



Volume IV, Issue 1

January 11, 2006

January Board Meeting Summary

New Charter Schools Approved – Congratulations to the 14 new charters that were approved to begin operation for the 2006-2007 school year. Schools represent locations in Casa Grande, Sedona, Tucson, and Phoenix metropolitan areas. New charters include:

Arizona Academy of Leadership, Inc.
Chandler Preparatory Academy, Inc.
Charter for Excellence, LLC
Desert Southwest Academy, Inc.
Desert Star Community School, Inc.
Imagine Elementary at Glendale, Inc.
Imagine Elementary at McDowell, Inc.

Imagine Elementary at Tempe, Inc.
Imagine Middle at East Mesa, Inc.
Imagine Middle at Surprise, Inc.
Potential Unlimited, LLC
Steiner Community School
Verrado Charter School, Inc.
Wildcat Secondary School

Board Approves FY08 Charter Application – The Board reviewed and approved the changes to the new charter application forms and instructions for the 2007-2008 application cycle. The revisions to the application are clarifying and technical changes, and not procedural or substantive contextual changes.

By the end of January, the 2007-2008 application materials and the dates for the prospective applicant workshops will be available on the Board’s website – www.asbcs.state.az.us.

Charter School Association Presentation – The Arizona Charter Schools Association selected Arizona School for the Arts as an example of the positive impact of charter schools. Arizona School for the Arts Charter Representative Mark Francis gave a short presentation on the school and its history. He also highlighted some of the school’s recent accomplishments. His school received the Arizona Spotlight on School Success Program award and was the only Arizona charter school to receive the federal No Child Left Behind – Blue Ribbon Schools Program award.

Board Adopts Framework – The framework, revised to reflect Board comments and suggestions from the last meeting, was presented to the Board. The Board adopted the framework which incorporates the Board’s current review policies, establishes criteria to be developed when making decisions on whether to revoke or restore a “failing” school contract in accordance with Arizona Learns, and identifies the three areas to be considered when making review and renewal decisions. A copy of the framework adopted by the Board may be found on the Board’s website – www.asbcs.state.az.us.

Board Approves Withholding – In addition to requiring the submission of a corrective action plan, the Board approved adding to the basis of the existing withholding of 10% of the monthly State aid

apportionment from Meta Academy, Inc. and Renaissance Educational Consortium, Inc. for failure to submit the Declaration of Curricular and Instructional Alignment.

Board Accepts Surrender Agreement – The Board accepted the proposed consent agreement for the voluntary surrender and termination of the charter contract for EcoTech Agricultural Projects, Inc. The charter contract terminates effective January 11, 2006.

Board Elections and Recognitions – The Board elected Kimberly Contreras-Mosher to serve as President and David Hume to serve as Vice President for the upcoming year. The Board also expressed its thanks for the years of service given by outgoing president, Kurt Davis, and past president and long-time member, Onnie Shekerjian. Board members shared their appreciation for Mr. Davis as a great leader for the Board and the charter movement and Ms. Shekerjian's dedication and passion for charter schools.



Volume IV, Issue II

February 13, 2006

February Board Meeting Summary

President's Report – President Kimberly Contreras Mosher shared her vision for the coming year. President Contreras Mosher stated that she does not foresee major changes, but that the Board will continue to foster transparent accountability both for the Board and the operators. President Contreras Mosher stated the Board will retain the existing subcommittee structure and announced the chairperson for each subcommittee:

- Legislative Subcommittee – Mary Gifford
- Policy & Rule Subcommittee – Lynne Adams
- Review, Renewal & Contracts Subcommittee – David Hume

Superintendent's Report – Superintendent's Designee Mary Gifford updated the Board on the last meeting of the Superintendent's charter school policy group. The group discussed charter schools reporting data under the School District Employee Report (SDER). ADE is looking for ideas to manage this information outside of the SDER. Additionally, several AIMS-related topics were addressed including the availability of tutoring funds, AIMS Intervention and Dropout Prevention Programs, and graduation requirements.

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

- **State Board of Education update** – The Board was updated on two issues. First, as shared at an earlier meeting, the SBE approved the purchase of AIMS high school personalized study guides, which were delivered to schools in September and designed to help those students that failed one or more portions of the Spring AIMS tests to prepare for the Fall AIMS test. ADE is working with McGraw Hill on the second phase of the guides, which will be provided online. These customized guides may be downloaded by teachers, parents, and students at www.yourstudyguide.com/arizona. Second, this year a pupil must pass the AIMS test to graduate from high school. In January, the SBE approved allowing schools to graduate a student that enters from out of state but has demonstrated a passing score on that state's competency exam. The ADE has developed a state-by-state list.
- **Upcoming workshops** – First, the two-day **New Operator Workshop** will be held on **March 21st** and **March 28th**. Those individuals recently granted new charters are given preference in registering for the workshop. In the future, workshop registration will be opened up to existing charter schools on a first come, first served basis. An email will be sent through the listserv notifying charter operators of any openings. Second, the Board will hold five Prospective Applicant Workshops between February 21st and June 5th. More information on the Prospective Application Workshops is available on the Board's website – www.asbcs.state.az.us.
- **2006 Transfer Application** – The 2006 Transfer Application has been updated and is available on the Board's website – www.asbcs.state.az.us. The submittal deadline is April 3rd. Transfer applications will be brought to the Board in May.

- **Rule package update** – The Governor’s Regulatory Review Council has approved the Board’s rule package that included revisions to R7-5-101 and R7-5-204 and the new articles on charter oversight (Article 3) and audits (Article 5).

