

## AGENDA ITEM EXECUTIVE SUMMARY: Charter Holder Change in Governance and Authorized Representative

### Request

Arizona Academy of Science & Technology (“Charter Holder”) submitted amendment requests to change its authorized representative, add one new corporate board member and remove three of its five corporate board members.

*See Appendix A: Amendment Requests*

On November 2, 2018, the Charter Holder filed a request to change the Charter Representative from Grant Creech to D’Andrea Chapman, current School Principal. On that same date, the Charter Holder filed a request to remove Grant Creech and Jaime Martinez from the corporate board. On December 6, 2018, the Charter Holder filed an additional request to remove Steve Miller from the corporate board, and to add Levi Frye. Approval of these requests would result in a change of more than 50% of the individuals responsible for the charter.

*See Appendix B: Required Documentation to view Charter Principal Resumes*

### Profile

The Charter Holder was granted a renewal charter in 2012.

### Current Governance of Charter Holder

Corporate Board Members	Date Added
<b>Grant Creech</b>	July 22, 2010
<b>David DeKoster</b>	May 2, 2018
<b>Jaime Martinez</b>	June 30, 2017
<b>Steve Miller</b>	June 30, 2017
<b>Justin Schmitt</b>	May 2, 2018

### Governance of Charter Holder After Proposed Changes

Corporate Board Members
<b>David DeKoster</b>
<b>Levi Frye</b>
<b>Justin Schmitt</b>

## Academic Performance

School Name	Arizona Academy of Science & Technology		
Date Open	August 1998		
Location	Phoenix		
Grades Served	K-8		
FY 18 Letter Grade	F		
	FY 16	FY 17	FY 18
ELA AzMERIT (41% <sup>+</sup> )	11%	<2%	16%
Math AzMERIT (41% <sup>+</sup> )	8%	<2%	11%
Science AIMS (52% <sup>+</sup> )	N/A	*	50%

\*FY 18 State Average Passing

\*If the percentage of students is 0% or 100%, or the group includes less than 10 students, the percentage for that group is redacted.

## Financial Performance

Financial Performance						
Arizona Academy of Science & Technology			Interpreting the Financial Performance Dashboard			
	Fiscal Year 2017			Fiscal Year 2018		
	Near-Term Measures					
<b>Going Concern</b>	Yes	Falls Far Below	Yes	Falls Far Below	Yes	Falls Far Below
<b>Unrestricted Days Liquidity</b> <small>&lt;30, but ≥15: Does Not Meet &lt;15: Falls Far Below</small>	3.24	Falls Far Below	12.00	Falls Far Below	Yes	Falls Far Below
<b>Default</b>	No	Meets	Yes	Falls Far Below	Yes	Falls Far Below
	Sustainability Measures*					
<b>Net Income</b> <small>≥0: Does Not Meet</small>	(\$243,386)	Does Not Meet	(\$123,082)	Does Not Meet	(\$123,082)	Does Not Meet
<b>Fixed Charge Coverage Ratio</b> <small>&lt;1.10: Does Not Meet</small>	(0.22)	Does Not Meet	0.16	Does Not Meet	0.16	Does Not Meet
<b>Cash Flow (3-Year Cumulative)</b> <small>Negative: Does Not Meet**</small>	(\$17,563)	Does Not Meet	\$3,579	Meets	\$3,579	Meets
<b>Cash Flow Detail by FY</b>	FY 2017	FY 2016	FY 2015	FY 2018	FY 2017	FY 2016
	\$4,240	(\$22,526)	\$723	\$21,865	\$4,240	(\$22,526)

Does Not Meet Board's Financial Performance Expectations

\* Negative numbers indicated by parentheses.  
\*\* Target effective beginning with FY16 audits.

## Operational Performance

### Operational Performance Dashboard

Click on any of the measures below to see more information.

Effective July 1, 2017 and going forward:

An "\*\*\*" means the noncompliance has been addressed under AAC R7-5-505(F), a complete corrective action plan has been received and implementation is required under AAC R7-5-510(C)(1), the charter holder is complying with the terms of an agreement with the Board, or no further action is required at this time.

A "\*\*\*\*" means a corrective action plan has been assigned by another entity, the appeal window for action taken by another entity has not closed, appeal of an action taken by another entity is pending, or is an issue of noncompliance in which another entity oversees.

