

# U.S. Department of Education

Washington, D.C. 20202-5335



## APPLICATION FOR GRANTS UNDER THE

**CHARTER SCHOOLS PROGRAM STATE EDUCATION AGENCY**

**CFDA # 84.282A**

**PR/Award # U282A090007**

**Grants.gov Tracking#: GRANT10143514**

There were problems converting one or more of the attachments. Please see list below.

Closing Date: JAN 29, 2009

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This application was generated using the PDF functionality. The PDF functionality automatically numbers the pages in this application. Some pages/sections of this application may contain 2 sets of page numbers, one set created by the applicant and the other set created by e-Application's PDF functionality. Page numbers created by the e-Application PDF functionality will be preceded by the letter e (for example, e1, e2, e3, etc.).

## Application for Federal Assistance SF-424

Version 02

## \* 1. Type of Submission:

- Preapplication  
 Application  
 Changed/Corrected Application

## \* 2. Type of Application:

- New  
 Continuation  
 Revision

## \* If Revision, select appropriate letter(s):

## \* Other (Specify)

## \* 3. Date Received:

01/29/2009

## 4. Applicant Identifier:

## 5a. Federal Entity Identifier:

## \* 5b. Federal Award Identifier:

## State Use Only:

## 6. Date Received by State:

## 7. State Application Identifier:

## 8. APPLICANT INFORMATION:

## \* a. Legal Name:

Arizona Department of Education

## \* b. Employer/Taxpayer Identification Number (EIN/TIN):

86-6004791

## \* c. Organizational DUNS:

804746097

## d. Address:

## \* Street1:

1535 West Jefferson Street

## Street2:

## \* City:

Phoenix

## County:

## \* State:

AZ: Arizona

## Province:

## \* Country:

USA: UNITED STATES

## \* Zip / Postal Code:

85007

## e. Organizational Unit:

## Department Name:

Arizona Dept. of Education

## Division Name:

Academic Achievement

## f. Name and contact information of person to be contacted on matters involving this application:

## Prefix:

Dr.

## \* First Name:

Karen

## Middle Name:

## \* Last Name:

Butterfield

## Suffix:

## Title:

Associate Superintendent, Academic Achievement

## Organizational Affiliation:

## \* Telephone Number:

602-364-1957

## Fax Number:

## \* Email:

karen.butterfield@azed.gov

**Application for Federal Assistance SF-424**

Version 02

**9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

U.S. Department of Education

**11. Catalog of Federal Domestic Assistance Number:**

84.282

CFDA Title:

Charter Schools

**\* 12. Funding Opportunity Number:**

ED-GRANTS-121508-001

\* Title:

Charter School Programs (CSP)

**13. Competition Identification Number:**

84-282A2009-1

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

**\* 15. Descriptive Title of Applicant's Project:**

Arizona Charter School Incentive Program (AZCSIP)

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

## Application for Federal Assistance SF-424

Version 02

## 16. Congressional Districts Of:

\* a. Applicant \* b. Program/Project 

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

## 17. Proposed Project:

\* a. Start Date: \* b. End Date: 

## 18. Estimated Funding (\$):

* a. Federal	<input type="text" value="4,842,105.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="4,842,105.00"/>

## \* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

## \* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

Yes  No

21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

 \*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

## Authorized Representative:

Prefix:  \* First Name: Middle Name: \* Last Name: Suffix: \* Title: \* Telephone Number:  Fax Number: \* Email: \* Signature of Authorized Representative:  \* Date Signed:

**Application for Federal Assistance SF-424**

Version 02

**\* Applicant Federal Debt Delinquency Explanation**

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.



**U.S. DEPARTMENT OF EDUCATION**  
**BUDGET INFORMATION**  
**NON-CONSTRUCTION PROGRAMS**

OMB Control Number: 1890-0004

Expiration Date: 06/30/2005

Name of Institution/Organization:  
 Arizona Department of Education

Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

**SECTION A - BUDGET SUMMARY**  
**U.S. DEPARTMENT OF EDUCATION FUNDS**

Budget Categories	Project Year 1(a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel	\$ 100,000	\$ 160,000	\$ 168,000	\$ 176,400	\$ 185,220	\$ 789,620
2. Fringe Benefits	\$ 30,000	\$ 48,000	\$ 50,400	\$ 52,920	\$ 55,566	\$ 236,886
3. Travel	\$ 7,120	\$ 12,120	\$ 12,120	\$ 12,120	\$ 12,120	\$ 55,600
4. Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
5. Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
6. Contractual	\$ 0	\$ 71,500	\$ 150,150	\$ 157,658	\$ 165,540	\$ 544,848
7. Construction	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
8. Other	\$ 4,674,510	\$ 8,850,478	\$ 13,091,895	\$ 12,592,305	\$ 12,572,955	\$ 51,782,143
9. Total Direct Costs (lines 1-8)	\$ 4,811,630	\$ 9,142,098	\$ 13,472,565	\$ 12,991,403	\$ 12,991,401	\$ 53,409,097
10. Indirect Costs*	\$ 30,475	\$ 57,902	\$ 85,329	\$ 82,282	\$ 82,282	\$ 338,270
11. Training Stipends	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
12. Total Costs (lines 9-11)	\$ 4,842,105	\$ 9,200,000	\$ 13,557,894	\$ 13,073,685	\$ 13,073,683	\$ 53,747,367

**\*Indirect Cost Information (To Be Completed by Your Business Office):**

If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:

- (1) Do you have an Indirect Cost Rate Agreement approved by the Federal government?  Yes  No
- (2) If yes, please provide the following information:  
 Period Covered by the Indirect Cost Rate Agreement: From: 7/1/2008 To: 6/30/2009 (mm/dd/yyyy)  
 Approving Federal agency:  ED  Other (please specify): \_\_\_\_\_
- (3) For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that:  
 Is included in your approved Indirect Cost Rate Agreement? or,  Complies with 34 CFR 76.564(c)(2)?



**U.S. DEPARTMENT OF EDUCATION**  
**BUDGET INFORMATION**  
**NON-CONSTRUCTION PROGRAMS**

OMB Control Number: 1890-0004

Expiration Date: 06/30/2005

Name of Institution/Organization:  
 Arizona Department of Education

Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

**SECTION B - BUDGET SUMMARY**  
**NON-FEDERAL FUNDS**

Budget Categories	Project Year 1(a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2. Fringe Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
3. Travel	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
4. Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
5. Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
6. Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
7. Construction	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
8. Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
9. Total Direct Costs (lines 1-8)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
10. Indirect Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
11. Training Stipends	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
12. Total Costs (lines 9-11)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

## ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

<p>* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p>Peter Laing</p>	<p>* TITLE</p> <p>Deputy Superintendent of Public Instruction</p>
<p>* APPLICANT ORGANIZATION</p> <p>Arizona Department of Education</p>	<p>* DATE SUBMITTED</p> <p>01/29/2009</p>

Standard Form 424B (Rev. 7-97) Back

# DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

Approved by OMB  
0348-0046

<b>1. * Type of Federal Action:</b> <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. * Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. * Report Type:</b> <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
--	--	--

**4. Name and Address of Reporting Entity:**

Prime     SubAwardee

\* Name: Arizona Department of Education

\* Street 1: 1535 West Jefferson Street    Street 2: \_\_\_\_\_

\* City: Phoenix    State: AZ: Arizona    Zip: 85007

Congressional District, if known: \_\_\_\_\_

**5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:**

<b>6. * Federal Department/Agency:</b> US Department of Education	<b>7. * Federal Program Name/Description:</b> Charter Schools
	CFDA Number, if applicable: 84.282

<b>8. Federal Action Number, if known:</b> _____	<b>9. Award Amount, if known:</b> \$ _____
---	---

**10. a. Name and Address of Lobbying Registrant:**

Prefix \_\_\_\_\_ \* First Name N/A Middle Name \_\_\_\_\_

\* Last Name N/A Suffix \_\_\_\_\_

\* Street 1 \_\_\_\_\_ Street 2 \_\_\_\_\_

\* City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**b. Individual Performing Services** (including address if different from No. 10a)

Prefix \_\_\_\_\_ \* First Name N/A Middle Name \_\_\_\_\_

\* Last Name N/A Suffix \_\_\_\_\_

\* Street 1 \_\_\_\_\_ Street 2 \_\_\_\_\_

\* City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**11.** Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\* Signature: Peter Laing

\* Name: Prefix Dr. \* First Name Margaret Middle Name \_\_\_\_\_  
\* Last Name Garcia-Dugan Suffix \_\_\_\_\_

Title: Deputy Superintendent of Public Instruction    Telephone No.: 602-364-2339    Date: 01/29/2009

<b>Federal Use Only:</b>	Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)
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**NOTICE TO ALL APPLICANTS**

The purpose of this enclosure is to inform you about a new provision in the Department of Education's General Education Provisions Act (GEPA) that applies to applicants for new grant awards under Department programs. This provision is Section 427 of GEPA, enacted as part of the Improving America's Schools Act of 1994 (Public Law (P.L.) 103-382).

**To Whom Does This Provision Apply?**

Section 427 of GEPA affects applicants for new grant awards under this program. **ALL APPLICANTS FOR NEW AWARDS MUST INCLUDE INFORMATION IN THEIR APPLICATIONS TO ADDRESS THIS NEW PROVISION IN ORDER TO RECEIVE FUNDING UNDER THIS PROGRAM.**

(If this program is a State-formula grant program, a State needs to provide this description only for projects or activities that it carries out with funds reserved for State-level uses. In addition, local school districts or other eligible applicants that apply to the State for funding need to provide this description in their applications to the State for funding. The State would be responsible for ensuring that the school district or other local entity has submitted a sufficient section 427 statement as described below.)

**What Does This Provision Require?**

Section 427 requires each applicant for funds (other than an individual person) to include in its application a description of the steps the applicant proposes to take to ensure equitable access to, and participation in, its Federally-assisted program for students, teachers, and other program beneficiaries with special needs. This provision allows applicants discretion in developing the required description. The statute highlights six types of barriers that can impede equitable access or participation: gender, race, national origin, color, disability, or age. Based on local circumstances, you should determine whether these or other barriers may prevent your students, teachers, etc. from such access or participation in, the Federally-funded project or activity. The description in your application of steps to be taken to overcome these barriers need not be lengthy; you may provide a clear and succinct

description of how you plan to address those barriers that are applicable to your circumstances. In addition, the information may be provided in a single narrative, or, if appropriate, may be discussed in connection with related topics in the application.

Section 427 is not intended to duplicate the requirements of civil rights statutes, but rather to ensure that, in designing their projects, applicants for Federal funds address equity concerns that may affect the ability of certain potential beneficiaries to fully participate in the project and to achieve to high standards. Consistent with program requirements and its approved application, an applicant may use the Federal funds awarded to it to eliminate barriers it identifies.

**What are Examples of How an Applicant Might Satisfy the Requirement of This Provision?**

The following examples may help illustrate how an applicant may comply with Section 427.

- (1) An applicant that proposes to carry out an adult literacy project serving, among others, adults with limited English proficiency, might describe in its application how it intends to distribute a brochure about the proposed project to such potential participants in their native language.
- (2) An applicant that proposes to develop instructional materials for classroom use might describe how it will make the materials available on audio tape or in braille for students who are blind.
- (3) An applicant that proposes to carry out a model science program for secondary students and is concerned that girls may be less likely than boys to enroll in the course, might indicate how it intends to conduct "outreach" efforts to girls, to encourage their enrollment.

We recognize that many applicants may already be implementing effective steps to ensure equity of access and participation in their grant programs, and we appreciate your cooperation in responding to the requirements of this provision.

**Estimated Burden Statement for GEPA Requirements**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is **1894-0005**. The time required to complete this information collection is estimated to average 1.5 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, 400 Maryland Avenue, S.W., Washington, D.C. 20202-4537.

**Optional - You may attach 1 file to this page.**

RESPONSE TO SECTION 427 OF GEPA.pdf

Add Attachment

Delete Attachment

View Attachment

## **RESPONSE TO SECTION 427 OF GEPA**

Section 427 of the General Education Provisions Act (GEPA) requires a description of the steps that will be taken to ensure equitable access to, and participation in, federally assisted programs for students, teachers and other program beneficiaries. To ensure equitable participation and access project resources, the following considerations will be made:

- When requested, the Arizona Department of Education will produce dissemination materials (e.g., direct mailings, e-mails, on-line announcements) in both English and Spanish. Other considerations will be made to ensure the document is readily accessible to traditionally underrepresented groups.
- The project staff will coordinate the process of cooperation and collaboration between and among the project participants to ensure equitable access and participation of recipients of the project funds.
- The project staff will conduct accessibility assessments of their programs' physical and instructional environments.
- The project staff will eliminate physical and learning barriers in the educational settings and provide reasonable accommodations to those being served.
- The project staff will carefully consider issues of cultural diversity and sensitivity by reviewing instructional elements of the program. Careful attention to topics covered in the program will be considered based on how participants might respond, react, or perceive information being presented.
- Training on cultural, gender, race, and national origin will be provided to all personnel associated with this project.

The Arizona Department of Education shall maintain non-discriminatory learning environments to ensure that participants are not excluded from participation in, denied the benefits of or otherwise subjected to discrimination in any program or activity of the district on the basis of race, color, ethnicity, religion, gender, disability or national origin. The right of any student to attend and participate in school activities will be limited only when the welfare of others may be threatened. When students act irresponsibly they will be held accountable so as to preserve an appropriate educational setting for others. These provisions are supported in the proposal as well as in the Department's policies and rules supporting diversity.

## CERTIFICATION REGARDING LOBBYING

### Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\* APPLICANT'S ORGANIZATION

Arizona Department of Education

\* PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Prefix:  \* First Name: Margaret Middle Name:

\* Last Name: Garcia-Dugan Suffix:

\* Title: Deputy Superintendent of Public Instruction

\* SIGNATURE: Peter Laing

\* DATE: 01/29/2009

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SUPPLEMENTAL INFORMATION  
REQUIRED FOR  
DEPARTMENT OF EDUCATION GRANTS

**1. Project Director:**

Prefix: \* First Name: Middle Name: \* Last Name: Suffix:

Dr. Karen Butterfield

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\* Country: USA: UNITED STATES

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Email Address:

karen.butterfield@azed.gov

**2. Applicant Experience:**

Novice Applicant  Yes  No  Not applicable to this program

**3. Human Subjects Research**

Are any research activities involving human subjects planned at any time during the proposed project Period?

Yes  No

Are ALL the research activities proposed designated to be exempt from the regulations?

Yes Provide Exemption(s) #:

No Provide Assurance #, if available:

**Please attach an explanation Narrative:**

Add Attachment Delete Attachment View Attachment

# Project Narrative

## Abstract Narrative

Attachment 1:

Title: Pages: Uploaded File: **1234-AZCSIP ABSTRACT.pdf**

## **Charter School Programs (CSP) – CFDA# 84.282A**

### **Applicant Organization:**

Arizona Department of Education  
1535 West Jefferson Street  
Phoenix, Arizona 85007

### **Project Contact:**

Dr. Karen Butterfield  
*Associate Superintendent for Academic Achievement*  
Arizona Department of Education  
Phone: 602-364-1957  
Email: [Karen.Butterfield@azed.gov](mailto:Karen.Butterfield@azed.gov)

### **Project Title:**

**Arizona Charter Schools Incentive Program (AZCSIP)**

### **Abstract**

The Arizona Charter Schools Incentive Program (AZCSIP) has three primary objectives:

1. Increase the number of high quality charter schools in Arizona, particularly those serving students most at risk in rural and urban settings;
2. Improve student achievement to high academic standards in AZCSIP schools; and,
3. Improve high school student achievement and graduation rates in AZCSIP schools.

The AZCSIP will provide sub-grants, through a competitive application process, to applicants seeking to implement new high quality charter schools in Arizona. These sub-grants will provide awardees both direct financial support and access to technical assistance over a three-year period (subject to review and renewal, and to the availability of continued federal grant funding) to assist them in planning, program design, and in the initial implementation of their charter school. Access to AZCSIP funding and technical assistance resources coupled with robust outcome performance expectations for student achievement, will lead to a dramatic increase in the number of high quality charter schools in Arizona. Indeed, Arizona, through the AZCSIP, seeks to create **92** new high quality charter schools serving high need students in both rural and urban settings.

# Project Narrative

## Project Narrative

Attachment 1:

Title: Pages: Uploaded File: **1245-AZCSIP - PROJECT NARRATIVE.pdf**

**Arizona Charter Schools Incentive Program (AZCSIP)**  
Arizona Department of Education

**Charter School Programs (CSP) – CFDA# 84.282A**

**Project Narrative**

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**Appendix B:** *Arizona Attorney General Opinion*

**Appendix C:** *Expansion Act Policy*

**Appendix D:** *Resume – Rolanda Bell, (Project Evaluator)*

*Director of Evaluation, Arizona Department of Education*

**Appendix E:** *Resume – Karen Butterfield, Ed.D.,*

*Associate Superintendent for Academic Achievement, Arizona Department of Education*

**Appendix F:** *AZLEARNS Technical Description*

**Appendix G:** *Letters of Support*

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*Senator John McCain, Arizona*

*Arizona Superintendent of Public Instruction, Tom Horne (Letter 1)*

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*Congressman Gabrielle Giffords, AZ 8<sup>th</sup> District*

*Senator John Kyl, Arizona*

*Congressman Trent Franks, AZ 2<sup>nd</sup> District*

*Congressman John Shadegg, AZ 3<sup>rd</sup> District*

*Arizona Superintendent of Public Instruction, Tom Horne (Letter 2)*

**Appendix H:** *Charter Schools Program Assurances – SEAs (Copy faxed to CSP)*

## **I. Competitive Preference Priorities**

1. **Secondary Schools (10 points).** *Projects that support activities and interventions aimed at improving the academic achievement of secondary school students who are at greatest risk of not meeting challenging State academic standards and not completing high school.*

The Arizona Charter Schools Incentive Program (AZCSIP) has three primary objectives:

1. Increase the number of high quality charter schools in Arizona, particularly those serving students most at risk in rural and urban settings;
2. Improve student achievement to high academic standards in AZCSIP schools; and,
3. **Improve high school student achievement and graduation rates in AZCSIP schools.**

**Objective 3** specifically addresses high school outcomes:

### **Improve high school student achievement and graduation rates in AZCSIP schools.**

- a. AZCSIP charter schools serving high school students will demonstrate a graduation rate higher than the state average for charter schools serving similar student demographics by the end of year 2 of their grant period<sup>1</sup>;
- b. 80% of AZCSIP charter school high school students will meet or exceed challenging Arizona academic standards on each content area of Arizona's Instrument to Measure Standards (AIMS) in each year of their grant period;
- c. AZCSIP charter school high school students will exceed the state average on the SAT or ACT by year 2 of their grant period;
- d. AZCSIP charter schools serving high school students will have more students enrolled in Advanced Placement<sup>2</sup> courses, and scoring 3, 4, or 5 on AP tests, than the

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<sup>1</sup> The Arizona Department of Education, according to policy, uses the National Governor's Association (NGA) formula for determining graduation rates in Arizona public high schools.

