

Issue

Tucson International Academy, Inc. failed to submit a required Demonstration of Sufficient Progress and financial performance response by its deadline date of December 10, 2013.

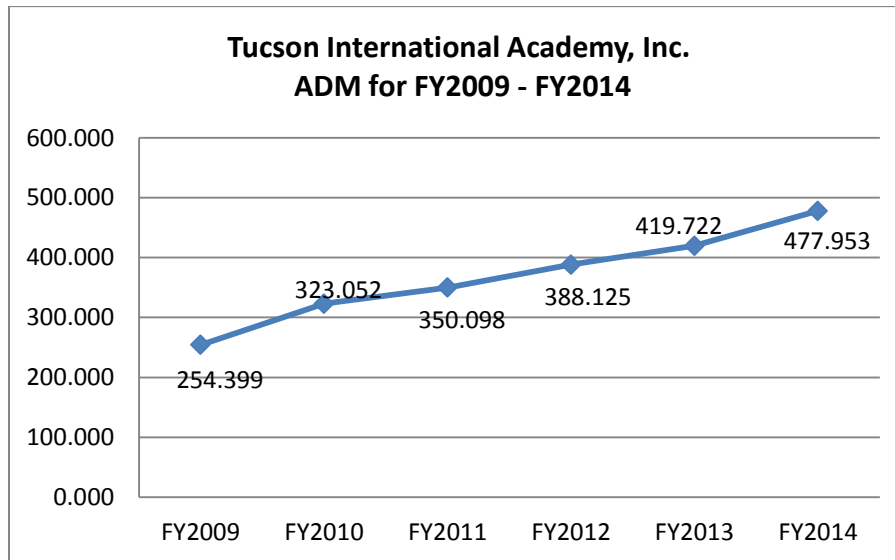
Background Information

Pursuant to A.R.S. §15-183(R), in implementing its oversight and administrative responsibilities for the charter schools it sponsors, the Board has developed a performance framework that includes the academic performance expectations of a charter holder and the measurement of sufficient progress toward the academic performance expectation, as well as the Board’s financial performance expectations (“Performance Framework”). Charter holders that were required to submit a Performance Management Plan as part of its academic review during the five-year interval review are monitored in subsequent years in accordance with the intervention process outlined in Appendix C of the Board’s Academic Performance Framework and Guidance and in accordance with Appendix B of the Board’s Financial Performance Framework and Guidance.

Charter Information

Tucson International Academy, Inc. (“TIA”) operates four schools: Tucson International Academy serving grades K-12, Tucson International Academy Midvale serving grades K-12, TIA East serving grades K-11, and TIA West serving grades K-12. All four schools are located in Tucson. The charter holder becomes eligible for renewal on November 23, 2015; the renewal application will be due February 23, 2016; and the request for renewal must be considered by the Board by May 23, 2016.

The graph below shows the charter holder’s actual 100th day average daily membership (ADM) for fiscal years 2009-2013 and 40th day ADM for fiscal year 2014.



Dashboard representations of the academic outcomes for schools operated by Tucson International Academy, Inc. based upon the indicators and measures adopted by the Board, are provided below.

The overall rating for Tucson International Academy on the Board's academic performance measures was 51.47 including points received for the FY 2013 letter grade of D as reported by the Arizona Department of Education (ADE).

Academic Performance

Tucson International Academy

		2012 Traditional K-12 School (K-12)			2013 Traditional K-12 School (K-12)				
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
1a. SGP	Math	33.5	25	10	51.5	75	10		
	Reading	45	50	10	37.5	50	10		
1b. SGP Bottom 25%	Math	48	50	10	51.5	75	10		
	Reading	46.5	50	10	43	50	10		
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
2a. Percent Passing	Math	31 / 62.8	50	7.5	31 / 63.6	50	7.5		
	Reading	64 / 77.5	50	7.5	59 / 78.9	50	7.5		
2b. Composite School Comparison	Math	-27.4	25	5	-28.6	25	5		
	Reading	-9.8	50	5	-16.3	25	5		
2c. Subgroup ELL	Math	18 / 42.5	50	3.75	18 / 40.6	50	3.75		
	Reading	45 / 56.4	50	3.75	35 / 54.5	50	3.75		
2c. Subgroup FRL	Math	27 / 52.9	50	3.75	27 / 54.7	50	3.75		
	Reading	60 / 69.6	50	3.75	56 / 71.9	50	3.75		
2c. Subgroup SPED	Math	NR	0	0	NR	0	0		
	Reading	NR	0	0	NR	0	0		
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
3a. State Accountability		D	25	5	D	25	5		
4. Graduation		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
4a. Graduation		NR	0	0	NR	0	0		
Overall Rating		Overall Rating			Overall Rating				
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		44.11			85	51.47			85

The overall rating for Tucson International Academy Midvale on the Board's academic performance measures was 56.62 including points received for the FY 2013 letter grade of C as reported by the Arizona Department of Education (ADE).

