
AGENDA ITEM: Compliance Matters – Arizona School for Integrated Academics and Technologies, Inc.

Issue

Arizona School for Integrated Academics and Technologies, Inc. (“SIATech”) operating School for Integrated Academics and Technologies (“School”) ceased providing instruction on February 3, 2014 and has not returned a Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract (“Surrender Agreement”).

Background

On June 7, 2013, the Arizona Department of Education’s (ADE) Audit Unit issued its [report](#) following its audit of SIATech’s average daily membership (ADM) for fiscal years 2010, 2011 and 2012. The audit found:

- SIATech was overfunded nearly \$4.9 million for improperly reporting the enrollment status as full-time for 2,047 of SIATech’s 2,051 students during the three fiscal years audited. This occurred when SIATech improperly included Job Corps training program classes when reporting the enrollment status of each student to ADE. According to the report, the auditors found that 824 of the 2,047 students, who were reported as enrolled full-time, were actually never enrolled in any classes taught by SIATech teachers and the remaining 1,223 students were actually enrolled only part-time in SIATech classes. Arizona statutes require schools to report enrollment status based on instruction offered and also require that the instruction is conducted in a recognized high school.
- SIATech failed to report to ADE 55 students who attended SIATech during two of the three fiscal years audited, resulting in SIATech’s ADM being underreported by 26.15 and SIATech being underfunded by approximately \$167,000.
- SIATech did not obtain and maintain birth certificates and immunization records as required in any of the students’ cumulative files and for one of the school sites failed to use the state approved withdrawal form.

While SIATech initially appealed ADE’s findings, on February 18, 2014, SIATech filed a Voluntary Dismissal of Appeal with the Office of Administrative Hearings and their appeal was dismissed

On January 21, 2014, the SIATech notified the Board that the School would cease its operations and provision of instruction to students effective February 3, 2014. A draft Surrender Agreement was provided to SIATech for consideration on February 3, 2014.

Board Options

Option 1: The Board may vote to issue a Notice of Intent to Revoke the charter holder’s charter contract. Staff recommends the following language for consideration: I move that the Board issue a Notice of Intent to Revoke the charter of Arizona School for Integrated Academics and Technologies, Inc. on the basis of its failure to comply with its charter contract and A.R.S. § 15-183 (E)(3) when it ceased providing educational services to students, failure to report student attendance data in accordance with A.R.S. §§ 15-185(B)(2) and 15-901, and failure to maintain copies of birth certificates and immunization records in student files in accordance with A.R.S. §§ 15-828 and 15-872 and the General Retention Schedule for Charter Schools as prescribed by the Arizona State Library, Archives and Public Records Division of the Arizona Secretary of State’s office.

I further move that:

- Within 48 hours of receipt of the Notice the charter operator shall notify staff and parents/guardians of registered students of the Notice of Intent to Revoke and the Notice of Hearing and provide a school location where the copy may be reviewed;
- Within 20 days of receipt of the Notice the charter operator shall provide copies of all correspondence and communications used to comply with the preceding provision; and
- Within 20 days of receipt of the Notice the charter operator shall provide the Board with the names and mailing addresses of parents/guardians of all students registered with the school.

Option 2: The Board may take no action until such time as a Surrender Agreement is from the Charter Operator.