<sup>2</sup> *Advanced Placement* (AP) refers to courses and exams from the College Board.

state average for charter schools serving similar student demographics by the end of year 2 of their grant period.

Competitive preference will be given to applications submitted for sub-grant applications for funding through the AZCSIP grant that demonstrate commitments to creating charter schools that will serve secondary school students, that serve a student population who are at greatest risk of not meeting challenging state standards (particularly those in rural and urban settings), and that implement a rigorous curriculum that provides opportunities for their students to participate and succeed in Advanced Placement coursework.

New charter schools serving secondary school students would have the ability to draw upon many existing resources available through the Arizona Department of Education. The Arizona Department of Education's existing **AZHSRI (Arizona High School Renewal & Improvement)** initiative has focused on middle and high school research-based strategies (Brown University's *Breaking Ranks II*). Since its inception in 2004, the AZHSRI has sought to provide Arizona secondary schools with resources designed to improve high school student academic success and graduation rates. Within the AZHSRI project's scope the ADE has specifically recognized the accomplishments of outstanding high quality secondary charter schools during state schools Superintendent Horne's *Spotlight on Success* awards ceremony. These honorees then disseminate their best practices at various ADE conferences and summits, such as our annual ADE Middle School/High School Renewal Conference and ADE Title I MEGA Conference.

Additionally, In April 2000, the Arizona Department of Education implemented the AIMS Intervention and Dropout Prevention (AIMS IDP) Program with the enactment of A.R.S. §15-809 by the Arizona Legislature. The purpose of the program is to increase the graduation

rate of Arizona's at-risk youth by providing academic support and to prepare them to become productive members of society after leaving school through instruction in Arizona workplace skills, leadership, and civic duty. In 2006-07 and 2007-08, the Arizona Department of Education funded 39 programs across the state – which included several charter schools. Each program participated in a program evaluation to identify successful strategies and best practices that could be shared across programs. These successful strategies, along with many other resources, are available through a new innovative online AIMS Intervention and Dropout Prevention Toolkit. The Toolkit provides a network of support for schools engaged in working with at-risk secondary school students.

Arizona also offers the Arizona High Honors Tuition Scholarship for qualified graduating high school students. The scholarship is provided for by state statutes, governed by the Arizona Board of Regents, and administered by the Arizona Department of Education. The scholarship provides a full one year tuition waiver to a state university, and may be renewed annual for up to three years, based on maintaining academic performance standards once enrolled. Eligibility for the scholarship is based on a combination of factors, to include performance on the state assessment (AIMS), GPA, Class Rank, and performance in AP or IB exams. Also, Arizona community college system has scholarship opportunities available for students graduating in the top 15% of their class.

Arizona, through a US Department of Education AP Test Fee Waiver grant, provides the opportunity for all public school students who qualify for Federal Free or Reduced Price Meals to take Advanced Placement (AP) Tests at no cost. This program has served to provide a powerful incentive for students to not only take AP courses, but also succeed (as success can directly translate into course credit at many colleges and universities across the country). From 2003-2008, Arizona's Advanced Placement Test Fee Program has led to a cumulative 300% increase

in the number of AP exams taken in Arizona’s public schools by low-income students from 1,270 to 5,083. New charter school applicants seeking to serve secondary school students would be able to seek guidance and technical assistance from ADE staff to assist them in implementing rigorous curricula and Advanced Placement courses.

**2. Periodic Review and Evaluation (10 points).** *The State provides for periodic review and evaluation by the authorized public chartering agency of each charter school at least once every five years, unless required more frequently by State law, to determine whether the charter school is meeting the terms of the school’s charter, and is meeting or exceeding the student academic achievement requirements and goals for charter schools as provided under State law or the school’s charter.*

In Arizona, contracts between authorized public chartering agencies (sponsors) and the charters they sponsor have 15 year durations. Section 15 of Chapter 8 of the Arizona Revised Statutes covers the responsibilities and regulations concerning charter schools, and provides for periodic review and evaluation during the contract period. A.R.S. § 15-183.I. includes the requirement that “*a sponsor shall review a charter at five year intervals.*” Additional requirements, such as the **annual independent audit** (A.R.S. § 15-914) and the **annual performance report** (A.R.S. § 15-183.E.4 & A.R.S. § 15-746) permit further review and evaluation, and serve to supplement the required five year interval reviews.

**Five Year Interval Reviews:** In addition to the above statutory requirements, the Arizona State Board for Charter Schools (ASBCS), an independent chartering board and the major sponsor of the majority of charter schools in Arizona, has established a policy for the process and the components of a comprehensive review. The same policy is applied to the reviews of charter schools sponsored by the State Board of Education (SBE) through an interagency agreement

(IGA), which gives oversight responsibilities for the SBE charters to the ASBCS. ASBCS policy stipulates that a five year interval comprehensive charter review includes an examination of a charter school's academic performance as well as an appraisal of the fiscal and legal compliance of the charter during the previous five years of operation.

The ASBCS collaborates with and regularly receives monitoring information from the Arizona Department of Education (ADE), including the Exceptional Student Services unit which holds schools accountable for special education policies and services, and from ADE's Academic Achievement division which oversees statutorily mandated compliance with the No Child Left Behind act. The collaborative relationship between the two agencies provides for an ongoing exchange of information and support in monitoring Arizona's charter schools. This monitoring information is included in the summary review document which is compiled for the five year interval reviews and evaluation.

Additionally, all Arizona public school students are assigned an individual unique student identifier. These SAIS (Student Accountability Information System) numbers allow the Arizona Department of Education to track the longitudinal growth of individual students. Using this data, each charter school's annual median growth percentile is now being included as a part of the academic performance information portion of the review which includes status measures for the previous five years of assessment data. The Arizona State Board for Charter Schools' policy on five year interval reviews is included as an attachment.

**Annual Performance Report:** In accordance with A.R.S. § 15-183.E.4., every charter school is required, in the same manner as district schools, to complete and distribute an annual performance report to parents of pupils enrolled at the school, and to submit that information to the ADE for the purpose of compiling an annual achievement profile and school report card –

which are made available to the public. Each school's report card includes the current academic goals of the school, as well as a summary of results achieved by pupils enrolled at the school during the prior three school years, as measured by the Arizona instrument to measure standards. (See A.R.S. § 15-746.) The report card also includes Adequate Yearly Progress (AYP) results, graduation data (as applicable), attendance rates, safety data, and other indicators of school quality.

**Annual Independent Audit:** Arizona law further requires each charter school to conduct an annual financial audit by an independent certified public accountant (A.R.S. § 15-914). A copy of the annual audit is then submitted to the sponsor and to the Arizona Department of Education.

**Renewal and General Oversight:** The ASBCS conducts on-site visits of schools at the beginning of their first year of operation to observe the schools in operation and to provide technical assistance. Midway through their second operating year, charter schools receive an on-site review for the purpose of examining the comprehensive program of instruction as implemented.

Currently in the process of finalizing a renewal process, the ASBCS is a participant in two federal grants which support high quality charter schools and charter renewal. Arizona is a project state in the *Building Charter School Quality* grant, a National Leadership grant from the US Department of Education, to demonstrate and implement student growth-to-standard performance measures. Participation in this grant has resulted in the inclusion of growth-to-standard performance measures in periodic reviews and evaluation as well as renewal decision-making. The National Governors Association (NGA) and the Center for School Change (CSC) received a National Leadership grant funded by the U.S. Department of Education entitled *State Leadership for High Quality Charter Schools* for the purpose of providing technical assistance to

increase the quality of Arizona's charter schools through supporting strong review and charter renewal processes. An in-state team of charter stakeholders, working in concert with the ASBCS subcommittee responsible for developing the renewal process, is identified in the NGA/CSC grant and includes ADE's Associate Superintendent for Academic Achievement, Dr. Karen Butterfield.

3. **Number of High-Quality Charter Schools (10 points).** *The State has demonstrated progress in increasing the number of high-quality charter schools that are held accountable in the terms of the schools' charters for meeting clear and measurable objectives for the educational progress of the students attending the schools, in the period prior to the period for which an SEA applies for a grant under this competition.*

Arizona's robust Charter law was passed in 1994 (A.R.S §15-181), followed by the initial granting of forty-six charters, which, in turn, opened seventy (70) school sites in the 1995-1996 school year. In 2008, Arizona now has **467** charter schools in operation, which clearly reflects the success of Arizona's strong charter law.

Since its inception, the *Arizona State Board for Charter Schools* (ASBCS) **has granted more charters than any other authorizer in the country.** The Board continues to approve high quality applications for new charter schools each year and supports the continued expansion of existing high quality charters. Thirty-four new charter schools opened for the 2008-2009 school year.

Arizona statute provides for three charter authorizers. The bulk of the current charters are now authorized by the ASBCS, an independent chartering board. The Arizona State Board for Charter Schools was established as an independent state agency to authorize and oversee charter schools. The Board reports annually to the Governor and the State Legislature.

The role of the ASBCS includes evaluating applications and granting new charters, providing technical assistance and guidance to schools, conducting ongoing academic and financial evaluations and taking appropriate disciplinary action against schools that fail to comply with state law or the terms of their charter contract. The ASBCS has developed a systematic monitoring process and established clear expectations for the schools it oversees to enable the Board to make informed decisions about charter growth, disciplinary action and charter renewal. The *State Board of Education* (SBE) is no longer granting new charters, but continues to sponsor approximately twenty-five (25) and, through an intergovernmental agreement, utilizes the ASBCS agency for oversight and monitoring of SBE-sponsored charters. *School districts* currently sponsor six (6) charters. Annually, the ASBCS grants an average of fifteen new charters. Charters are comprehensively reviewed every five years. Arizona also has **no cap** on the number of charter schools that can be authorized.

As described in detail in Competitive Priority 2, charters and schools are held accountable for their academic performance, fiscal responsibility, and faithfulness to their charter (contract) through ongoing oversight and, soon, renewal consideration. In fact, the ASBCS has revoked twelve (12) charter school contracts consistent with its commitment to school accountability and high quality. These twelve schools (12) were closed for failing to meet the requirements of the law and their charter contracts.

Encouragingly, some Arizona charter schools are among the top performers in the nation. In 2005, an Arizona charter school was selected as a U.S. Department of Education Blue Ribbon Award winner. Two of the four schools in Arizona recognized in 2007 through the Blue Ribbon Award program were charter schools. This year, three of the four Arizona schools receiving the Blue Ribbon Award were charter schools. Additionally, two of the three Arizona

high schools recently included in the December 2008 *U.S. News and World Report* Best High Schools: Gold Medal List of the top 100 high schools in the country were charter high schools. This was the *second* year for both charter schools to be listed in the top 100. And, this year, an Arizona charter school, BASIS Tucson, was ranked first in the nation on *Newsweek's* list of top public high schools.

**4. One Authorized Public Chartering Agency Other than a Local Educational Agency (LEA), or an Appeals Process (10 points).** *The State Provides for one authorized public chartering agency that is not an LEA, such as a State chartering board, for each individual or entity seeking to operate a charter school pursuant to State law; or In the case of a State in which LEAs are the only authorized public chartering agencies, allows for an appeals process for the denial of an application for a charter school.*

As referenced within Competitive Priority 3, Arizona statute provides for three charter authorizers: ARS §15-183(C) reflects that the sponsor of a charter school may be either a school district governing board, the state board of education or the state board for charter schools; while ARS §15-183(B) reflects the sponsor of a charter school may contract with a public body, private person or private organization for the purpose of establishing a charter school.

The bulk of the current charters are now authorized by the *Arizona State Board for Charter Schools* (ASBCS), an independent chartering board. The *State Board of Education* (SBE) is no longer granting new charters, but continues to sponsor approximately twenty-five (25) and, through an intergovernmental agreement, utilizes the ASBCS agency for oversight and monitoring of SBE-sponsored charters. *School districts* currently sponsor six (6) charters. Annually, the ASBCS grants an average of fifteen new charters. Charters are comprehensively

reviewed every five years. Arizona also has **no cap** on the number of charter schools that can be authorized.

5. **High Degree of Autonomy (10 points).** The State ensures that each charter school has a high degree of autonomy over the charter school's budgets and expenditures.

**This Competitive Priority is more fully described in response to Selection Criteria (ii).**

## **II. Application Requirements**

(i) *Describe the objectives of the SEA's charter school grant program and describe how these objectives will be fulfilled, including steps taken by the SEA to inform teachers, parents, and communities of the SEA's charter school grant program.*

**This Application Requirement is more fully described in response to Selection Criteria (i).**

(ii) *Describe how the SEA will inform each charter school in the State about Federal funds the charter school is eligible to receive and Federal programs in which the charter school may participate; and*

(iii) *Describe how the SEA will ensure that each charter school in the State receives the school's commensurate share of Federal education funds that are allocated by formula each year, including during the first year of operation of the school and a year in which the school's enrollment expands significantly.*

The Arizona Department of Education actively informs all charter schools of all federal funds they are entitled to receive, to ensure that they are awarded their proportionate share of federal funds, and of their opportunity to receive additional funds in accordance with 34 CFR 76,

Subpart H, commonly referred to as the Charter School Expansion Act. Further, the ADE collaborates closely with the Arizona State Board for Charter Schools (ASBCS) through implementing a single coordinated policy for administering the Charter School Expansion Act in Arizona (Attached).

The ADE utilizes a wide variety of methods to notify charter schools of their opportunities to apply for federal funds, including all funds authorized under P.L. 107-110, The No child Left behind Act of 2001, including but not limited to Titles I, II, III, IV, VI, VIII, and Title X. Additionally, the ADE notifies charter schools of their opportunities to apply for other federal funds including Idea Basic and Vocational Education funds as appropriate.<sup>3</sup> Notification methods include a combination of online resources and alerts (web-based and email), print materials, and face-to-face workshops, presentations, and meetings. The Arizona State Board for Charter Schools, in coordination with the ADE, provides an annual technical assistance/training for all new and significantly expanded charter operators. In addition to providing information about the requirements of the NCLB law and other federal funding opportunities, charter school operators are further informed of their opportunity to receive additional funding through the Charter School Expansion Act. Staff from the ADE explain to charter operators how to prepare an interim plan, apply for funds utilizing the ADE online Grants Management Enterprise system,

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<sup>3</sup> Title I, Part A Disadvantaged Children; Title I, Part B, Subpart 1 Reading First; Title I, Part B, Subpart 3 Even Start; Title I, Part C, Migrant Education; Title I, Part D, Programs for Neglected, Delinquent, and At Risk Children and Youth; Title I, Part F, Comprehensive School Reform (for current FY); Title II, Part A, Preparing, Training, and Recruiting High Quality Teachers and Principals; Title II, Part D, Enhancing Education Through Technology; Title III, Language Instruction for Limited English Proficient and Immigrant Students; Title IV, Part A, Safe and Drug Free Schools and Communities; Title IV, Part B, 21st Century Community Learning Centers; Title V, Part A, Innovative Programs; Title V, Part D, Fund for the Improvement of Education; Title VI, Part A, Subpart 1 Accountability; Title VI, Part B Rural Education Initiative; Title VIII, Impact Aid; Title X, Part C McKinney-Vento Act Education of Homeless Children and Youth; and IDEA

and assists them in estimating the types of funding they would be entitled to receive should they decide to apply for NCLB funds. ADE staff also presents new and existing charter operators with information concerning available federal funds, and how those funds may be accessed, at several major annual state conferences, including the ADE Title I MEGA Conference, and conferences sponsored by the Arizona Charter Schools Association (ASCA), and the Arizona Association of School Business Officials (AASBO).

Charter holders are also provided information and resources regarding the process of how they will electronically provide their student counts and poverty data to the ADE that will be used to determine the amounts of funding they may be eligible to receive. The online system used to gather this information is the ADE Student Accountability and Information System (SAIS) which is also used to determine State equalization funding.

Once it has been determined that a charter school chooses to apply for federal funds, and they have submitted poverty information as required by the Charter School Expansion Act, a charter school can access an online application through the ADE Grants Management Enterprise System. Generally, a Charter School's Charter Application can serve as the schools interim plan, with little if any modification needed. Further, the ADE has assigned a fulltime specialist to assist new and significantly expanded charter schools operate an effective and successful consolidated program utilizing their NCLB funds. The ADE has also developed a new publication, "*Federal No Child Left Behind Act Information for Arizona Charter Schools*", to assist all charter schools in their efforts to receive any and all funds to which they may be entitled. This technical assistance and resource publication, which provides specific guidance to Charter Schools about the Charter School Expansion Act as Amended by the No Child Left

Behind Act of 2001, has been provided to all charter holders in Arizona, and will be provided to all future charter holders.

(iv) *Describe how the SEA will disseminate best or promising practices of charter schools to each LEA in the State.*

**The ADE has chosen not to apply for funding under this provision of the CSP grant.**

(v) *If an SEA elects to reserve part of its grant funds (no more than 10 percent) for the establishment of a revolving loan fund, describe how the revolving loan fund would operate.*

**The ADE does not request to reserve part of the CSP grant funds for the establishment of a revolving loan fund.**

(vi) *If an SEA desires the Secretary to consider waivers under the authority of the CSP, include a request and justification for any waiver of statutory or regulatory provisions that the SEA believes is necessary for the successful operation of charter schools in the State.*

The Arizona Department of Education (ADE) requests a waiver under the authority of the CSP of Section 5202(c)(1) of the Elementary and Secondary Education Act of 1965 as re-authorized, to enable the AZCSIP grant to operate under a project period of 60 months – thereby exceeding the current required project period of up to 36 months. The ADE believes this will lead to greater success in realizing the full potential of the grant program, and in completing stated objectives and outcome performance measures.

The Arizona Department of Education, additionally, requests a waiver under the authority of the CSP of 20 U.S.C. § 7221 c (g) (i.e., section 5204 of the Elementary and Secondary

Education Act of 1965 as re-authorized) for the purpose of receiving funding under the CSP program. This section of the law prohibits the Arizona Department of Education from applying for certain State Charter School Grants. This places the burden of applying for such grants upon individual charter holders, many of whom do not have the personnel to commit extensive time and resources to applying for competitive grants. The end result of this action is that Arizona charter operators -- alone among their counterparts nationally -- are unable to avail themselves of these grant opportunities and the significant dollar amounts they represent. Arizona charter operators have typically been at a disadvantage in applying for as much as \$20 million in federal funds annually because of these restrictions. Charter schools often have a difficult time under the best of circumstances raising financial capital for new or added facilities. Unlike district schools, charter schools typically do not receive facilities funding and cannot levy taxes. Therefore, the opportunities for Arizona charter operators to establish or expand campuses are significantly hindered. Waiver of this language would place Arizona charter operators on a level playing field with the rest of the U.S. and create more education opportunities for all Arizona students.

