

**Executive Limitation 3.J
Charter Schools**

To: Board of Education

From: Dr. Chris Fiedler, Superintendent of Schools

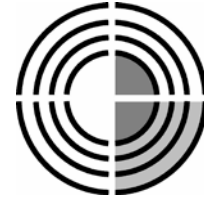
Re: Internal Expectations of the Board Report – 3.J Charter Schools

I hereby present my report on our Charter Schools, Executive Limitation 3.J, in accordance with the monitoring schedule as set forth in Board policy. I certify the information in this report is true.

Signed: 

Date: September 22, 2015

Dr. Chris Fiedler
Superintendent, School District 27J



Policy 3.J – CHARTER SCHOOLS

Date Adopted/Last Revised: November 10, 2009, April 16, 2013, June 25, 2013, April 28, 2015

Management Limitations

Monitoring Date: September 22, 2015

The superintendent shall not allow charter school contract applications to be recommended and shall not allow existing charter school contracts to continue if fiscal jeopardy or failure to make consistent progress towards their stated objectives is a likely outcome or is evident. In addition, the superintendent shall not allow existing charter schools to operate in a manner that would jeopardize the learning or well-being of their students such as any conditions or procedures that are unclear, unfair, unsafe, untimely, undignified or unnecessarily intrusive.

I interpret "charter school" to mean:

a public school operated by a group of parents, teachers, and/or community members as a semi-autonomous school of choice, operating under a contract or "charter" contract between the members of the charter school community and the authorizer. The school must be nonsectarian and non-home-based, but may be web based under certain circumstances. 22-30.5-104(1), C.R.S

I interpret "fiscal jeopardy" to mean:

entering into an agreement to pay expenses when the source of income to pay for those expenses has not been determined, or not having cash available to pay expenses when they are due.

I interpret "unclear" to mean:

published information or interactions which do not result in clearly defined expectations, opportunities or intent.

I interpret "unfair" to mean:

not uniform, ill-balanced, discriminatory, prejudicial. A practice or procedure which is meant to ameliorate a pre-defined right.

I interpret "unsafe" to mean:

dangerous: not secure. This places an affirmative obligation on all school personnel to take necessary measures to ensure that the school environment is safe and conducive for use by students and the public. Action is not required in the absence of foreseeable danger.

I interpret "untimely" to mean:

an unreasonable length of time as may be fairly, properly and reasonably allowed or required, having regard to the nature of the act or duty, or of the subject matter, and to the attending circumstances.

I interpret "undignified or unnecessarily intrusive" to mean:

absent good faith and with an intent to harm others, to mean actions which are arbitrary, capricious, or motivated by personal and political objectives. Lacking an etiology that would require the information.

Data Reported:

School District 27J has authorized five charter schools within its boundaries. The table below shows the enrollment data for each charter school from October 1, 2014 through September 1, 2015.

Charter School	October 1, 2014 Enrollment	1-8-2015 Mid-year Enrollment	Anticipated Enrollments for 2015-16	Sept. 1, 2015 Enrollment
Belle Creek K-8	699	694	702	702
Bromley East K-8	953	946	957	960
Foundations Academy K-8	751	746	752	767
Landmark Academy K-8	762	758	762	766
Total Students in K-8	3165	3144	3173	3195

Charter High School	October 1, 2014	1-8-2015	Anticipated	Sep. 1, 2015
Eagle Ridge Academy 9-12	473	475	498	510
Total Charter School Students	3638	3619	3671	3705

The Oct. 1, 2014 enrollment figures served as the basis for state funding for the year.

The School of Innovation and Choice Unit at CDE reports that in 2014-15 101,359 students were enrolled in charter schools throughout the state, up from 95,860 in 2013-14, which equals approximately 11.4% of all Colorado students enrolled in public schools based on a total

enrollment of 889,006. On October 1, 2014 School District 27J had 21.9% of its K-12 students enrolled in charter schools. School District 27J leads the state of Colorado in charter student enrollment, not counting charter online schools.

