Liberty Traditional Charter School - Entity ID 10968
Schools: Liberty Traditional Charter School
Liberty Traditional Charter School - Saddleback

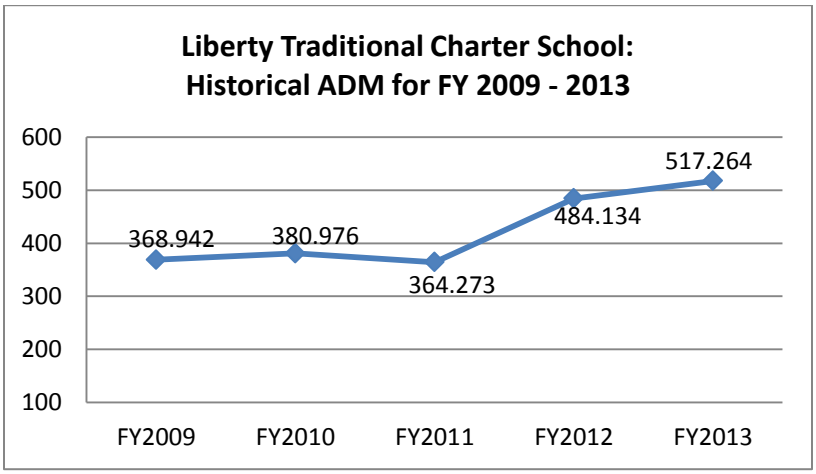
Renewal Executive Summary

Performance Summary

Liberty Traditional Charter School did not meet the academic performance expectations of the Board as set forth in the Performance Framework and was required to submit a Demonstration of Sufficient Progress. Through the submission and evidence reviewed during an on-site visit, the charter holder demonstrated sufficient progress toward meeting the Board's academic performance expectations. The charter holder was required to submit the Financial Sustainability portion of the Detailed Business Plan Section of the renewal application. The charter holder's submission addressed those measures where the charter holder received a "Does Not Meet Standard" or "Falls Far Below Standard" rating for fiscal year 2011. The charter holder did have compliance matters, including action taken by the Board in November 2009. The charter holder's organizational membership on file with the Board was consistent with the information on file with the Arizona Corporation Commission.

Profile

Liberty Traditional Charter School operates two schools serving grades K-8. The graph below shows the charter holder's actual 100th day average daily membership (ADM) for fiscal years 2009-2013.



Dashboard representations of academic outcomes for Liberty Traditional Charter School – Phoenix and Liberty Traditional Charter School - Saddleback, based upon the indicators and measures adopted by the Board, are provided below.

Academic Performance Rating FY 2012

Charter Holder: Liberty Traditional Charter School
Entity ID 10968

Charter School: Liberty Traditional Charter School
Entity ID 78811, Grades K-8

1. Growth

Traditional Elementary		1a. SGP		1b. SGP Bottom 25%	
School	**School Year**	**Math**	**Read**	**Math**	**Read**
Liberty Traditional	2011-2012	44	44	45	42.5
Points Assigned		**50**	**50**	**50**	**50**
Weighting		**12.5**	**12.5**	**12.5**	**12.5**

2. Proficiency

Traditional Elementary		2a. Status		2b. Composite School Comparison		2c. Subgroup ELL		2c. Subgroup FRL		2c. Subgroup SPED	
School	**School Year**	**Math**	**Read**	**Math**	**Read**	**Math**	**Read**	**Math**	**Read**	**Math**	**Read**
Liberty Traditional	2011-2012	44/64	67/77	-13.6	-4.6	31/44	50/55	45/54	67/70	9/24	24/37
Points Assigned		**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**
Weighting		**7.5**	**7.5**	**7.5**	**7.5**	**2.5**	**2.5**	**2.5**	**2.5**	**2.5**	**2.5**

3. State Accountability & Overall Rating

Traditional Elementary		3a. State Accountability	Overall Rating
School	**School Year**	**Grade**	
Liberty Traditional	2011-2012	50	50
Points Assigned		**50**	
Weighting		**5**	**100**

