

Arizona State Board for Charter Schools
September 13, 2010
1700 W. Washington Street
Phoenix, Arizona 85007
Room 164

MINUTES

Members Present-

Norm Butler – President
Mary Gifford – Superintendent Designee (telephonically)
Peter Bezanson– Charter School Operator
Janna Day – Public Member
Dana Krals – Public Member
Jake Logan – Business Member
Steve Parsons – Charter School Teacher (left at 3:20)

Members Absent

Ruby Alvarado-Hernandez – Vice President
Doug Ducey – Business Member
Rep. Montenegro - Advisory Member

Meeting began at 1:07 p.m.

Agenda Item A: Pledge of Allegiance

Agenda Item B: Moment of Silence

Agenda Item C: Roll Call:

Bianca Martinez called the roll.

Agenda Item D: Call to the Public

Rick Ogston, Charter Representative for Carpe Diem, addressed the Board on behalf of the AOI process. Mr. Ogston thanked the Board for charter schools to have the option to go AOI. Mr. Ogston stated the AOI process itself was very friendly and fluent. He stated he had no obstacles and no challenges in being able to submit the packet. The time frame from legislative approval to actually having to implement and apply was a bit challenging. Mr. Ogston also stated that he believes, due to the nature of AOI, that the rigorous process is needed and called for.

Agenda Item E: Arizona Charter Schools Association Update

Eileen Sigmund, CEO of the Arizona Charter Schools Association, updated the Board on the association's Charter Starter Program. The purpose of the program is to train and coach teams in developing quality charter schools that meet the needs of the community, improve student achievement, and maintain a high level of performance throughout their existence. Ms. Sigmund reported that Andrew Collins will lead the program. The association will also be working with Susie Miller Barker, formerly of NACSA, to assist with the portion of the program on developing charter leaders.

Agenda Item F: Superintendent's Report

Mary Gifford stated she had nothing new to report to the Board.

Agenda Item G: Policy, Rule and Contracts Subcommittee Update

Dana Krals updated the Board that the PRC subcommittee met and reviewed the board policies which are later on the agenda for a full Board review. Additionally, the subcommittee addressed concerns about the charter contract, and left it to the association to further help and find out what the main concerns are.

Executive Director DeAnna Rowe stated that she met with Eileen Sigmund that morning. She reminded the Board that they had asked that the PRC subcommittee take a look at language in the charter contract, specifically those items raised by a couple of the charter operators at a call to the public and through a letter submitted by an attorney representing one of the schools with regard to the language in the newly approved contract. One addressed the accountability of the charter holders themselves and the other with academic accountability for charter schools. Ms. Rowe reported there was a good discussion

and lots of participation from the charter community during the subcommittee meeting. In the end, the association agreed to be the conduit for the conversations with the charter community as they continue discussions about language revisions to the charter contract. The committee asked for some specific feedback and it was interpreted as an opportunity to reconstruct the charter contract. Ms. Rowe stated that she was presented with a revised charter contract, which she had not had an opportunity to review in its entirety. The two components that the Board was most interested in were changed: the operational accountability component that the Board did put into its last contract was completely removed and the academic accountability component was revised to state that rather than references to the Board's level of adequate academic performance it refers instead to ADE's level of adequate academic performance and AZ Learns as accountability for charter schools. Ms. Rowe stated that neither of the revisions were in line with the Board's intent and staff would continue to work with the Association.

Agenda Item H: Executive Director's Report

1. Status of Charters with previous and/or on-going Board actions: Back-to-Basics School, Bradley Academy of Excellence, Inc., Gila Educational Group, Global Education Foundation, Inc., Legacy Schools, Scottsdale Horizons Charter School, Vechij Hindag Alternative School, Inc.

Ms. Rowe updated Board members to the on-going disciplinary actions in the tracker. Under other legal matters, Scottsdale Horizons Charter School, whose renewal application has been denied, filed an appeal of that decision and the hearing date has been set for December 6th, 7th and 8th and more would be discussed in a later agenda item.