Measure	2015	2016	2017	2018	2019
1.a. Does the delivery of the education program and operation reflect the essential terms of the educational program as described in the charter contract?	Meets	Meets	Meets	Does Not Meet	--
1.b. Does the charter holder adhere with applicable education requirements defined in state and federal law?	Meets	Does Not Meet	Meets	Meets	Does Not Meet
2.a. Do the charter holder's annual audit reporting packages reflect sound operations?	Does Not Meet	Meets	Falls Far Below	Falls Far Below	Does Not Meet
2.b. Is the charter holder administering student admission and attendance appropriately?	Meets	Meets	Meets	Does Not Meet	Does Not Meet
2.c. Is the charter holder maintaining a safe environment consistent with state and local requirements?	Meets	Meets	Meets	Does Not Meet	Does Not Meet
2.d. Is the charter holder transparent in its operations?	Meets	Meets	Meets	Meets	Does Not Meet
2.e. Is the charter holder complying with its obligations to the Board?	Meets	Meets	Meets	Meets	Does Not Meet
2.f. Is the charter holder complying with reporting requirements of other entities to which the charter holder is accountable?	Does Not Meet	Does Not Meet	Falls Far Below	Falls Far Below	Does Not Meet
3. Is the charter holder complying with all other obligations?	Meets	Meets	Meets	Meets	--
<b>OVERALL RATING</b>	Meets Operational Standard	Meets Operational Standard	Does Not Meet Operational Standard	Does Not Meet Operational Standard	Does Not Meet Operational Standard
<b>BOARD EXPECTATIONS</b>	--	--	Does Not Meet Operational Expectations	Does Not Meet Operational Expectations	Does Not Meet Operational Expectations

## Operational Performance Dashboard

### Effective July 1, 2017 and going forward:

An "\*" means the noncompliance has been addressed under AAC R7-5-505(F), a complete corrective action plan has been received and implementation is required under AAC R7-5-510(C)(1), the charter holder is complying with the terms of an agreement with the Board, or no further action is required at this time.

