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February 29, 2012

**VIA ELECTRONIC MAIL
AND FIRST-CLASS MAIL**

Ms. Deanna Rowe
Executive Director
Arizona State Board for Charter Schools
1700 West Washington Street, Room 164
Phoenix, Arizona 85007

RE: Arizona Academy of Leadership

Dear Deanna:

As you are aware, this firm represents Arizona Academy of Leadership ("AAL"). AAL is in receipt of a letter from the Arizona State Board for Charter Schools ("ASBCS") dated February 21, 2012. The February 21 letter appears to reference requests from Caliber College Prep High School (South), Inc. and Caliber College Prep High School (Central), Inc. (hereinafter respectively referred to as "Caliber South" and "Caliber Central"). Caliber South and Caliber Central are separately incorporated entities and have no relationship with AAL other than some similar directors. As such, we are unclear as to why AAL received your letter. Nevertheless, you made assertions against AAL in the February 21 letter and in fact, suggested that AAL could be subject to "disciplinary action and the issuance of a notice of intent to revoke charter under A.R.S. §15-183(I)(3)" and therefore, AAL feels that it is necessary to provide the ASBCS with information related to the allegations cited in the February 21 letter.

First, you have suggested that AAL "failed to notify and/or obtain the Board's approval prior to relocating its students from the Central (89854) site to the Arizona Academy of Leadership (89483) site." While AAL did provide some educational instruction at the AAL (89483) site to students enrolled at the Central site (89854) for a short period of time, the purpose for such instruction was merely to consolidate resources and provide students with a more diverse environment. The Central site only had approximately 10 students in grades K-5 and rather than provide differentiated instruction at one campus, AAL suggested and parents were supportive to have Central students bussed to the AAL campus for part of their school day. The students continued to be enrolled at the Central site, were dropped off and began their school day at the Central site, were transported by school vehicles to the AAL site for a period of time during the day and returned to the Central site for additional activities and instruction in the afternoon. In essence, Central students took an off-site field trip for additional instruction at the AAL site. The occurred for approximately two weeks. At your direction in October 2011, AAL immediately returned to providing instruction to the Central students all day at the Central campus. At that time you requested lesson plans and documentation of differentiated instruction for the Central students and reviewed the same. AAL continues to provide this differentiated instruction as was observed by your staff when they recently visited the school. We believe that any concerns that the ASBCS had regarding this temporary situation were alleviated when the students were returned full time to the Central campus.



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Second, you allege that AAL “failed to provide a learning environment that has improved pupil achievement at its Arizona Academy of Leadership Central site.” While the basis for this assertion is not specified in your February 21 letter, we assume that this relates to the ASBCS’ requirement that AAL prepare a performance management plan based on perceived lack of growth at AAL’s central site. However, it is my understanding that, because the data upon which the ASBCS staff based its requirement has not yet been corrected through the Arizona Department of Education and therefore, does not accurately reflect AAL’s growth, AAL’s students may have achieved the required growth and AAL would not have been required to prepare a performance management plan at all. As you and your staff are aware, AAL submitted a 915 Request to the Department of Education for a window to correct data uploads due to technical issues relating to AAL’s reporting software not properly uploading data to ADE. The 915 request, although timely filed, was not timely processed and AAL did not have an opportunity to correct the incorrect data. ADE has stated that they will not provide AAL with an opportunity to correct the 2011 data. As such, the data upon which ASBCS relies to suggest that AAL is subject to a performance management plan is flawed. On the other hand, AAL and its central campus are both performing schools under the AZ LEARNS system of accountability and made AYP. Nevertheless, AAL has determined that a performance management plan is a worthwhile exercise and will lead to improvement at AAL in any event and therefore, rather than dispute the ASBCS’ decision, AAL will be preparing and submitting the plan when it is due in July 2012. It is difficult to understand how the ASBCS could issue a letter of intent to revoke when the due date for the correction action plan is not scheduled for several months.

Third, you allege that AAL has “failed to provide special education services to its students.” While AAL acknowledges that, based on a complaint investigation of AAL’s provision of special education services, AAL was found to have certain deficiencies in the administration of special education services, AAL has been and continues to work with the Arizona Department of Education, Exceptional Student Services division to complete a corrective action plan. The corrective action plan involves, among other items, the hiring of certain specialized personnel and consultants to assist AAL to ensure compliance with all special education laws and regulations. That corrective action plan is more than eighty percent completed and will continue to be a priority for AAL. Again, AAL is in the process of complying with ADE and ASBCS requirements to remedy the deficiencies and therefore, we do not believe that it is appropriate for the ASBCS to be considering disciplinary action or a letter of intent to revoke at this time.

Finally, you allege that AAL has “failed to comply with federal payroll tax requirements.” AAL discovered, on its own initiative, that its QuickBooks payroll software had erroneously filed payroll taxes. Although AAL had paid sufficient funds to cover the payroll taxes, the IRS issued a refund check to AAL based on the QuickBooks filings. AAL discovered the request and reported it to the auditors and the IRS. Based on a review of what should have been paid for payroll taxes, AAL is currently on an “auto-deduct” payment plan with the IRS and is in compliance with that plan. Again, if AAL is currently working on a corrective action that will soon resolve the issue, the ASBCS is not in a position to issue a finding of noncompliance.

While we acknowledge that the ASBCS is responsible for overseeing charter school compliance for its charter schools and that such oversight is important to ensuring quality schools, to suggest that a school is subject to revocation while the school is diligently pursuing completion of corrective action plans for a few issues that have arisen in the school’s fifth year of operation (with no indication of non-compliance in past years) is contrary to the statute’s intent. It seems illogical to expect perfection from any school; however, the expectation that a school will remedy a deficiency and establish controls to prevent its future recurrence is important and entirely appropriate. We respectfully request that you



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remove AAL from the ASBCS agenda and allow the school to continue to pursue corrective remedies as ADE, IRS and your office have permitted in the past and have stated would occur in this case.

Additionally, although AAL has provided this response to the assertions made in your February 21 letter, AAL should not be compelled to address these issues before the ASBCS when the only reason that they have been raised relates to requests from wholly separate corporations pertaining to distinct and separate charter schools. In your February 21 letter, you attempted to connect AAL to Caliber South and Caliber Central by suggesting that "the identified officer and all three of the directors of [Caliber Central] and [Caliber South] are also officers and directors of [AAL]." While we agree that the boards have some overlap, the corporations are separate entities, they separately applied for and were approved by the ASBCS for charter schools serving different populations of students and have separate charter school governing boards. The charter schools over which the ASBCS has oversight authority do not have common control. You suggested in your February 21 letter that, by policy, the ASBCS considers the "applicant's" qualifications to operate a charter school when considering a charter application and therefore, you can review AAL's operations with respect to Caliber South and Caliber Central's respective abilities to operate a charter school. However, the applicant for each school (AAL, Caliber South and Caliber Central) is different and therefore, AAL's qualification to operate a charter school has no bearing on Caliber South's or Caliber Central's charter application. We believe that, for that for the aforementioned reasons, that it is improper for the ASBCS to request AAL appear before the ASBCS as it relates to the Caliber Central and Caliber South requests.

Please contact me if you have any questions. If you choose to proceed with including AAL's alleged non-compliance on the March agenda, please provide this letter as relevant information for the ASBCS to review.

Sincerely,

Tracy L. Banker