District-authorized charter schools must comply with the requirement of financial reporting to Colorado Department of Education (CDE) using the prescribed Chart of Accounts format for reporting financial information. Their reports are incorporated into the school district reports. Formatting, frequency of reporting, and deadlines to comply with the Financial Transparency Act have been monitored by the school district and CDE. The School District communicated with each Charter School to ensure that they were in compliance within the Colorado State Reporting Guidelines.

Conclusion: I report compliance.

Accordingly, during the charter school application process the superintendent may not:

1. Fail to provide the Board with an analysis of the strengths and weaknesses of each charter application.

I interpret analysis to mean the process of breaking a complex topic into smaller parts to gain a better understanding of it;

I interpret strengths and weaknesses to mean data and information to review for the purpose of determining whether or not to approve the application.

I interpret charter application to mean the documentation provided, and required by statute, by an entity seeking authorization to operate a charter school with the boundaries of School District 27J.

Data Reported:

Our district did not receive any formal applications for a new charter school during the 2014-15 school year. We did however receive two requests to expand existing facilities: Bromley East and Landmark Academy. The Bromley East expansion was approved by the Board during its August meeting following a lengthy vetting process by the City of Brighton. Landmark Academy, while providing the district with a formal notice in December 2014 of their desire to expand, is waiting until after the November 2015 election before proceeding with further planning. Additionally, we received one letter of intent during the July timeframe, but the organization did not submit an application. During this reporting period no complaints were lodged with School District 27J or the Charter Institute citing that School District 27J did not act in a manner consistent with the intent of this executive limitation.

Conclusion: I report compliance.

2. Fail to have a standard application format, complete with dates for submittal and expectations of thoroughness that includes and requires documentation of all areas of concern to the

Board. The critical questions format used by district staff is available on the website with the directions for applications.

I interpret standard application format to mean the explicit set of requirements and supporting documentation, including Application, Checklist, and Review Rubric, set forth by the Colorado Department of Education for the completion and submission of charter school applications.

Data Reported:

Superintendent Policies LBD and LBD-R contain the district requirements and deadlines for all new charter school applications. These policies were developed in accordance with Colorado State Statute set forth in CRS 22-30.5-106, Charter Applications and CRS 22-30.5-107, Charter Application and Process. The Colorado Standard Application, Checklist and Review Rubric are available to all applicants on the School District 27J website, the League of Charter Schools website and the Colorado Department of Education School of Choice website. Executive Limitation 3.J was revised in April of 2015 to include a suggested percentage of charter students relative to total enrollment to be used as a planning tool for managing our continued growth, as well as the use of a weighted lottery enrollment system for all new charter applicants. Additional information in this limitation further puts charter applicants on notice as to the types of information that the Board requires and the timelines they must follow to be considered as a charter school within the School District 27J boundaries.

Conclusion: I report compliance.

3. Fail to ensure that members of the Board of Education receive a single completed application and any other relevant information at least two weeks prior to the public hearing for each charter applicant.

The Statutory process in CRS 22-30.5-107 requires that an application be submitted to the local board of education by a date determined by the local board of education to be eligible for consideration for the following school year. The date determined by a local board of education for filing of applications shall not be any earlier than August 15, or later than October 1. Our Superintendent Policies require applications to be submitted by August 15th for schools wishing to open in the following school year.

Data Reported:

No application was submitted for a hearing this year.

Conclusion: I report compliance.

4. Fail to ensure that members of the Board of Education receive all revisions to the charter application, answers to questions raised by board members and district staff, and all other relevant information at least two weeks prior to Board action on each charter application.

Data Reported:

No application was submitted for Board action this year.

Conclusion: I report compliance.

5. Fail to have the application easily available to prospective applicants by providing phone and e-mail addresses to access an application.

Data Reported:

School District 27J has an application available for prospective applicants in the Charter School Section of the SD27J website under Schools. The Colorado League of Charter Schools and the CDE website have links to www.startacoloradocharter.org. The application contains information and resources available for new applicants. The new application has the latest information for educational management organizations and also contains the latest on the new requirements to ensure School Accountability. Additionally, we have current guidelines and “best practices” for distribution to new applicants.