2. Report on Alignment of oversight responsibilities and practices, including academic accountability.

Ms. Rowe updated the Board on the subcommittee report, stating that the committee did have opportunity to review a number of the policies and some of those were the revisions to the oversight policies of the board. Ms. Rowe then asked Ms Morgan to give the Board an update on where the Board was and where the new policies are taking them.

Deputy Director Martha Morgan reported on the alignment of the Board's policy related to five-year interval reviews and site visits. Ms. Morgan stated that the Board's oversight responsibilities and practices are incorporating the Board's expectation for adequate academic performance of charter schools. She provided a graphic for the Board showing a timeline of site visits and reviews during the fifteen year term of a charter. Ms. Morgan explained that the notations above the timeline show current practices and the notations below the line show future practices as outlined in the new policy the Board would be considering later in the meeting. Currently, renewal applicants, if not meeting the Board's level of adequate academic performance, are required to submit a performance management plan as a part of the renewal application that demonstrates a plan to improving student achievement. For the five year interval reviews conducted in the spring, schools under review may have been required to prepare a performance management plan as a corrective action plan for not meeting the level of adequate performance in academics. Ms. Morgan reported that the intent of this practice is to eliminate performance management plans as a part of the renewal process and to base renewal decisions on past performance.

3. Strategic Planning

Ms. Rowe stated several issues have come into play that make the timing right for planning for the future. Some of the Board's performance measures submitted to OSPB and JIBC and used to substantiate budget requests do not represent the current workload. Heather's recent resignation allows for rethinking what staff does and how that work is distributed. Finally, when the Board applies for grants, we are asked or challenged by the Board's mission. Ms. Rowe stated that she and President Butler discussed strategic planning in the form of a Board retreat. Based upon the light October agenda and delayed November agenda due to the timing of audits, Ms. Rowe asked the Board if they would like for her to proceed with creating a strategic planning retreat for members in late October. The Board directed Ms. Rowe to continue planning for a retreat.

Agenda Item I. Consent Agenda

1. Alhambra Education Partnerships, Inc. – Procurement Law Exception.

2. Canyon Rose Academy, Inc. – Mission change.
4. Country Gardens Educational Services LLC – USFRCIS and Procurement Law Exceptions.
5. Desert Rose Academy Inc. – Mission change.
6. Excalibur Charter Schools, Inc. – Program of Instruction change.
7. Mountain Rose Academy Inc. – Mission change.
8. Sonoran Science Academy-Phoenix Metro – Decrease in grade levels served.

MOTION

Dana Krals made a motion to approve the Consent Agenda item 1, 2, 4-8. Steve Parsons seconded the motion.

Motion passed unanimously

Agenda Item J (Taken out of order). Good Cause Extension Request for Consideration- BNE Ashur

Ms. Rowe stated the charter was approved to open a school this year and had every intention of opening. The school submitted their estimated counts and did collect their first payment. The school had some challenges with the opening of their school and had conversations with the staff on how to close. One of the things stated to the school was a requirement to return any funds that they had received to date. The school provided evidence that they had returned the funds received and staff confirmed with ADE that the funds had been returned. The school is not open and operating this year, but does intend to open again next fall.

MOTION

Peter Bezanson moved to approve the Good Cause Extension for the opening of the charter school for BNE Ashur until August 2011 and require the charter holder submit any documentation necessary to bring the application current with policy, rule, state or federal law at least 90 days prior to opening of the charter school. Dana Krals seconded the motion.

Motion passed unanimously

Agenda Item K. Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract

1. CPLC Community Schools, Entity ID 4423

Ms. Rowe clarified the reason the staff is including Entity IDs in some cases and not others would be for charter operators with the same corporation that operate several charters of the same name. CPLC Community Schools' contract was eligible for renewal. However, using the AZ LEARNS profiles, it was designated as a failing school. In the discussions with the representatives, it was our recommendation and their choice that they consider surrendering the charter contract if they weren't going to be able to demonstrate that they had moved forward with a plan and could demonstrate they had made the appropriate progress.