*(vii) Describe how charter schools that are considered to be LEAs under State law and LEAs in which charter schools are located will comply with sections 613(a)(5) and 613(e)(1)(B) of the Individuals with Disabilities Education Act.*

Arizona Attorney General Opinion No. 104-006 (Attached) states:

1.) Because all Arizona charter schools are public schools and are mandated to comply with all federal and state laws relating to the education of children with disabilities in the same manner as school districts, all charter schools, including those operated by for-profit organizations, function as LEAs under Arizona law; and,

2.) Because Arizona charter schools, including those operated by for-profit organizations, function as LEAs under state law, they meet the federal definition of a “local educational agency” as set forth in Section 9101 (26) of Title I of the Elementary and Secondary Education Act and Section 602(15) of the Individuals with Disabilities Education Act.

A.R.S. 15-183 (E)(7) further states that the charter of a charter school shall ensure compliance with all federal and state laws relating to the education of children with disabilities in the same manner as a public school district. The ASBCS charter contract, under the section on operation of the school, also clearly states, “The Charter Operator shall comply with all federal and state laws relating to the education of children with disabilities in the same manner as a school district (A.R.S §15-183(E) (7).”

Charter schools in Arizona are also monitored for compliance with Special Education requirements through the Arizona Department of Education’s Exceptional Student Services (ESS) Unit. The ESS Unit works closely with charter sponsors, and reports monitoring results and addresses non-compliance issues. New charter operators sponsored by the ASBCS, as a condition of their contract, are also required to attend a mandatory Special Education training conducted by ADE “*subsequent to the signing of this Charter Contract and prior to the Charter Operator’s provision of educational instruction under this Charter Contract.*”

### **15-763. Plan for providing special education; definition**

A. All school districts **and charter schools** shall develop policies and procedures for providing special education to all children with disabilities within the district or charter school. All children with disabilities shall receive special education programming commensurate with their abilities and needs. Each child shall be ensured access to the general curriculum and an opportunity to meet the state's academic standards. Pupils who receive special education shall not be required to

achieve passing scores on the Arizona instrument to measure standards test in order to graduate from high school unless the pupil is learning at a level appropriate for the pupil's grade level in a specific academic area and unless a passing score on the Arizona instrument to measure standards test is specifically required in a specific academic area by the pupil's individualized education program as mutually agreed on by the pupil's parents and the pupil's individualized education program team or the pupil, if the pupil is at least eighteen years of age. The pupil's individualized education program shall include any necessary testing accommodations. Special education services shall be provided at no cost to the parents of children with disabilities.

B. The state board of education shall adopt guidelines to define a parent's or guardian's role or a pupil's role, if the pupil is at least eighteen years of age, in the development of a pupil's section 504 plan as defined in section 15-731, including testing and testing accommodations.

C. For the purposes of determining the services to pupils served by private schools under existing federal law, the state shall consider the term to include home schooled pupils.

D. If federal monies are provided to a school district or a charter school for special education services to home schooled or private schooled pupils, the school district or charter school shall provide the services to both the home schooled pupils and the private schooled pupils in the same manner.

E. For the purposes of this section, "special education" has the same meaning prescribed in section 15-1201.

### **III. Selection Criteria**

- (i) *The contribution the charter schools grant program will make in assisting educationally disadvantaged and other students to achieve State academic content standards and State student academic achievement standards (30 points).*

The **Arizona Charter School Incentive Program (AZCSIP)**, a collaborative effort of the Arizona Department of Education (ADE) and the Arizona State Board for Charter Schools (ASBCS), has established the following primary objectives:

1. Increase the number of high quality charter schools in Arizona, particularly those serving students most at risk in rural and urban settings;
2. Improve student achievement to high academic standards in AZCSIP schools; and
3. Improve high school student achievement and graduation rates in AZCSIP schools.

The **first** objective is to **increase the number of high quality charter schools in Arizona, particularly those serving students most at risk in rural and urban settings.**

The AZCSIP will provide sub-grants, through a competitive application process, to applicants seeking to implement new high quality charter schools in Arizona. These sub-grants will provide awardees both direct financial support and access to technical assistance over a three-year period (subject to review and renewal, and to the availability of continued federal grant funding) to assist them in planning, program design, and in the initial implementation of their charter school. All sub-grants will additionally require eligible applicants to adhere to the all requirements set forth by Section 5203 of the ESEA (see attached signed *Charter Schools Program Assurances – SEAs*).

There is currently no state funding source to assist charter schools with startup development and implementation costs. State funding (in the form of equalization assistance)

does not become available to charter schools until July 15 of their first year of operation. Additionally, charter schools are not able to access state school facilities funding through the State Facilities Board. This lack of funding can lead to charter schools facing difficulties in implementing their programs, and has served as a roadblock to many choosing to submit applications at all. As a result, access to federal funding through the CSP program will have a dramatic and positive effect in assisting new Arizona charter schools in implementing high quality programs. Also, access to AZCSIP funds would permit sub-grantees to allocate more of their initial investments (non-sub-grant funds) into facilities acquisitions and renovations.

Access to AZCSIP funding and technical assistance resources for development and implementation, coupled with robust outcome performance expectations for student achievement, will lead to a dramatic increase in the number of high quality charter schools in Arizona. Indeed, Arizona, through the AZCSIP, seeks to create **92** new high quality charter schools serving high need students in both rural and urban settings.

**This objective is more fully described in response to Selection Criteria (iii) and (iv).**

The outcome performance measures for this **first** objective are:

- a. 85% of AZCSIP charter schools will meet Annual Yearly Progress (AYP) and AZLEARNNS<sup>4</sup> performance criteria for each year of the performance period; and
- b. **92** new charter schools will be created over the five year period of the project.

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<sup>4</sup> AZLEARNNS – A component of Arizona’s school accountability system that incorporates AYP, and utilizes a growth model as a Measure of Academic Progress (MAP) for student achievement. AZLEARNNS results in school labels indicating school performance. **See Appendix G.**

The AZCSIP's **second** objective is to **improve student achievement to high academic standards in AZCSIP schools.**

The AZCSIP is strongly focused on creating charter schools whose focus is firmly on improving student achievement. The sub-grant application will provide competitive preference points to those schools serving a high concentration of at-risk students in rural and/or urban settings, schools serving secondary school students, and schools that implement rigorous curricula (particularly Advanced Placement courses at the high school level). Schools will also be required to indicate how they will achieve rigorous student achievement outcomes based on the performance outcome measures established for the AZCSIP program – to include meeting AYP and AZLEARNS performance criteria, students meeting or exceeding state standards on Arizona's Instrument to Measure Standards (AIMS), and (for high schools) ensuring high graduation rates, student performance on the SAT or ACT, and student participation and success in AP courses and tests.

All sub-grantees will be annually monitored, and will be required to indicate how they are progressing toward meeting their student achievement outcome measures. While sub-grants are awarded for three-year periods – funding for years two and three will be contingent on making substantive annual progress toward meeting performance objectives.

Additionally, the practices of charter schools making the most significant progress and gains will be highlighted and disseminated to LEAs statewide through a comprehensive outreach process – to include formal recognition, electronic (email and web presence) and print media, and presentations at state education conferences and meetings of the Arizona State Board for Charter Schools and the Arizona State Board of Education.

The outcome performance measures for this **second** objective are:

- a. 80% of AZCSIP charter school students will meet or exceed challenging Arizona academic standards on each content area of Arizona's Instrument to Measure Standards (AIMS) in each year of their grant period;
- b. The percentage of AZCSIP charter schools that meet AYP and AZLEARNS performance criteria will exceed that of district public schools and charter schools in years 2 and 3 of their grant period; and
- c. AZCSIP students will meet or exceed challenging state standards at a higher rate than the comparable district public school and charter school average on each content area of Arizona's Instrument to Measure Standards (AIMS) in years 2 and 3 of their grant period.

The **final** objective of the AZCSIP is to **improve high school student achievement and graduation rates in AZCSIP schools.**

The AZCSIP will provide competitive preference points to those sub-grant applications that focus on developing and implementing charter schools serving high school students.

**This objective is more fully described in response to Competitive Preference Priority I.**

The outcome performance measures for the **final** objective are:

- a. AZCSIP charter schools serving high school students will demonstrate a graduation rate higher than the state average for charter schools serving similar student demographics by the end of year 2 of their grant period;

- b. 80% of AZCSIP charter school high school students will meet or exceed challenging Arizona academic standards on each content area of AIMS in each year of their grant period;
- c. AZCSIP charter school high school students will exceed the state average on the SAT or ACT by year 2 of their grant period; and
- d. AZCSIP charter schools serving high school students will have more students enrolled in Advanced Placement courses, and scoring 3, 4, or 5 on AP tests, than the state average for charter schools serving similar student demographics by the end of year 2 of their grant period.

**Steps taken by the SEA to inform teachers, parents, and communities of the SEA’s charter school grant program**

The Arizona Department of Education, in collaboration with the Arizona State Board for Charter Schools and the Arizona Charter Schools Association, will seek to actively inform teachers, parents, and communities of the Arizona Charter Schools Incentive Program (AZCSIP). The ADE will utilize a comprehensive approach, through leveraging electronic (email and web presence) and print media, as well as direct outreach through holding regional informational meetings and workshops, and presenting at state education conferences.

Comprehensive information on the AZCSIP program, to include the sub-grant application process and requirements, will also be provided to all new charter applicants as part of their initial new charter application process through the Arizona State Board for Charter Schools.

**How the SEA will disseminate best or promising practices of charter schools to each LEA in the State**

The Arizona Department of Education will continue to disseminate best and promising practices of high quality charter schools to each LEA in the state through a combination of electronic (email and web presence), print, and face-to-face methods, in collaboration with the Arizona State Board for Charter Schools (ASBCS) and the Arizona Charter Schools Association (ACSA). The progress and success of the AZCSIP will also be featured as an agenda item on the ASBCS board meeting, as part of the Executive Director's report. The AZCSIP will also be featured during meetings of the Arizona State Board of Education. The ADE also currently recognizes exemplary charter schools through Superintendent Horne's *Spotlight on Success* awards ceremony. Charter school honorees then disseminate their recognized effective practices at ADE conferences and summits, such as the annual ADE Middle School/High School Renewal Conference and ADE Title I MEGA Conference. Through a collaborative effort with the Arizona Charter Schools Association, information on the promising practices of high quality charter schools will be disseminated during their annual state conference, as well as through their website and membership network outreach – through both newsletters and email notification.

(ii) *The degree of flexibility afforded by the SEA to charter schools under the State's charter school law (30 points).*

The Center for Education Reform (CER), a Washington-based education reform advocacy group, annually ranks each state based on the strength of its charter school laws. Arizona's charter school law has consistently received a grade of "A" from CER. State charter school laws are graded, in part, on flexibility and autonomy. The most recent report, published in February, 2008, ranked Arizona as having the fourth strongest of the nation's forty-one charter school laws. As a result of a strong charter school law, Arizona's charter schools have autonomy over preparation of budgets and expenditures, as well as daily operation, and personnel.

**Autonomy and Flexibility over Budgets and Expenditures:** In Arizona, this autonomy means charter schools have full control over their own budgets and expenditures without a school district or other authorized public chartering agency holding the funds. (See A.R.S. § 15-185(B)(5).) Additionally, an Arizona charter school is exempt from public bidding requirements if the aggregate dollar amount of the procurement does not exceed the maximum amount of the authorized exemption. (See A.R.S. § 15-189.02(A).) Charter schools sponsored by the Arizona State Board for Charter Schools may receive, if they request it, an exemption from public bidding requirements that do exceed the maximum exemption. (See A.R.S. § 15-189.02 (B).) In addition to a procurement rules exception, charter schools may also request and receive an exemption from the Uniform System of Financial Records for Charter Schools (USFRCS). A charter school may elect to seek an exception from either or both the USFRCS and state procurement rules and must submit an alternative accounting policy and/or a procurement policy as a part of their request. Schools that receive an exception to USFRCS are still required to follow the Generally Accepted Accounting Principles (GAAP), and if they receive federal funds, all financial requirements as defined by EDGAR. Because 72% of Arizona charter schools have fewer than 300 students, many ASBCS-sponsored charters find the requirements for USFRCS and procurement to be burdensome and request an exception. These exceptions allow charters the flexibility to determine which systems and procedures are most efficacious for their conditions.

**Autonomy and Flexibility over Daily Operation:** Arizona statute requires charter schools to have “*a governing body for the charter school that is responsible for the policy decisions of the charter school,*” (See A.R.S. § 15-183(E)(7) but exempts charter schools from any other governing board requirements. (See A.R.S. § 15-183(E)(5).) Charter schools and their self-

created boards have complete control over their daily operations, including curricular and instructional decisions. For funding purposes, charter schools are expected to meet minimum annual instructional hours and days but have the flexibility to determine an alternative calendar for the school that best meets the school's instructional program design, and the needs of the students and their families, as well as the funding requirements.

**Autonomy and Flexibility over Personnel:** Arizona charter schools determine their personnel policies, personnel qualifications and methods of school governance. (See A.R.S. § 15-183(F).) Teachers in charter schools are expected to meet the federal requirements of No Child Left Behind but any additional certification requirements for teachers and administrators are determined at the school policy level.

Arizona law clearly establishes the administrative relationship between charter school organizers and sponsors (authorizers). Charter schools are accountable solely to sponsors under Arizona law A.R.S. § 15-183(R) and "*the sponsoring entity has oversight and administrative responsibility for the charter schools it sponsors.*" Charter schools in Arizona are afforded a large degree of flexibility under the state's charter school law (See A.R.S. § Title 15, Chapter 1, Article 8.) including multiple authorizers, equalized funding, and exemptions to all statutes and rules applicable to a school except as noted.

Arizona's charter school law was designed to give charter schools the autonomy and flexibility needed to carry out the law's intended purposes. The legislation, passed in 1994, provides for the following:

- The authority to function as an LEA
- The right to receive state and federal education funds directly
- Fiscal and legal autonomy, subject to regular audit procedures

- The right to sue and be sued
- The right to acquire property
- The right to pledge, assign or encumber their assets to be used as collateral for loans or extensions of credit

Though processes are in place for charter schools to waive state and local rules, regulations, policies, and procedures, Arizona charter schools may not waive state academic accountability assessments or federal, state, and local rules relating to civil rights, insurance, health, and safety.

(iii) *The number of high-quality charter schools to be created in the State (30 points).*

The first objective of the AZCSIP is to **increase the number of high quality charter schools in Arizona, particularly those serving students most at risk in rural and urban settings**. The AZCSIP will provide sub-grants, through a competitive application process, to applicants seeking to implement new high quality charter schools in Arizona. These sub-grants will provide awardees both direct financial support and access to technical assistance over a three-year period (subject to review and renewal, and to the availability of continued federal grant funding) to assist them in engaging in planning, program design, and in the initial implementation of their charter school. All sub-grants will additionally require eligible applicants to adhere to the all requirements set forth by Section 5203 of the ESEA (see attached signed *Charter Schools Program Assurances – SEAs*).

Access to AZCSIP funding and technical assistance resources for development and implementation, coupled with robust outcome performance expectations for student achievement, will lead to a dramatic increase in the number of high quality charter schools in Arizona. Indeed, Arizona, through the AZCSIP, seeks to create **92** new high quality charter schools serving high need students in both rural and urban settings.

The AZCSIP will initially identify two cohorts of ten schools each in Year 1. These schools will be selected through a competitive sub-grant application process, and will come from two pools of eligible applicants. The first pool will consist of new charter applications that have already been approved by the Arizona State Board for Charter Schools. The second pool will come from those schools who submit applications for new charters (deadline, August 1, 2009), and are approved by the ASBCS during the upcoming application period (January 2010), and newly approved district sponsored charters. Eligible charter schools in both cohorts will be contacted directly by AZCSIP staff, and provided with information and technical assistance in the sub-grant process. Sub-grants will be required to be submitted by December 1, 2009.

**Please see Selection Criteria (iv) for detailed information regarding the sub-grant process.**

Moving forward, a more traditional outreach approach will be undertaken in Year 2 to inform prospective applicants of the availability of sub-grants through the AZCSIP (both for new charter applicants and replication applications) – taking the form of a series of regional information meetings, electronic (email and web presence) and print media outreach, and presentations at state education conferences beginning in the Spring of 2010. In addition to the two cohorts of 10 schools that will be identified in Year 1, the AZCSIP anticipates identifying 18 new sub-grant awardees per year over Years 2-5 – for a total of 92 newly created high quality charter schools.

Competitive preference will be given to applications submitted for sub-grant applications for funding through the AZCSIP grant that demonstrate commitments to creating charter schools that will serve secondary school students, serve a student population who are at greatest risk of not meeting challenging state standards (particularly those in rural and urban settings), and

implement a rigorous curriculum that provides opportunities for their students to participate and succeed in Advanced Placement coursework.

The number of new charter schools to be created through the AZCSIP is predicated on the amount of expected increase of both new applications for charter schools in Arizona, and applications to replicate existing high-quality charter schools, due to the potential availability of federal development and implementation funding through the sub-grant process.