Charter School Association Presentation – The Arizona Charter Schools Association selected Bennett Academy as an example of the positive impact of charter schools. Bennett Academy Charter Representative Nancy Bennett shared the results from the most recent survey of Bennett Academy graduates. To date, approximately one-third of the academy’s graduates have been surveyed with the results in favor of the school’s ability to prepare its graduates for success in high school.

Legislative Update – Mary Gifford stated that the Board has made the database the Board’s paramount legislative priority. Regarding other legislation that has been introduced this session, Board staff is looking at how bills will affect the Board directly. Ms. Gifford said as the legislative session progresses, a meeting will be convened to get the Board’s input on certain legislation, if necessary.

Board Revokes Charter – In February 2005, the Board issued a Notice of Intent to Revoke the charter of Dove Learning, Inc. The Board referred this matter to the Office of Administrative Hearings (“OAH”) for a hearing. OAH conducted the hearing and upon conclusion released the Administrative Law Judge’s recommendations. At the February 13th 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 the charter contract should be revoked.

School Improvement Plans – Research and Statistical Analyst Lee McIlroy provided an overview of the Arizona School Improvement Plan. In October 2005, 45 charter schools sponsored by the Board were designated “underperforming” according to their 2005 Arizona Learns achievement profile. Pursuant to statute, each charter school designated “underperforming” is required to submit their Arizona School Improvement Plan to the charter sponsor at a public meeting and submit a copy to the Superintendent of Public Instruction within 90 days of receiving the “underperforming” designation. Of the 45 schools, 17 are in their second year of “underperforming” status and are not required to re-submit an improvement plan, but are strongly encouraged to revise their existing plans.

Of the remaining 28 schools with first-year “underperforming” designations, only one – Academic and Personal Excellence, Inc. – failed to submit the plan by the appropriate deadline. Pursuant to statute, a school that submits a late school improvement plan is not eligible to receive Classroom Site Fund monies for 90 days plus each day that the plan was late after the deadline. Through a motion, the Board requested that ADE retain Academic and Personal Excellence, Incorporated’s Classroom Site Fund monies for 104 days, which represents 90 days plus the 14 days that the plan was late.

Board Recognizes Assistant Attorney General – The Board and staff presented Assistant Attorney General Kim Anderson with a plaque in appreciation for her dedicated service to the Board over the past years and wished her the best in her new position advising and representing the Arizona Department of Education. Board members individually expressed appreciation for Ms. Anderson’s professionalism, competence and diligence and described her as “invaluable” and “an incredible attorney”. The Board also welcomed its new Assistant Attorney General Carrie O’Brien.



Volume IV, Issue III

March 13, 2006

March Board Meeting Summary

Board Welcomes New Member – A vacant seat on the Board has been filled with the appointment of Christy Farley as a Public Member. Ms. Farley brings a wealth of knowledge to the Board by having a solid background in both general education policy as well as knowledge of charter schools with her. Ms. Farley was formerly the Executive Director of the State Board of Education and served as an education policy advisor to both Governor Hull and Governor Symington. The Board welcomes Ms. Farley!

Superintendent's Report – Superintendent's Designee Mary Gifford reported to the Board that the third high school summit scheduled as part of the Arizona High School Renewal and Improvement Initiative will occur April 30th through May 2nd. Additionally, the Superintendent's charter school policy group will hold its next quarterly meeting on March 20th.

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

- **2005 charter school audits** – The Board has put in place policies, procedures, and rules and now is at the point where their effectiveness may be evaluated. One area where the Board implemented changes involved the statutorily required annual audits. While the number of audits reviewed each year has continued to increase, there is evidence that the schools are utilizing the audits as a tool for improvement. For example, the number of non-“clean” opinions has decreased from 14 in fiscal year 2002 to 5 in fiscal year 2005. Additionally, while the number of issues for which corrective action plans (CAP) must be submitted has increased between fiscal years 2003 and 2005, the number of CAPs required has decreased from 103 to 59, respectively.
- **National Charter School Conference update** – Members of the staff and Board leadership had the opportunity to attend the National Charter School Conference this year. The conference focused on higher level issues related to charter school operations such as facility acquisition and financial planning. Those who attended found the concerns of other states are not the concerns of Arizona due to the charter law itself and the structures Arizona has put in place.
- **Application cycle for replicating existing quality schools** – The Board directed its Policy and Rule Subcommittee to look at developing an application cycle and process for quality existing schools interested in replicating their program.

State Board of Education Presentation – State Board of Education (SBE) Executive Director Vince Yanez updated the Board on several items, including the following:

- **High school minimum course of study** – At its February meeting, the SBE indicated that it would like to have a discussion on the minimum course of study for high school graduation. Specifically, the SBE wanted to look at whether the current standards should be more rigorous to prepare students for the science portion of AIMS, the workforce, and higher education.
- **Teacher certification proposals** – The SBE will be considering three sets of rules related to teacher certification. The first relates to aligning the expiration dates of all certificates for teachers who hold multiple certificates. The second would limit the number of years for emergency certification to three and require the school to provide assurance that a highly qualified individual was not available to fill that position. The last deals with performance assessments and teacher quality.
- **Research capacity** – The SBE has negotiated an agreement with the Arizona Education Policy Institute that would allow the SBE to share data with the Institute and to request certain research be done. Mr. Yanez indicated that it may be possible for the SBE and the Board to work together on certain research projects.

