



Volume III, Issue 1

January 10, 2005

January Board Meeting Summary

Board Elections and Changes – The Board re-elected Kurt Davis and Kimberly Mosher to serve as President and Vice President respectfully for the upcoming year. The Board also expressed its appreciation for the years of devoted service given by both Cassandra Larsen and Mary Lynn Kelly.

New Charter Schools Approved – Congratulations to the nine new charters that were approved to begin operation for the 2005-2006 school year. Schools represent locations in the Prescott, Tucson, and Phoenix metropolitan areas. New schools include:

A Child's View School, Inc.
American Adventure Academy
Concordia Charter School, Inc.
Franklin High School
Ha:San Educational Services

Legacy Education Group
SEVCS Corp.
Sproul and Associates, Inc. dba Mayflower
Sproul and Associates, Inc. dba Pilgrim

Executive Director's Report – Kristen Jordison provided the following information:

- **2005 Board meeting calendar** – In 2005, the Board will continue to meet on the second Monday of the month with the exception of the October meeting, which will be held on Tuesday, October 11, due to the Monday holiday. The Board has scheduled three of its monthly meetings out of town – March (Tucson), July (Flagstaff), and October (Prescott). The Board is currently not scheduled to meet in August and December.
- **Testing update** – The Board was informed of upcoming AIMS testing dates and other testing related information. This information may be found at <http://www.ade.state.az.us/standards/aimsupdates/11-2004%20.pdf>
- **School Report Cards** – The Board expressed appreciation to all of the charter schools for their timely submission of School Report Cards.
- **School with on-going actions**—The Board was provided an update on the schools with on-going actions. The Board requested that the staff continue and finalize a financial, program, and compliance audit for Dove Learning, Inc. and report back to the Board.

Legislative Agenda Approved– The Board adopted its 2005 legislative agenda. The Board's agenda includes pursuing a charter application fee in order to provide a stipend to the application technical review panel members. Staff reported that the Board's budget request for fiscal years 2006 and 2007 will be heard by the House and Senate Appropriations Committees on January 18th.

Board Discusses FY07 Charter Application – The Board reviewed the new charter school application forms, instructions and process for the 2006-2007 school year. Since no substantive changes were made, the Board decided not to forward it to subcommittee. The Board will hold the final reading at its February meeting.

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Charter Contract Revisions Adopted– The Board adopted revisions to the charter contract. The revisions provide clarification and ensure consistency with the Board’s transfer contract, which was previously adopted by the Board.

Board Approves Withholding Funds – In addition to requiring each school to submit a corrective action plan, the Board approved withholding 10% of the monthly State aid apportionment from the following charter schools:

- **Failure to submit fiscal year 2004 audit** – 4-Winds Academy, Inc.; Academy of Hope; Aprender Tucson; Arizona Montessori Charter School; Aztlan Academy, Inc.; Cambridge Academy East, Inc.; Cesar Chavez Middle School, Inc.; Crown Charter School, Inc.; Dove Learning, Inc.; Ecotech Academy of Science & Agriculture; Gan Yeladeem: The Looking Glass School; Humanistic Education Authentic Rigorous Transcendent; Kachina Country Day School, Inc.; Mingus Mountain Estate Residential Center; Progressive Junior High School, Inc.; Progressive Leadership Academy; and Renaissance Educational Consortium, Inc.
- **Failure to submit complete fiscal year 2004 audit** – Academy of Arizona, Inc.
- **Failure to submit Declaration of Curricular and Instructional Alignment** – 4-Winds Academy, Inc.; Carden Elementary School; Crown Charter School, Inc.; Kestrel Schools, Inc.; and Mingus Mountain Estate Residential Center
- **Failure to comply with special education requirements** – Aprender Tucson and Cesar Chavez Middle School, Inc.
- **Failure to comply with grant requirements** – Aztlan Academy, Inc. and Cesar Chavez Middle School, Inc.
- **Failure to comply with Arizona State Retirement System requirements** – Humanistic Education Authentic Rigorous Transcendent

Board Acts on Extension Requests – The Board approved four requests for a good cause extension of the execution of the charter contract and the opening of the charter site. The extensions were granted for CA Rosefield Charter School, Esperanza, J.H.J., Inc. and West Valley Arts & Technology.

Notices of Intent to Revoke Dismissed – After reviewing the actions taken by the two charter schools, the Board voted to dismiss the Notices of Intent to Revoke for Casa Blanca Middle School and Tertulia: A Learning Community and to vacate the associated hearing. The Board’s vote requires each charter school to submit a corrective action plan by January 28th.



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February 14, 2005

February Board Meeting Summary

Board Welcomes New Members – A vacant seat on the Board has been filled with the appointment of Ms. Linda Parson as a Business Member. Ms. Parson brings great experience to the position as a former charter school operator and a current business consultant. The Board also welcomed Ms. Magdalena Verdugo, who has been appointed to fill the new charter school operator position added to the Board by the Legislature during the 2004 session. Ms. Verdugo also brings a wealth of experience and the current perspective of a charter school operator.

President's Report – President Kurt Davis proposed that the Board hold a one-day retreat in connection with its Tucson meeting. In order to accommodate planning for the retreat, the Board decided to hold its April meeting – rather than its March meeting – in Tucson. The Board meeting in Tucson will be held Monday, April 11th with a reception with charter operators planned for that evening. The Board's retreat will take place on Tuesday, April 12th.

Superintendent's Report – Superintendent's Designee Mary Gifford reported that Executive Director Kristen Jordison continues to work with ADE and for-profit charter schools following the recent federal determination that for-profit charter schools are not entitled to receive federal Title 1 or IDEA funds. These schools will continue to receive federal funds through the remainder of this fiscal year, but it is unclear what will happen in subsequent fiscal years. Ms. Gifford said that as soon as it is available, she will report on the final determination. President Kurt Davis recommended that the Board form an ad-hoc committee to identify options available to the Board, so that it can take the appropriate steps once the final determination is released. The ad-hoc committee was approved and includes Ms. Gifford, Ms. Onnie Shekerjian, and Ms. Magdalena Verdugo.