**Projected Growth of New Charter Schools and Required CSP Funding Support 2009-2014**

<b>Grant Year</b>	<b>Number of New Charters</b>	<b>Total Sub-Grant Amount</b>  (\$230,000 average annual award – not to exceed \$690,000 over a 3 year period)
<b>Year 1</b>	<p><b>Cohort 1: 10</b>  Selected through competitive sub-grant from pool of current approved charters (as of January 2009)</p> <p><b>Cohort 2: 10</b>  Selected through competitive sub-grant from pool of current new charter applicants (August 1, 2009) approved for new charters (January 2010)</p> <p style="text-align: center;"><b>Total: 20</b></p>	\$4,600,000

<b>Year 2</b>	18	\$8,740,000
<b>Year 3</b>	18	\$12,800,000
<b>Year 4</b>	18	\$12,420,000
<b>Year 5</b>	18	\$12,420,000
<b>Total</b>	<b>92</b>	<b>\$51,060,000</b>

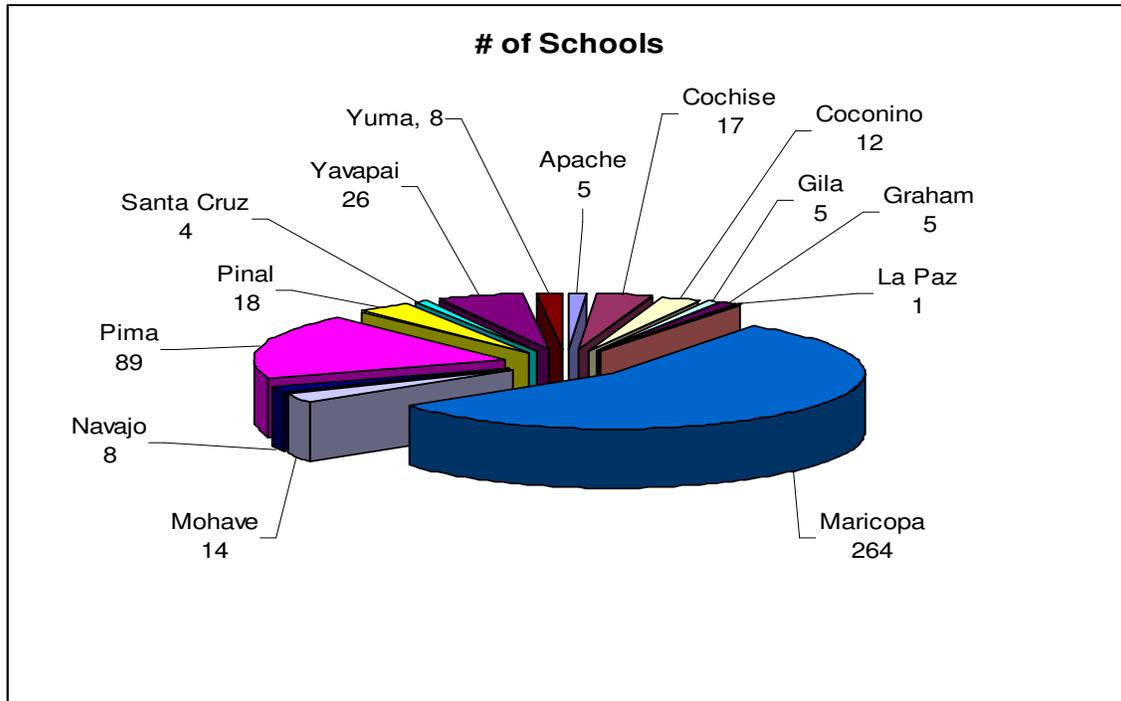
Arizona charter schools are publicly-funded, tuition-free public schools created through legislation passed in 1994 to provide additional educational options for parents and students and increase student academic achievement. The Arizona State Board for Charter Schools (ASBCS), the State Board of Education (SBE), and local school districts were granted authority through this legislation to authorize and oversee the charter schools they sponsor.

All charter schools in Arizona enter into a contract with a charter authorizer to operate in accordance with academic and fiscal standards established in federal and state law and are held accountable to their charter contract. Arizona charter schools also function according to a business plan that guides their overall governance and operational structure.

#### **Arizona Charter Schools in 2008-2009**

For the 2008-2009 school year, 476 charter schools operate in fourteen of the fifteen counties in Arizona. One in every four public schools in Arizona is a charter school, with 74% of all charter schools statewide operating in Maricopa and Pima counties.

## Charter Schools by County



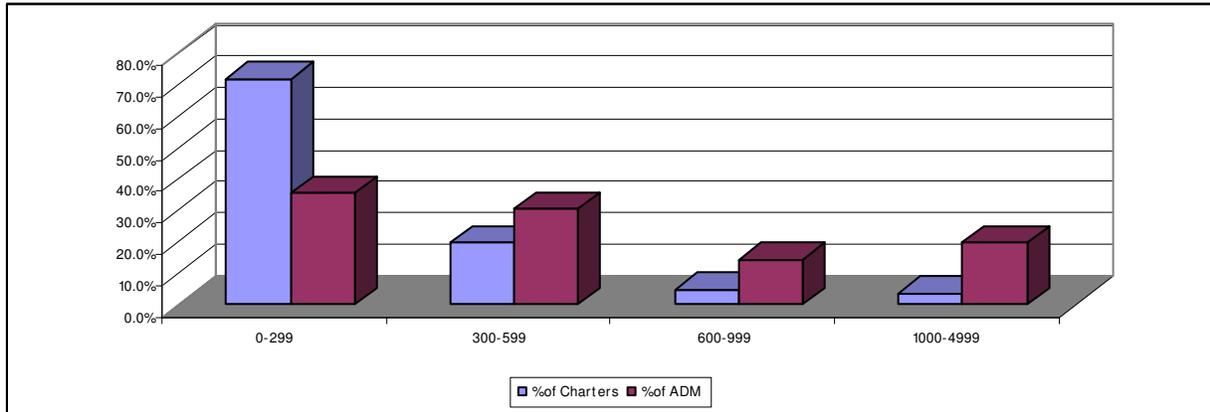
### Who attends Charter Schools?

Over 9% of students in Arizona's public schools are in charter schools. Arizona has the largest share of public school students in charter schools behind only Washington D.C. Arizona's charter schools comprise approximately 10.5% of charter schools nationwide.

Approximately 50% of the charter schools in Arizona serve students in grades between Kindergarten and grade 8, 34% serve students in grades 9 through 12, and 16% of charter schools serve students in a combination of grades between Kindergarten and grade 12.

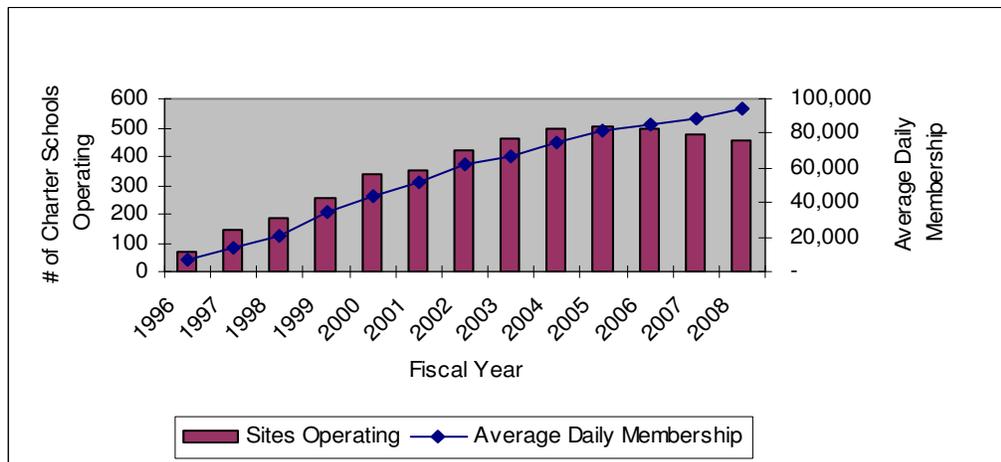
While the total number of charter schools in operation is stabilizing, the number of students enrolled in charter schools continues to grow each year.

### Distribution of Charter Holders by ADM and Size

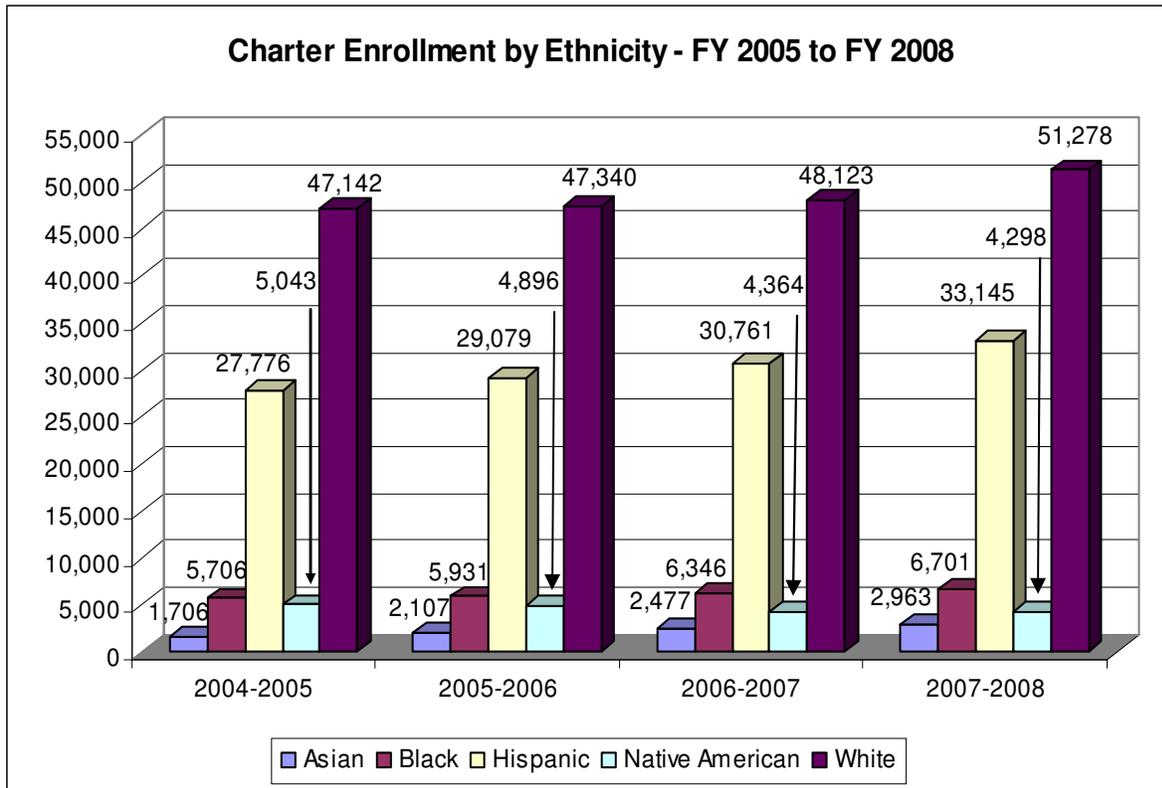


Group	No. of Charters	% of Charters	ADM	% of ADM
0-299	249	72.0%	33,132	35.4%
300-599	68	19.7%	28,633	30.6%
600-999	17	4.9%	13,493	14.4%
1000-4999	12	3.5%	18,409	19.7%
5000+	--	0.0%	--	0.0%
Total	346	100.0%	93,667	100.0%

### Charter School Site and Average Daily Membership Growth



The current ethnic composition of the charter school population is similar to district schools. In 2007-08, charter schools enrolled 7.9% fewer Hispanic students, 7.8% more white students and 1.4% more Black students than district schools.



**Arizona Charter Schools – By the Numbers**

**Number of charter holders & sites operating in 2008-09:** 363 charter holders operating 476 school sites across the state. (333 charter holders operating 432 sites directly chartered by ASBCS. The ASBCS also oversees 25 charter holders operating 38 sites under the State Board of Education. An additional 5 charter holders operating 6 sites are sponsored by local school districts.)

**Number of charter applications received since 1994:** 582 ASBCS

**Number of charters approved since 1994:** 390 ASBCS

**Number of charters approved, but not yet open:** 34 ASBCS

**Number of charter renewals:** 0 - the charter contract is for 15 years. The first renewals will begin consideration in fiscal year 2010.

**Number of charters voluntarily relinquished after opening:** 65 ASBCS, 19 SBE

Number of charters revoked: 12 ASBCS, 2 SBE

*The Secretary also considers how the SEA will inform each charter school in the State about Federal funds the charter school is eligible to receive and ensure that each charter school in the State receives the school's commensurate share of Federal education funds that are allocated by formula each year, including during the first year of operation of the school and during a year in which the school's enrollment expands significantly.*

**This Selection Criteria is more fully described in response to Application Requirements (ii) and (iii).**

*(iv) The quality of the management plan for the proposed project. In determining the quality of the management plan for the proposed project, the Secretary considers the adequacy of the management plan to achieve the objectives of the proposed project on time and within budget, including clearly defined responsibilities, timelines, and milestones for accomplishing project tasks (30 points).*

The Arizona Charter School Incentive Program (AZCSIP) has established the following objectives:

1. Increase the number of high quality charter schools in Arizona, particularly those serving students most at risk in rural and urban settings;

2. Improve student achievement to high academic standards in AZCSIP schools; and
3. Improve high school student achievement and graduation rates in AZCSIP schools.

Each objective includes measurable outcome performance measures, all of which have all been directly aligned to the objectives of the AZCSIP and the GPRA reporting requirements of the CSP grant program, and have been designed to be clearly measurable, producing relevant quantitative data. The following Management Plan has been designed to ensure the program will progress and achieve stated outcomes and outcome performance measures, and specifies defined responsibilities, timelines, and milestones.

<b>Objective 1, Increase the number of high quality charter schools in Arizona, particularly those serving students most at risk in rural and urban settings, includes two outcome performance measures:</b>		
<b>a. 85% of AZCSIP charter schools will meet AYP and AZLEARNS performance criteria for each year of the performance period</b>		
<b>Activity</b>	<b>Responsibility</b>	<b>Timeline &amp; Milestones</b>
AZCSIP Sub-grant applicants have rigorous plans developed to implement high quality programs	Sub-grantees, Peer Review Panel, AZCSIP Staff	Annually during sub-grant application process. Deadline for submission: December 1  <b>(Milestone)</b>
Student achievement data and AYP data collected for each AZCSIP school (from data collected annually from all schools by ADE)	AZCSIP Staff, Evaluator, ADE Staff	Annually, October
Student achievement data and AYP data analyzed	Evaluator,	Annually, December.

and reported for each AZCSIP school for the Annual Report, and for formative report to the Leadership & Advisory Team	Leadership & Advisory Team	Annual Report <b>(Milestones)</b>
Effective best and promising practices of successful AZCSIP schools shared with other AZCSIP schools, to improve performance of all AZCSIP schools to achieve the target performance outcome measure	AZCSIP Staff	Ongoing (electronic and print), during prospective charter applicant workshops and Sub-grant applicant workshops and roundtables (March, April, May, June), and Annual state education conferences. <b>(Milestones)</b>
<b>b. 92 new charter schools will be created over the five year period of the project</b>		
<b>Activity</b>	<b>Responsibility</b>	<b>Timeline &amp; Milestones</b>
Sub-Grant Prospective Applicant Workshops	AZCSIP Staff	Annually - ( <i>concurrent with existing ASBCS workshops</i> ): March, April, May June
Sub-Grant Advisory Roundtable	AZCSIP Staff	Annually - ( <i>concurrent with existing ASBCS roundtable</i> ): June

Sub-Grant Application Deadline	Sub-grantee Applicants	Annually - December 1 <b>(Milestone)</b>
Preliminary Review of Applications by AZCSIP Staff for Administrative Completeness	AZCSIP Staff	Annually: December – January
Identification of Eligible Applicants	AZCSIP Staff	Annually - January
Final Evaluation According to Scoring Criteria by Peer Review Panel	Peer Review Panel - to include members of the ASBCS Technical Review Panel + AZCSIP Staff	Annually - January – February <b>(Milestone)</b>
Sub-Grant Awards Made	AZCSIP Staff	Annually - March 1 <b>(Milestone)</b>
Sub-Grant Monitoring	ASBCS, AZCSIP Staff	Annually – December <b>(Milestone)</b>
Sub-Grant Fiscal Reporting (Completion Report Due)	Sub-Grantee, AZCSIP Staff	Annually – September 30 <b>(Milestone)</b>
Number of new high-quality charter schools created as a result of sub-grant awards	AZCSIP Staff	Year 1: 20 (2 Initial Cohorts of 10) Year 2: 18

		Year 3 18 Year 4: 18 Year 5: 18 <b>TOTAL = 92</b> <b>(Milestones)</b>
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**Objective 2, Improve student achievement to high academic standards in AZCSIP schools,** includes the following three outcome performance measures:

**a. 80% of AZCSIP charter school students will meet or exceed challenging Arizona academic standards on each content area of Arizona’s Instrument to Measure Standards (AIMS) in each year of their grant period**

**b. The percentage of AZCSIP charter schools that meet AYP and AZLEARNS performance criteria will exceed that of district public schools and charter schools in years 2 and 3 of their grant period**

**c. AZCSIP students will meet or exceed challenging state standards at a higher rate than the comparable district public school and charter school average on each content area of Arizona’s Instrument to Measure Standards (AIMS) in years 2 and 3 of their grant period**

<b>Activity</b>	<b>Responsibility</b>	<b>Timeline &amp; Milestones</b>
AZCSIP Sub-grant applicants have rigorous plans developed to implement high quality curriculum and instructional programs designed to maximize student achievement to high state standards	Sub-grantees, Peer Review Panel, AZCSIP Staff	Annually during sub-grant application process. Deadline for submission: December 1 <b>(Milestone)</b>

Student achievement data and AYP data collected for each AZCSIP school (from data collected annually from all schools by ADE)	AZCSIP Staff, Evaluator, ADE Staff	Annually, October
Student achievement data and AYP data analyzed and reported for each AZCSIP school for the Annual Report, and for formative report to the Leadership & Advisory Team	Evaluator, Leadership & Advisory Team	Annually, December. Annual Report <b>(Milestones)</b>
Effective best and promising practices of successful AZCSIP schools shared with other AZCSIP schools, to improve performance of all AZCSIP schools to achieve the target performance outcome measure	AZCSIP Staff	Ongoing (electronic and print), during prospective charter applicant workshops and Sub-grant applicant workshops and roundtables (March, April, May, June), and Annual state education conferences. <b>(Milestones)</b>

**Objective 3, *Improve high school student achievement and graduation rates in AZCSIP schools,*** includes four outcome performance measures:

**a. AZCSIP charter schools serving high school students will demonstrate a graduation rate higher than the state average for charter schools serving similar student demographics by**

<b>the end of year 2 of their grant period</b>		
<b>b. 80% of AZCSIP charter school high school students will meet or exceed challenging Arizona academic standards on each content area of AIMS in each year of their grant period</b>		
<b>Activity</b>	<b>Responsibility</b>	<b>Timeline &amp; Milestones</b>
AZCSIP Sub-grant applicants have rigorous plans developed to implement high quality high school programs focused on dropout out prevention, graduation support, and rigorous curricula	Sub-grantees, Peer Review Panel, AZCSIP Staff	Annually during sub-grant application process. Deadline for submission: December 1 <b>(Milestone)</b>
Student achievement data, AYP data, and graduation rates collected for each AZCSIP school	AZCSIP Staff, Evaluator	Annually, October
Student achievement data, AYP data, and graduation rates analyzed and reported for each AZCSIP school for the Annual Report, and for formative report to the Leadership & Advisory Team	Evaluator, Leadership & Advisory Team	Annually, December. Annual Report <b>(Milestones)</b>
Resources and technical assistance regarding high school renewal and dropout prevention shared with AZSCIP high schools	AZCSIP Staff, ADE Staff	Ongoing (electronic and print) and during Sub-grant applicant workshops and roundtables (March,

		April, May, June), and Annual state education conferences. <b>(Milestones)</b>
Effective best and promising practices of successful AZCSIP high schools shared with other AZCSIP high schools, to improve performance of all AZCSIP schools to achieve the target performance outcome measure	AZCSIP Staff	Ongoing (electronic and print), during prospective charter applicant workshops and Sub-grant applicant workshops and roundtables (March, April, May, June), and Annual state education conferences. <b>(Milestones)</b>
<b>c. AZCSIP charter school high school students will exceed the state average on the SAT or ACT by year 2 of their grant period</b>		
<b>Activity</b>	<b>Responsibility</b>	<b>Timeline &amp; Milestones</b>
AZCSIP Sub-grant applicants have rigorous plans developed to administer either the ACT or SAT with their students	Sub-grantees, Peer Review Panel, AZCSIP Staff	Annually during sub-grant application process. Deadline for submission: December 1 <b>(Milestone)</b>

<p>SAT and/or ACT exam data analyzed and reported for each AZCSIP school for the Annual Report, and for formative report to the Leadership &amp; Advisory Team</p>	<p>Evaluator, Leadership &amp; Advisory Team</p>	<p>Annually, December. Annual Report <b>(Milestones)</b></p>
<p><b>d. AZCSIP charter schools serving high school students will have more students enrolled in Advanced Placement courses, and scoring 3, 4, or 5 on AP tests, than the state average for charter schools serving similar student demographics by the end of year 2 of their grant period</b></p>		
Activity	Responsibility	Timeline & Milestones
<p>AZCSIP Sub-grant applicants have rigorous plans developed to implement high quality Advanced Placement courses, support programs and services, and ensure that students taking AP courses also take the accompanying AP exam</p>	<p>Sub-grantees, Peer Review Panel, AZCSIP Staff</p>	<p>Annually during sub-grant application process. Deadline for submission: December 1 <b>(Milestone)</b></p>
<p>Resources and technical assistance regarding implementing high-quality Advanced Placement courses and support programs shared with AZCSIP high schools</p>	<p>AZCSIP Staff, ADE Staff</p>	<p>Ongoing (electronic and print) and during Sub-grant applicant workshops and roundtables (March, April, May, June), and Annual state education conferences. <b>(Milestones)</b></p>

Advanced Placement student enrollment data analyzed and reported for each AZCSIP school for the Annual Report, and for formative report to the Leadership & Advisory Team	Sub-Grantees, Evaluator, Leadership & Advisory Team	Annually, June. Annual Report <b>(Milestones)</b>
Advanced Placement exam data analyzed and reported for each AZCSIP school for the Annual Report, and for formative report to the Leadership & Advisory Team	Evaluator, Leadership & Advisory Team	Annually, January. Annual Report <b>(Milestones)</b>

**Sub-Grant Process**

The first objective of the AZCSIP is to **increase the number of high quality charter schools in Arizona, particularly those serving students most at risk in rural and urban settings.** The AZCSIP will provide sub-grants, through a competitive application process, to applicants seeking to implement new high quality charter schools in Arizona.