Legislative Update – Director of Government & Financial Affairs Michele Diamond focused her legislative update on the Board's legislative issues and certain Arizona Charter School Association bills. House Bill 2118 permits the Board to assess fines to charter schools who do not come into compliance with fingerprinting requirements within 48 hours of notification or who have violated fingerprinting requirements in the past. This bill was amended in the House Judiciary Committee to allow the State Board of Education to assess fines to school districts that violate fingerprinting requirements. The bill has passed the House and is expected to be heard in the Senate K-12 Education Committee next week. Additionally, Michele noted that the Board continues to pursue funding for a data system to track the historical and contractual information of its charter schools.

Michele also updated the Board on three Association bills. First, Senate Bill 1455 is similar to last year's additional charter school authorizers' bill, but adds a provision that would subject charter schools to the statutory English language learner requirements. Second, House Bill 2485 would increase charter school additional assistance by \$55 per pupil. Finally, House Bill 2066 would extend immunity from personal liability related to student evaluations or grades to charter school teachers (immunity was previously applicable only to certificated teachers).

Transfer Application Deadline Discussed – Statute permits a charter school to transfer from one sponsor to another before the beginning of the fiscal year that the transfer is scheduled to become effective. The Board has developed and approved an application for those schools wishing to transfer to the Board's sponsorship for FY2006-2007. On February 17, 2006, the Superintendent of the Peach Springs Unified School District – the sponsor of 5 charter schools – sent a letter to each of their schools and to the Board's office notifying each school that "the governing board voted unanimously to terminate the agreements with ALL CHARTER SCHOOLS effective June 30, 2006....Please make arrangements to find another sponsor." Three Peach Springs sponsored charter schools – Kin Dah Lichii Olta' Charter School, Nazlini Charter School and STARS Prep Academy – requested an extension to the Board's April 3rd transfer application submission deadline. Due to the extenuating circumstances, the Board voted to grant varying extensions to these three charter schools.



Volume IV, Issue IV

May 8, 2006

May Board Meeting Summary

Board Welcomes New Member – With the appointment of Norm Butler as a Business Member, the last vacant seat on the Board has been filled. As a Senior Vice President with Bank of America, Mr. Butler brings extensive experience to the Board. Additionally, Mr. Butler brings charter school knowledge, having served on the Board’s application Technical Review Panels. The Board welcomes Mr. Butler!

Superintendent’s Report – Superintendent’s Designee Mary Gifford reported that the Superintendent’s charter school policy group met recently and discussed asbestos regulations, funding differences between charter schools and school districts, and ways to collect data from charter schools for the School District Employee Report.

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

- **Auditor General’s Sunset audit** – Last month, the Auditor General’s office issued its 30-month follow-up report indicating that the Board had implemented all of the recommendations that the Board had agreed to and which did not require legislative action.
- **Update on lawsuit regarding for-profit schools** – On April 6, 2006, the Attorney General’s office filed a brief with the Ninth Circuit Court of Appeals on behalf of the Board. The Ninth Circuit has granted the Board’s request for an expedited hearing and has ordered that the calendaring of the case be expedited. The federal government has until May 8th to file its brief with the Ninth Circuit. Once the brief has been filed, the Board and the federal government will have the chance to file reply briefs within 14 days. In October 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.

National Charter School Issues Update – Mark Cannon, president of Greater Capacity Consortium and former executive director of the National Association of Charter School Authorizers, updated the Board on the state of charter school authorizing nationally, referencing a recent study by the Thomas B. Fordham Institute. He also discussed the Greater Capacity Consortium, a group of practitioners dedicated to helping schools and authorizers grow capacity through e-data solutions.

AZ LEARNS Presentation – ADE Deputy Associate Superintendent for School Improvement Dale Parcell reviewed with the Board the steps taken by ADE and the school when a school receives an achievement profile of underperforming.

Charter School Association Presentation – The Arizona Charter Schools Association selected Career Success Schools as an example of the positive impact of charter schools. Career Success Charter Representative Bob Duffy noted that Career Success, currently in its sixth year, operates five schools. Duffy stated that they have established a daycare and a class for mothers and have partnered with the Department of Juvenile Corrections to better help kids transition out of that system and with the Maricopa Skills Center to provide vocational training for their students and internship experiences.

Legislative Update – Director of Government & Financial Affairs Michele Diamond updated the Board on its two legislative priorities:

- House Bill 2118, which would allow a charter school sponsor to issue fines against repeat violators of fingerprint requirements, made it through the process, but was vetoed by the Governor. In her veto message, the Governor indicated she supported the Board's bill. However, she could not support a Senate amendment added to the bill late in the process which would have made fingerprint clearance cards permanent after two renewal cycles for teachers that met certain requirements. Staff is working with members to revive the Board's bill by adding it to an existing bill and has support from members on both sides of the aisle to do this.
- Regarding the Board's funding request for a data system to track the historical and contractual information of its charter schools, although budget discussions are continuing, staff has not received feedback indicating that it will be part of the legislature's budget.

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 aide apportionment from the following charter schools:

- **Failure to comply with special education laws** – Casa Blanca Middle School, Little Singer Community School Board, Inc., Scottsdale Horizon Charter School, and Tucson International Academy, Inc.
- **Failure to submit fiscal year 2005 Single Audit** – AZ-Tec High School
- **Failure to properly fingerprint staff** – Kachina Country Day School, Inc.