Conclusion: I report compliance.

6. Fail to require a detailed and realistic financial plan and analysis by the applicant, which shall include:
 - a. Provision for placing three percent of the operating or three percent of the capital budget in a TABOR reserve fund.
 - b. Cash flow projections for the first year displayed month by month and a plan to fund any cash flow shortfalls.

I interpret financial plan to mean how the applicant will afford to achieve its strategic goals and objectives.

Data Reported:

No application was submitted to the Board for action this year.

Conclusion: I report compliance.

7. Fail to assess the viability of a charter school applicant by assuring that the following requirements are appropriately addressed before a favorable recommendation can be given:

- a. An analysis of the monetary impact on the district budget, with the consideration of the impact the new charter school will have on the education of students in other district schools.

I interpret viability to mean capable of being successful in all aspects of operating a charter school.

I interpret monetary impact to mean the fiscal or financial result.

- b. An impact statement of the proposed school, given its proposed location, on neighborhood schools and other charter schools.

I interpret impact statement to mean brief narrative statements which summarize significant outcomes that the opening of a charter school will have on neighborhood schools and other charter schools.

- c. Documentation that substantiates that current availability to the program is limited and that demonstrates sufficient commitments to attend the school by students who are eligible to attend.
- d. Description of a program of study or curriculum, including whether the program or curriculum currently exists in the district as a whole or in the geographic area of the district where the charter school proposes to locate or is in high demand with little or no space available.

I interpret curriculum to mean the set of courses, and their content, offered at a school or university

- e. Documentation that the proposed school has located a prospective site or sites that is/are sufficient for the program, is/are financially feasible, and is/are likely to meet the criteria for site development in the district.
- f. Description of how the proposed school addresses the needs of at-risk students.

I interpret at-risk students to mean those students who may underachieve academically based on poverty, race, ethnicity, language, or other similar factors.

- g. Description of how the needs of identified special needs students are sufficiently addressed according to law and policy.

I interpret special needs students to mean individuals who require assistance for disabilities that may be medical, mental, or psychological.

Data Reported:

No application was submitted for board action.

Conclusion: I report compliance.

8. Fail to collaborate with new charter applicants to mutually agree to reasonable timelines for consideration of their application.

Data Reported:

No application was submitted for board action.

Conclusion: I report compliance.

In regard to existing charter schools, the superintendent may not:

1. Fail to monitor the charter school environment and ensure that their students and public are treated according to policy 3A.

I interpret monitor to mean systematically checking for incorrect or unfair conduct.

I interpret charter school environment to mean the students, staff, administration, parents and community members.

I interpret students to mean those persons officially enrolled in the academic program of the charter school.

I interpret public to mean relating to or concerning the people at large or all members of a community.

Data Reported:

District-authorized charter schools agree in their contracts to submit regular reports to the Charter School Liaison. Their Student Code of Conduct is presented to all parents in the annual parent student handbook. The Charter Schools submit a systematic series of operational quarterly reports on or before October 30, January 30, April 30 and August 15 that include student enrollment, disciplinary information, employment data, quantitative data

on student progress, information on progress made by the charter school in reaching its educational goals and objectives, surveys and other parent satisfaction data and assessments of the effectiveness of the school's policies and procedures. The Charter Schools submit a monthly report, on the 1st day of the month, directly to the Director of Special Education, regarding the individual educational plan (IEP) and assessment information for the students who have Special Needs. The District liaison attends the charter school board meetings to ensure the accuracy and completeness of the reports. The consistent review and approval of these reports monitor each charter school environment in accordance to Policy 3J. The operational quarterly reports are submitted, reviewed, approved and stored in an electronic data management system called Image Silo. This data system is secure and annual training is offered for all users to insure that the protected information is properly maintained.

There were no official complaints of the charter schools authorized by School District 27J during this reporting period.