Sub-grant awards will be up to \$230,000 per year, for a three-year period (subject to review and renewal, and to the availability of continued federal grant funding). The ADE seeks approval for discretion in providing awards that may be slightly higher or lower amounts over sub-grantees award period (so long as the total award for any charter does not exceed a maximum of \$690,000), based on factors including a school’s student enrollment (both low enrollment and unexpected growth in enrollment), the population of students being served (high schools may required higher amounts of funding support), the quality and rigor of the curriculum

and implementation plan, and exceptional training, personnel, and equipment needs, among additional considerations.

Competitive preference will be given to applications submitted for sub-grant applications for funding through the AZCSIP grant that demonstrate commitments to creating charter schools that will serve secondary school students, that serve a student population who are at greatest risk of not meeting challenging state standards (particularly those in rural and urban settings), and that implement a rigorous curriculum that provides opportunities for their students to participate and succeed in Advanced Placement coursework.

These sub-grants will provide awardees both direct financial support and access to technical assistance over a three-year period to assist them in planning, program design, and in the initial implementation of their charter school. Funding may be used to assist in planning and designing their educational programs (to include curriculum, instruction, and assessment), which could include professional development of teachers and school staff, as well as informing the community about the school and its programs, securing needed educational materials, supplies, and equipment, developing or acquiring curriculum materials, and other approved initial operational costs that cannot currently be met using other state or local funding sources. All sub-grants will additionally require eligible applicants to adhere to the all requirements set forth by Section 5203 of the ESEA (see attached signed *Charter Schools Program Assurances – SEAs*).

Access to AZCSIP funding and technical assistance resources for development and implementation, coupled with robust outcome performance expectations for student achievement, will lead to a dramatic increase in the number of high quality charter schools in Arizona. Indeed, Arizona, through the AZCSIP, seeks to create **92** new high quality charter schools serving high need students in both rural and urban settings.

New charter applicants whose application is approved by an Arizona authorized sponsor will have the opportunity to apply for funding through the AZCSIP through a competitive sub-grant process.

**New Charter Applicants** may fall into one of three categories:

***New Applicant:*** A new charter school – not a replication school;

***Replication Applicant:*** An existing high quality charter school, and charter holder in good standing, may apply using an expedited application process to obtain a new charter contract for a new replication school; and,

***Approved Applicant – Good Cause Extension:*** A charter application that has already been approved by ASBCS, but has requested a time extension to fully implement their school.

The AZCSIP will initially identify two cohorts of ten schools each in Year 1. These schools will be selected through a competitive sub-grant application process, and will come from two pools of eligible new charter applicants. The first pool will consist of new charter applications that have already been approved by the Arizona State Board for Charter Schools during the current application period (January 2009), or earlier and have a Good Cause Extension. The second pool will come from those schools who submit applications for new charters (deadline, August 1, 2009), and are approved by the ASBCS during the upcoming application period (January 2010), and newly approved district sponsored charters. Eligible charter schools in both cohorts will be contacted directly by AZCSIP staff, and provided with information and technical assistance in the sub-grant process. Sub-grants will be required to be submitted by December 1, 2009.

Moving forward, a more traditional outreach approach will be undertaken in Year 2 to inform prospective applicants of the availability of sub-grants through the AZCSIP (both for new

charter applicants and replication applications) – taking the form of a series of regional information meetings, electronic (email and web presence) and print media outreach, and presentations at state education conferences beginning in the Spring of 2010. In addition to the two cohorts of 10 schools that will be identified in Year 1, the AZCSIP anticipates identifying 18 new sub-grant awardees per year over Years 2-5 – for a total of 92 newly created high quality charter schools.

***See Table: Projected Growth of New Charter Schools and Required CSP Funding Support 2009-2014***

Further, the sub-grant process will align with the current outreach, information, and application process for new charter applicants applying for charters through the Arizona State Board for Charter Schools (ASBCS). This will also mean that all applicants for sub-grants will go through a two-stage evaluation process – first, the current, rigorous application process for a new charter, and second, the competitive sub-grant application process.

**ASBCS Current Timeline and Process for New Charter Applications:**

- **Prospective Applicant Workshops:** March, April, May, June
- **Advisory Roundtable:** June
- **Soft Deadline for Applications:** June 25 (This allows for time for review and resubmission prior to the final deadline)
- **Final Deadline for Applications:** August 1
- **Review of application for Administrative Completeness:** Applicants receive written notification of deficiencies postmarked not more than 25 days after the receipt of the application package. **NOTE:** Applicants, upon receiving notice of an incomplete application package, may submit a new application package, as long as the deadline of August 1 has not

passed. Applicants are strongly encouraged to submit the application more than 25 days prior to the final deadline of August 1.

- **Evaluation of a complete application for substantive completeness, pursuant to the scoring criteria, by members of the Technical Review Panel:** September / October

The **Technical Review Panel** is composed on individuals approved and acting on behalf of the ASBCS.

**Review on FAME Scale:** Falls Below the Expectation (does not provide any of the requested elements); Approaches the Expectation (may include some, but does not include ALL); Meets the Expectation (provides all requested elements); Exceeds the Expectation (provides all requested elements and additional elaboration is included).

**Consider:** Clarity, Feasibility, and Consistency of the Application

The application is automatically eligible to be forwarded to the Board for consideration if, upon review of the completed scoring rubric, it is determined that:

- No scoring area receives a Falls Below the Expectation; and
- No more than one scoring area in each section is scored as Approaching; and
- 95% of all scored sections score at the Meets or Exceeds level

- **Applicants revise applications:** November/December
- **Applicants whose applications do not meet scoring criteria:** *Revise and Resubmit within 20 days, Withdraw, or Move Forward to Board for consideration without any revisions*

Upon correction and resubmission of a revised application, ASBCS staff will: Review corrections and re-score using rubric; Write a report that includes: Background Information, Curriculum/Business Summary with re-scoring of sections.

- **Applications eligible to move forward presented to ASBCS for Consideration for Approval:** January

Each applicant, whose application package meets the scoring requirements, will be forwarded to the Board for consideration. Board members will also be provided with the scores and comments from the technical review panel, results of the applicants' background and credit checks, and an application overview containing information related to any principal's and authorized representative's current or prior charter compliance.

At a scheduled meeting of the Arizona State Board for Charter Schools, the Board will publicly make a determination whether to approve the application and grant the charter based on the materials reviewed and a determination of the Board as to whether the applicant is sufficiently qualified. Applicants will be notified of the date of the Board's consideration.

This is an opportunity for the Board to get clarification for the purpose of making a decision.

No new documentation will be accepted from the applicant.

**Sub-Grant Timeline (Year 2 and Ongoing):**

The Sub-grant timeline will be aligned to the current ASBCS process for new charter applicants, leading to a high degree of coordinated effort and outreach to inform all new prospective charter applicants of the AZCSIP.

- **Sub-Grant Prospective Applicant Workshops** (*concurrent with existing ASBCS workshops*): March, April, May June
- **Sub-Grant Application Deadline:** December 1
- **Preliminary Review of Applications by AZCSIP Staff for Administrative Completeness:** December – January

- **Identification of Eligible Applicants** (*final eligibility requirement is contingent on having an approved new charter application*): January
- **Final Evaluation According to Scoring Criteria by Sub-Grant Peer Review Panel** (to include members of the ASBCS Technical Review Panel + AZCSIP Staff): January – February
- **Sub-Grant Awards**: March 1
- **Annual Sub-Grant Monitoring by AZCSIP Staff**: Completed by December 1

The **Sub-Grant Peer Review Panel** will be composed of individuals that currently are approved and acting on behalf of the ASBCS as members of their new charter application Technical Review Panel, along with AZCSIP Staff. The Technical Review Panel comprises two academic community members (from the charter school community) and two business community members. Utilizing existing members of the Technical Review Panel provides several positive advantages. First, members of the Technical Review Panel (a peer review panel) undergo a rigorous vetting process to ensure no conflicts of interest are present. Second, the panel would already be highly familiar with the sub-grant applicant schools and plans, having reviewed their new charter applications. The Sub-Grant Peer Review Panel will meet for one day (January / February) after the ASBCS completes their review of new charter applications, and makes their final determinations for new charter approvals in January. Non-AZCSIP staff members of the panel will be compensated for their time at a rate of \$250 for their one day of service.

**The defined responsibilities and Time Commitments of Project Director and Key Project Personnel are as follows:**

The Arizona Department of Education (ADE) and the Arizona State Board for Charter Schools (ASBCS) will enter into a Memorandum of Understanding (MOU) regarding the administration of the AZCSIP grant, further underscoring the high level of collaboration between these entities.

**AZCSIP Leadership & Advisory Team** (Quarterly, ongoing: *The project advisory team will meet no less than once per quarter, and on an ongoing basis as needed throughout the term of the project.*)

The AZCSIP is a collaborative effort between the Arizona Department of Education and the Arizona State Board for Charter Schools. To ensure that the project both achieves its stated objectives and outcome performance measures, and continues to align with strategic objectives of both entities, the project will utilize a Leadership & Advisory Team. This team will consist of the Project Director, and members from each entity, including Karen Butterfield (Associate Superintendent for Academic Achievement, ADE), Deanna Rowe (Executive Director, ASBCS), Martha Morgan (Deputy Director, ASBCS), Maxine Daly (Deputy Associate Superintendent, Innovative and Exemplary Programs, ADE), and Richard Valdivia (Deputy Associate Superintendent, Program Operations, ADE). Developing public awareness of the project and developing long-term strategies for sustainability will also be primary responsibilities. The core Leadership & Advisory Team will meet regularly throughout the life of the project to assess progress toward meeting objectives and outcome performance measures, implementation of project activities, discuss potential improvements, and provide valuable formative performance feedback.

**Project Director (1.0 FTE – 100% Time Commitment)**

The project will employ a full time Project Director to ensure an effective and efficient, full time commitment to the day-to-day management of project activities and realization of all project

objectives and outcomes. Given the scope of the project, and objectives of ensuring the creation of high quality charter schools, the Arizona Department of Education recognizes the need for ongoing, consistent coordination and implementation of Project activities. 100% of the Director's time will be devoted to the project. The Project Director will provide oversight and direction for the project and will play a prominent role in implementing project objectives. This position will be hired through a competitive hiring process in accordance with the policies and procedures of the Arizona Department of Education.

*Primary responsibilities will include the following:* Collaborate with ASBCS to develop a sub-grant application that supports the goals of the grant application; Provide technical assistance to eligible applicants regarding the submission of a sub-grant application; Coordinate the review of applications; Review grants for administrative completeness; Identification and training of peer reviewers; Coordination of peer review evaluations; Monitor the implementation of sub-grant awards and assist with the collection of required data from charters during the award period and for the annual report; Ensure project accountability and sustainability; Ensure the project achieves program goals and objectives on time and within budget; Provide ongoing, consistent technical assistance to all funded project schools; Develop and distribute materials to explain project opportunities, procedures, processes, and technical assistance to schools; Manage the production of all year end financial, performance and evaluation reports to the US Department of Education in accordance with the GRPA reporting requirements; Manage and facilitate the sub-grant process for funding project activities at target schools; Coordinate the collection and reporting of all quantitative and qualitative data; and Provide technical assistance to the AZCSIP Leadership & Advisory Team.

**Program Specialist (3: 1 FTE – 100% Time Commitment; 2 Contracted Individuals)**

These positions will be hired or contracted through a competitive hiring process in accordance with the policies and procedures of the Arizona Department of Education. The FTE position and 1 contacted individual will be brought on in Year 2, with the other contracted individual brought on in Year 3.

*Primary Responsibilities will include the following:* Collaborate with ADE and ASBCS to further refine the sub-grant application and application process that supports the goals of the grant application; Provide technical assistance to eligible applicants regarding the submission of a sub-grant application; Coordinate the review of applications; Review grants for administrative completeness; Identification and training of peer reviewers; Coordination of peer review evaluations; Monitor the implementation of sub-grant awards and assist ADE with the collection of required data from charters during the award period and for the annual report; and Provide support to the Project Director.

**Administrative Assistant (1FTE – 100% Time Commitment)**

The Administrative Assistant will provide support to the Project Director and AZCSP Leadership & Advisory Team, performing receptionist duties, data entry, copying, mailing, scheduling, and other clerical functions. This person will support the direct service activities performed by the Project Director, including verification of information and data provided by schools. 100% of the Administrative Assistant's time will be devoted to the project. This position will be hired through a competitive hiring process in accordance with the policies and procedures of the Arizona Department of Education.

**Evaluator (Resume Attached)**

Rolanda Bell will serve as the project evaluator for the AZCSIP grant, and currently serves as the Director of Evaluation for the Arizona Department of Education Research and Evaluation Unit.

Ms. Bell will coordinate with project staff in identifying and analyzing data, and will also assist in preparing quarterly formative reports for the Leadership & Advisory Team, all required annual performance reports, and the final report.

*(vi) The Secretary considers the quality of the evaluation to be conducted of the proposed project. In determining the quality of the evaluation, the Secretary considers the extent to which the methods of evaluation include the use of objective performance measures that are clearly related to the intended outcomes of the project and will produce quantitative and qualitative data to the extent possible (30 points).*

The Arizona Department of Education will engage in a two-fold evaluation process, incorporating both a process and performance evaluation. The AZCSIP will evaluate the **process** of the project through closely monitoring progress toward meeting project benchmarks, as defined in the Management Plan. Assisting in these efforts will be the ASCSIP Leadership & Advisory Team. Second, the AZCSIP will measure the **performance** of the project annually, through collecting and reporting data for each of the project's outcome performance measures through the Annual Report process.

All outcome performance measures have all been directly aligned to the objectives of the AZCSIP, and the GPRA reporting requirements of the CSP, and have been designed to be clearly measurable, producing relevant quantitative data.

### **Objectives and Outcomes:**

1. Increase the number of high quality charter schools in Arizona, particularly those serving students most at risk in rural and urban settings;
  - a. 85% of AZCSIP charter schools will meet AYP and AZLEARNNS performance criteria for each year of the performance period;

- b. **92** new charter schools will be created over the five year period of the project;
2. Improve student achievement to high academic standards in AZCSIP schools;
  - a. 80% of AZCSIP charter school students will meet or exceed challenging Arizona academic standards on each content area of Arizona's Instrument to Measure Standards (AIMS) in each year of their grant period;
  - b. The percentage of AZCSIP charter schools that meet AYP and AZLEARNS performance criteria will exceed that of district public schools and charter schools in years 2 and 3 of their grant period;
  - c. AZCSIP students will meet or exceed challenging state standards at a higher rate than the comparable district public school and charter school average on each content area of Arizona's Instrument to Measure Standards (AIMS) in years 2 and 3 of their grant period;
3. Improve high school student achievement and graduation rates in AZCSIP schools.
  - a. AZCSIP charter schools serving high school students will demonstrate a graduation rate higher than the state average for charter schools serving similar student demographics by the end of year 2 of their grant period;
  - b. 80% of AZCSIP charter school high school students will meet or exceed challenging Arizona academic standards on each content area of AIMS in each year of their grant period;
  - c. AZCSIP charter school high school students will exceed the state average on the SAT or ACT by year 2 of their grant period; and
  - d. AZCSIP charter schools serving high school students will have more students enrolled in Advanced Placement courses, and scoring 3, 4, or 5 on AP tests, than the state average

for charter schools serving similar student demographics by the end of year 2 of their grant period.