MOTION

Dana Krals moved to approve the Consent Agreement for Voluntary Surrender and Termination of the Charter Contract for CPLC Community School, Entity ID 4423. Janna Day seconded the motion.

Motion passed unanimously

2. Mountain English Spanish Academy, A Public Charter School

Ms. Rowe stated that, in addition to the surrender agreement, members would see a letter included from Gerald Wood, the Board President of Mountain English Spanish Academy. The school was another charter school that was designated as a failing school under the AZ LEARNS profile. In the discussions with the school about the pending Failing Schools site visit and the requirements that the school would need as far as documentation for improvement and the implementation of the plans, it was the decision of the group to surrender their charter. Ms. Rowe stated that the school provided copies of student records to their students and did an excellent job in placing their students in other schools. After getting students placed, they insured that records provided were up to date. ASBCS is the custodian of the school's student records.

MOTION

Dana Krals moved to approve the Consent Agreement for Voluntary Surrender and Termination of the Charter Contract for Mountain English Spanish Academy, A Public Charter School. Janna Day seconded the motion.

Motion passed unanimously

Agenda Item L. Charter Renewal Applications

1. CPLC Community Schools, Entity ID 90331

Magdalena Verdugo, charter representative, Vicente Fuentes, superintendent, and Joseph Hines, school principal for CPLC Community Schools, Entity ID 90331 addressed the Board and answered questions. The Board requested Ms. Verdugo further discuss the drastic changes she referenced the school is implementing because of low passing rates. Ms. Verdugo responded the school is letting go of underachieving teachers, has hired a turnaround principal, and is implementing the PLC model. Mr. Fuentes added that closing a school, hiring a new principal with turn around experience, removing an underperforming teacher, hiring high quality teachers, and implementing RTI(Response To Intervention) as of last January has produced student growth already. Mr. Fuentes further stated the school has implemented a unified curriculum. Mr. Hines stated the school is scheduling monthly data checks to develop individual education plans for each student. Also, the school has an intensive professional development calendar working with the Principals Office. Mr. Hines also added they are working with the community to get kids to school on time and to complete homework assignments. The school has set goals for this year: 61% in AIMS reading, and 58% in AIMS math, and a goal of 85% graduation rate. When asked about the cash flow problems, Ms. Verdugo stated they see it as investment in building the capacity of the school staff to improve performance. Their plan is to utilize the mother entity, CPLC, for additional resources. Ms. Verdugo stated she anticipates it will be 3 years before the cash flow is neutral.

MOTION

Dana Krals made a motion, based upon the information in the application, academic performance over the charter term, fiscal compliance, and legal and contractual compliance, to approve the renewal application and grant a renewal contract for CPLC Community Schools, Entity ID 90331. Steve Parsons seconded the motion.

In explaining their votes:

Dr. Bezanson stated he likes the idea of a turn around principal and the high expectations that the school has set for itself, but can't support a business model that can't support the operations of the school.

Mr. Butler stated he is challenged with the scores that that have been obtained by this school in the past.

Motion passed 5-2
(No: Butler & Bezanson)

2. Ombudsman Education Services LTD., a subsidiary of Educational Services of America, Entity ID 4323

Binky Jones, the charter director, and Ron Grimsley, operations manager for Ombudsman Education Services LTD., a subsidiary of Educational Services of America, Entity ID 4323 as it relates to Northwest, Northeast, West and Metro, addressed the Board and answered questions pertaining to the school's low scores and why no changes had been made before now. Ms. Jones stated there were changes in the past but the issues are consistency. This has to do with the consistent employment of a highly qualified math and English teachers to implement the schools' processes which has been inconsistent at these schools. Ms. Jones also stated they have hired new teachers and the school will no longer be using BASI.

MOTION

Jake Logan made a motion to approve the renewal application and grant a renewal contract for Ombudsman Education Services LTD., a subsidiary of Educational Services of America, Entity ID 4323. Dana Krals seconded the motion.

In explaining their votes:

Dr. Bezanson stated that if this was 2008, then he'd vote yes, but not with the downward trend in academic performance over recent years.