Academic Performance

Tucson International Academy Midvale

		2012 Small K-12 School (K-12)			2013 Traditional K-12 School (K-11)			
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	
1a. SGP	Math	29	25	10	41	50	20	
	Reading	22	25	10	56	75	20	
1b. SGP Bottom 25%	Math	19.5	25	10	NR	0	0	
	Reading	18	25	10	NR	0	0	
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	
2a. Percent Passing	Math	15 / 42.2	50	7.5	38 / 60.8	50	7.5	
	Reading	40 / 66.3	50	7.5	74 / 77.9	50	7.5	
2b. Composite School Comparison	Math	-23.7	25	5	-21.5	25	5	
	Reading	-23.3	25	5	-2.7	50	5	
2c. Subgroup ELL	Math	6 / 23.8	50	2.5	47 / 43.7	75	3.75	
	Reading	25 / 45.5	50	2.5	67 / 57.9	75	3.75	
2c. Subgroup FRL	Math	18 / 36.2	50	2.5	39 / 52	50	3.75	
	Reading	41 / 62	50	2.5	71 / 71.5	50	3.75	
2c. Subgroup SPED	Math	0 / 16	50	2.5	NR	0	0	
	Reading	0 / 29.8	25	2.5	NR	0	0	
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	
3a. State Accountability		D	25	5	C	50	5	
4. Graduation		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	
4a. Graduation		NR	0	0	NR	0	0	
Overall Rating		Overall Rating			Overall Rating			
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		33.09			85	56.62		85

The overall rating for TIA East on the Board's academic performance measures was 45.59 including points received for the FY 2013 letter grade of D as reported by the Arizona Department of Education (ADE).

Academic Performance

TIA East

		2012 Small K-12 School (K-10)			2013 Traditional K-12 School (K-10)				
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
1a. SGP	Math	34	50	20	43	50	20		
	Reading	31	25	20	40.5	50	20		
1b. SGP Bottom 25%	Math	NR	0	0	NR	0	0		
	Reading	NR	0	0	NR	0	0		
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
2a. Percent Passing	Math	29 / 45.3	50	7.5	36 / 63.9	50	7.5		
	Reading	61 / 68.2	50	7.5	50 / 79.3	50	7.5		
2b. Composite School Comparison	Math	-13.9	50	5	-24.4	25	5		
	Reading	-5.8	50	5	-25.6	25	5		
2c. Subgroup ELL	Math	NR	0	0	NR	0	0		
	Reading	NR	0	0	NR	0	0		
2c. Subgroup FRL	Math	26 / 38.5	50	7.5	35 / 54.8	50	7.5		
	Reading	59 / 63.3	50	7.5	50 / 71.7	50	7.5		
2c. Subgroup SPED	Math	NR	0	0	NR	0	0		
	Reading	NR	0	0	NR	0	0		
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
3a. State Accountability		D	25	5	D	25	5		
4. Graduation		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
4a. Graduation		NR	0	0	NR	0	0		
Overall Rating		Overall Rating			Overall Rating				
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		42.65			85	45.59			85

The overall rating for TIA West on the Board's academic performance measures was 49.26 including points received for the FY 2013 letter grade of D as reported by the Arizona Department of Education (ADE).

Academic Performance

TIA West

		2012 Traditional K-12 School (K-12)			2013 Traditional K-12 School (K-12)				
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
1a. SGP	Math	43	50	10	36	50	10		
	Reading	43	50	10	36	50	10		
1b. SGP Bottom 25%	Math	40.5	50	10	42	50	10		
	Reading	48	50	10	36	50	10		
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
2a. Percent Passing	Math	30 / 60.5	50	7.5	42 / 61.2	50	7.5		
	Reading	63 / 76.1	50	7.5	69 / 78	50	7.5		
2b. Composite School Comparison	Math	-27.4	25	5	-16.8	25	5		
	Reading	-10.4	50	5	-7.2	50	5		
2c. Subgroup ELL	Math	14 / 41.3	50	2.5	NR	0	0		
	Reading	53 / 54.3	50	2.5	NR	0	0		
2c. Subgroup FRL	Math	30 / 51.4	50	2.5	46 / 52.7	50	3.75		
	Reading	60 / 68.6	50	2.5	65 / 71.7	50	3.75		
2c. Subgroup SPED	Math	8 / 20.1	50	2.5	25 / 21.1	75	3.75		
	Reading	23 / 35.2	50	2.5	42 / 35.4	75	3.75		
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
3a. State Accountability		D	25	5	D	25	5		
4. Graduation		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight		
4a. Graduation		NR	0	0	NR	0	0		
Overall Rating		Overall Rating			Overall Rating				
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		47.06			85	49.26			85