Executive Director's Report – During her status update of schools with ongoing Board actions, Kristen Jordison reported that staff continues to work with Dove Learning, Inc. and anticipates completing its financial, program, and compliance audit shortly. At President Kurt Davis' suggestion, a special meeting will be held in February to review the report. Additionally, the Board requested that all schools with ongoing Board actions be brought back before the Board in March for discussion and possible action on issuing a notice of intent to revoke the charter if the schools have not come back into compliance.

Additionally, Director of Academic Affairs DeAnna Rowe provided an update on the progress of and findings from the first and second year site visits. At its November 2004 meeting, the Board approved the process for conducting these visits as part of its academic accountability and compliance process. DeAnna reported that all 10 first-year site visits have been completed. Second-year site visits are underway with 21 schools scheduled for unannounced visits before the end of April. So far, four second-year schools have been visited.

Board Approves FY07 Charter Application – During the meeting, Ms. Onnie Shekerjian responded to each of the issues raised by the Arizona Charter Schools Association regarding the application. Following Ms. Shekerjian's presentation, the Board approved the new charter school application forms, instructions and process for the 2006-2007 school year. By mid-March, the application materials will be available on the Board's website – www.asbcs.state.az.us.

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Legislative Sub-Committee Report – Mary Gifford, chairman of the Legislative sub-committee, stated that the sub-committee decided to take a narrower approach to legislation and focus the Board’s efforts on those bills that either directly affect charter schools or the Board itself. As a result, the sub-committee has taken the position of “no position” on many bills. During the meeting, the Board took positions on the following bills:

- House Bill 2392 (Charter schools; site councils)
- House Bill 2429 (Charter schools; application fees)
- House Bill 2438 (Charter school sponsors; fees)
- House Bill 2596 (Charter schools; pending fingerprint checks)
- House Bill 2718 (Education; omnibus)
- Senate Bill 1059 (Charter schools; fingerprinting; supervision)
- Senate Bill 1315 (Charter schools; prior year funding)
- Senate Bill 1422 (TAPBI program; school)

At the request of Board, the updated legislative tracking documents will be made available on the Board’s website each week through the legislative session.

Board Accepts Settlement Agreement – The Board accepted the proposed settlement agreement with Little Singer Community School Board, Inc. and voted to dismiss the Board’s notice of intent to revoke the school’s charter. Additionally, the Board’s motion included vacating the associated hearing and returning the funds that had been withheld from the school.

School Improvement Plans & Solutions Teams – Research and Statistical Analyst Lee McIlroy presented an overview of the Arizona School Improvement Plan (ASIP) and the Board’s responsibilities. In October and November 2004, 43 Board-sponsored charter schools were designated as underperforming according to their 2004 Arizona Learns achievement profile. Pursuant to statute, each underperforming school is required to present its ASIP to the charter sponsor at a public meeting and submit a copy to the Superintendent of Public Instruction within 90 days of receiving its designation.

Five charter schools failed to submit an ASIP before the due date – Liberty Traditional Charter School, Little Singer Community Junior High School, Progressive Leadership Academy, Renaissance Academy – Malpais Campus, and Tri-City Vo/Tech High School. However, all of these schools have since submitted their ASIPs. Pursuant to statute, each school that submitted a late ASIP is not eligible to receive Classroom Site Fund monies for ninety days plus each day that the plan was late after the deadline.

Following Lee’s presentation, Jack Rowe with ADE’s School Effectiveness Division discussed the roles and responsibilities of the Solutions Teams in working with underperforming schools.

The Board thanked the schools for their continued efforts in regard to school improvement.



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March 14, 2005

March Board Meeting Summary

Board Welcomes New Member– A vacant seat on the Board has been filled with the appointment of Mr. Harvey Honyouti as a Public Member. Mr. Honyouti brings knowledge and perspective from the field as he is the Dean of Students for one of our rural charter schools.

Superintendent's Report – Superintendent's Designee Mary Gifford reported that Superintendent Horne's charter school policy group continues to meet on a quarterly basis. Additionally, Ms. Gifford reported that the Superintendent recently formed a group of school district and charter school leaders who will hold their first meeting this week.

Executive Director's Report – In addition to reporting on the status of schools with ongoing actions, Kristen Jordison provided the following information:

- **New Operator Workshop** – The two-day New Operator Workshop has been scheduled for March 22nd and March 29th. New charter operators were given preference in registering for the workshop. Registration has now been opened to other new administrators on a first come, first served basis.
- **Prospective Applicant Workshops** – The 2006-2007 Charter School Application is now posted on the Board's website – www.asbcs.state.az.gov. Prospective Applicant workshops have been scheduled for March 31st, April 22nd, May 10th, and May 31st. Additional workshop information may be found on the Board's website.
- **FY04 Audit Follow-up Letters** – Staff have reviewed the fiscal year 2004 audits received in accordance with the Board's follow-up matrix. Based upon the review, letters are going out in response to these audits.
- **April Meeting in Tucson** – The Board's April meeting and retreat will be held in Tucson. The Board meeting will be held on April 11th and, depending on the agenda's length, is tentatively scheduled to begin in the afternoon. Following the meeting, the Board will hold a reception for all charter schools. On April 12th, the Board will hold its retreat.

Legislative Sub-Committee Report – Mary Gifford, chairman of the Legislative sub-committee, stated that a decision has been made to focus legislative efforts on the Board's budget and the Board's funding request for an accountability database. Therefore, the decision was made to have the Board's application fees bill held in committee.

The Board made a motion to support House Bill 2079 that, among other provisions, establishes a 19 member Transfer Articulation Commission under the Board of Regents with one of the members being a charter owner or operator. The Board directed staff to work with the bill's sponsor on an amendment that would increase the number of charter operator members to two, one urban and the other rural.

Board Advisory Member Representative Ted Carpenter updated the Board on the status of the current legislative session and the continuing work on the state's budget.

Board Issues Disciplinary Action – The Board voted to take disciplinary action against eleven charter schools for various violations of the law or their charter contract.