Mr. Butler stated that based on the previous academic achievement he cannot support this application.

Motion passed 4-3
(No: Butler, Gifford & Bezanson)

3. Ombudsman Education Services LTD., a subsidiary of Educational Services of America, Entity ID 90326

Binky Jones, the charter director for Ombudsman Education Services LTD., a subsidiary of Educational Services of America, Entity ID 90326 as it relates to District Two in Tucson, addressed the Board and added to the prior discussion as it relates to these specific schools. Two are new schools. Ms. Jones stated though there is not a lot of data, the schools do have internal data. Ms. Jones stated the two schools are both in their infancy stages and are both performing schools. When asked about the low student growth percentile rate for Valencia, Ms. Jones responded that the school is still in their infancy and the junior high was only 13 students. Ms. Jones stated the school is concerned about what the structure looks like for those students. Ms. Jones also added that one of the school's target areas is to make sure growth increases.

MOTION

Dana Krals made a motion, based upon the information in the application, academic performance over the charter term, fiscal compliance, and legal and contractual compliance, to approve the renewal application and grant a renewal contract for Ombudsman Education Services LTD., a subsidiary of Educational Services of America, Entity ID 90326. Steve Parsons seconded the motion.

Motion passed 5-2
(No: Butler & Bezanson)

Agenda Item I (Taken out of order). Consent Agenda.

3. Carpe Diem Collegiate High School- Arizona Online Instruction.

MOTION

Dana Krals made a motion to approve the Consent Agenda item I 3. Steve Parsons seconded the motion.

Motion passed unanimously
(Recused: Gifford)

Returned to Agenda Item L. Charter Renewal Applications

4. Young Scholar's Academy Charter School Corporation

Tonya Smith, the charter representative for Young Scholar's Academy Charter School Corporation addressed the Board and answered questions regarding the student population and education program. Ms. Smith stated that the school's population comes from a 50 mile range, including students that come from Topock and Golden Valley. The school has a high minority population and a high level of parent involvement. Ms. Smith stated the students have great connection with the teachers. Parents and teachers work together to help with academics. If they see students sliding, they work together to get them back on track.

MOTION

Dana Krals made a motion, based upon the information in the application, academic performance over the charter term, fiscal compliance, and legal and contractual compliance, to approve the renewal application and grant a renewal contract for Young Scholar's Academy Charter School Corporation. Steve Parsons seconded the motion.

Motion passed unanimously

Agenda Item M. Charter Replication Application

1. BASIS School, Inc. for BASIS Flagstaff

Nick Fleege, the Director of Growth for BASIS School, Inc. addressed the Board regarding the replication application for BASIS Flagstaff and gave a brief summary about the replicated school's history and achievements.

MOTION

Dana Krals made a motion to approve the replication application and grant a charter for BASIS School, Inc. for BASIS Flagstaff. Jake Logan seconded the motion.

Motion passed unanimously

2. BASIS School, Inc. for BASIS Peoria

Nick Fleege, the Director of growth for BASIS School, Inc. addressed the Board regarding the replication application for BASIS Peoria.

MOTION

Dana Krals made a motion to approve the replication application and grant a charter for BASIS School, Inc. for BASIS Peoria. Jake Logan seconded the motion.

Motion passed unanimously

Agenda Item N. Board Policies- Revisions

1. Conducting Compliance Checks
2. Good Cause Extension
3. Site Visits & Reviews
4. Technical Review Panel

Martha Morgan presented the changes on policies as they were provided in the materials.

MOTION

Peter Bezanson made a motion to approve the Revisions on Board Policies N 1-4. Jake Logan seconded the motion.

Motion passed unanimously

Agenda Item O. Board Policies- Terminating

1. Final Read Five & Ten Year Reviews
2. Policy Statement: Timeframes for signing the Charter contract and/or Opening a Charter School

Ms. Rowe stated that these policies have become outdated.

MOTION

Peter Bezanson made a motion to terminate polices O 1-2. Dana Krals seconded the motion.