4-Winds Academy, Inc. – The Board voted to issue a Notice of Intent to Revoke the charter of 4-Winds Academy, Inc. for failure to timely submit the No Child Left Behind Consolidated Plan and selected documentation for Title I in accordance with cycle monitoring, failure to timely submit the 2003-2004 Consolidated State Performance Report Part II, and failure to submit the fiscal year ending June 30, 2005 annual financial audit. In addition, the Board approved adding the first two items to the basis of the 10% withholding of monthly State aid and requested that the school submit a corrective action plan. The Board is currently withholding 10% for failure to timely submit the 2005 audit.

Meta Academy, Inc. – The Board voted to issue a Notice of Intent to Revoke the charter of Meta Academy, Inc. for failure to provide instruction in accordance with state laws and its charter contract by failing to provide for the required number of days and hours of instruction (the school closed on December 31, 2005) and for failure to timely submit the fiscal year ending June 30, 2005 financial audit. The Board also ordered the school to submit all student academic records to the Board's office within 10 days of receipt of the Notice.

Board Grants Extensions – The Board approved two requests for a good cause extension. West Valley Arts and Technology Academy was granted an extension of the execution of the charter contract and the opening of the charter site. Concordia Charter School was granted an extension for the opening of the charter site.

Board Considers Transfer Requests – The Board voted to approve the transfer of Career Success Schools from the State Board of Education. When the transfer contract is signed, the Board will become the sponsor. The Board also approved transferring one of the sites currently operating under Success School and assigning it its own charter, Prescott Valley Charter School. The Board tabled action on the transfers from Peach Springs Unified School District of Kin Dah Lichi'I Olta, Nazlini, and Stars Preparatory Academy until its June meeting. The Board did not take any action on the request to transfer Capital Academic Charter School Systems, Inc.

Policy Referred to Subcommittee – The Board decided to refer its policy for granting USFRCS and procurement exceptions to the Policy & Rule Subcommittee for review. During the May meeting, Board members discussed granting exceptions to a school prior to beginning its operation.



Volume IV, Issue V

June 12, 2006

June Board Meeting Summary

BASIS School Presentation – The Board recognized BASIS School, Inc. founders Michael and Olga Block whose Tucson high school was recently ranked third best American high school by Newsweek Magazine. Mr. Block cited several factors that have contributed to the school’s “record of excellence”, including the Arizona charter law, the school’s rigorous curriculum, the “best and brightest” teachers, and hard work. The sterling nature of Arizona’s charter law provided us with the freedom to pursue our dream, he said, adding, that very few states give the freedom that is provided in Arizona.

Superintendent’s Report – Superintendent’s Designee Mary Gifford reported that the Superintendent’s charter school policy group will be meeting next week to discuss the finance structure differences between charter schools and school districts.

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

- **Five and ten year reviews** – In January 2006, the Board adopted a framework for conducting 5-year and 10-year reviews. This year, 70 charter schools will undergo their 5-year review while an additional 38 will complete their 10-year review. This week, documentation will be sent to the 5-year review schools. Based on the Board’s framework, only a portion of the schools will be visited. Those schools in their tenth year should have already received copies of their existing contract and will have until August to review and determine what amendments, if any, are necessary.
- **Update applicant workshops and application process** – The FY07-08 application cycle is off to a successful start. Board staff trained 135 people during five prospective applicant workshops held between February and June. The Advisory Round Table, which is another opportunity for prospective applicants to receive technical assistance, will be held on Tuesday, June 27th. The final deadline to submit the FY07-08 application is August 4th. However, early submission is encouraged. Submitting the application on or before June 29th will provide the applicant the opportunity to resubmit prior to the final deadline should the initial application be found to be incomplete.

Policy & Rule Subcommittee Report – Lynne Adams, chairman of the Policy & Rule Subcommittee, updated the Board on the subcommittee’s discussions and actions from its May 31st meeting:

- **FY06 audit guidelines and questionnaires** – The subcommittee reviewed the proposed changes to the fiscal year 2006 audit guidelines, Legal Compliance Questionnaire, USFRCS Compliance Questionnaire, and Procurement Compliance Questionnaire. At the June meeting, the full Board voted to adopt these documents. The fiscal year 2006 audit documents are now posted on the Board’s website – www.asbcs.state.az.us.

- **USFRCS & procurement exceptions policy** – In May, the Board referred to the subcommittee its policy for granting USFRCS and procurement exceptions to a school prior to beginning operations. The subcommittee reviewed the Board’s current policy and decided that the Board should retain its policy. The subcommittee based its decision to continue granting exceptions immediately on three main reasons. First, concerns haven’t surfaced through the audits or other means indicating the Board should revise its policy. Second, although the schools are exempted from the USFRCS, they are still required to follow GAAP (generally accepted accounting principles). Finally, the USFRCS can be cumbersome for charter schools, which are generally smaller. The subcommittee, however, did recommend a change to the Board’s sample policy used by schools seeking a procurement exception. The change, which was approved by the full Board, makes sure that, at a minimum, procurements are made in the best interest of the school instead of in the best judgment of the procurement officer as the original policy stated.
- **Replication of existing quality charter schools** – In light of work being completed by other Board subcommittees to define high quality schools, the Policy & Rule Subcommittee has temporarily put on hold efforts to establish and pilot a new application cycle and guidelines for replicating existing quality charter schools. Once a definition has been developed, the subcommittee will resume its work on this issue.

Review, Renewal & Contracts Subcommittee Report – David Hume, chairman of the Review, Renewal & Contracts Subcommittee, reported that the May meeting included a lively discussion as the subcommittee looked at crafting the Board’s philosophy for revoking or restoring the charter of a charter school labeled as “failing” under Arizona Learns. The subcommittee will meet again in the next couple of weeks to develop a proposal for the full Board’s review.