*(a) Benchmarks to monitor progress toward specific project objectives*

### **Annual AZCSIP Benchmarks**

- The number of new applications for charters through authorized sponsors: **August 1**
- The number of new sub-grant applications approved for funding: **Mid-February**
- The number of AZCSIP charter schools meeting AYP and AZLEARNS performance criteria: **October**
- The percentage of AZCSIP charter schools students meeting or exceeding on AIMS: **October**
- The Graduation Rate of AZCSIP charter schools students: **June**
- AZCSIP charter school student performance on SAT or ACT Exams: **October/November** (*Scores available from the College Board and ACT*)
- The number of AZCSIP charter school students enrolled in AP courses: **June**
- The number of AZCSIP charter school students scoring a 3, 4, or 5 on AP Tests: **January** (*from the College Board*)
- Survey Results: **Quarterly**
- Focus Groups Results: **Quarterly**

### **Sub-Grant Cohort Benchmarks**

#### **Fiscal**

Application Deadline: **December 1**

Application Approval Notification: **Mid-February**

Sub-grant Funds Flow: **March 1**

Annual Monitoring (Programmatic): **December 1**

Sub-grant Fiscal Reporting (Completion Report): **September 30**

*(b) Outcome measures to assess the impact on teaching and learning or other important outcomes for project participants. In its plan, we encourage the applicant to identify the individual and/or organization that has agreed to serve as evaluator for the project and to describe the qualifications of that evaluator.*

**Nine outcome performance measures have been identified for the AZCSIP:**

1. 85% of AZCSIP charter schools will meet AYP and AZLEARNS performance criteria for each year of the performance period;
2. **92** new charter schools will be created over the five year period of the project;
3. 80% of AZCSIP charter school students will meet or exceed challenging Arizona academic standards on each content area of Arizona's Instrument to Measure Standards (AIMS) in each year of their grant period;
4. The percentage of AZCSIP charter schools that meet AYP and AZLEARNS performance criteria will exceed that of district public schools and charter schools in years 2 and 3 of their grant period;
5. AZCSIP students will meet or exceed challenging state standards at a higher rate than the comparable district public school and charter school average on each content area of Arizona's Instrument to Measure Standards (AIMS) in years 2 and 3 of their grant period;
6. AZCSIP charter schools serving high school students will demonstrate a graduation rate higher than the state average for charter schools serving similar student demographics by the end of year 2 of their grant period;

7. 80% of AZCSIP charter school high school students will meet or exceed challenging Arizona academic standards on each content area of AIMS in each year of their grant period;
8. AZCSIP charter school high school students will exceed the state average on the SAT or ACT by year 2 of their grant period; and
9. AZCSIP charter schools serving high school students will have more students enrolled in Advanced Placement courses, and scoring 3, 4, or 5 on AP tests, than the state average for charter schools serving similar student demographics by the end of year 2 of their grant period.

### **Evaluator**

*Applicants are encouraged to devote an appropriate level of resources to project evaluation.*

Rolanda Bell will serve as the project evaluator for the AZCSIP grant, and currently serves as the Director of Evaluation for the Arizona Department of Education Research and Evaluation Unit. Ms. Bell will coordinate with project staff in identifying and analyzing data, and will also assist in preparing quarterly formative reports for the Leadership & Advisory Team, all required annual performance reports, and the final report. During her employment with the department, Ms. Bell has conducted evaluations of the state's Supplemental Services program, the state sponsored professional development program for K-3 teachers, and the Superintendent's Art Education Initiative. Prior to working with the Arizona Department of Education, she served as the manager of research and evaluation at Sylvan Education Solutions. There she conducted outcome evaluations for the company's individualized and group reading/math programs. Ms. Bell earned a Master's of Arts degree in Educational Psychology from Arizona State University, and has experience in research design, report writing, and data analysis.

*(1) The types of data that will be collected:*

A combination of quantitative and qualitative data will be collected, to include the following:

**Quantitative:**

***Student Achievement Data***

- Arizona Instrument to Measure Standards (AIMS) Results: Reading, Writing, and Math
- AZLEARNNS<sup>5</sup> Profiles
- SAT or ACT Data
- Advanced Placement (AP) Course Participation Data<sup>6</sup>
- Advanced Placement (AP) Test Performance Data

***Charter School Data***

- The number of new charter school sub-grant awards
- The number of charter school sub-grant awards renewed based on progress monitoring

**Qualitative:**

- Survey Results
- Focus Groups Results

*(2) When various types of data will be collected:*

All quantitative and qualitative data will be collected annually:

- The number of new applications for charters through authorized sponsors: **August 1**
- The number of new sub-grant applications approved for funding: **Mid-February**
- The number of AZCSIP charter schools meeting AYP and AZLEARNNS performance criteria: **October**

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<sup>5</sup> AZLEARNNS – A component of Arizona’s school accountability system that incorporates AYP, and utilizes a growth model as a Measure of Academic Progress (MAP) for student achievement. AZLEARNNS results in school labels indicating school performance. **See Appendix G.**

<sup>6</sup> *Advanced Placement* (AP) refers to courses and exams from the College Board.

- The percentage of AZCSIP charter schools students meeting or exceeding on AIMS:

**October**

- The Graduation Rate of AZCSIP charter schools students: **June**
- AZCSIP charter school student performance on SAT or ACT Exams:  
**October/November** (*Scores available from the College Board and ACT*)
- The number of AZCSIP charter school students enrolled in AP courses: **June**
- The number of AZCSIP charter school students scoring a 3, 4, or 5 on AP Tests: **January**  
(*from the College Board*)
- Survey Results: **Quarterly**
- Focus Groups Results: **Quarterly**

*(3) The methods that will be used to collect data:*

- Student Level Data: Arizona’s Student Accountability Information System (SAIS), The College Board, ACT, School Reporting
- School Level Data: Application and Monitoring Processes, Surveys, Focus Groups

*(4) The instruments that will be developed and when:*

The only instruments that will be developed for the AZCSIP will be focus group questions and survey questions (for both electronic and traditional surveys). Both will be developed in Year 1 (January 2010).

*(5) How the data will be analyzed:*

A mixed-methods approach will be utilized – engaging in both comparative analysis and absolute performance of sub-grantee schools.

**Comparison** – AZCSIP Charter Schools vs. AZCSIP Charter Schools, AZCSIP Charter Schools vs. Non-AZCSIP Charter Schools Serving Similar Student Demographics, and AZCSIP Charter schools vs. District Schools Serving Similar Student Demographics.

**Absolute** – Reporting on student achievement goals (number and percent – to report growth), and number of charter schools created.

The following additional key questions to be addressed during the evaluation are:

1. How are AZCSIP funds planned for and expended at the school level by sub-grantees? Is there any relation between how funds are expended to student achievement outcomes?
2. What percentage of charter schools receiving AZCSIP funds have met AYP and AZLEARNs performance criteria in years one, two, and three of their grant period?
3. What percentage of AZCSIP charter school students met or exceeded State academic standards on Arizona’s Instrument to Measure Standards?
4. What percentage of AZCSIP charter high school students graduated compared to their counterparts in charter or district high schools serving similar students?
5. What percentage of AZCSIP charter high school students are enrolled in Advanced Placement courses compared to their counterparts in charter or district high schools serving similar students?
6. What percentage of AZCSIP charter high school students earned a 3, 4 or 5 on an Advanced Placement exam compared to their counterparts in charter or district high schools serving similar students?
7. What percentage of AZCSIP charter high school students performed at a high level on the SAT or ACT compared to their counterparts in charter or district high schools serving similar students?

8. How many charter school operators indicate that receiving AZCSIP funding was a significant factor in their ability to demonstrate significant student academic achievement outcomes?
9. What are the levels of satisfaction with the ADE and AZCSIP from parents, charter school operators, and charter school applicants?
10. What type of outreach and dissemination activities through the AZCSIP have led to the highest levels of satisfaction among charter school operators?

*(6) When reports of results and outcomes will be available:*

Reports of results and outcomes will be available and reported annually through the required Annual Report and GRPA reporting requirements for the CSP grant. Additionally, formative data will be prepared by the project evaluator and project staff, and reviewed quarterly during meetings of the Leadership & Advisory Team to guide how the project may make ongoing adjustments and improvements in achieving all objectives and performance outcome measures.

*(7) How the applicant will use the information collected through the evaluation to monitor progress of the funded project and to provide accountability information both about success at the initial site and effective strategies for replication in other setting.*

The Leadership & Advisory Team, in coordination with project staff, will review both **quarterly** and **annual** reports to provide valuable formative feedback regarding the progress of the grant toward meeting grant objectives and outcome performance measures. Additionally, project staff and the Leadership & Advisory Team will review the success of each funded school annually, identify successful practices and challenges, and share that information with new applicants to further ensure future success, through informing future application, technical assistance, and monitoring processes.

# Project Narrative

## Other Narrative

Attachment 1:

Title: Pages: Uploaded File: **1237-APPENDIX D - Resume for Project Evaluator - Rolanda Bell.pdf**

Attachment 2:

Title: Pages: Uploaded File: **1238-APPENDIX A - Arizona Revised Statutes regarding Charter Schools.pdf**

Attachment 3:

Title: Pages: Uploaded File: **1239-APPENDIX B - Arizona Attorney General Opinion 104-006.pdf**

Attachment 4:

Title: Pages: Uploaded File: **1240-APPENDIX C - Arizona Expansion Act Internal Policy.pdf**

Attachment 5:

Title: Pages: Uploaded File: **1241-APPENDIX E - Resume - Dr Karen Butterfield.pdf**

Attachment 6:

Title: Pages: Uploaded File: **1242-APPENDIX F - AZ LEARNS.doc**

Attachment 7:

Title: Pages: Uploaded File: **1243-APPENDIX G - LETTERS OF SUPPORT.pdf**

Attachment 8:

Title: Pages: Uploaded File: **1244-APPENDIX H - Charter Schools Program Assurances Fax.pdf**

## **Arizona Revised Statutes Article 8 - Charter Schools**

Section 15 of Chapter 8 of the Arizona Revised Statutes covers the responsibilities and regulations concerning Charter Schools in Arizona.

### 15-181. Charter schools; purpose; scope

A. Charter schools may be established pursuant to this article to provide a learning environment that will improve pupil achievement. Charter schools provide additional academic choices for parents and pupils. Charter schools may consist of new schools or all or any portion of an existing school. Charter schools are public schools that serve as alternatives to traditional public schools and charter schools are not subject to the requirements of article XI, section 1, Constitution of Arizona, or chapter 16 of this title.

B. Charter schools shall comply with all provisions of this article in order to receive state funding as prescribed in section 15-185.

### 15-182. State board for charter schools; membership; terms; compensation; duties

A. The state board for charter schools is established consisting of the following members:

1. The superintendent of public instruction or the superintendent's designee.
2. Six members of the general public, at least two of whom shall reside in a school district where at least sixty per cent of the children who attend school in the district meet the eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1785) for free lunches, and at least one of whom shall reside on an Indian reservation, who are appointed by the governor pursuant to section 38-211.
3. Two members of the business community who are appointed by the governor pursuant to section 38-211.
4. A teacher who provides classroom instruction at a charter school and who is appointed by the governor pursuant to section 38-211.
5. An operator of a charter school who is appointed by the governor pursuant to section 38-211.
6. Three members of the legislature who shall serve as advisory members and who are appointed jointly by the president of the senate and the speaker of the house of representatives.

B. The superintendent of public instruction shall serve a term on the state board for charter schools that runs concurrently with the superintendent's term of office. The members appointed pursuant to subsection A, paragraph 6 of this section shall serve two year terms on the state board for charter schools that begin and end on the third Monday in January and that run concurrently with their respective terms of office. Members appointed pursuant to subsection A, paragraphs 2, 3, 4 and 5 of this section shall serve staggered four year terms that begin and end on the third Monday in January.

C. The state board for charter schools shall annually elect a president and such other officers as it deems necessary from among its membership.

D. Members of the state board for charter schools are not eligible to receive compensation but are eligible for reimbursement of expenses pursuant to title 38, chapter 4, article 2.

E. The state board for charter schools shall:

1. Exercise general supervision over charter schools sponsored by the board and recommend legislation pertaining to charter schools to the legislature.
2. Grant charter status to qualifying applicants for charter schools pursuant to section 15-183.

3. Adopt and use an official seal in the authentication of its acts.
  4. Keep a record of its proceedings.
  5. Adopt rules for its own government.
  6. Determine the policy of the board and the work undertaken by it.
  7. Delegate to the superintendent of public instruction the execution of board policies.
  8. Prepare a budget for expenditures necessary for the proper maintenance of the board and the accomplishment of its purpose.
- F. The state board for charter schools may:
1. Contract.
  2. Sue and be sued.

15-183. Charter schools; application; requirements; immunity; exemptions; renewal of application; reprisal

A. An applicant seeking to establish a charter school shall submit a written application to a proposed sponsor as prescribed in subsection C of this section. The application shall include a detailed business plan for the charter school and may include a mission statement for the charter school, a description of the charter school's organizational structure and the governing body, a financial plan for the first three years of operation of the charter school, a description of the charter school's hiring policy, the name of the charter school's applicant or applicants and requested sponsor, a description of the charter school's facility and the location of the school, a description of the grades being served and an outline of criteria designed to measure the effectiveness of the school.

B. The sponsor of a charter school may contract with a public body, private person or private organization for the purpose of establishing a charter school pursuant to this article.

C. The sponsor of a charter school may be either a school district governing board, the state board of education or the state board for charter schools, subject to the following requirements:

1. For charter schools that submit an application for sponsorship to a school district governing board:

(a) An applicant for a charter school may submit its application to a school district governing board, which shall either accept or reject sponsorship of the charter school within ninety days. An applicant may submit a revised application for reconsideration by the governing board. If the governing board rejects the application, the governing board shall notify the applicant in writing of the reasons for the rejection. The applicant may request, and the governing board may provide, technical assistance to improve the application.

(b) In the first year that a school district is determined to be out of compliance with the uniform system of financial records, within fifteen days of the determination of noncompliance, the school district shall notify by certified mail each charter school sponsored by the school district that the school district is out of compliance with the uniform system of financial records. The notification shall include a statement that if the school district is determined to be out of compliance for a second consecutive year, the charter school will be required to transfer sponsorship to another entity pursuant to subdivision (c) of this paragraph.

(c) In the second consecutive year that a school district is determined to be out of compliance with the uniform system of financial records, within fifteen days of the determination of noncompliance, the school district shall notify by certified mail each charter school sponsored by the school district that the school district is out of compliance with the uniform system of financial records. A charter school that receives a notification of school district noncompliance

pursuant to this subdivision shall file a written sponsorship transfer application within forty-five days with the state board of education, the state board for charter schools or the school district governing board if the charter school is located within the geographic boundaries of that school district. A charter school that receives a notification of school district noncompliance may request an extension of time to file a sponsorship transfer application and the state board of education, the state board for charter schools or a school district governing board may grant an extension of not more than an additional thirty days if good cause exists for the extension. The state board of education and the state board for charter schools shall approve a sponsorship transfer application pursuant to this paragraph.

(d) Beginning July 1, 2000, a school district governing board shall not grant a charter to a charter school that is located outside the geographic boundaries of that school district.

(e) A school district that has been determined to be out of compliance with the uniform system of financial records during either of the previous two fiscal years shall not sponsor a new or transferring charter school.

2. The applicant may submit the application to the state board of education or the state board for charter schools. The state board of education or the state board for charter schools may approve the application if the application meets the requirements of this article and may approve the charter if the proposed sponsor determines, within its sole discretion, that the applicant is sufficiently qualified to operate a charter school. The state board of education or the state board for charter schools may approve any charter schools transferring charters. The state board of education and the state board for charter schools shall approve any charter schools transferring charters from a school district that is determined to be out of compliance with the uniform system of financial records pursuant to this section, but may require the charter school to sign a new charter that is equivalent to the charter awarded by the former sponsor. If the state board of education or the state board for charter schools rejects the preliminary application, the state board of education or the state board for charter schools shall notify the applicant in writing of the reasons for the rejection and of suggestions for improving the application. An applicant may submit a revised application for reconsideration by the state board of education or the state board for charter schools. The applicant may request, and the state board of education or the state board for charter schools may provide, technical assistance to improve the application.

3. Each applicant seeking to establish a charter school shall submit a full set of fingerprints to the approving agency for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. If an applicant will have direct contact with students, the applicant shall possess a valid fingerprint clearance card that is issued pursuant to title 41, chapter 12, article 3.1. The department of public safety may exchange this fingerprint data with the federal bureau of investigation. The criminal records check shall be completed before the issuance of a charter.

4. All persons engaged in instructional work directly as a classroom, laboratory or other teacher or indirectly as a supervisory teacher, speech therapist or principal shall have a valid fingerprint clearance card that is issued pursuant to title 41, chapter 12, article 3.1, unless the person is a volunteer or guest speaker who is accompanied in the classroom by a person with a valid fingerprint clearance card. A charter school shall not employ a teacher whose certificate has been revoked for a violation of section 15-507 or 15-550 or for any offense that placed a pupil in danger. All other personnel shall be fingerprint checked pursuant to section 15-512. Before employment, the charter school shall make documented, good faith efforts to contact previous employers of a person to obtain information and recommendations that may be

relevant to a person's fitness for employment as prescribed in section 15-512, subsection F. The charter school shall notify the department of public safety if the charter school or sponsor receives credible evidence that a person who possesses a valid fingerprint clearance card is arrested for or is charged with an offense listed in section 41-1758.03, subsection B. Charter schools may hire personnel that have not yet received a fingerprint clearance card if proof is provided of the submission of an application to the department of public safety for a fingerprint clearance card and if the charter school that is seeking to hire the applicant does all of the following:

- (a) Documents in the applicant's file the necessity for hiring and placement of the applicant before receiving a fingerprint clearance card.
- (b) Ensures that the department of public safety completes a statewide criminal records check on the applicant. A statewide criminal records check shall be completed by the department of public safety every one hundred twenty days until the date that the fingerprint check is completed.
- (c) Obtains references from the applicant's current employer and the two most recent previous employers except for applicants who have been employed for at least five years by the applicant's most recent employer.
- (d) Provides general supervision of the applicant until the date that the fingerprint card is obtained.
- (e) Completes a search of criminal records in all local jurisdictions outside of this state in which the applicant has lived in the previous five years.
- (f) Verifies the fingerprint status of the applicant with the department of public safety.

5. If a charter school operator is not already subject to a public meeting or hearing by the municipality in which the charter school is located, the operator of a charter school shall conduct a public meeting at least thirty days before the charter school operator opens a site or sites for the charter school. The charter school operator shall post notices of the public meeting in at least three different locations that are within three hundred feet of the proposed charter school site.

6. A person who is employed by a charter school or who is an applicant for employment with a charter school, who is arrested for or charged with a nonappealable offense listed in section 41-1758.03, subsection B and who does not immediately report the arrest or charge to the person's supervisor or potential employer is guilty of unprofessional conduct and the person shall be immediately dismissed from employment with the charter school or immediately excluded from potential employment with the charter school.

7. A person who is employed by a charter school and who is convicted of any nonappealable offense listed in section 41-1758.03, subsection B or is convicted of any nonappealable offense that amounts to unprofessional conduct under section 15-550 shall immediately do all of the following:

- (a) Surrender any certificates issued by the department of education.
- (b) Notify the person's employer or potential employer of the conviction.
- (c) Notify the department of public safety of the conviction.
- (d) Surrender the person's fingerprint clearance card.

D. A board that is authorized to sponsor charter schools pursuant to this article has no legal authority over or responsibility for a charter school sponsored by a different board. This subsection does not apply to the state board of education's duty to exercise general supervision over the public school system pursuant to section 15-203, subsection A, paragraph 1.