Motion passed unanimously

Agenda Item P. Compliance Matters

1. Scottsdale Horizons Charter School

Ms. Rowe reminded the Board that they tabled consideration of issuing a Notice of Intent to Revoke Charter for Scottsdale Horizons Charter School at the August 2010 meeting. On May 10, 2010, the Board voted to withhold 10% of Scottsdale Horizons Charter School's monthly State aid for failing to report student attendance data in accordance with statute. Additionally, the Board found cause that, while it would be appropriate to issue a Notice of Intent to Revoke the charter, because the charter was up for consideration for renewal in the near future, determined it would move forward with the 10% withholding. On July 12, 2010, the Board voted to deny the request for charter renewal and to not grant a renewal contract for Scottsdale Horizons Charter School. In addition to including the attendance reporting documents and other violations of the charter contract, the Board also included, as a reason for nonrenewal, failure to provide a learning environment that will improve pupil achievement. On July 26, 2010, Scottsdale Horizons Charter School requested a formal hearing and, as previously stated, that hearing is scheduled for December 6, 7 and 8, 2010. At the August 9, 2010 Board meeting, Deanna Rader, attorney for Scottsdale Horizons Charter School and Back to Basics School, provided the Board with information regarding the charter holder's exploration of a succession and transition plan for the charters to another charter operator as an efficient means to take care of the students. Ms. Rader stated that the issuance of a Notice of Intent to Revoke could interfere with the school's ability to implement such a plan and asked the Board to table any action until a future meeting.

Because of the timing of the non-renewal and potential conflicts in the timing of the two hearings, staff is recommending taking no action.

Members discussed various options. Ms. Anderson provided clarification as requested of members. Jake Logan, in seeking to clarify options, restated that the Board's choices are to issue a Notice of Intent to Revoke, which gives them an additional ninety days from today or do nothing and continue to withhold 10%.

The Board chose to take no further action at this time.

Mr. Parsons announced his recusal on this item and left the meeting.

2. Academy of Arizona, Inc.

Ms. Rowe introduced the item by summarizing the information included in the staff report and the concerns of the charter holder in meeting the terms of paragraph 12 included in the surrender agreement which states that all necessary student level data has been submitted to ADE through SAIS. The school has filed a 915 Letter with ADE stating errors in SAIS uploads that needed to be corrected to close out 2010 school year. Board staff confirmed that ADE could take up to a year to complete the 915 Letter request. Staff requested additional information from the charter holder. After requesting and reviewing additional information from the charter holder, Ms. Rowe reported that the school had not demonstrated that the errors would have an impact on the school's funding. Ms. Rowe outlined options for the Board including issuing a Notice of Intent to Revoke for not providing educational services this year.

MOTION

Dana Krals made a motion to issue a Notice of Intent to Revoke the charter contract of Academy of Arizona for failing to comply with its charter contract and A.R.S. § 15-183 (E)(3) when it ceased providing educational services to students. Peter Bezanson seconded the motion

Motion passed unanimously

(Recused: Parsons)

Steve Parsons left the meeting at 3:20pm

Agenda Item Q. Board Comments

Dana Krals asked to remark regarding Item G. Policy, Rule and Contracts subcommittee meeting. Ms. Krals stated that she is uncomfortable dealing with the contract submitted by the charter community rather than the Board's contract. She stressed that she wants to keep the Board's intentions with the contract intact. Peter Bezanson stated that the contract the association brought back didn't present the association's contract but the changes in the contract from the group working on the contract changes. Mr. Bezanson then sought clarification that the association is not for lowering academic standards and Ms. Rowe responded that they were not.

Agenda Item R. Approval of Minutes

1. August 9, 2010 Regular Session
2. June 14, 2010 Regular Session- Revised

MOTION

Peter Bezanson made a motion for approval of the August 9th and June 14th 2010 revised meeting minutes. Dana Krals seconded the motion.

Motion passed unanimously

Agenda Item S: Adjournment

The meeting adjourned at approximately 3:32 p.m.


Signature

12/15/10
Date