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April 11, 2005

April Board Meeting Summary

Board Welcomes New Member– The Board welcomed Arthur Ben, who has been appointed to fill the new charter school teacher position added to the Board by the Legislature during the 2004 session. Mr. Ben brings many years of teaching experience and a great perspective to the Board.

Superintendent's Report – Superintendent's Designee Mary Gifford reported that under the final determination, for-profit charter schools will not be eligible to receive federal funds beginning July 1, 2005. Superintendent Tom Horne sent a letter regarding this issue to for-profit schools on April 8th. A meeting with representatives from U.S. Department of Education, the Board, Arizona Department of Education, and for-profit charter schools will be scheduled shortly to help answer questions and provide guidance if these schools want to transfer to non-profit status.

Executive Director's Report – In addition to reporting on the status of schools with ongoing actions, Kristen Jordison stated that 50 people attended the Board's New Operator Workshop and 19 people attended the first of four Prospective Applicant Workshops. The remaining three workshops for the 2006-2007 application cycle will be held April 22nd, May 10th, and May 31st. For more information, please see the Board's website – www.asbcs.state.az.us.

Further, the Board referred the annual financial audit guidelines and compliance questionnaires to subcommittee. The subcommittee will hold the first reading in May with the documents being brought back to the full Board for approval at its June meeting.

Legislative Update – Michele Diamond reported to the Board that Senate Bill 1085 has been amended to provide for additional charter school sponsors. The Senate bill's provisions are essentially the same as House Bill 2574 except that it also contains a provision that would subject all charter schools to English language education requirements. Board members raised concerns over the addition of the English language education requirement, but the Board decided to continue to support the bill with concerns. Further, Michele stated that House Bill 2438 had been amended to remove the requirement that the Board review, upon request, the value of services provided by a charter school sponsor to a charter school when the sponsor charges a fee.

Board Approves Withholding – In addition to requiring the submission of a corrective action plan, the Board approved withholding 10% of the monthly State aid apportionment from Shonto Governing Board of Education, Inc. (K-8) for failure to submit its fiscal year ending June 30, 2004 annual financial Single Audit due March 30, 2005. Further, the Board approved adding failure to submit the fiscal year ending June 30, 2004 annual financial Single Audit to the basis for the current 10% withholding from Shonto Governing Board of Education, Inc. (9-12)

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and asked that the school be included on the May agenda for the Board to consider adding this issue to the current notice of intent to revoke.

Board Revokes Charter – The Board accepted the Administrative Law Judge’s Findings of Fact and Conclusions of Law for Horizons Challenge School, Inc. and adopted the Judge’s recommended Order that the charter contract between the Board and Horizons Challenge School be terminated and the charter revoked. Horizons Challenge School has been closed since the fall of 2004.

Board Acts on Operation Suspension Request – The Board accepted Ann Clare Learning Academy’s request for temporary suspension of its charter school operations until fiscal year 2006 contingent upon Ann Clare Learning Academy’s submission of the fiscal year 2004 audit by June 1st. If the audit is not received, the Board will reconsider the issue at its June meeting.

Charter School Reception--The Board would like to gratefully acknowledge both Presidio High School and Arizona Agribusiness and Equine Center for providing the opportunity for the Board to meet with charter school operators and staff at an informal reception held in Tucson on April 11th.

Board Retreat – The Board held a retreat on April 12th in Tucson. The Board discussed many topics related to oversight of charter schools and assigned further discussion to Board sub-committees. The President of the Board, Kurt Davis, assigned a new sub-committee structure for 2005 and encourages charter schools to participate in these sessions. All sub-committee meetings are public and the agendas are posted on the Board website www.asbcs.state.az.us.

Board Sub-Committees for 2005

<u>Legislative</u>	<u>Policy & Rule</u>	<u>Review, Renewal & Contracts</u>
Arthur Ben Mary Gifford - Chair Kimberly Mosher Linda Parson	Lynne Adams - Chair Gabe Loyola Kimberly Mosher Magdalena Verdugo	Harvey Honyouti David Hume Kimberly Mosher Onnie Shekerjian - Chair



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May 9, 2005

May Board Meeting Summary

Superintendent's Report – Superintendent's Designee Mary Gifford mentioned the upcoming for-profit charter school meeting (see Executive Director's Report) and that the Arizona Department of Education has been working with members of Arizona's Congressional delegation to seek federal resolution to the issue. Additionally, Ms. Gifford mentioned that Superintendent Horne will meet later this month with heads of school districts and charter schools to discuss issues pertinent to both.

Executive Director's Report – In addition to reporting on the status of schools with ongoing actions, Kristen Jordison provided the following information:

- **For-profit charter school meeting** – The U.S. Department of Education has determined that if a charter holder is a “for-profit corporation”, the charter will no longer be eligible to receive certain federal funds as of July 1, 2005. If the charter were to transfer to a non-profit entity, the school could regain access to these federal funds. A meeting has been scheduled for May 11th to make sure that all for-profit charter schools are aware of the decision and to facilitate questions between the parties. Representatives from the U.S. Department of Education, ADE, and the Board will be present as well individuals representing members of Arizona's Congressional delegation.
- **Board sub-committee schedule** – The Policy & Rule Sub-committee will meet on Thursday, May 19, and the Review, Renewal & Contracts Sub-committee will meet on Friday, June 3. Both meetings will take place from 9:30 a.m. to 11 a.m. The date for the next Legislative Sub-committee meeting will depend on the outcomes of the other sub-committee meetings.
- **Prospective Applicant Training** – A total of 41 people have attended the first two Prospective Applicant Workshops sponsored by the Board. The remaining two workshops are scheduled for May 10th and May 31st. Additionally, announcements have been sent to the charter community requesting volunteers to share their charter expertise as members of the Round Table Review Panel scheduled for June 2nd and June 21st. The final application submission deadline is August 5th. However, applicants are being encouraged to submit their applications by June 30th, allowing for an application to be resubmitted should it not be deemed administratively incomplete upon initial submission.