E. The charter of a charter school shall ensure the following:

1. Compliance with federal, state and local rules, regulations and statutes relating to health, safety, civil rights and insurance. The department of education shall publish a list of relevant rules, regulations and statutes to notify charter schools of their responsibilities under this paragraph.
2. That it is nonsectarian in its programs, admission policies and employment practices and all other operations.
3. That it provides a comprehensive program of instruction for at least a kindergarten program or any grade between grades one and twelve, except that a school may offer this curriculum with an emphasis on a specific learning philosophy or style or certain subject areas such as mathematics, science, fine arts, performance arts or foreign language.
4. That it designs a method to measure pupil progress toward the pupil outcomes adopted by the state board of education pursuant to section 15-741.01, including participation in the Arizona instrument to measure standards test and the nationally standardized norm-referenced achievement test as designated by the state board and the completion and distribution of an annual report card as prescribed in chapter 7, article 3 of this title.
5. That, except as provided in this article and in its charter, it is exempt from all statutes and rules relating to schools, governing boards and school districts.
6. That, except as provided in this article, it is subject to the same financial and electronic data submission requirements as a school district, including the uniform system of financial records as prescribed in chapter 2, article 4 of this title, procurement rules as prescribed in section 15-213 and audit requirements. The auditor general shall conduct a comprehensive review and revision of the uniform system of financial records to ensure that the provisions of the uniform system of financial records that relate to charter schools are in accordance with commonly accepted accounting principles used by private business. A school's charter may include exceptions to the requirements of this paragraph that are necessary as determined by the district governing board, the state board of education or the state board for charter schools. The department of education or the office of the auditor general may conduct financial, program or compliance audits.
7. Compliance with all federal and state laws relating to the education of children with disabilities in the same manner as a school district.
8. That it provides for a governing body for the charter school that is responsible for the policy decisions of the charter school.
9. That it provides a minimum of one hundred seventy-five instructional days before June 30 of each fiscal year unless it is operating on an alternative calendar approved by its sponsor. The superintendent of public instruction shall adjust the apportionment schedule accordingly to accommodate a charter school utilizing an alternative calendar.

F. The charter of a charter school shall include a description of the charter school's personnel policies, personnel qualifications and method of school governance and the specific role and duties of the sponsor of the charter school. A charter school shall keep on file the resumes of all current and former employees who provide instruction to pupils at the charter school. Resumes shall include an individual's educational and teaching background and experience in a particular academic content subject area. A charter school shall inform parents and guardians of the availability of the resume information and shall make the resume information available for inspection on request of parents and guardians of pupils enrolled at the charter school. Nothing in this subsection shall be construed to require any charter school to release

personally identifiable information in relation to any teacher or employee including the teacher's or employee's address, salary, social security number or telephone number.

G. The charter of a charter school may be amended at the request of the governing body of the charter school and on the approval of the sponsor.

H. Charter schools may contract, sue and be sued.

I. An approved plan to establish a charter school is effective for fifteen years from the first day of operation. At least eighteen months before the expiration of the approved plan, the sponsor shall notify the charter school that the charter school may apply for renewal. A charter school that elects to apply for renewal shall file an application for renewal at least fifteen months before the expiration of the approved plan. In addition to any other requirements, the application for renewal shall include a detailed business plan for the charter school. The sponsor may deny the request for renewal if, in its judgment, the charter school has failed to complete the obligations of the contract or has failed to comply with this article. A sponsor shall give written notice of its intent not to renew the charter school's request for renewal to the charter school at least twelve months before the expiration of the approved plan to allow the charter school an opportunity to apply to another sponsor to transfer the operation of the charter school. If the operation of the charter school is transferred to another sponsor, the fifteen year period of the current charter shall be maintained. A sponsor shall review a charter at five year intervals and may revoke a charter at any time if the charter school breaches one or more provisions of its charter. At least ninety days before the effective date of the proposed revocation the sponsor shall give written notice to the operator of the charter school of its intent to revoke the charter. Notice of the sponsor's intent to revoke the charter shall be delivered personally to the operator of the charter school or sent by certified mail, return receipt requested, to the address of the charter school. The notice shall incorporate a statement of reasons for the proposed revocation of the charter. The sponsor shall allow the charter school at least ninety days to correct the problems associated with the reasons for the proposed revocation of the charter. The final determination of whether to revoke the charter shall be made at a public hearing called for such purpose.

J. After renewal of the charter at the end of the fifteen year period described in subsection I of this section, the charter may be renewed for successive periods of fifteen years if the charter school and its sponsor deem that the school is in compliance with its own charter and this article.

K. A charter school that is sponsored by the state board of education or the state board for charter schools may not be located on the property of a school district unless the district governing board grants this authority.

L. A governing board or a school district employee who has control over personnel actions shall not take unlawful reprisal against another employee of the school district because the employee is directly or indirectly involved in an application to establish a charter school. A governing board or a school district employee shall not take unlawful reprisal against an educational program of the school or the school district because an application to establish a charter school proposes the conversion of all or a portion of the educational program to a charter school. For the purposes of this subsection, "unlawful reprisal" means an action that is taken by a governing board or a school district employee as a direct result of a lawful application to establish a charter school and that is adverse to another employee or an education program and:

1. With respect to a school district employee, results in one or more of the following:
  - (a) Disciplinary or corrective action.

- (b) Detail, transfer or reassignment.
- (c) Suspension, demotion or dismissal.
- (d) An unfavorable performance evaluation.
- (e) A reduction in pay, benefits or awards.
- (f) Elimination of the employee's position without a reduction in force by reason of lack of monies or work.
- (g) Other significant changes in duties or responsibilities that are inconsistent with the employee's salary or employment classification.

2. With respect to an educational program, results in one or more of the following:

- (a) Suspension or termination of the program.
- (b) Transfer or reassignment of the program to a less favorable department.
- (c) Relocation of the program to a less favorable site within the school or school district.
- (d) Significant reduction or termination of funding for the program.

M. Charter schools shall secure insurance for liability and property loss. The governing body of a charter school that is sponsored by the state board of education or the state board for charter schools may enter into an intergovernmental agreement or otherwise contract to participate in an insurance program offered by a risk retention pool established pursuant to section 11-952.01 or 41-621.01 or the charter school may secure its own insurance coverage. The pool may charge the requesting charter school reasonable fees for any services it performs in connection with the insurance program.

N. Charter schools do not have the authority to acquire property by eminent domain.

O. A sponsor, including members, officers and employees of the sponsor, is immune from personal liability for all acts done and actions taken in good faith within the scope of its authority.

P. Charter school sponsors and this state are not liable for the debts or financial obligations of a charter school or persons who operate charter schools.

Q. The sponsor of a charter school shall establish procedures to conduct administrative hearings on determination by the sponsor that grounds exist to revoke a charter. Procedures for administrative hearings shall be similar to procedures prescribed for adjudicative proceedings in title 41, chapter 6, article 10. Except as provided in section 41-1092.08, subsection H, final decisions of the state board of education and the state board for charter schools from hearings conducted pursuant to this subsection are subject to judicial review pursuant to title 12, chapter 7, article 6.

R. The sponsoring entity of a charter school shall have oversight and administrative responsibility for the charter schools that it sponsors.

S. Charter schools may pledge, assign or encumber their assets to be used as collateral for loans or extensions of credit.

T. All property accumulated by a charter school shall remain the property of the charter school.

U. Charter schools may not locate a school on property that is less than one-fourth mile from agricultural land regulated pursuant to section 3-365, except that the owner of the agricultural land may agree to comply with the buffer zone requirements of section 3-365. If the owner agrees in writing to comply with the buffer zone requirements and records the agreement in the office of the county recorder as a restrictive covenant running with the title to the land, the charter school may locate a school within the affected buffer zone. The agreement may include any stipulations regarding the charter school, including conditions for future expansion

of the school and changes in the operational status of the school that will result in a breach of the agreement.

V. A transfer of a charter to another sponsor, a transfer of a charter school site to another sponsor or a transfer of a charter school site to a different charter shall be completed before the beginning of the fiscal year that the transfer is scheduled to become effective. An entity that sponsors charter schools may accept a transferring school after the beginning of the fiscal year if the transfer is approved by the superintendent of public instruction. The superintendent of public instruction shall have the discretion to consider each transfer during the fiscal year on a case by case basis. If a charter school is sponsored by a school district that is determined to be out of compliance with this title, the uniform system of financial records or any other state or federal law, the charter school may transfer to another sponsoring entity at any time during the fiscal year.

W. The sponsoring entity may not charge any fees to a charter school that it sponsors unless the sponsor has provided services to the charter school and the fees represent the full value of those services provided by the sponsor. On request, the value of the services provided by the sponsor to the charter school shall be demonstrated to the department of education.

#### 15-184. Charter schools; admission requirements

A. A charter school shall enroll all eligible pupils who submit a timely application, unless the number of applications exceeds the capacity of a program, class, grade level or building. A charter school shall give enrollment preference to pupils returning to the charter school in the second or any subsequent year of its operation and to siblings of pupils already enrolled in the charter school. A charter school that is sponsored by a school district governing board shall give enrollment preference to eligible pupils who reside within the boundaries of the school district where the charter school is physically located. If capacity is insufficient to enroll all pupils who submit a timely application, the charter school shall select pupils through an equitable selection process such as a lottery except that preference shall be given to siblings of a pupil selected through an equitable selection process such as a lottery.

B. Except as provided in subsection C, a charter school shall not limit admission based on ethnicity, national origin, gender, income level, disabling condition, proficiency in the English language or athletic ability.

C. A charter school may limit admission to pupils within a given age group or grade level.

D. A charter school shall admit pupils who reside in the attendance area of a school or who reside in a school district that is under a court order of desegregation or that is a party to an agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination unless notice is received from the resident school that the admission would violate the court order or agreement. If a charter school admits a pupil after notice is received that the admission would constitute such a violation, the charter school is not allowed to include in its student count the pupils wrongfully admitted.

E. A charter school may refuse to admit any pupil who has been expelled from another educational institution or who is in the process of being expelled from another educational institution.

#### 15-187. Charter schools; teachers; employment benefits

A. A teacher who is employed by or teaching at a charter school and who was previously employed as a teacher at a school district shall not lose any right of certification, retirement or

salary status or any other benefit provided by law, by the rules of the governing board of the school district or by the rules of the board of directors of the charter school due to teaching at a charter school on the teacher's return to the school district.

B. A teacher who is employed by or teaching at a charter school and who submits an employment application to the school district where the teacher was employed immediately before employment by or at a charter school shall be given employment preference by the school district if both of the following conditions are met:

1. The teacher submits an employment application to the school district no later than three years after ceasing employment with the school district.

2. A suitable position is available at the school district.

C. A charter school that is sponsored by a school district governing board, the state board of education or the state board for charter schools is eligible to participate in the Arizona state retirement system pursuant to title 38, chapter 5, article 2. The charter school is a political subdivision of this state for purposes of title 38, chapter 5, article 2.

15-187.01. Optional inclusion of charter school employees in state health and accident coverage; payment of premiums; advance notice; minimum period of participation; definition

A. If a governing body of a charter school determines that state health and accident insurance coverage is necessary or desirable and in the best interest of the charter school, it may provide for inclusion of the charter school's employees and spouses and dependents of the charter school's employees in state health and accident insurance coverage pursuant to section 38-651.

B. If the charter school elects to participate in the state health and accident insurance coverage, it shall be the only health and accident insurance coverage offered to charter school employees.

C. A charter school governing body that elects to include its employees in the state health and accident insurance coverage shall notify the department of administration of its intention to do so by January 15 of the calendar year prior to the school year starting after June 30 in which the charter school's employees would be eligible to receive state health and accident insurance coverage.

D. A charter school governing body that elects to include its employees in the state health and accident insurance coverage shall participate in state health and accident insurance coverage for at least two years.

E. Charter schools that opt to participate in the state health and accident insurance coverage shall agree to accept the benefit level, plan design, insurance providers, premium level and other terms and conditions determined by the department of administration and shall accept such other contractual arrangements made by the department of administration with health and accident insurance providers.

F. Charter schools shall reimburse the department of administration for administrative and operational costs associated with charter schools participating in the state health and accident insurance coverage determined pursuant to section 38-651, subsection K.

G. As used in this section, "state health and accident insurance coverage" means the health and accident coverage procured by the department of administration under section 38-651.

15-188. Charter schools stimulus fund

A. The charter schools stimulus fund is established for the purpose of providing financial support to charter school applicants and charter schools for start-up costs and costs

associated with renovating or remodeling existing buildings and structures. The fund consists of monies appropriated by the legislature and grants, gifts, devises and donations from any public or private source. The department of education shall administer the fund.

B. The state board of education shall adopt rules to implement the provisions of this section, including application and notification requirements. If sufficient monies are appropriated for this purpose, monies from the charter schools stimulus fund shall be distributed to qualifying charter school applicants and charter schools in the following manner:

1. Each qualifying charter school applicant or charter school shall be awarded an initial grant of up to one hundred thousand dollars during or before the first year of the charter school's operation. If an applicant for a charter school receives an initial grant pursuant to this paragraph and fails to begin operating a charter school within the next eighteen months, the applicant shall reimburse the department of education for the amount of the initial grant plus interest calculated at a rate of ten per cent a year.

2. Applicants for charter schools and charter schools that received initial grants pursuant to paragraph 1 may apply to the department of education for an additional grant of up to one hundred thousand dollars. If an applicant for a charter school receives an additional grant pursuant to this paragraph and fails to begin operating a charter school within the next eighteen months, the applicant shall reimburse the department of education for the amount of the additional grant plus interest calculated at a rate of ten per cent a year. A reimbursement required by this paragraph is in addition to any reimbursement required by paragraph 1.

C. Monies in the charter schools stimulus fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

#### 15-189. Charter schools; vacant buildings; list; used equipment

A. The department of education, in conjunction with the department of administration, shall annually publish a list of vacant and unused buildings and vacant and unused portions of buildings that are owned by this state or by school districts in this state and that may be suitable for the operation of a charter school. The department of education shall make the list available to applicants for charter schools and to existing charter schools. The list shall include the address of each building, a short description of the building and the name of the owner of the building. Nothing in this section requires the owner of a building on the list to sell or lease the building or a portion of the building to a charter school or to any other school or to any other prospective buyer or tenant.

B. A school district may sell used equipment to a charter school before the school district attempts to sell or dispose of the equipment by other means.

#### 15-189.01. Charter schools; zoning; development fees

A. Charter schools shall be classified as public schools for the purposes of the assessment of zoning fees, site plan fees and development fees. Municipalities and counties shall adopt procedures to ensure that hearings and administrative reviews involving charter schools are scheduled and conducted on an expedited basis and that charter schools receive a final determination from the municipality or county within thirty days of the beginning of processes requiring only an administrative review and within ninety days of the beginning of processes requiring a public hearing and allowing an appeal to a board of adjustment, city or town council or board of supervisors.

B. No political subdivision of this state may enact or interpret any law, rule or ordinance in a manner that conflicts with subsection A.

#### 15-189.02. [Charter schools; public bidding requirements](#)

A. A charter school's procurement is exempt from public bidding requirements if the aggregate dollar amount of the procurement does not exceed the maximum amount of the exemption authorized by title 41, chapter 23 or pursuant to rules adopted by the director of the department of administration.

B. Notwithstanding subsection A, the state board for charter schools may authorize an exemption from public bidding requirements that exceeds the maximum exemption prescribed in subsection A of this section for any charter school sponsored by the state board for charter schools.

#### 15-189.03. [Academic credits; transfer](#)

A. If a pupil who was previously enrolled in a charter school or school district enrolls in a charter school in this state, the charter school shall accept credits earned by the pupil in courses or instructional programs at the charter school or school district. A charter school governing board may adopt a policy concerning the application of transfer credits for the purpose of determining whether a credit earned by a pupil who was previously enrolled in a school district or charter school will be assigned as an elective or core credit.

B. A pupil who transfers from a charter school or school district shall be provided with a list that indicates which credits have been accepted as an elective credit and which credits have been accepted as a core credit by the charter school. Within ten school days after receiving the list, a pupil may request to take an examination in each particular course in which core credit has been denied. The charter school shall accept the credit as a core credit for each particular course in which the pupil takes an examination and receives a passing score on a test designed and evaluated by a teacher in the charter school who teaches the subject matter on which the examination is based.

### ADDITIONAL CHARTER SCHOOL RELATED STATUTE

#### 15-746. [School report cards](#)

A. Each school shall distribute an annual report card that contains at least the following information:

1. A description of the school's regular, magnet and special instructional programs.
2. A description of the current academic goals of the school.
3. A summary of the results achieved by pupils enrolled at the school during the prior three school years as measured by the Arizona instrument to measure standards test and the nationally standardized norm-referenced achievement test as designated by the state board and as reported in the annual report prescribed by section 15-743, a summary of the pupil progress on an ongoing and annual basis, showing the trends in gain or loss in pupil achievement over time in reading, language arts and mathematics for all years in which pupils are enrolled in the school district for an entire school year and for which this information is available and a summary of the pupil progress for pupils not enrolled in a district for an entire school year.
4. The school's current expenditures per pupil for classroom supplies, classroom instruction excluding classroom supplies, administration, support services-students, and all other support services and operations. The current expenditures per pupil by school shall include allocation of the district-wide expenditures to each school, as provided by the district. The report shall

include a comparison of the school to the state amount for a similar type of district as calculated in section 15-255. The method of calculating these per pupil amounts and the allocation of expenditures shall be as prescribed in the uniform system of financial records.

5. The attendance rate of pupils enrolled at the school as reflected in the school's average daily membership as defined in section 15-901.

6. The total number of incidents that occurred on the school grounds, at school bus stops, on school buses and at school sponsored events and that required the contact of a local, county, tribal, state or federal law enforcement officer pursuant to section 13-3411, subsection F, section 13-3620, section 15-341, subsection A, paragraph 33 or section 15-515. The total number of incidents reported shall only include reports that law enforcement officers report to the school are supported by probable cause. For the purposes of this paragraph, a certified peace officer who serves as a school resource officer is a law enforcement officer. A school may provide clarifying information if the school has a school resource officer on campus.

7. The percentage of pupils who have either graduated to the next grade level or graduated from high school.

8. A description of the social services available at the school site.

9. The school calendar including the length of the school day and hours of operations.

10. The total number of pupils enrolled at the school during the previous school year.

11. The transportation services available.

12. Beginning in the 2000-2001 school year and until July 1, 2006, the reading instruction programs used by the school for kindergarten programs and grades one, two and three, pursuant to section 15-704. The report card shall include a district comparison of test scores among the different programs of reading instruction and shall identify the program of reading instruction used in each classroom.

13. A description of the responsibilities of parents of children enrolled at the school.

14. A description of the responsibilities of the school to the parents of the children enrolled at the school including dates the report cards are delivered to the home.

15. A description of the composition and duties of the school council as prescribed in section 15-351 if such a school council exists.

16. For the most recent year available, the average current expenditure per pupil for administrative functions compared to the predicted average current expenditure per pupil for administrative functions according to an analysis of administrative cost data by the joint legislative budget committee staff.

