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Tucson, Arizona, 85704
www.RisingSchool.org

Arizona State Board for Charter Schools
P.O. Box 18328
Phoenix, AZ 85009
CC: Ms. DeAnna Rowe, ASBCS Executive Director

November 3, 2013

Dear Arizona State Board for Charter Schools:

As the Authorized Charter Representative of The Rising School (TRS), I am writing to request a Good Cause Extension of the opening of our school to August 4, 2014. We understand that this is a *one-time* extension. We believe that we have good cause to extend the opening of our school, and we thank you in advance for considering the following information in support of our request.

This letter is in response to Ms. Johanna medina's email of November 1, 2013. In her email, Ms. Medina wrote:

I will need RSI to provide the following:

1. Evidence (i.e. contract, denial letter, appeal, etc.) that supports the reasons for not being able to open timely in August 2013.
2. A new timeline for implementing the plans (Educational, Operational, and Business) contained in the application package, and why the timeline is viable and adequate for achieving the proposed start-up date of the school and appropriate for operating a charter school in accordance with the performance frameworks adopted by the Board and requirements of statute and rule.
3. Clear and specific action steps with target completion dates that will enable RSI to implement the plans contained in the application package in accordance with the timeline provided.

We appreciate ASBCS's consideration of our Good Cause Extension to open our school in August 2014. We believe we have good reasons for this extension. Thanks very much!

Sincerely,

George G. Rising, PhD
Authorized Charter Representative
The Rising School

P.S. The following information and accompanying attachments provide the additional information requested by Ms. Medina and ASBCS:

Evidence Supporting Rationale for Not Opening in August 2013

TRS was chartered by the ASBCS on January 22, 2013. A week later, TRS submitted its application for an Arizona Charter School Program (AZ CSP) grant. TRS intended to use the first year of AZ CSP funding to take a planning year from April 2013 through July 2014, opening on August 4, 2014. Several sources within ASBCS, AZ CSP, ACSA, and ADE recommended taking a planning year. However, on March 25, 2013, TRS's application for an AZ CSP grant was denied.

- Evidence: Exhibit 1. Denial of AZ CSP award_03-25-2013

There were irregularities in the grant process, so TRS immediately appealed the denial of the AZ CSP grant.

- Evidence: Exhibit 2. Letter to State Board of Education_04-03-2013

The AZ CSP appeal process was complex and time consuming, and it eventually took six months to resolve.

In the meantime, on April 11, TRS's Governing Board met to discuss the situation. TRS's Board concluded that taking a planning year without an AZ CSP grant was unwise. Consequently, the Board voted to move aggressively to open in August 2013, with the one change that the school would plan to start with 50 students rather than 100 and in a correspondingly smaller (and less expensive) facility.

- Evidence: Exhibit 3. Board meeting 2013-04-11 minutes

TRS immediately instructed its real-estate agent to assertively search for facilities. After touring several sites, TRS found a seemingly excellent building: it was the right size (just over 3,000 square feet) and was in a complex with three other vacant buildings totaling another 12,000 square feet, which would enable the school to easily increase enrollment in the ensuing years. Furthermore, the landlord granted $60,000 in tenant improvements to redesign the building and to bring it up to E-occupancy code. The landlord assured TRS that he was experienced in these matters and that this $60,000 would cover all costs, including architectural design to our specifications, demolition of the interior, and build out of our design. Additionally, the facility was located directly across the street from Townsend Middle School, a Tucson Unified school that was being closed, so its students may have been looking for a new neighborhood school. Within two weeks of searching for a facility, on April 12, TRS signed a five-year lease for the 3,000 square-foot space that included an option for first right of refusal to lease the other 12,000 square feet of space in future years as the school population grew.

- Evidence: Exhibit 4. Lease agreement_2222 Craycroft_signed

With a facility secured, TRS inaugurated a recruiting blitz for students. TRS Board members, friends, community members, and six paid canvassers went door-to-door to houses, apartments, and businesses in the community on a daily basis. The school also used targeted direct mail,

signs, and community meetings to market the school to neighborhood parents and students. In seven weeks, TRS enrolled 14 students and had six others who said that they planned to attend the school; these 20 recruited students represented an average of three students recruited per week. During this period, moreover, TRS also put up ads for faculty, interviewed dozens of candidates, and eventually hired four excellent teachers.

- Evidence: Exhibit 5. Marketing Materials

By May 22, TRS had completed all of its requirements outlined in its charter-acceptance letter. On that date, I signed the charter contract with ASBCS Executive Director DeAnna Rowe. Ms. Rowe advised me that, if the school decided not to open in August, we should make the decision sooner rather than later; it proved to be wise counsel.

- Evidence: Exhibit 6. Charter contract ASBCS-RSI_signed_05-22-2013

In early June, the landlord informed TRS that the tenant improvements would cost $150,000, $90,000 more than the $60,000 allowance that TRS had been given. Furthermore, future tenant improvements for the three adjacent buildings would cost another $600,000, for a total of $750,000. Thus, the cost was prohibitive, far above the budgeted amount, which $0 for TRS. Although the landlord was contractually obligated to pay 80% of the overrun for the first 3,000 square feet of space (TRS's portion was 20%), the landlord would not commit to giving any allowance to cover the projected $600,000 worth of future tenant-improvement expenses for the rest of the space. In a meeting with the landlord, TRS presented its case about how costs overruns by the landlord's contracted construction company had made the facilities financially unviable in the near term and even more so in the longer term for both TRS and the landlord.

- Evidence: Exhibit 7. Presentation to 2222 Craycroft landlord

After negotiations, the landlord agreed to a settlement that terminated the five-year lease.

- Evidence: Exhibit 8. 2222 Craycroft Settlement Agreement and Release_09-21-13

In addition to the issues of finding a new facility, the school would need to recruit another 36 students over the next eight weeks. While this was certainly possible, it was ambitious and risky. Consequently, on June 13, TRS's Governing Board voted to shut the operation down and to open in 2014 rather than 2013. The Board also voted to begin negotiating a termination of the lease.

- Evidence: Exhibit 9. Board meeting 2013-06-13 minutes

The process of appealing the denial of an AZ CSP grant was complex and time consuming. On September 25, after six months, the Arizona State Board of Education ruled in TRS's favor, thereby granting TRS an AZ CSP grant for $230,000 for FY 2014, with a possible two-year renewal, for a total of $690,000. This ruling enabled TRS to continue its planning year to prepare for opening in August 2014.

- Evidence: Exhibit 10. AZ CSP grant award letter_09-25-2013