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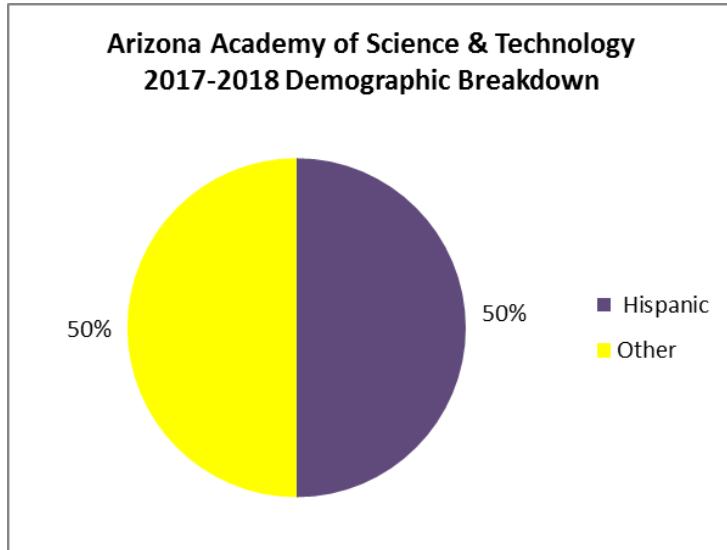
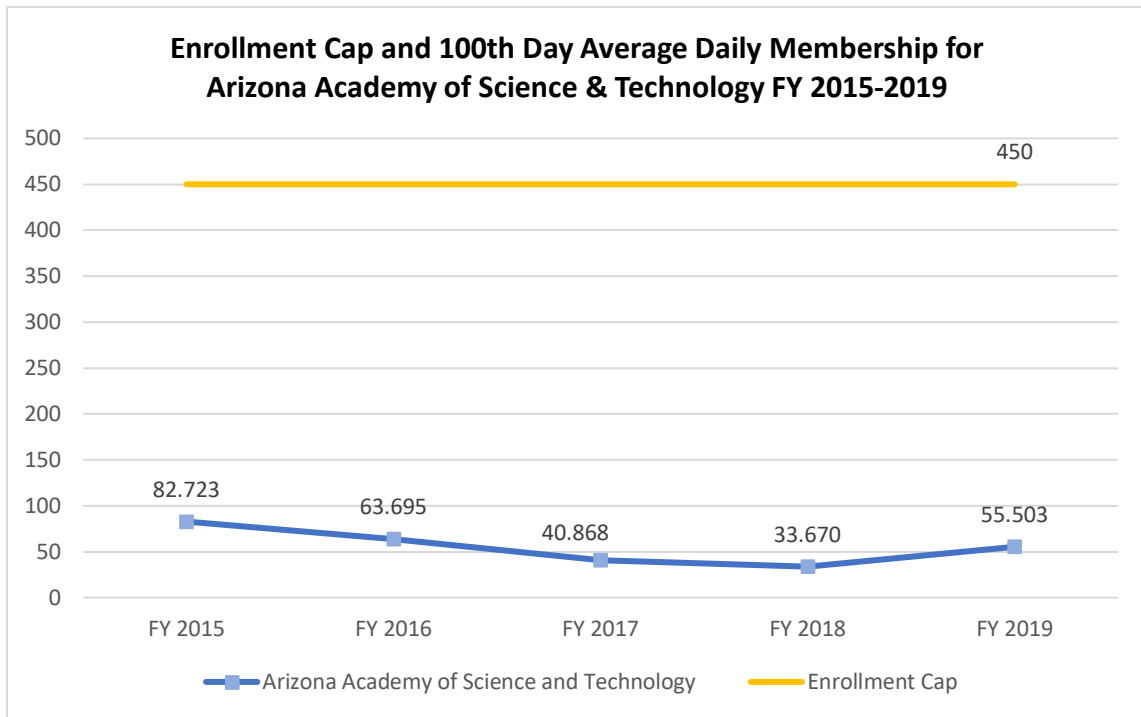
Measure	2015	2016	2017	2018	2019
1.a. Does the delivery of the education program and operation reflect the essential terms of the educational program as described in the charter contract?	Meets	Meets	Meets	Does Not Meet	--
Educational Program - Essential Terms	No issue identified	No issue identified	No issue identified	Charter Mission* (more info)	--
1.b. Does the charter holder adhere with applicable education requirements defined in state and federal law?	Meets	Does Not Meet	Meets	Meets	Does Not Meet
Services to Student with Disabilities	No issue identified	No issue identified	No issue identified	No issue identified	--
Instructional Days/Hours	No issue identified	No issue identified	No issue identified	No issue identified	Instructional Days (more info)
Data for Achievement Profile	No issue identified	No issue identified	No issue identified	No issue identified	--
Mandated Programming (State/Federal Grants)	No issue identified	ADE Monitoring CAP - Federal Title Funds (more info)	No issue identified	No issue identified	Global Grant Funding Hold** (more info)
2.a. Do the charter holder's annual audit reporting packages reflect sound operations?	Does Not Meet	Meets	Falls Far Below	Falls Far Below	Does Not Meet
Timely Submission	Yes	Yes	Yes	Yes	No*
Audit Opinion	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
Completed 1st Time CAPs	No issue identified	No issue identified	No issue identified	No issue identified	--
Second-Time/Repeat CAP	State Payroll Taxes State Unemployment Contributions	No issue identified	No issue identified	Federal Payroll Taxes*	--
Serious Impact Findings	No issue identified	No issue identified	State Payroll Taxes State Unemployment Contributions	State Payroll Taxes* State Unemployment Contributions*	--
Minimal Impact Findings (3+ Years)	No issue identified	No issue identified	No issue identified	No issue identified	GAAP Financial Statements*

2.b. Is the charter holder administering student admission and attendance appropriately?	Meets	Meets	Meets	Does Not Meet	Does Not Meet
Estimated Count/Attendance Reporting	No issue identified	No issue identified	No issue identified	No issue identified	--
Tuition and Fees	No issue identified	No issue identified	No issue identified	No issue identified	--
Public School Tax Credits	No issue identified	No issue identified	No issue identified	No issue identified	--
Attendance Records	No issue identified	No issue identified	No issue identified	No issue identified	--
Enrollment Processes	No issue identified	No issue identified	No issue identified	Enrollment Practices* (more info)	Enrollment Practices (more info)
2.c. Is the charter holder maintaining a safe environment consistent with state and local requirements?	Meets	Meets	Meets	Does Not Meet	Does Not Meet
Facility/Insurance Documentation	No issue identified	No issue identified	No issue identified	No issue identified	--
Fingerprinting	No issue identified	No issue identified	No issue identified	Fingerprinting - Staff* (more info)	Fingerprinting - Staff (more info)
2.d. Is the charter holder transparent in its operations?	Meets	Meets	Meets	Meets	Does Not Meet
Academic Performance Notifications	No issue identified	No issue identified	No issue identified	No issue identified	--
Teacher Resumes	No issue identified	No issue identified	No issue identified	No issue identified	Teacher Resumes (Site Visit) Parent Notification (Site Visit) (more info)
Open Meeting Law	No issue identified	No issue identified	No issue identified	No issue identified	--
Board Alignment	No issue identified	No issue identified	No issue identified	No issue identified	--
2.e. Is the charter holder complying with its obligations to the Board?	Meets	Meets	Meets	Meets	Does Not Meet
Timely Submissions	No issue identified	No issue identified	No issue identified	No issue identified	7-day Requirement Failure to Submit (more info)
Limited Substantiated Complaints	No issue identified	No issue identified	No issue identified	No issue identified	--
Favorable Board Actions	No issue identified	No issue identified	No issue identified	No issue identified	--
2.f. Is the charter holder complying with reporting requirements of other entities to which the charter holder is accountable?	Does Not Meet	Does Not Meet	Falls Far Below	Falls Far Below	Does Not Meet
Arizona Corporation Commission	No issue identified	No issue identified	No issue identified	No issue identified	--