Board Hears Presentation on High School Initiative – Dr. Karen Butterfield, State Team Leader for the Arizona High School Renewal and Improvement Initiative, provided an overview of and update on the Initiative. The Initiative's goal is to ensure all Arizona students graduate prepared to succeed in postsecondary education, careers, citizenship and in life. Three high school summits are planned with the first dealing with curriculum, instruction and assessment scheduled for September 2005. For more information on the Initiative, please visit <http://www.ade.az.gov/asd/AZHSRI/>. Additionally, Dr. Butterfield announced that Arizona School for the Arts was recognized at the recent Spotlight on Success conference.

Charter School Presentation Given – The Arizona Charter Schools Association selected Valley Academy as an example of the positive impact of charter schools. With the help of students, Charter Representative Cuyler Reid and Principal Sharon Malone gave a short presentation to the Board on the school and the opportunities it provides to its students. Additionally, the Board was introduced to Arizona's state representative to the 2005 National Geographic Bee – Kevin Bertram, who is an eighth grader at Valley Academy.

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Legislative Update – Staff will provide a full legislative summary at the June Board meeting. In light of items addressed by the Board in May, President Kurt Davis suggested that the Legislative Sub-committee focus next session's legislative efforts on providing a greater range of disciplinary options for the Board. Presently, the Board may either withhold up to 10 percent of a charter school's monthly state aid or issue a notice of intent to revoke the charter.

Schools Transfer to Separate Charters – The Board approved transferring three sites currently operating under existing charters and assigning them their own charters. The three schools are PPEP & Affiliates-Arizona Virtual Academy, Sierra Vista Charter School-Chancellor Arizona Connections Academy – both distance learning schools – and Arizona Agribusiness & Equine Center – Red Mountain.

The Board will revisit Country Gardens Charter School's request to transfer to the Board from the Higley Unified School District at its June meeting. Prior to the June meeting, the Board asked staff to conduct a site visit at the school.

Board Accepts Agreements – The Board voted to accept agreements with four of its charter schools.

- **Consent agreements** – The Board accepted the proposed consent agreements with Aztlan Academy, Inc. and Cesar Chavez Middle School, Inc. and voted to dismiss the Board's notice of intent to revoke the schools' charters. The Board's action was conditioned upon the schools' governing boards accepting the consent agreements.
- **Settlement agreement** – The Board accepted the proposed settlement agreement with Pathways Charter School, Inc. and voted to dismiss the Board's notice of intent to revoke the school's charter and vacate the associated hearing.
- **Surrender agreement** – The Board accepted the proposed consent agreement for the surrender of the charter and termination of the charter contract for Calli Ollin Academy – Itzcalli Academy effective June 30, 2005.

Board Approves Withholding – The Board approved withholding 10% of the monthly State aid apportionment from Tri-City Vo/Tech High School beginning June 15, 2005 if issues pertaining to the school's failure to maintain a school facility that complies with all state and local rules, regulations and statutes relating to health and safety are not remedied by that time.

Board Considers Revocation of Two Charters – In October 2004 and in May 2004 the Board issued a Notice of Intent to Revoke the charters of Academy of Hope and Rolling Hills Charter School, respectively. The Board referred these matters to the Office of Administrative Hearings ("OAH") for a hearing. OAH conducted the hearings and upon conclusion released the Administrative Law Judge's recommendations. At the May 9th meeting the Board considered the administrative law judges' Findings of Fact, Conclusions of Law and Recommended Order. Statute permits the Board to accept, reject or modify these recommendations.

- **Academy of Hope** – The Board considered the Findings of Fact, Conclusions of Law, and Recommended Order of the Administrative Law Judge and based upon a review of the evidence, testimony, and the law the Board made modification but agreed that the charter contract should not be revoked and no disciplinary action taken against the school. The Board added to the order that the charter operator develop and implement policies and procedures to ensure compliance with the issues that initially resulted in the Board issuing the notice of intent to revoke and provide these to the Board no later than 30 days following the Order's date.
- **Rolling Hills Charter School** – The Board considered the Findings of Fact, Conclusions of Law, and Recommended Order of the Administrative Law Judge and based upon a review of the evidence, testimony, and the law, the Board ruled that the foregoing presented substantial basis for the revocation of the charter.



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June 13, 2005

June Board Meeting Summary

Superintendent's Report – Superintendent's Designee Mary Gifford reported that ADE has been reviewing the USFRCS questionnaire with the Office of the Auditor General. Additionally, in responding to questions from various charter operators, the ADE has sent a letter to the Board providing guidance to help for-profit charter holders converting to non-profit charter holders determine when they will be eligible to receive federal education funds.

Executive Director's Report – In addition to reporting on the status of schools with ongoing actions, Kristen Jordison provided the following information:

- **For-profit charter schools & federal determination** – A teleconference was held with representatives from the U.S. Department of Education, Board, ADE, and for-profit charter schools on May 11th. At that meeting USED indicated that it would respond to questions raised within two weeks. A response has not yet been received, but an official stated that USED is working hard on providing technical assistance in response to those questions. On a related matter, the Board granted Kristen the authority to sign amendment requests related and in response to the federal determination if the schools submit the necessary paperwork as outlined in her June 2nd letter to the for-profit schools.
- **Processing of School Calendar Changes** – In the past, the Board has acted upon requests to change a school's calendar after staff has evaluated each request to determine if it meets statutory requirements. Since most of these requests are for a change in one day, Kristen indicated that she thought they could be handled administratively. The Board voted to grant the Executive Director the authority to administratively approve schools requests for changes in school calendar.
- **Grant opportunities** – Kristen reviewed two grant opportunities that the Board is involved in. The first is a National Governor's Association Grant and the second is a USED Grant for Credit Enhancement for Charter School Facilities. Kristen explained that she was a member of the state team developed by Governor Napolitano to increase student achievement, reduce gaps, and to prepare high school graduates for next steps. A planning meeting will be scheduled prior to a multi-state meeting that will be held in August.