Legislative Update – Director of Government & Financial Affairs Michele Diamond updated the Board on its two legislative priorities. First, she mentioned that the Board’s fingerprinting language from House Bill 2118, which was vetoed by the Governor, has been added to Senate Bill 1455, which addresses additional charter school authorizers. Senate Bill 1455 still needs to be voted on in the House before it is sent to the Governor. Finally, Michele noted that current budget bills do not include funding for the Board’s data system.

Board Accepts Surrender Agreements – The Board accepted the proposed consent agreements for voluntary surrender and termination of the charter contract for four schools – Arizona Montessori Charter School – Gilbert, Excel Education Centers Prescott, LLC, Heritage Montessori Charter School, Inc., and Tri-City Vo/Tech High School. With the exception of Arizona Montessori Charter School – Gilbert, the charter contracts terminate effective June 30, 2006. The charter contract for Arizona Montessori Charter School – Gilbert, which never opened, terminates effective June 12, 2006.

Little Singer Community School Board, Inc. – The Board voted to issue a Notice of Intent to Revoke the charter of Little Singer Community School Board, Inc. for failure to properly fingerprint staff, failure to provide 180 days of instruction, failure to maintain compliance with Classroom Site Fund requirements, failure to secure and maintain insurance, and failure to comply with special education laws.

Other Matters – The Board was updated on the progress of Kachina Country Day School, Inc. and Country Gardens Educational Services, LLC in addressing areas of noncompliance. No further action was taken.

Schools Transfer to Board – The Board voted to approve the transfer of Kin Dah Lichi’i Olta’, Nazlini Community School, Inc., and Stars Prep Academy – Scottsdale, Inc. from the Peach Springs Unified School District. When the transfer contract is signed, the Board will become the sponsor. Capital Academic Charter School Systems, Inc. withdrew its request to transfer from Peach Springs to the Board.



Volume IV, Issue VI

July 10, 2006

July 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 during the meeting:

- **2006 TAPBI report update** – As required by 2005 changes to the Technology Assisted Project-Based Instruction (TAPBI) program statute, the Board and the State Board of Education have developed a uniform reporting format for the annual report submitted by TAPBI schools. Due to the lateness of issuing the new reporting format, TAPBI schools will have until September 1st to submit their completed annual reports.
- **New and transferring charter schools** – With recent transfers and new charter schools preparing to open, the Board was updated on the current number of charter schools. While overall there are less charter schools operating in fiscal year 2007 than in the previous year, these numbers are an indication that the market is working and that parents are exercising their choice. Of the charter schools that closed during fiscal year 2006, 33 percent were designated as “Underperforming” while others closed due to issues with low enrollment. Even though the number of charter schools has declined, the number of students served by charter schools continues to grow. On a related note, Kristen reported that the Board has already received 22 charter school applications for the 2007-2008 school year. The application deadline is August 4th.
- **Update on lawsuit regarding for-profit schools** – The Ninth Circuit Court of Appeals has scheduled argument for August 18th in San Francisco. The Court could issue its decision within 60 days after argument. In October 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.

Review, Renewal & Contracts Subcommittee Report – David Hume, chairman of the Review, Renewal & Contracts Subcommittee, reviewed a draft process for the Board's consideration of charter schools designated “Failing” by AZ LEARNS. A.R.S. § 15-241(T) requires ADE to notify the charter school sponsor if a charter school is designated as failing to meet academic standards. Further, it requires the charter school sponsor to either take action to restore the charter school to acceptable performance or revoke the charter school's charter. In its current form, the subcommittee's proposal outlines categories of information that the Board will consider at its public hearing to determine whether to revoke the charter of a “Failing” charter school or restore the charter school to acceptable performance by entering into a consent agreement. The full Board will discuss this matter further at its Board retreat scheduled for August 4th in Flagstaff.

Legislative Update – Director of Government & Financial Affairs Michele Diamond briefed the Board on certain bills included in the final legislative tracker:

- **K-12 education budget (House Bill 2874)** – Among its many provisions, this bill increases charter school additional assistance from \$1,330.05 to \$1,387.25 for pupils in K-8 and from \$1,550.14 to \$1,616.81 for pupils in grades 9-12. Additionally, the bill increases the base level amount from \$3,001 to \$3,133.53. A

portion of the base level increase is restricted to fund salary and benefit increases for non-administrative personnel. (Please see USFRCS Memorandum No. 66 for additional guidance.)

- **House Bill 2505** – This bill permanently eliminates the requirement for schools to budget on a school-by-school basis. However, it reinstates the requirement that the annual financial report be prepared on a school-by-school basis. (This requirement was temporarily eliminated for fiscal years 2005 and 2006.)
- **House Bill 2583** – This bill requires charter schools, school districts, community college districts and the Board of Regents to purchase and display a U.S. flag in each classroom. Further, the bill requires that these entities purchase and display the Constitution and Bill of Rights. For charter schools and school districts, these documents are required only for grades 7 through 12.

The final legislative tracker, which was presented at the Board meeting, will be emailed to the charter schools.

Arizona Specific Research Findings Presented – Research and Statistical Analyst Lee McIlroy presented the research findings from a paper currently in review and written under the direction of David R. Garcia, Ph.D. and co-authored with Rebecca Baker and Lee McIlroy. The paper provides a comparative analysis of the academic standing of students entering charter schools and is based on math and reading student-level SAT9 data from 2002 and 2003 for Arizona second through eighth graders. The research found, among other conclusions, that Arizona charter schools are not “cream-skimming” students away from district schools. On average, students who move from the district sector to the charter sector are academically more disadvantaged prior to entry – hence harder to educate – relative to students making other types of school choice decisions.