Overall Rating	Point Range
Exceeds Standard	> or = to 89
Meets Standard	< 89, but > or = to 63
Does Not Meet Standard	< 63, but > or = to 39
Falls Far Below Standard	< 39

For additional information, see *Academic Performance Framework and Guidance*, available on the ASBCS webpage http://asbcs.az.gov

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Academic Performance Rating FY 2012

Charter Holder: Liberty Traditional Charter School
Entity ID 10968

Charter School: Liberty Traditional Charter School - Saddleback
Entity ID 91204, Grades K-4

1. Growth

Traditional Elementary		1a. SGP		1b. SGP Bottom 25%	
School	**School Year**	**Math**	**Read**	**Math**	**Read**
Liberty Traditional -Saddleback	2011-2012	NR	NR	NR	NR
Points Assigned		**0**	**0**	**0**	**0**
Weighting		**0**	**0**	**0**	**0**

2. Proficiency

Traditional Elementary		2a. Status		2b. Composite School Comparison		2c. Subgroup ELL		2c. Subgroup FRL		2c. Subgroup SPED	
School	**School Year**	**Math**	**Read**	**Math**	**Read**	**Math**	**Read**	**Math**	**Read**	**Math**	**Read**
Liberty Traditional -Saddleback	2011-2012	55/52	55/66	3.9	-9.5	NR	NR	NR	NR	NR	NR
Points Assigned		**75**	**50**	**75**	**50**	**0**	**0**	**0**	**0**	**0**	**0**
Weighting		**7.5**	**7.5**	**7.5**	**7.5**	**0**	**0**	**0**	**0**	**0**	**0**

3. State Accountability & Overall Rating

Traditional Elementary		3a. State Accountability	Overall Rating
School	**School Year**	**Grade**	
Liberty Traditional -Saddleback	2011-2012	NR	NR
Points Assigned		**0**	**0**
Weighting		**0**	**0**

Overall Rating	Point Range
Exceeds Standard	> or = to 89
Meets Standard	< 89, but > or = to 63
Does Not Meet Standard	< 63, but > or = to 39
Falls Far Below Standard	< 39

For additional information, see *Academic Performance Framework and Guidance*, available on the ASBCS webpage http://asbcs.az.gov

5/1/2013

I. Success of the Academic Program

The overall rating for Liberty Traditional Charter School – Phoenix on the Board's academic performance measures was 50 including points received for the FY 2012 letter grade of C as reported by the Arizona Department of Education. The overall rating for Liberty Traditional Charter School - Saddleback on the Board's academic performance measures was Not Rated (NR) and also received a Not Rated (NR) for the FY 2012 letter grade as reported by the Arizona Department of Education.

Each Demonstration of Sufficient Progress (DSP) submitted by the charter holder with the renewal application package was evaluated using the DSP evaluation criteria to determine if the schools operated by the charter holder are making progress toward meeting the Board's academic performance expectations. At the time of the charter holder's Five-Year Interval Review, Performance Management Plans were not included in the Board's processes for review.

The initial evaluation of the DSP for Liberty Traditional Charter School – Phoenix provided minimal data and a narrative that did not address any of the required areas (curriculum, monitoring instruction, assessment, and professional development) and resulted in a determination of Not Acceptable. Liberty Traditional Charter School – Saddleback is in its second year of operation. The initial evaluation of the

DSP for Liberty Traditional Charter School – Saddleback did not address some of the required areas and resulted in a determination of Not Acceptable.