Alexander Hristov, Executive Director of the Collaborative Research Institute, gave a summary of the Credit Enhancement for Charter Schools Facilities Project grant application submitted to the U.S. Department of Education by the Arizona Charter School Facilities Consortium of which the Board is a member. The Project will address the urgent needs of Arizona charter schools for adequate and timely facility financing by providing all Arizona charter schools with equitable access to project funds on the basis of certain criteria. In addition, the grant funds will be used to build extra capacity and enhance the credit of charter schools so that they could qualify for facility financing. Following the presentation, the Board ratified the grant application and the Board's participation in the consortium.

Charter School Association Presentation Given – Arizona Charter Schools Association Board Member Kathy Tolman mentioned that more than 50 percent of Arizona charter holders are Association members. She also announced that the Association's board recently approved a public awareness campaign to help the public understand what charter schools are. Ms. Tolman also gave a short presentation on the Legacy schools, which she operates.

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Policy & Rule Subcommittee Report – Lynne Adams, chairman of the Policy & Rule Subcommittee, reported that the subcommittee had good participation from charter schools and others at its May meeting. Based on their input, the subcommittee decided to remove a couple questions from the fiscal year 2005 compliance questionnaire.

Additionally, at the May subcommittee meeting, some in attendance asked the Board to consider moving the Single Audit deadline to November 15th so that all schools are subject to the same deadline. Currently, the Single Audit deadline is March 30th. The Board asked that staff get input from schools and the federal government on changing the Single Audit deadline and, if staff does not hear back from the federal government within a reasonable amount of time, bring the issue back to the subcommittee and Board for action.

Board Adopts FY05 Audit Documents –The Board voted to adopt the fiscal year 2005 Audit Guidelines and Legal Compliance Questionnaire, asking staff to follow-up with the Arizona Department of Education and the Office of the Auditor General to determine what changes they anticipate making to the USFRCS and the impact of those changes on charter schools. The fiscal year 2005 audit documents will be posted on the Board’s website by July 1, 2005.

Legislative Update – An updated bill tracker, which contained only those bills that have passed and that impact charter schools or the Board in some way, was provided to the Board. Director of Government and Financial Affairs Michele Diamond highlighted certain bills on the tracker, including:

- HB 2596 – Allows charter schools to hire personnel that have not yet received a fingerprint clearance card (FCC) if the charter school has done the following: 1) ensured that a FCC application has been submitted to DPS, 2) documented in the applicant’s file the necessity for hiring and placement of the applicant before receiving a FCC, 3) contacted previous employers, 4) ensured that a statewide criminal history check is completed, 5) completed a search of criminal records in all local jurisdictions outside of Arizona in which the applicant has lived in the previous five years, and 6) verified the fingerprint status of the applicant with DPS. The Board will be providing agency guidance on how to demonstrate compliance with this new law shortly.
- SB 1059 – Exempts volunteers and guest speakers from the FCC requirement as long as they are accompanied in the classroom by an individual with a card.
- SB 1038 – Exempts pupils from the requirement to achieve a passing score on the AIMS test in order to graduate from high school for school years 2006 and 2007 if the pupil meets certain requirements.
- SB 1516 – Among its many provisions, appropriates more than \$38 million in FY06 for to expand the full-day kindergarten program to schools with a student count in which at least 80 percent of the pupils meet the economic eligibility requirements established under the national school lunch and child nutrition acts. The pupil must be five by September 1st to be eligible to participate.

The bill tracker provided to the Board is currently available on the Board’s website at www.asbcs.state.az.us. Additionally, within the next several days, the Board will be emailing the updated tracker with a cover letter to its schools.

School Transfers to Board – The Board voted to approve the transfer of Country Gardens Charter School from the Higley Unified School District. When the transfer contract is signed, the Board will become the sponsor.

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June 13, 2005

Settlement & Surrender Agreements – The Board accepted the proposed settlement agreement with Shonto Governing Board of Education and voted to dismiss the Board’s notice of intent to revoke the school’s charter and vacate the associated hearing. The Board accepted the proposed consent agreements for the voluntary surrender of the charter and termination of the charter contract for AIBT Non-Profit Charter High Schools, Inc. – RCB High School-Mesa and Schools, Inc. – Arizona Academy for Advancement. Both charter contracts will terminate effective June 30, 2005.



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July 11, 2005

July Board Meeting Summary

Superintendent's Report – Superintendent's Designee Mary Gifford reported that the Department of Education has conducted workshops on state and federal accountability systems, which included how test results affect achievement profile and Adequate Yearly Progress determinations. Ms. Gifford also noted that charter school budgets are due.

Executive Director's Report – In addition to reporting on the status of schools with ongoing actions, Kristen Jordison provided the following information:

- **For-profit charter schools & federal determination** – The Board filed a lawsuit on June 15, 2005 in U.S. District Court in response to a U.S. Department of Education (USED) determination that denies for-profit charter schools access to federal entitlement funds. On June 28, 2005, the Board filed a request for a temporary restraining order. Although the judge denied the Board's request, the judge essentially granted the relief the Board requested by clarifying that it would not violate the USED determination to simply allocate, but not distribute, the federal funds to the for-profit charter schools. The hearing is tentatively scheduled for September 30th. Kristen also reported that the Board and ADE are continuing Congressional efforts for legislative remedies.
- **Staffing changes** – Jason Archuleta was introduced as the newest member of the staff. Jason brings over 10 years experience as an elementary and middle school teacher. Additionally, Kristen announced that Traci Sawyer-Sinkbeil has taken a position with one of our charter schools. We wish her well in her new endeavors.
- **Application, workshop & presentations update** – Kristen stated that so far, the Board has received 18 applications for new charter schools. The application submission deadline for the 2006-2007 school year is August 5, 2005. Additionally, Kristen reported that 64 people attended the Board-sponsored audit workshop held on June 22nd. Finally, Kristen mentioned that she and Michele Diamond have been asked to present on the audit and compliance questionnaire at the Arizona Association of School Business Officials Summer Conference later this month. Kristen will also be presenting at the Metropolitan Education Commission's Annual Retreat in Tucson on the history of charter schools in Arizona.

Charter School Association Presentation Given – Interim Arizona Charter Schools Association Executive Director Tom Dorn updated the Board on some of the Association's current activities and future plans. Mr. Dorn indicated that in the future the Association plans to hire an executive director and is considering making changes to its board of directors and establishing a charter school parents council. Mr. Dorn also mentioned that the next Association conference will be held November 2nd-4th in Mesa.