Arizona Department of Economic Security	Audit CAP (Second Time) (more info)	No issue identified	Audit CAP (Third Time) (more info)	Audit CAP (Fourth Time)* (more info)	Current with Payment Plan* (more info)
Arizona Department of Education	No issue identified	No issue identified	No issue identified	National School Lunch Program Review** (more info)	--
Arizona Department of Revenue	Audit CAP (Second Time) (more info)	No issue identified	Audit CAP (Third Time) (more info)	Audit CAP (Fourth Time)* (more info)	Current with Payment Plan* (more info)
Arizona State Retirement System	No issue identified	No issue identified	No issue identified	No issue identified	--
Equal Employment Opportunity Commission	No issue identified	No issue identified	No issue identified	No issue identified	--
Industrial Commission of Arizona	No issue identified	No issue identified	No issue identified	No issue identified	--
Internal Revenue Service	Current with Payment Plan (more info)	Current with Payment Plan (more info)	Audit CAP (more info)	Audit CAP (Second Time)* (more info)	Current with Payment Plan* (more info)
U.S. Department of Education	No issue identified	No issue identified	No issue identified	No issue identified	--
3. Is the charter holder complying with all other obligations?	<b>Meets</b>	<b>Meets</b>	<b>Meets</b>	<b>Meets</b>	--
Judgments/Court Orders	No issue identified	No issue identified	No issue identified	No issue identified	--
Other Obligations	No issue identified	No issue identified	No issue identified	No issue identified	--

## Enrollment and Demographic Data

100th Day Average Daily Membership for FY 2015–FY 2018, and FY 2019 ADM as of December 6, 2018.



2017-2018 Subgroup Data	
Free and Reduced Lunch	74%
English Language Learners	*
Special Education	*

*\*If the percentage of students is 0% or 100%, or the group includes less than 10 students, the percentage for that group is redacted.*

## Additional Information

### Schools Associated with D'Andrea Chapman

D'Andrea Chapman served as Principal of Life Skills Center of Arizona from March 2016 to June 2018.

Life Skills Center of Arizona			
Date Open	October 2002		
Date Closed	June 2018		
Reason for Closure	Charter Revoked for Agreement Breach		
Location	Phoenix		
Grades Served	9-12		
FY 17 Letter Grade	NR		
	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
ELA AzMERIT (41%+)	10%	10%	2%
Math AzMERIT (41%+)	8%	4%	5%
Science AIMS (52%+)	*	*	*

*\*FY 18 State Average Passing*

*\*If the percentage of students is 0% or 100%, or the group includes less than 10 students, the percentage for that group is redacted.*

### Schools Associated with Justin Schmitt

Justin Schmitt currently works for the ESP A3 Education, a non-profit Education Management Organization. A3 manages schools in Florida, Oregon, and California. He previously worked for Foundation Learning/Mosaica Education, Inc. as Director of Schools from January of 2015 through March of 2017. Prior to that, he served as a Head of School for Mosaica Education, including Mosaica Online of Arizona.

Mosaica Online of Arizona			
Date Open	August 2011		
Transferred to New Charter	July 2016		
Location	Online		
Grades Served	K-8		
FY 14 Letter Grade	NR		
	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
ELA AzMERIT	*	*	28%
Math AzMERIT	*	*	12%
Science AIMS	*	*	60%

*\*If the percentage of students is 0% or 100%, or the group includes less than 10 students, the percentage for that group is redacted.*