Conclusion: I report compliance.

2. Fail to monitor progress toward goals at least twice each year for charters in their first two years of existence and yearly in the school accountability plan of all other charter schools.

I interpret school accountability plan to mean the document or documents and supporting evidence outlining protocols and procedures the school will use to document student achievement and progress.

Data Reported:

All charter schools have complied with their contracts by submitting their Uniform Improvement Plans (UIP) to the District Accountability Committee (DAC) according to District 27J protocols.

Conclusion: I report compliance.

3. Fail to require, review, and analyze quarterly financial reports from each charter school, including an annual audit of all of the charter school accounts conducted by a licensed and accredited auditor approved by the district.

I interpret quarterly financial reports to mean financial statements, including a balance sheet and statement of revenues and expenditures.

I interpret annual audit to mean an independent, outside audit by a certified public accountant of financial and administrative operations on an annual basis that complies with state requirements.

Data Reported:

Effective July 1, 2010, the Public School Financial Transparency Act (the Act) requires any 'local education provider' to post certain financial information online, in a downloadable format, for free public access. Included in the requirements are quarterly financial statements commencing with the statements for the 2010-11 budget year. The websites for each charter school are checked for compliance and quarterly financial reports are reviewed to ensure compliance with statute.

The Local Government Audit Law (C.R.S. 29-1-601 et seq) requires Colorado local governments to have an annual audit of their financial statements. The law states that the audit must be performed by an independent Certified Public Accountant (CPA) and be in accordance with generally accepted auditing standards.

The Consolidated Appropriations Act of 2010 requires that states ensure that every authorizing school district conducts annual, timely and independent audits of the school's financial position in order to receive funding from the Public Charter School Grant Program. Charter school audits are to be submitted annually beginning fiscal year ending June 30, 2012. The annual deadline for submission to 27J is September 30th. The charter school audits must be submitted to the Colorado Department of Education and the State Auditor's Office. All School District 27J charter schools submitted a completed audit during FY13-14 (the audited financials are for one year in arrears).

Due to inappropriate financial transactions which occurred in 2011, Eagle Ridge Academy financials were reviewed on a monthly basis to ensure progress toward compliance with maintaining statutorily required reserves. However, due to substantial positive progress being made, the financials are now reviewed on a quarterly basis. Based on the FY14-15 draft audit for Eagle Ridge Academy, the school has a positive fund balance and is now in compliance with TABOR requirements.

The payback of the Charter School Start-Up Grant funds created great stress on the school's financial health, and Eagle Ridge has worked diligently to overcome this challenge. At the August 2015 board meeting, Eagle Ridge Academy presented the board with the final payment of the amount repaid to CDE by the district. This final payment came two years earlier than anticipated.

Conclusion: I report compliance.

4. Fail to inform the Board and place on the consent agenda any loans from the School District to charter schools.

Data reported:

No loans or repayment plans were made or entered into between the District and any charter school during the 2014-15 school year.

Conclusion: I report compliance.

5. Fail to document, in writing, any discrepancies or deficiencies, whether fiscal, educational, or related to school climate, and the steps and timelines for correction and additional monitoring. Copies shall be provided to the charter school board chairperson and the members of the Board of Education.

I interpret discrepancies to mean a divergence or disagreement, as between facts or claims.

I interpret deficiencies to mean a lack or incompleteness.

Data Reported:

With the decision in 2013 regarding payback of the Charter School Start-Up Grant funds, Eagle Ridge ended FY12-13 with an increased deficit fund balance. With careful fiscal management at the school level and increased oversight at the district level, the deficit fund balance decreased by the end of FY13-14. At the time of writing, it is expected that ERA's audited financial statements for FY14-15 will confirm that the deficit has been eliminated.

Conclusion: I report compliance.

6. Fail to assure compliance with the charter school contract.

I interpret compliance to mean observance of official requirements.