Staff conducted a site visit on April 30 to meet with Raena Janes, Charter Representative, Jackie Trujillo, Superintendent, Jeremy Parker, Principal of Liberty Traditional Charter School – Phoenix, Sean Watkins, Principal of Liberty Traditional Charter School – Saddleback, and William Rubasch, Business Manager, to confirm the information presented in the DSP and collect additional information to be considered in the final evaluation (presented in the charter holder's renewal portfolio: c. DSP Evaluation Instrument). Evidence discussed in each DSP was confirmed during the site visit. The charter holder provided additional evidence and documentation for each school (presented in the renewal portfolio: d. DSP Evidence) regarding all areas not sufficiently addressed in the submitted DSPs including curriculum maps, lesson plans, pacing guides, tiered interventions, assessment plan, process for monitoring instruction, and professional development, as well as benchmark data that shows improvement in both reading and math for some grade levels.

Therefore, Liberty Traditional Charter School, through an evaluation of the DSP submitted for both schools, including information and documentation confirmed or collected at the site visit, was able to demonstrate sufficient progress toward meeting the Board's academic performance expectations.

II. Viability of the Organization

The charter holder did not meet the Board's financial performance expectations because the charter holder received one or more "Falls Far Below Standard" and two or more "Does Not Meet Standard" in fiscal year 2011. The following tables include the consolidated entity's (first table) and charter holder's (second table) financial data and financial performance for the last three audited fiscal years.[1] The consolidated financial statements include Liberty Traditional Charter School and its subsidiary organization, Heritage Elementary School, which also has a charter contract with the Board. Please note that at the time the charter holder was notified of its opportunity to apply for renewal, the charter holder's fiscal year 2012 audit had not yet been submitted due to the charter holder being subject to a single audit. Subsequent to the charter holder's notification date, the Board received Liberty Traditional Charter School's fiscal year 2012 audit. The information from the fiscal year 2012 audit is reflected in the following table.

[1] In those instances where the Board receives financial statements that cover multiple and different charter holder entities, the charter holder's performance is evaluated using the charter holder specific information and the financial information for the consolidated/combined entity. Failure of the charter holder or the consolidated/combined entity to meet the financial framework results in the charter holder being required to submit additional information.

Liberty Traditional Charter School (Consolidated Entity)

Financial Data				
	2012	2011	2010	
Statement of Financial Position				2009
Cash	$1,167,439	$1,122,074	$981,606	$414,735
Unrestricted Cash	$333,715	$762,074	$646,606	
Total Assets	$20,487,616	$21,289,195	$21,794,477	
Total Liabilities	$22,298,510	$22,927,796	$23,228,939	
Current Portion of Long-Term Debt & Capital Leases	$496,000	$523,372	$502,220	
Net Assets	($1,810,894)	($1,638,601)	($1,334,462)	
Statement of Activities				
Revenue	$10,146,768	$11,157,573	$10,941,843	
Expenses	$10,319,061	$11,361,712	$11,174,736	
Net Income	($172,293)	($204,139)	($232,893)	
Change in Net Assets	($172,293)	($204,139)	($232,893)	
Financial Statements or Notes				
Depreciation & Amortization Expense	$646,363	$798,357	$769,262	
Interest Expense	$1,557,000	$1,554,000	$1,585,000	
Lease Expense	$274,000	$174,000	$174,000	

Financial Performance				
	2012	2011	2010	3-yr Cumulative
Near-Term Indicators				
Going Concern	No	No	No	N/A
Unrestricted Days Cash	11.80	24.48	21.12	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Total Liabilities to Equity Ratio	(12.31)	(13.99)	(17.41)	N/A
Net Income	($172,293)	($204,139)	($232,893)	N/A
Cash Flow	$45,365	$140,468	$566,871	$752,704
Fixed Charge Coverage Ratio	0.99	1.03	1.02	N/A

Liberty Traditional Charter School (Charter Specific)

