, the strength and stability of the Board rests with the identification, recruitment, retention, and orderly transition of its Board members. Board recruitment is a collective and joint effort by Board members, in close consultation with the School Director, to identify, recruit, accept, and retain new Board members.

According to the application package, in order to further strengthen and stabilize the Skyview School's Board of Directors, the Board functions as a working Board, meaning that all Board members are expected to contribute to the smooth functioning of the Board and Skyview School by coming prepared for meetings, having read all meeting material beforehand, actively participating in board matters during and between board meetings, conducting themselves in a professional manner as representatives of Skyview School, participating in search and other committees as needed, and to the extent possible, attending community events such as town halls, graduations, celebrations of learning, and festivals. Board meeting procedures and decision-making processes are clearly delineated in the *Skyview School Policies and Procedures Manual*.

According to the applicant, while the primary responsibility for the day-to-day operations is delegated to the director and to the teaching staff, one of the Board of Directors' primary responsibilities is to guarantee the superior performance of the students. The Director provides annual updates regarding test performance. Beyond academic ratings and high-stakes tests, the Board of Directors considers student performance based on a number of summative and formative processes, including parent satisfaction surveys, student work during regular Celebrations of Learning, student behavior and performance on field trips and other off-campus activities, and project-based outcomes that integrate the arts and other academic outcomes such as performances and the creation of in-school museums. Besides updates provided to the Board by the director regarding test performance and survey data, Board members are invited and encouraged to attend the many student events and presentations during the year, and to visit classrooms to see students and teachers at work.

<u>Succession Plan</u>

Charter Holder: The application package states that, in general, Skyview School follows the principles

of John Carver's 10 Policy Governance Ground Rules, which are essential Board of Director guidelines for non-profit organizations. Board member training consists of training in the provisions of the Open Meeting Law; managing dual and multiple relationships; Arizona Revised Statutes relating to governing Boards; Board structure; Board decision-making processes; a historical overview of Skyview School including its mission and vision; common problems and pitfalls with school governing boards; understanding the essentials of budget development and budget management; state and national regulatory compliance; training in the difference between governance and management; and personnel issues and laws relating to the recruitment, hiring, renewal, and dismissal of both exempt and non-exempt staff. Additionally, other important training issues are covered as well, including a review of the *Skyview School Policies and Procedures Manual*, which outlines additional areas of governance and compliance.

Normally, retirement, resignation, and replacement of Board members is resolved with rotating and staggered terms. When resignations and retirements are unexpected, the Board of Directors works with the school director to replace that member or members. As the charter requires a minimum of four members of the Board of Directors, at no time can or does the Board of Directors function with less than four members. If a member wants to retire or resign and that would leave the Board with less than the required size, the Board of Directors does not accept that request to retire or resign until and unless a new member can be brought on to keep the Board of Directors at the minimum required number of four members.

Instructional Leadership: The application package describes Skyview School's four-tier mentoring program. The first tier involves partnering a new teacher with a mentor within the same level (i.e., kindergarten, primary, intermediate, or middle school). The mentor teacher meets with the new teacher every Friday to provide assistance with curriculum development, guidance with instructional strategies, and feedback on classroom management, parent involvement, and assessment methods. The mentor teacher is also a resource for the new teacher on a daily basis as needed. The second tier involves the use of instructional teams led by instructional team leaders, who are founding teachers that have been with the school for the past fourteen years. At Skyview School there is a K-3 instructional team and a 4-8 instructional team that work towards aligning the curriculum vertically and ensuring that each level scaffolds seamlessly. The teams meet monthly and the instructional team leader facilitates training on the multiple intelligences; differentiated instruction; thematic, project-based curriculum; and guidance on the math, reading, and writing programs. The third tier involves the use of our senior teacher, who is also an instructional team leader who serves the role of curriculum coordinator. This senior teacher facilitates and ensures that there is a seamless K-8 program, provides mentoring to all the teachers as needed, and conducts in-service training. The fourth tier involves the use of the director, who meets annually with all of the teachers to provide direction on their professional development plans. In addition, the director provides specific feedback through formative and summative evaluations, works with newly hired teachers to train them in the areas of classroom management, community building, and other key areas outlined in the charter.

Skyview School does not have a merit pay system. All teachers are required to undertake extensive and continuous professional development training in the form of workshops, advanced classes, and in-service programs. The *Skyview School Policy and Procedures Manual* outlines all hiring procedures. There are clear search guidelines that the committees must follow to ensure legal compliance and due diligence. The school director is a part of each search committee, and there is representation by a board

member, staff member, and parent. All teacher candidates must provide a teaching demonstration to students and for the search committee.

Facilities Plan

Skyview School, Inc. took ownership of its current campus, Yavapai County Assessor's tax parcel # 110-02-098E, for $848,485 on July 28, 1999. The 1.96 acre (85,386 sq. ft.) rectangular shaped parcel is situated on the east side of South Rush Street, south of Gurley Street, in the city of Prescott, Arizona, with an existing 7,294 sq. ft. building. The building was constructed in 1964 and used as a Moose Lodge until 1996, when it became a banquet and meeting facility until Skyview School, Inc. took ownership in 1999. Skyview School purchased the property with a mortgage at 9.75% interest. On October 15, 2007, Skyview School, Inc. refinanced the mortgage with Wells Fargo Bank for $815,000 at 7.386% and secured $110,000 in a line of credit, which was transferred to a Capital One Money Market account. This obligated Skyview School, Inc. to 119 payments of $7,911.51 for a total of $941,469.69, which positions Skyview School, Inc. to meet its financial obligations to Wells Fargo Bank in October 2017.

Major site improvements were made during the summer of 1999. Other than normal upkeep of the facilities and the site, Skyview School, Inc. has no plans to expand the facilities in the next five years.

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 Skyview School, Inc.