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

- **Surrender agreements** – The Board accepted the proposed consent agreements for voluntary surrender and termination of the charter contract for four schools – Carmel Community, Inc., Carmel Community Schools, Gan Yeladeem: The Looking Glass School, and Tolchii Kooh, Inc. The charter contracts for Tolchii Kooh, Inc. and Gan Yeladeem terminate effective June 30, 2006. The charter contracts for Carmel Community, Inc. and Carmel Community Schools terminate effective July 10, 2006.
- **Consent agreement** – The Board accepted the proposed consent agreement with 4-Winds Academy, Inc

Board Approves Withholding Funds – The Board approved withholding 10% of the monthly State aid apportionment from Lake Havasu Charter School for failure to comply with special education laws. The Board directed staff to continue communication with ADE’s Exceptional Student Services to monitor Lake Havasu’s progress with meeting ESS requirements and to bring Lake Havasu back to the Board if the school fails to meet any of the ESS-established milestones.

Board Grants Extension – Galapagos Charter School was granted an extension up until October 1, 2007 for signing its charter contract and opening its school.



Volume IV, Issue VII

September 11, 2006

September Board Meeting Summary

Superintendent's Report – Superintendent's Designee Mary Gifford reported that the Superintendent's charter school policy group will meet on September 18th. The next charter school finance meeting will be held 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 during the meeting:

- **Recent SBE activities** – At its meeting on August 28th, the State Board of Education considered a revision to the Measure of Academic Progress (MAP) and associated changes to the AZ LEARNS formula. Prior to taking any final action, another meeting on the proposed changes will be held on September 18th.
- **Charter school AYP profiles** – Adequate Yearly Progress (AYP) determinations were released by the Arizona Department of Education (ADE) in early September. Approximately 70% of the charter schools made AYP with the determinations for an additional 4% of charter schools still pending. Approximately 63% of school district schools made AYP with the determinations for an additional approximately 1.5% of school district schools still pending.
- **Application process update** – The Board received a total of 31 unique applications for the fiscal year 2007-2008 application cycle. Of those, 27 applications were deemed administratively complete and will be scored by the Technical Review Panel. Board staff will train the Technical Review Panel members this week. Technical Review Panel members will score the applications during the remainder of September and into early October.
- **Submission of budget request and strategic plan** – Staff has submitted the Board's 2008 and 2009 budget request and strategic plan to the Office of Strategic Planning and Budgeting.
- **First FY06 audits received** – The Board recognized Gem Charter School and Vision Charter School on being the first schools to submit their fiscal year 2006 audits. The audit deadline is November 15th.

Additionally, Karen Butterfield, Associate Superintendent for Academic Achievement, updated the Board on recent and upcoming ADE activities.

- **AIMS study guides** – All charter and district high schools will receive their shipments of AIMS high school study guides on September 15th, November 10th, and January 6th. In early November, 9th graders will receive study guides based upon their Spring 2006 8th grade test results. Workshops for charter and district coordinators will be held later this month in conjunction with the AIMS Pre-Test Workshops.
- **Highly Qualified teachers** – ADE and Board staff have been working together on issues related to federal Highly Qualified teacher requirements, including holding two joint trainings for charter schools on September 8th, which were attended by 85 people. ADE is in the process of revising the State's plan

because the state did not have all of the necessary data, including data for charter school teachers. Efforts are underway to develop a data application to collect the necessary data for charter school teachers.

- **ELL Task Force** – The Arizona English Language Learners Task Force, which was established through House Bill 2064, held its first meeting on September 8th. Among its duties, the Task Force is charged with developing research-based Structured English Immersion models that are cost effective. By December 1st, the Task Force must develop budget forms for schools to use in order to receive additional funds. The Task Force's next meeting is scheduled for September 21st.
- **Upcoming conferences and summits** – First, the MEGA Conference “Great Expectations” will be held November 15-17 at the Wigwam Resort. Individuals may register through ADE's Calendar of Events. Additionally, a separate one-day session for Title I principals will be held on November 16th. Second, the Arts Education Conference will be held on Monday, October 9th, at the Scottsdale Center for the Arts. This conference provides the opportunity to learn about Arizona's newly adopted arts standards and to provide direction into the state's arts education plan. Finally, three Arizona High School Renewal & Improvement summits are planned. The first on adolescent literacy is scheduled for December in Prescott.

Charter School Association Presentation – The Arizona Charter Schools Association selected Academy with Community Partners as an example of the positive impact of charter schools. Academy with Community Partners Charter Representative Margaret Williamson noted that the school has graduated more than 400 students. Recently, the school added an engineering program to keep pace with the changing market demands in the electronics industry.

Board Acts on Temporary Suspension Requests – The Board granted one-year suspensions to Humanistic Education Authentic Rigorous Transcendent dba Belle Affeld Beloved Humanities Academy and Sun Valley Public Charter Middle School contingent upon their 2005-2006 academic label being “Performing” or better. The Board denied Air Academy Charter High School dba John Glenn Academy's request for a temporary suspension.

Board Accepts Surrender Agreement – The Board accepted the proposed consent agreement for the voluntary surrender and termination of the charter contract with EdKey, Inc. – Mountaineer Academy. The charter was in good standing with the Board but chose to surrender its contract due to serving a small population.

Board Requests Consent Agreement – Due to the seriousness and repeat nature of the most recent fingerprinting violations, the Board directed staff to enter into a consent agreement with Bradley Academy addressing the school's future compliance with statutory fingerprinting requirements.