Review, Renewal, & Contracts Subcommittee Report – Onnie Shekerjian, chairman of the Review, Renewal, & Contracts Subcommittee, reported that the subcommittee began discussion on two proposals.



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The first is developing academic criteria for consideration of amendment and notification requests for such things as adding sites or grade levels. The second proposal is the review and renewal process that includes an incentive to renew early. More fully developed proposals will be presented to the sub-committee in August.

Board Grants Extension and Approves Agreements – The Board approved Ha:san Middle School’s request for a good cause extension of the opening of the charter school site. Additionally, the Board accepted with revisions the proposed settlement agreements for Mingus Mountain Estate Residential Centers, Inc. and East Valley Youth and Family Support Centers, Inc. and voted to dismiss the Board’s notices of intent to revoke the schools’ charters and vacate the associated hearings. Finally, the Board approved the consolidation agreement which would consolidate the charter contracts of Aztlan Academy, Inc. and Cesar Chavez Middle School, Inc. into one charter contract under the name Cesar Chavez Learning Community, Inc. The consolidation of these two charters was one of the conditions included in the consent agreements approved by the Board in May when the Board voted to dismiss the notices of intent to revoke the schools’ charters.

No August Meeting – Board Vice President Kimberly Mosher announced that the Board will not meet in August.



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September 12, 2005

September Board Meeting Summary

Superintendent's Report – Superintendent's Designee Mary Gifford reported on the Adequate Yearly Progress appeals timeline and indicated that charter schools should be receiving their appeal results. Additionally, Ms. Gifford stated that the Superintendent's charter school policy committee will hold its first meeting of the new school year on September 19th.

Executive Director's Report – In addition to reporting on the status of schools with ongoing actions, Kristen Jordison provided the following information:

- **For-profit charter schools & federal determination** – In June 2005, the Board filed a lawsuit in U.S. District Court in response to a U.S. Department of Education (USED) determination that denies for-profit charter schools access to federal entitlement funds. On August 12th, the Board's attorney from the Attorney General's office filed a Motion for Summary Judgment. On September 2nd, the USED filed its opposition to the motion. Oral arguments are scheduled for September 30th. In addition, the Board's counsel is coordinating a call with USED to gain additional technical assistance regarding this matter.
- **Board meeting dates** – The Tuesday, October 11th Board meeting will be held in Phoenix rather than Prescott. Additionally, in order to accommodate the application timeframes, the Board will reschedule its January meeting during the later part of the week of January 9th. For the remainder of 2006, the Board will continue to meet on the second Monday of the month with the exception of the October meeting, which will be held on Tuesday, October 11th due to the Monday holiday. The Board is currently not scheduled to meet in December.
- **First FY05 audit received** – Kristen congratulated Montessori House, Inc. on being the first to submit its fiscal year 2005 audit. The financial audit deadline is November 15th.
- **Board's budget & strategic plan** – On September 1st, staff submitted the 2006 and 2007 budget and strategic plan to the Office of Strategic Planning and Budgeting.
- **NCLB determinations of Adequate Yearly Progress** – Since ADE is still finalizing these determinations, Kristen will provide this information to the Board at its October meeting. Kristen mentioned that September 16th is the deadline for the School Report Cards. Preliminary Arizona Learns profiles will be available to the schools on September 15th. The appeals deadline is September 30th.
- **New charter school application submissions** – Director of Academic Affairs DeAnna Rowe reported that of the 23 fiscal year 2006-2007 applications submitted early to access technical assistance provided by Board staff, 17 were deemed incomplete and resubmitted by the applicant. Of the 31 applications submitted by the August deadline, 24 are moving on for the review by the Technical Review Panel.

Charter School Association Presentation Given – The Arizona Charter Schools Association selected StarShine Academy as an example of the positive impact of charter schools. StarShine Academy Charter Representative Trish Adams stated that last year, the United Nations recognized StarShine as one of the best examples of world peace. This year, the school was asked to host the United Nations 8th Annual International Peace Pals Art Competition and Exhibition. Ms. Adams indicated that the school is receiving between 50 and 100 art submissions each day. For more information, please visit www.starshineacademy.org.

Legislative Subcommittee Report – Mary Gifford, chairman of the Legislative Subcommittee, reported that the subcommittee met on August 30th. Ms. Gifford outlined the 2006 legislative agenda for the Board's first read. The first priority is the accountability database. Since the Board's 2006 and 2007 budgets were approved during the last legislative session, the Board will be seeking database funding through a supplemental appropriation or other means as deemed appropriate. Additionally, the subcommittee has discussed providing the Board with disciplinary options for repeat offenders between its current 10 percent withholding of state aid and revocation. Rather than blanket authority, Ms. Gifford stated the subcommittee is considering specific legislative remedies for specific violations. Further, the subcommittee will also consider minor changes to the AZ Learns statute. The subcommittee met again following the September Board meeting and will hold its next meeting on November 4th during the Arizona Charter Schools Association's conference in Mesa.

Policy & Rule Subcommittee Report – Lynne Adams, chairman of the Policy & Rule Subcommittee, reported that the subcommittee met on September 1st and spent most of the meeting discussing the draft rules included on the Board's September agenda for a first read. Ms. Adams also informed the Board that Senator Huppenthal attended the subcommittee's last meeting and requested that the sub-committee consider an on-going application process instead of an annual process. Ms. Adams informed the Board that the sub-committee requested that staff put together a summary of the current process and provide suggestions regarding this issue to the Board at an upcoming meeting.

The Board completed its first read on the rules. This rule package includes changes to the Board's existing rules as well as new articles for charter oversight and the audit process. The new rule articles are based on policy that the Board has already adopted and implemented. The rule package is currently with the Governor's Regulatory Review Council (GRRC) for a courtesy review. If the comments from GRRC are received in time, the Board will hold its second read on the rules in October and direct staff to publish the Notice of Proposed Rulemaking.