TIA did not meet the Board's financial performance expectations based on the fiscal year 2012 audit. The following table includes TIA's financial data and financial performance for the last three audited fiscal years. Since TIA has been granted a single audit extension, its fiscal year 2013 audit is not due until March 31, 2014.

Tucson International Academy, Inc.

Financial Data				
	2012	2011	2010	
Statement of Financial Position				2009
Cash	\$243,807	\$234,521	\$128,916	\$22,976
Unrestricted Cash	\$213,154	\$234,521	\$128,916	
Total Assets	\$457,194	\$355,892	\$342,025	
Total Liabilities	\$327,078	\$177,157	\$207,659	
Current Portion of Long-Term Debt & Capital Leases	\$29,799	\$27,656	\$37,029	
Net Assets	\$130,116	\$178,735	\$134,366	
Statement of Activities				
Revenue	\$3,138,348	\$2,886,646	\$2,728,392	
Expenses	\$3,186,967	\$2,842,277	\$2,378,053	
Net Income	(\$48,619)	\$44,369	\$350,339	
Change in Net Assets	(\$48,619)	\$44,369	\$350,339	
Financial Statements or Notes				
Depreciation & Amortization Expense	\$30,610	\$75,227	\$67,258	
Interest Expense	\$11,814	\$14,900	\$13,200	
Lease Expense	\$531,000	\$545,500	\$444,600	
Financial Performance				
	2012	2011	2010	3-yr Cumulative
Near-Term Indicators				
Going Concern	No	No	No	N/A
Unrestricted Days Cash	24.41	30.12	19.79	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Net Income	(\$48,619)	\$44,369	\$350,339	N/A
Cash Flow	\$9,286	\$105,605	\$105,940	\$220,831
Fixed Charge Coverage Ratio	0.92	1.16	1.77	N/A

In accordance with the Board's Performance Framework, on October 10, 2013, Board staff notified TIA of its requirement to submit a Demonstration of Sufficient Progress and financial performance response by December 10, 2013.

On December 13, 2013, the charter representative was notified by email that a Demonstration of Sufficient Progress had not been submitted and that this matter would be brought before the Board at the January 13, 2014 meeting. As of the writing of this report TIA has failed to submit the information requested in the Board's October 10, 2013 letter.

Board Options

Option 1: The Board may approve withholding 10% of the charter holder's monthly state aid apportionment. Staff has provided the following language for consideration: I move to find that Tucson International Academy, Inc. is in noncompliance with state law and its charter contract and approve withholding 10% of Tucson International Academy, Inc.'s monthly State aid apportionment for its failure to meet or demonstrate sufficient progress toward the Board's academic performance expectations set forth in the performance framework pursuant to A.R.S. §15-183(I)(3). The withholding shall continue until the information requested in the Board's October 10, 2013 letter has been submitted.

Option 2: The Board may approve withholding 10% of the charter holder's monthly state aid apportionment and issue a Notice of Intent to Revoke the charter holder's charter contract. Staff recommends the following language for consideration: I move to find that Tucson International Academy, Inc. is in noncompliance with state law and its charter contract and approve withholding 10% of Tucson International Academy, Inc.'s monthly State aid apportionment for its failure to meet or demonstrate sufficient progress toward the Board's academic performance expectations set forth in the performance framework pursuant to A.R.S. §15-183(I)(3). The withholding shall continue until the information requested in the Board's October 10, 2013 letter has been submitted.

Additionally, I move to issue a Notice of Intent to Revoke the charter of Tucson International Academy, Inc. on the basis of its failure to meet or demonstrate sufficient progress toward the Board's academic performance expectations set forth in the performance framework pursuant to A.R.S. §15-183(I)(3).

Additionally, Tucson International Academy, Inc.'s failure to meet the Board's financial performance expectations reflects a lack of capacity to support improved performance.

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.