East Valley Youth and Family Support Centers dba JWJ Academy – The Board voted to issue a Notice of Intent to Revoke the charter of East Valley Youth and Family Support Centers dba JWJ Academy for violations of Generally Accepted Accounting Principles (GAAP), repeated failure to pay federal payroll taxes, failure to properly fingerprint staff, and repeated failure to maintain compliance with Classroom Site Fund requirements.

Board Adopts Process for Considering Schools Designated ‘Failing’ – The Board adopted its process for considering charter schools designated as “Failing” by AZ LEARNS. The Board's process includes tentative timelines and the categories of information that the Board will consider at its public hearing to determine whether to revoke the charter of a “Failing” charter school or restore the charter school to acceptable performance by entering into a consent agreement. The process flowchart may be found on the Board's website – www.asbcs.state.az.us. A.R.S. § 15-241(T) requires ADE to notify the charter school sponsor if a charter school is designated as failing to meet academic standards. Further, it requires the charter school sponsor to either take action to restore the charter school to acceptable performance or revoke the charter school's charter.



Volume IV, Issue VIII

October 10, 2006

October Board Meeting Summary

Superintendent's Report – Superintendent's Designee Mary Gifford updated the Board on issues covered during the last quarterly meeting of the Superintendent's charter school advisory group. Ms. Gifford reported that work looking at the funding discrepancies between charter schools and school districts concluded that charter schools receive \$980 less per student. Additionally, the group discussed facility financing, the high school AIMS study guides, and the upcoming high school renewal summit.

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

- **Recent federal grant awards** – The Board received the U.S. Department of Education's press release announcing the 16 Arizona charter schools awarded \$2.4 million in federal grant monies.
- **Upcoming conferences** – Later this month, Kristen and Ms. Gifford will be presenting at the National Association of Charter School Authorizers conference. Kristen will present on statewide independent authorizers as an engine for charter school quality and growth while Ms. Gifford's presentation will be on overseeing virtual charter schools. Additionally, the Board is working with others on two presentation proposals for the National Charter School Conference in April. One proposal focuses on the Board's failing charter school partnership model with ADE while the other looks at replication of high quality charter schools.

Gateway Early College High School Presentation – Gateway Early College High School was selected as an example of the positive impact of charter schools. Gateway's Principal Yvonne Watterson and teacher Amanda Patrie shared with the Board the school's early college initiative and the school's efforts to transform the traditional "3 Rs" of reading, writing and arithmetic into rigor, relevance and relationships. Ms. Patrie has recently been nominated and is a finalist for the teacher of the year. This is the first time a charter school teacher has been recognized in this way.

Policy & Rule Subcommittee Report – Lynne Adams, chairman of the Policy & Rule Subcommittee, updated the Board on two issues before her subcommittee:

- **Replication of existing quality charter schools** – The Board conducted its first read on the application process and guidelines for the replication of existing high quality charter schools. The proposal presented to the Board is for a one-year pilot program. Among other criteria, an eligible charter must have a 2006 AZ LEARNS Achievement Profile of Excelling, Highly Performing, or Performing Plus. At its next meeting, the subcommittee will review possible criteria for the inclusion of Alternative Schools, which may only receive profiles of Performing or Underperforming under AZ LEARNS. A copy of the draft proposal may be found on the Board's website at www.asbcs.state.az.us.

- **Substantive completeness determinations and amendment approval** – In September, the subcommittee began discussions on formalizing the Board’s current policy for the review and consideration of changes to the contract through amendment requests. One area discussed was a charter’s repetitive noncompliance issues and their role in the amendment process. The subcommittee asked staff to continue working on the policy.

Ninth Circuit Court of Appeals Decision – Last month, the Ninth Circuit Court of Appeals affirmed the U.S. District Court’s opinion. In October of 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 Board will be drafting a letter to the Congressional delegation alerting them to this ruling and asking for their assistance in making the necessary legislative change.

TAPBI School Funding Formula – The Board was informed of some concerns regarding the funding formula for Technology Assisted Project-Based Instruction (TAPBI) high schools. It was noted that the statutes governing high school instructional hour requirements and calculation of average daily membership (ADM) for TAPBI schools were reinterpreted following meetings of the ADE, Office of the Auditor General and TAPBI schools. Due to the complexity of the issue, the Board asked that its legal counsel work with ADE, the Office of the Auditor General, and Board staff to look into: a) the issues related to full-time high school instructional programs and ADM, b) the previous funding policies for TAPBI schools, the recent modifications and reasons for these modifications, and c) how the TAPBI funding mechanism compares to that for non-TAPBI schools. This information, as well as possible options, will be presented to the Board at a future meeting.

Board Acts Upon Agreements – The Board voted to approve agreements with two of its schools.

- **Consent agreement** – The Board approved the substantive terms of the proposed consent agreement with PACE Preparatory Academy, Inc. regarding the closure of its Camp Verde site with the exception of the withdrawal and re-enrollment dates for students and the last day of instruction. The Board directed staff to work with the school on the final dates to be included in the agreement. Additionally, the Board asked that the school timely notify parents of its Camp Verde site plans.
- **Settlement agreement** – The Board approved the proposed settlement agreement with Little Singer Community School Board, Inc.

Additionally, the Board discussed developing two levels of surrender agreements – one for schools that are in good standing at the time they surrender their contracts and one for those that are not. After some discussion on issues that should be considered, the Board referred this matter to the Review, Renewal & Contracts Subcommittee for further review.