Review, Renewal, & Contracts Subcommittee Report – Onnie Shekerjian, chairman of the Review, Renewal, & Contracts Subcommittee, reported that the subcommittee met on August 23rd. An outline of this subcommittee meeting and the on-going work of this subcommittee are listed on page 3 of this report.

Board Accepts Surrender Agreements – The Board accepted the proposed consent agreements for the voluntary surrender and termination of the charter contract for Arizona Montessori Charter Schools, Lake Powell Academy, Inc. and Phoenix Day Child and Family Learning Center. The three charter contracts terminated effective June 30, 2005.

Board Grants Extension – The Board approved Pantano Public Charter Middle School's request for an extension in opening with the condition that the charter contract be updated pursuant to the current application administrative checklist 90 days prior to the opening date.

Review, Renewal and Contract Subcommittee Report

Historical Summary of the Subcommittee's Goals and Direction

- 1) This subcommittee is charged with the duties of developing recommendations for processes to the Arizona State Board for Charter Schools regarding:
 - a. The 5 year review
 - b. The 10 year review
 - c. Review for revocation
 - d. Review for contract amendments
 - e. Review of contracts
- 2) Regarding measuring academic accountability, at the June 30, 2005 subcommittee meeting, members asked staff to put forth a proposal for the above mentioned processes that included specific components that met the following criteria:
 - a. Transparent
 - b. Consistent
 - c. Utilize existing measurement tools (ex: AIMS)
 - d. Be non-staff intensive (for both the ASBCS's staff and charter school staff)
 - e. Measure growth/value added
 - f. Track growth of students or growth of grade/subject
- 3) The timing of this subcommittee's work is prompted by several factors.
 - a. The need for a 15-year renewal process as some of our schools approach their 14th year of operation.
 - b. Next year, the Arizona State Board for Charter Schools will be required by law to consider revoking the charter of those schools that have been labeled under-performing for 3 years. Currently, 46 operating charter schools were labeled under-performing last year.

Materials Provided:

- 1) Staff provided the Subcommittee with two documents for the subcommittee's consideration:
 - a. Preliminary draft proposal
 - b. Model for measuring student growth in charter schools

Discussions and decisions:

- 1) The subcommittee came to consensus on pursuing a growth or value added model as additional information in the processes.
- 2) A charter school operator commented that this growth model evaluation could serve as technical assistance to charter schools by providing additional academic accountability information.
- 3) The suggestion was made to consider incentives for excellence. For example: offering a 15-year contract to those schools that do well on their 5 year review at the time of their 5 year review.
- 4) The subcommittee directed staff to begin gathering input on these concepts and processes from the charter community by way of focus groups.
- 5) Next meeting will be on Oct.11, 2005 following the regular meeting of the Arizona State Board for Charter Schools.



Volume III, Issue 9

October 11, 2005

October Board Meeting Summary

Executive Director's Report – In addition to reporting on the status of schools with ongoing actions, Kristen Jordison provided the following information:

- **For-profit charter schools & federal determination** – In June 2005, the Board filed a lawsuit in U.S. District Court in response to a U.S. Department of Education (USED) determination that denies for-profit charter schools access to federal entitlement funds. Oral arguments occurred on September 30th. The judge's ruling may be issued in the next two weeks. Additionally, the Board continues to work on legislative remedies with staff from Arizona Senator Kyl's office. Further, the Board's legal counsel, the Arizona Department of Education and the U.S. Department of Education held a conference call regarding other possible options for providing funding to these schools.
- **New staff member** – Andrea McArthur was introduced as the Board's Constituent Services Specialist. The Board welcomed Andrea to the staff.

Update on AIMS Augmentation – State Board of Education Executive Director Vince Yanez updated the Board on the SBE's efforts to implement the AIMS score augmentation provisions of Senate Bill 1038 passed during the 2005 legislative session. Mr. Yanez reviewed the rules and formula developed by the SBE to implement the law's requirement that high school students who fail to pass one or more sections of the AIMS test be able to augment their scores with additional points derived from classroom grades of "C" or better. The "AIMS Score Augmentation" rules and Mr. Yanez's presentation materials may be found at <http://www.ade.az.gov/stateboard/rulepackages.asp> under "Approved Rules".

Tutoring Guide Presentation – Dr. Karen Butterfield from the Arizona Department of Education shared information on the AIMS High School Tutoring Guides which were delivered to the schools in September. Each high school student who has taken, but not yet passed the reading, writing, and math AIMS tests, received a personalized Study Guide. Several professional development sessions on the guides have been held throughout the state. A professional development session is also slated to take place during the Arizona Charter School Association conference in November. For more information about the tutoring guides, please visit <http://www.ade.az.gov/standards/AIMS/aimshstutoringguide.asp>. A static guide that assumes the student failed all sections of the AIMS tests may be downloaded at <http://www.yourstudyguide.com/arizona>.

AYP & Arizona Learns Update – After a brief overview, Research and Statistical Analyst Lee McIlroy updated the Board on the 2005 changes to Arizona's Adequate Yearly Progress (AYP) calculations and to Arizona Learns. A copy of Lee's presentation may be found at www.asbcs.state.az.us under "School Resources".

Charter School Association Presentation Given – The Arizona Charter Schools Association selected Westwind Preparatory Academy as an example of the positive impact of charter schools. Westwind Preparatory Academy Charter Representative Debra Slagle gave a short presentation on the school. She stated that more than 93 percent of the school’s students go on to higher education. She credits that, in part, to the “postsecondary planning” class that all students are required to take.

Board Approves Rules – The Board conducted the final read on the proposed rule package. The Board approved changes to the Board’s existing rules as well as new articles for charter oversight and the audit process. Staff will now proceed with the formal rulemaking process beginning with the publication of the Notice of Proposed Rulemaking. An oral proceeding on the proposed rulemaking will be held on December 12, 2005.

Board Grants Extension – The Board approved Arizona Montessori Charter School – Gilbert’s request for an extension in opening with the condition that the charter contract be updated pursuant to the current application administrative checklist 90 days prior to the opening date.