Financial Data				
	2012	2011	2010	
Statement of Financial Position				2009
Cash	$392,680	$211,328	$181,980	$134,275
Unrestricted Cash	$228,455	$211,328	$181,980	
Total Assets	$2,098,146	$1,532,140	$1,440,776	
Total Liabilities	$102,696	$189,896	$139,418	
Current Portion of Long-Term Debt & Capital Leases	-	$11,372	$10,397	
Net Assets	$1,995,450	$1,342,244	$1,301,358	
Statement of Activities				
Revenue	$3,868,465	$2,991,879	$3,079,985	
Expenses	$3,215,259	$2,950,993	$3,049,485	
Net Income	$653,206	$40,886	$30,500	
Change in Net Assets	$653,206	$40,886	$30,500	
Financial Statements or Notes				
Depreciation & Amortization Expense	$56,796	$109,277	$109,277	
Interest Expense	$2,000	$2,803	$8,745	
Lease Expense	Unable to Determine	Unable to Determine	Unable to Determine	

Financial Performance				
	2012	2011	2010	3-yr Cumulative
Near-Term Indicators				
Going Concern	Information Not Available	Information Not Available	Information Not Available	N/A
Unrestricted Days Cash	25.93	26.14	21.78	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Total Liabilities to Equity Ratio	0.05	0.14	0.11	N/A
Net Income	$653,206	$40,886	$30,500	N/A
Cash Flow	$181,352	$29,348	$47,705	$258,405
Fixed Charge Coverage Ratio	Unable to Determine	Unable to Determine	Unable to Determine	N/A

The charter holder was required to submit additional information regarding the charter holder's financial situation (presented in the charter holder's renewal portfolio: f. Financial Sustainability). The charter holder's submission addressed those measures where the charter holder received a "Does Not Meet Standard" or "Falls Far Below Standard" rating in fiscal year 2011.

III. Adherence to the Terms of the Charter

A. Compliance Matters Requiring Board or Other Agency Action

In November 2009, the Board voted to withhold 10% of the charter holder's monthly State aid apportionment for failure to timely submit the fiscal year 2009 audit. The withholding occurred for one month.

B. Other Compliance Matters

In April 2013, the results of an on-site review of the English Language Learner (ELL) program found Liberty Traditional Charter School to be out of compliance in multiple areas. The school has sixty days to complete a Corrective Action Plan (CAP).

In January 2009, Exceptional Student Services notified the charter holder of partial compliance in some areas with regard to specific regulations for Part B, Individuals with Disabilities Education Act (IDEA), and the Arizona Revised Statues. The school was required to submit a corrective action plan by March 8, 2009. A corrective action plan was received by Exceptional Student Services in June 2009.

For the previous five fiscal years, the charter holder failed to timely submit its audit in fiscal year 2009 (see above for more information) and did not submit to the Arizona Department of Education its adopted fiscal year 2012 Budget.

C. Charter Holder's Organizational Membership

Because the organizational membership on file with the Board was consistent with the information on file with the Arizona Corporation Commission, the charter holder was not required to submit the charter holder's Organizational Membership portion of the Detailed Business Plan Section.

Board Options

Option 1: The Board may approve the renewal. Staff recommends the following language provided for consideration: Renewal is based on consideration of academic, fiscal and contractual compliance of the charter holder. In this case, the charter holder did not meet the academic performance expectations set forth in the Board's performance framework but was able to demonstrate sufficient progress toward the Board's expectations. Additionally, the Board has adopted an academic performance framework that allows for additional consideration of the charter holder throughout the next contract period. There is a record of past contractual noncompliance which has been reviewed. With that taken into consideration as well as all information provided to the Board for consideration of this renewal application package and during its discussion with representatives of the charter holder, I move to approve the request for charter renewal and grant a renewal contract to Liberty Traditional Charter School.

Option 2: The Board may deny the renewal. The following language is provided for consideration: Based upon a review of the information provided by the representatives of the charter holder and the contents of the application package which includes the academic performance, the fiscal compliance, and legal and contractual compliance of the charter holder over the charter term, I move to deny the request for

charter renewal and to not grant a renewal contract for Liberty Traditional Charter School. Specifically, the charter holder, during the term of the contract, failed to meet the obligations of the contract or failed to comply with state law when it: (Board member must specify reasons the Board found during its consideration.)