Further, the Board approved modifying the effective date included in the consent agreement for the voluntary surrender and termination of the charter contract for Lake Powell Academy.

Board Grants Extension – Verrado Charter School was granted an extension until May 2007 to sign its charter contract. The school anticipates beginning classes in August 2007.



Volume IV, Issue IX

November 17, 2006

November Board Meeting Summary

Superintendent's Report – Superintendent's Designee Mary Gifford mentioned Superintendent Tom Horne's legislative proposal to equalize funding between Arizona district schools and charter schools. A review conducted by the ADE showed that the State spends \$868.23 per student more in district schools than in charter schools. In addition, Ms. Gifford indicated that the Superintendent's charter school advisory group will hold its next meeting on November 27th.

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

- **Update on recent 2006 AZ LEARNS charter school profiles** – Kristen informed the Board that the AZ LEARNS Achievement Profiles were released on October 25, 2006. A brief summary was provided to the Board on the percentage of charter schools in each category. Over 11% of charter schools are excelling.
- **Arizona Charter School Association Conference update** – During this month's conference, the Board held a session to discuss renewal of charter contracts. Under statute, the charter contract term is 15 years with charter schools applying for renewal at the conclusion of the first 14 years of operation. Board Members Arthur Ben and Gabe Loyola attended the session and were pleased with the results. They both believed the session opened up the dialogue between the Board and the schools and noted that schools appreciated the opportunity to participate in the development of the renewal process.
- **Final TAPBI program report** – The Board was provided with the Executive Summary of the statutorily mandated report for the Technology Assisted Project-Based Instruction program as well as the Legislative Brief. The full report was delivered to the Legislature earlier in the week.

Director of Government & Financial Affairs Michele Diamond provided information to the Board regarding a recent site visit to Country Gardens Charter School. The Board requested that the staff continue to work with the school but informed staff to keep the Board informed of any on going or new issues.

Board Adopts Replication Process for High Quality Schools – The Board adopted the application process and guidelines for the replication of existing high quality charter schools. The process adopted by the Board is for a one-year pilot program. Among other criteria, an eligible charter must have a 2006 AZ LEARNS Achievement Profile of Excelling, Highly Performing, or Performing Plus. Lynne Adams, chairman of the Policy & Rule Subcommittee, noted that based on input obtained at the last subcommittee meeting, the subcommittee decided not to include Alternative Schools, which may only receive profiles of Performing or Underperforming under AZ LEARNS, in the pilot program due to the staff time that would be needed to determine if that school meets the requirements. A copy of the application materials for the 2007-2008 school year is available on the Board's website at www.asbcs.state.az.us. To be considered for this process, a letter of intent must be submitted by February 1, 2007.

Board Approves Withholding Funds – The Board approved withholding 10% of the monthly State aid apportionment from the following charter schools:

- **Failure to submit fiscal year 2006 audit** – Academic and Personal Excellence, Inc.; Academy of Hope; Accelerated Elementary and Secondary Schools; Allsport Enterprises, Inc.; Aprender Tucson; Arizona Montessori Charter School at Anthem; Ascending Roots Scholastic & Athletic Premise, Inc.; Back-to-Basics School; Ball Charter Schools – Hearn; Bradley Academy of Excellence, Inc.; Camelback Education, Inc.; CASY Country Day School; Cesar Chavez Learning Community, Inc.; Cochise Community Development Corporation; Desert Technology Schools, Inc.; East Valley Youth and Family Support Centers; E-cademie, a charter school; Educational Administrative Services Corporation; El Centro for the Study of Primary and Secondary Education; Harvest Power Community Development Group, Inc.; Juniper Tree Academy; Luz Academy of Tucson, Inc.; Paragon Management, Inc.; Park View School, Inc.; Scottsdale Horizons Charter School; Sonoran Desert School; Stars Prep Academy – Scottsdale, Inc.; Tertulia: A Learning Community; Victory High School, Inc.; Westwind Children’s Services, and Westwind Middle School Academy.
- **Failure to submit fiscal year 2006 annual financial report** – CASY Country Day School and Cesar Chavez Learning Community, Inc.

Board Revokes Charter – In November 2005, the Board issued a Notice of Intent to Revoke the charter of Renaissance Educational Consortium, Inc. The Board referred this matter to the Office of Administrative Hearings (OAH) for a hearing. OAH conducted the hearing and upon conclusion released the Administrative Law Judge’s recommendations. At the November 17th 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 law, the Board made some modifications but agreed with the Administrative Law Judge that the charter contract should be revoked.

Casa Blanca Middle School – In May 2006, the Board voted to withhold 10% of the monthly State aide apportionment for Casa Blanca Middle School for failure to comply with special education laws. Since funds have been withheld for six months, the school was brought back before the Board per the Board’s policy. ADE’s Exceptional Student Services (ESS) recommended that the Board continue to withhold 10%, but not take further disciplinary action due to the school having made substantial progress and that ESS update the Board again in January. The Board asked for a detailed description of those areas in which the school is now in compliance and those areas where the school has not reached full compliance.

Board Grants Extension – Charter for Excellence was granted an extension until the fall of 2007 to open its school.

P-20 Council Expected to Release Report Soon – Board Member Christy Farley mentioned that the Governor’s P-20 Council is expected to make its recommendations on December 12th. “P-20” is an education policy term that refers to the full range of child education from preschool through post-graduate work (or the 20th grade). According to the Governor’s website, “The primary goal of the P-20 Council is to improve education in Arizona, as well as to ensure more students graduate from high school, succeed in college and are ready for the modern workforce.”