Board Approves Withholding – In addition to requiring the submission of a corrective action plan, the Board approved withholding 10% of the monthly State aid apportionment from Espiritu Community Development (Esperanza Montessori Academy and NFL Yet Elementary), Kachina Country Day School (Kachina Country Day School #1), Little Singer Community School Board, Inc. (Little Singer Community Junior High School), and Tucson Preparatory School (Tucson Preparatory School) for failure to submit a School Report Card.



Volume III, Issue 10

November 14, 2005

November Board Meeting Summary

Executive Director's Report – In addition to reporting on the status of schools with ongoing actions, Kristen Jordison provided the following information:

- **For-profit charter schools & federal determination** – On October 11, 2005, the U.S. District Court denied the Board's and plaintiff schools' request that the Court determine that for-profit charter schools qualify as "public schools" under the federal definitions and thus allow them to receive IDEA and Title I federal funds. The Attorney General's office has reviewed the Court's order and believes there is a basis for an appeal to the Ninth Circuit Court of Appeals. The appeal is expected to be filed within the next week or so. Additionally, Kristen reported that some schools have completed the process to change from for-profit to nonprofit status. Further, discussions continue between the Board, the Arizona Department of Education, and the U.S. Department of Education for other avenues to serve the students at the for-profit schools.
- **Special Board meeting on audits** – Since the Board's next regularly scheduled meeting is not until January, the Board decided to hold a special meeting on November 28th to consider possible withholding of funds for schools that did not submit their audits by the November 15th deadline.
- **Arizona Learns & NAEP updates** – Kristen provided the Board with Arizona Learns summary data Research & Statistical Analyst Lee McIlroy compiled. Additionally, the Board received a packet of information put together by the Arizona Department of Education on Arizona's results on the National Assessment of Educational Progress.

Charter School Association Presentation –Interim Arizona Charter Schools Association Executive Director Tom Dorn thanked those who attended the recent Association conference and noted the good discussion that occurred during the Board's Legislative Subcommittee meeting held during the conference. The Association hopes to hold next year's conference in Tucson. Mr. Dorn also reported that the Walton Foundation agreed to fund the transformation of the Association and updated the Board on these efforts.

Legislative Subcommittee Report – Mary Gifford, chairman of the Legislative Subcommittee, thanked the Arizona Charter Schools Association for hosting the subcommittee's November meeting during the Association's conference and stated she appreciated hearing from the charter operators. The Board adopted the following legislative agenda for the 2006 Legislative Session:

- **Database** – The Board will pursue funding for a database.
- **Additional disciplinary options** – Rather than blanket authority, the Board will pursue issue-specific disciplinary options. First, the Board will seek authority to impose a civil penalty of \$1,000 per occurrence for violations of health and safety requirements, including failure to properly fingerprint staff and failure to obtain the necessary building approvals pursuant to state and local requirements prior to starting school. The amount of any civil penalty imposed would be transferred to the State's general fund. Second, the Board will seek authority to withhold up to 40% of a school's monthly state aid for failure to submit a timely audit within 90 days of the deadline. For those schools that fail to submit a timely audit in the current year and have previously failed to submit a timely audit, there

would not be a grace period and the Board would consider withholding up to 40% of the state aid at its next meeting.

- **Arizona Learns changes** – The Board will propose minor changes to the Arizona Learns statute to clarify that charter school sponsors have the decision-making authority on whether to revoke or restore the charter of a failing school.

Review, Renewal, & Contracts Subcommittee Report – Onnie Shekerjian, chairman of the Review, Renewal & Contracts Subcommittee, reported that the subcommittee held two productive meetings in October. The framework presented to the full Board for consideration includes three main components:

- **Academic measurement** – The Board, when making decisions on whether to revoke or restore a “failing” charter school contract (A.R.S. 15-241.T) or when developing and implementing a charter school review or renewal process (A.R.S. 15-183.I) shall consider the following criteria when measuring a school academically – 1) transparent and consistent policy development and implementation, 2) consistent thread from application through reviews and renewal, 3) non-staff intensive, 4) utilization of existing measures, and 5) measurement of growth/value added.
- **Performance contracting** – The Subcommittee voted to ask the full Board to direct the subcommittee to consider performance contracting in the future.
- **Review & renewal areas** – The framework for reviews and renewal should include the following three areas: 1) academic achievement, 2) fiscal management and compliance, and 3) contract and legal compliance.

The Board is expected to adopt this framework at its January meeting. The framework will be posted on the Board’s website (www.asbcs.state.az.us).

Board Accepts Surrender Agreement – The Board accepted the proposed consent agreement for the voluntary surrender and termination of the charter contract for Ann-Clare Learning Academy, Inc. The charter contract terminates effective November 14, 2005.

Since the terms of the consent agreement for the voluntary surrender and termination of the charter contract for EcoTech Agricultural Projects, Inc. have not been completely outlined, the Board will take action at its January meeting.

Board Revokes Charters – In March 2005, the Board issued a Notice of Intent to Revoke the charters of Progressive Leadership Academy, Inc. and Progressive Junior High School, Inc. The Board referred these matters to the Office of Administrative Hearings (“OAH”) for a hearing. OAH conducted the hearings and upon conclusion released the Administrative Law Judge’s recommendations. At the November 14th meeting, the Board considered the Findings of Fact, Conclusions of Law and Recommended Order of the Administrative Law Judge and based upon a review of the evidence, testimony and the law, the Board made some modifications but agreed with the Administrative Law Judge that both charter contracts should be revoked.

Renaissance Educational Consortium – The Board voted to issue a Notice of Intent to Revoke the charter of Renaissance Educational Consortium for failure to comply with the accountability requirements that accompany the receipt of federal No Child Left Behind funds, failure to maintain sufficient documentation of the expenditure of Title I, Title II, Title IV, and Title V grant funds, failure to properly fingerprint staff, failure to accurately report and maintain records of student membership and absences, failure to provide the required instructional hours for 7th and 8th grade students, and failure to demonstrate a program of instruction aligned to the state academic standards. In addition, the Board approved withholding 10% of the monthly State aid for the same issues and requested that the school submit a corrective action plan.