Data Reported:

District staff has provided professional development and training in contractual, legal and student issues for all administrators of charter schools. The District charter school liaison attends charter school boards of directors meetings. The charter administrators work with board presidents to provide training to meet district standards and to respond to matters of compliance. These training agendas are established on the unique needs of each charter school board member.

In 2014 the Board of Directors at Eagle Ridge Academy underwent comprehensive professional development on Policy Governance led by former 27J Board President Todd Cordrey. This training has included a full day board retreat, as well as ongoing discussions and trainings during monthly board meetings. At its annual retreat in 2015, the ERA Board followed up with a morning of Policy Governance training led by former 27J Superintendent Dr. Rod Blunck.

In October of 2014, a Foundations Academy Board Member and three Landmark Board Members participated in an NHA Board Symposium held in Lansing MI. Topics covered included: Current legislation affecting charter schools, an overview of assessments and state testing, and how to use the data, Board relations, and Governance.

In February of 2015, two members of the Landmark Board of Directors attended the Colorado League of Charter Schools annual conference. They received training on a variety of topics around governance, policy making and communication.

The Board of Directors of Foundations Academy received Governance Training provided by the Colorado League of Charter Schools in May of 2015. This training was the Board's Annual Retreat and a variety of topics, including Board Recruitment. The retreat was a 1/2 day training opportunity.

In June of 2015, Foundations Academy and Landmark Academy Board Members joined the NHA 20th Anniversary Celebration in Grand Rapids MI. It was an opportunity to learn how NHA has grown over the years - and the many young lives its charter schools have positively impacted. The vision of NHA was emphasized and the opportunity to engage with fellow NHA friends/partners was enjoyed.

The District charter liaison continues to monitor the following section of the Foundations Academy contract, and the on-going non-compliance of enrollment compliance. The issue is detailed in Section 5.4.1, states that *“the continuing intention to serve children who would qualify for a free-and-reduced lunch program in substantially the same percentages as surrounding District schools educating other 27J kindergarten through eighth grade students.”*

According to the CDE October report from 2013, Foundations Academy had a Free/Reduced Lunch enrollment percentage of 18.31%. The 2014 CDE report of 13.18% shows a decrease of 5.13% as well as a large disparity between the schools closest in proximity to Foundations that serve the same grade levels.

Foundations Academy:	13.18%	Northeast Elementary:	55.73%
Pennock Elementary:	40.03%	Southeast Elementary:	53.16%

Conclusion: I report non-compliance.

7. Fail to inform the Board annually of the student achievement attained by charter schools, as well as regular public schools, using the same statistical analyses.

I interpret student achievement to mean the amount of growth exhibited by students during a one-year period.

Data Reported:

All charter schools are required to take part in all mandatory state testing. Results of those tests are part of the reporting system that is used for all public schools by the state and district. Statistical analyses of testing results will be done in accordance with the standard for all schools in the district. All charter schools have completed the mandatory accreditation process and results are provided to the Board. Charter schools are included in all district reports, press releases, and information created to communicate testing results.

Conclusion: I report compliance.

8. Fail to collaborate with existing charter schools applying for a renewal of their contract to mutually agree to reasonable timelines for consideration of their renewal application.

Data Reported:

No charter contracts were up for renewal during this reporting period.

Conclusion: I report compliance.

9. Fail to require charter schools to submit revised budgets to the charter school administrator when their official October 1 count of students is more than 5 percent less than the projected student enrollment that has been submitted to the District.

Data Reported:

A procedure is in place to monitor student enrollment counts and to require new budgets be submitted based on these enrollments. All Charter Schools submitted their Charter School Board of Directors' adopted budget by June 15, 2015.

Conclusion: I report compliance.

10. Fail to provide to the Board documentation of the revised budgets of charter schools whose official October 1 count is more than 5 percent less than the projected student enrollment that has been submitted to the school district.

Data Reported:

The Board of Education is provided documentation of charter schools official enrollment compared to projected enrollments. All Charter Schools are required to submit revised budgets to the district for approval based on October 1 student enrollment.

Conclusion: I report compliance.