17. If the school provides instruction to pupils in kindergarten programs and grades one through three, the ratio of pupils to teachers in each classroom where instruction is provided in kindergarten programs and grades one through three.

18. The average class size per grade level for all grade levels, kindergarten programs and grades one through eight. For the purposes of this paragraph, "average class size" means the weighted average of each class.

B. The department of education shall develop a standardized report card format that meets the requirements of subsection A of this section. The department shall modify the standardized report card as necessary on an annual basis. The department shall distribute to each school in this state a copy of the standardized report card that includes the required test scores for each school. Additional copies of the standardized report card shall be available on request.

C. After each school has completed the report card distributed to it by the department of education, the school, in addition to distributing the report card as prescribed in subsection A

of this section, shall send a copy of the report card to the department. The department shall prepare an annual report that contains the report card from each school in this state.

D. The school shall distribute report cards to parents of pupils enrolled at the school, no later than the last day of school of each fiscal year, and shall present a summary of the contents of the report cards at an annual public meeting held at the school. The school shall give notice at least two weeks before the public meeting that clearly states the purposes, time and place of the meeting.

#### 15-914. Financial and compliance audits

A. The governing board of a school district which is required to comply with the single audit act amendments of 1996 (P.L. 104-156; 110 Stat. 1396; 31 United States Code sections 7501 through 7507) shall contract for at least annual financial and compliance audits of financial transactions and accounts subject to the single audit act amendments of 1996 and kept by or for the school district. Beginning with fiscal year 2003-2004, the governing board of a school district that is not required to comply with the single audit act and that has adopted an expenditure budget of two million dollars or more for the maintenance and operation fund pursuant to section 15-905 shall contract for an annual financial statement audit. Beginning with fiscal year 2004-2005, the governing board of a school district that is not required to comply with the single audit act and that has adopted an expenditure budget of less than two million dollars but more than seven hundred thousand dollars for the maintenance and operation fund pursuant to section 15-905 shall contract for a biennial financial statement audit. An independent certified public accountant shall conduct the audit in accordance with generally accepted governmental auditing standards.

B. The governing board of a charter school that is required to comply with the single audit act amendments of 1996 shall contract for an annual financial and compliance audit of financial transactions and accounts subject to the single audit act amendments of 1996 and kept by or for the charter school.

C. A charter school that is not subject to the single audit act amendments of 1996 shall contract for at least an annual financial statement audit conducted in accordance with generally accepted governmental auditing standards. An independent certified public accountant shall conduct the audit.

D. For all audits referred to in subsections A, B and C of this section the independent certified public accountant shall submit a uniform system of financial records compliance questionnaire to the auditor general with the applicable audit reports.

E. Contracts for all financial and compliance audits and financial statement audits and the completed audits shall be approved by the auditor general as provided in section 41-1279.21. Contracts for all financial and compliance audits and financial statement audits shall comply with the rules for competitive sealed proposals as prescribed by the state board of education in section 15-213.

F. If the school district or charter school will incur costs of financial and compliance audits for the budget year, the governing board of a school district or the governing body of the charter school may increase its base support level for the budget year by an amount equal to the amount expended for the district's or charter school's financial and compliance audits in the year before the current year, increased by the growth rate as prescribed by law, subject to appropriation. In determining the amount expended for the district's or charter school's financial and compliance audits, the school district or charter school shall include only the portion of the audit which must be paid from monies other than federal monies. The

department of education and the auditor general shall prescribe a method for determining the increase in the base support level and shall include in the maintenance and operation section of the budget format, as provided in section 15-903, a separate line for financial and compliance audits expenditures.

G. Beginning in fiscal year 2003-2004, every audit contract shall include a systematic review of average daily membership, as defined in section 15-901, using methodology that is consistent with guidelines established by the auditor general. The auditor general shall consider cost when establishing guidelines pursuant to this subsection and, to the extent possible, shall attempt to minimize the cost of the review. The purpose of the review is to determine whether the average daily membership reported by the charter school or school district is in compliance with the laws of this state and the uniform systems of financial records for charter schools and school districts.

**STATE OF ARIZONA**  
**OFFICE OF THE ATTORNEY GENERAL**

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<p>ATTORNEY GENERAL OPINION</p> <p>by</p> <p>TERRY GODDARD ATTORNEY GENERAL</p> <p>July 20, 2004</p>	<p>No. I04-006 (R04-010)</p> <p>Re: Charter Schools Operated by For-profit Organizations</p>
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TO: The Honorable Tom Horne  
Superintendent of Public Instruction

**Questions Presented**

You have asked the following questions concerning charter schools:

1. Is a charter school operated by a for-profit organization (or a for-profit charter operator and its charter school) considered a public local educational agency (LEA) under Arizona law?
  
2. Does a charter school operated by a for-profit organization (or a for-profit charter operator and its charter school) meet the federal definition of a “local educational agency,” as set forth in Section 9101 (26) of the Elementary and Secondary Education Act (codified at 20 U.S.C. § 7801 (26)) and Section 602(15) of the Individuals with Disabilities Education Act (codified at 20 U.S.C. § 1401 (15))? In answering this question, you asked this Office to

consider the definition of “elementary school” and “secondary school” set forth in Sections 9101 (18) and (38) of Title I of the Elementary and Secondary Education Act (20 U.S.C. § 7801 (18) and (38)), Sections 602(5) and (23) of the Individuals with Disabilities Education Act (20 U.S.C. § 1401(5) and (23)) and Arizona laws relating to non-profit institutions or schools to the extent it is pertinent to the analysis.

### **Summary Answer**

1. Because all Arizona charter schools are public schools and are mandated to comply with all federal and state laws relating to the education of children with disabilities in the same manner as school districts, all charter schools, including those operated by for-profit organizations, function as LEAs under Arizona law.
2. Because Arizona charter schools, including those operated by for-profit organizations, function as LEAs under state law, they meet the federal definition of a “local educational agency” as set forth in Section 9101 (26) of Title I of the Elementary and Secondary Education Act and Section 602(15) of the Individuals with Disabilities Education Act.

### **Background**

The United States Department of Education’s Office of Inspector General issued an audit report of twenty Arizona charter schools. The audit concluded that private for-profit entities that operate charter schools are not public entities and, as a result, are not eligible to receive funds under Title I of the Elementary and Secondary Education Act and the Individuals with Disabilities

Education Act. Officials within the United States Department of Education have requested additional information from the Arizona Department of Education to aid in their resolution of the issues raised in the audit report concerning charter schools.

### Analysis

#### A. All Charter Schools Function As LEAs under State Law.

##### 1. Charter Schools.

The Legislature established charter schools to improve pupil achievement and to give parents and pupils additional academic choices. A.R.S. § 15-181(A). All Arizona charter schools are "public schools," regardless of whether they are operated by public bodies, private persons, or private organizations. A.R.S. §§ 15-101(3), -181(A). Arizona's charter school laws do not differentiate between for-profit and nonprofit private organizations that apply to establish a charter school. A.R.S. § 15-183(B). Charter schools are established by contract between a sponsor (which may be a school district governing board, the State Board of Education, or the State Board for Charter Schools) and a public body, private person, or private organization. A.R.S. §§ 15-101(3), -183(B). The charter school sponsor provides initial authorization for a charter school, has continuing oversight responsibility, and has sole control of whether to renew a school's charter. A.R.S. § 15-183(R). The Legislature mandates the general components of the charter, school operation, school accountability, school financial requirements, and responsibilities of the charter school governing body. A.R.S. § 15-183(E). All charter schools may contract, sue and be sued, and hold property. A.R.S. § 15-183(H), (T). Thus, charter schools are distinct legal entities, with legal responsibilities independent of their public or private operators. Ariz. Att'y Gen. Op. No. I00-005;

*Cf. Jarvis v. Hammons*, 32 Ariz. 124, 129, 256 P. 362, 364, *on reh'g*, 32 Ariz. 318, 257 P. 985 (1927) (concluding that school districts are distinct legal entities).

While Arizona charter schools are exempt from some state educational laws and rules, all charter schools must “compl[y] with all federal and state laws relating to the education of children with disabilities in the same manner as a school district.” A.R.S. § 15-183(E)(5), (7). Further, charter schools are precluded from limiting admission based on disabling conditions. A.R.S. § 15-184(B). Like district schools, charter schools receive state funding based on a formula prescribed by statute. *See* A.R.S. § 15-185. District and charter schools receive the same base amount for each student, multiplied by a weighted amount that is determined by the student’s disability. *See* A.R.S. § 15-943. Under state and federal law, charter schools have the same responsibilities as school districts do to educate children with disabilities. Ariz. Att’y Gen. Op. No. I96-011 (in the context of providing special education, charter schools are home school districts for qualifying children pursuant to the mandate in A.R.S. §15-183(E)(7)). Both must develop policies and procedures for providing special education to all such children within their jurisdiction. A.R.S. § 15-763(A); 20 U.S.C. §§ 1412 and 1413.

## 2. Local Educational Agencies.

Arizona statutes and regulations governing special education services do not use the term “local educational agency” (LEA). *See* A.R.S. §§ 15-761 to 774. Instead, the relevant regulations use the term “public education agency” or “PEA,” which is defined as “a school district, charter school, accommodation school, state supported institution, or other political subdivision of the state

that is responsible for providing education to children with disabilities.” A.A.C. R7-2-401(B)(22)<sup>1</sup>. Under these regulations, charter schools are PEAs that are obligated to comply with state and federal laws in providing education to children with disabilities. *See* A.A.C. R7-2-401(B)(22). State law plainly requires all charter schools, regardless of whether they are operated by a for-profit or non-profit organization, to comply with state and federal laws to educate children with disabilities in the same manner as a school district. Thus, all charter schools are PEAs and function as LEAs under state law.

B. A Charter School That a For-profit Organization Operates Meets the Federal Definition of a “Local Educational Agency.”

1. Individuals with Disabilities Education Act (IDEA).

The IDEA applies to each public school in the United States, including charter schools. In a state that accepts IDEA funds, LEAs must comply with the IDEA and make services available to students with disabilities in whatever geographic area the LEA covers. *See* 20 U.S.C. § 1411(a); 34 C.F.R. § 300.2. The IDEA defines an LEA as:

(A) [A] public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or for such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools.

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<sup>1</sup>The regulations also incorporate by reference the terms used in the Individuals with Disabilities Education Act (IDEA) 1997 Amendments (34 C.F.R. §§ 300.4 through 300.30, and 300.504 (2003)). A.A.C. R7-2-401(B).

(B) The term includes--

- (i) an educational service agency, as defined in paragraph (4),<sup>2</sup> and
- (ii) any other public institution or agency having administrative control and direction of a public elementary or secondary school.

20 U.S.C. § 1401(15)(A) and (B).

The regulations implementing the IDEA adopt the same definition of LEA, except they include language specifically addressing charter schools:

- (b) “any other public institution or agency having administrative control and direction of a public elementary or secondary school, *including a public charter school that is established as an LEA under State law.*”

34 C.F.R. § 300.18(b) (emphasis added).

Arizona charter schools are defined as public schools under state law. A.R.S. § 15-101(3). The Arizona Legislature established charter schools as public schools and mandated that they comply with all federal and state laws relating to the education of children with disabilities in the same manner as school districts. Because all charter schools, including those operated by for-profit organizations, function as “LEAs” under state law, charter schools operated by for-profit organizations meet the federal definition of a “local educational agency” as set forth Section 602(15) of the IDEA.

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<sup>2</sup> The term “educational service agency:”

(A) means a regional public multiservice agency -

(i) authorized by State law to develop, manage, and provide services or programs to local educational agencies; and

(ii) recognized as an administrative agency for purposes of the provision of special education and related services provided within public elementary and secondary schools of the State; and

(B) includes any other public institution or agency having administrative control and direction over a public elementary or secondary school.

20 U.S.C. § 1401(4). *See also* 34 C.F.R. § 300.18.

2. The Elementary and Secondary Education Act (ESEA).

The ESEA defines an “LEA” as:

(A) In general

[A] public board of education or other public authority legally constituted within a State, for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State, or of or for a combination of school districts or counties that is recognized in a State as an administrative agency for its public elementary or secondary schools.

(B) Administrative control and direction

The term includes any other public institution or agency having administrative control and direction of a public elementary school or secondary school.

20 U.S.C. § 7801 (26)(A) and (B).

The ESEA defines an elementary school as a “nonprofit institutional day or residential school, including a public elementary charter school, that provides elementary education, as determined under State law.” 20 U.S.C. § 7801 (18). The ESEA defines a secondary school as “a nonprofit institutional day or residential school, including a public secondary charter school, that provides secondary education, as determined under state law, except that the term does not include any education beyond grade 12.” 20 U.S.C. § 7801 (38). Under state law, Arizona charter schools are public schools established for the purposes of offering instruction to pupils in programs for preschool children with disabilities, kindergarten programs or any combination of grades one through twelve. A.R.S. § 15-101(3), (19). Charter schools must provide a comprehensive program of instruction for at least a kindergarten program or any grade between grades one and twelve and must comply with all federal and state laws relating to the education of children with disabilities in the same manner as a school district. A.R.S. § 15-183(E)(3), (7). Thus, Arizona’s charter schools

provide the elementary and secondary education required by state law. Although the ESEA refers to “nonprofit school,” it also specifically includes public charter schools providing elementary and secondary education as determined by state law. Because the definition applies to all public charter schools, Arizona charter schools operated by a for-profit organization meet the federal definition of “local educational agency” as set forth Section 9101 (26) of Title I of the Elementary and Secondary Education Act (20 U.S.C. § 7801 (26)(B)).

### **Conclusion**

Charter schools, including those operated by for-profit organizations, are public schools that function as local educational agencies under Arizona law. In addition, charter schools that for-profit organizations operate meet the federal definition of local educational agencies as set forth in Section 9101 (26) of the Elementary and Secondary Education Act and Section 602(15) of the Individuals with Disabilities Education Act.

Terry Goddard  
Attorney General

## **Charter School Expansion Act Internal Policy and Procedures**

### **Expansion as it relates to new charters:**

#### Background

A new charter school would be eligible to participate its first year in operation.

To be eligible, a school or its chartering agency must provide written notice to the funding office at least 120 days prior to “opening”.

#### Policy

The State Board for Charter Schools will provide the funding office written notice of potential school openings by March 1<sup>st</sup>.

#### Procedures

Staff will notify the appropriate offices, via email, of the potential opening of a new school on or before March 1<sup>st</sup> of the year the school may open. The following will receive notification:

- Deputy Associate Superintendent for Operations, Academic Achievement Division, currently Richard Validiva, at [rvaldiv@ade.az.gov](mailto:rvaldiv@ade.az.gov) ; and
- Director of Grants Management, ESS/Funding Unit, currently Beverley Boyd; and
- Funding Program Specialist, ESS/Funding Unit, currently Connie Hill.

The notice will include:

1. The name of each entity awarded a new charter, and
2. The grade levels to be served by each entity, and
3. The enrollment cap for each entity for the first year, and
4. The intended start date provided on the application, and
5. The name of each entity with an application still under consideration by the Board, with the potential to open in the next fiscal year.

Staff will provide electronic notification to the funding office, as applications are considered by the Board and contracts are signed, to provide updated information on a school’s opening.

A copy of each correspondence will be kept in a binder titled “Expansion Notifications”.

## **Charter School Expansion Act Internal Policy and Procedures**

### **Expansion as it relates to existing charters:**

#### Background

An existing charter school would be eligible to participate if it:

1. Added grades, or
2. Added a unique program, or
3. Opened an additional site.

#### Policy

To be eligible, a school or its chartering agency must provide written notice to the funding office at least 120 days prior to “expanding”.

- The State Board for Charter Schools will provide the appropriate funding office with written notice of potential expansion when an administratively complete amendment request that meets the eligibility requirements is received from a charter.

Schools submitting amendment requests for expansion less than 130 days prior to their first day of instruction for the next fiscal year should submit their own written request to the funding office in ensure eligibility.

#### Procedures

Staff will provide written notice of the potential expansion of an existing school upon determination of administrative completeness of an amendment request, if the amendment request meets the criteria for “significant expansion” to:

- Deputy Associate Superintendent for Operations, Academic Achievement Division, currently Richard Valdivia; and
- Director of Grants Management, ESS/Funding Unit, currently Beverley Boyd; and
- Funding Program Specialist, ESS/Funding Unit, currently Connie Hill.

Notification will occur via email and will include:

1. The name of the charter holder, and
2. A description of the proposed expansion, and
3. a. The CTDS number of the school expanding grades or programs, or  
b. The address of the proposed additional site, and
4. The first day of instruction for the proposed expansion, and
5. The proposed date of Board consideration of the request.

Staff will provide electronic notification to the funding office as amendments are considered by the Board to provide updated information on a school’s expansion approval or denial.

A copy of each correspondence will be kept in a binder titled “Expansion Notifications”.

## AZ LEARNS

This section provides an overview of how AZ LEARNS achievement profiles are determined. More detailed discussions of the methodology used to determine the profiles, including descriptions of equations, algorithms, and data used are given in subsequent chapters.

Arizona law (ARS § 15-241) mandates that the Arizona Department of Education shall compile an annual achievement profile for each public school. It specifies that the profiles of schools serving grades K-8 shall be based on:

- Arizona Measure of Academic Progress (MAP).
- Percent of students who pass AIMS.

The law specifies that the profiles of high schools shall be based on:

- Drop out rate
- Graduation rate
- Percent of students who pass AIMS.

A school that serves both grades K-8 and high school receives two separate achievement profiles.

The law also calls for the ADE to use a research based methodology that shall:

- Include performance of pupils at all achievement levels
- Account for pupil mobility
- Account for the distribution of pupil achievement
- Include longitudinal indicators of academic performance.

A research based methodology is defined as “the systematic and objective application of statistical and quantitative research principles to determine a standard measurement of acceptable academic progress for each school”.

The law also calls for a system of parallel achievement profiles for accommodation schools/alternative schools as defined by the Board of Education.

### General Process to Calculate an Achievement Profile

The achievement profile for a school serving grades 3-8 consists of the following performance measures:

1. A status measure based on the performance of students on all three sections of the AIMS (reading, writing, and mathematics) in the current year.
2. A measure of improvement in aggregate student performance on the AIMS compared to the baseline year.
3. A measure of growth in individual student performance. This is the Measure of Academic Progress (MAP).
4. A measure of whether the school made Adequate Yearly Progress (AYP) as defined by the No Child Left Behind Act of 2001. In order to comply with the federal requirement that the state have an integrated accountability system, a school's AYP determination is factored into the calculation of its achievement profile.
5. In order to create the incentive for schools to improve the achievement of average and above-average students, a school cannot earn the highly performing or excelling labels unless the percentage of its students exceeding the standard on AIMS met specific thresholds.
6. The achievement profile for a high school is made up of all of the above components except for measure 3. In addition, the following performance measures are used for high schools:
  - Dropout rate.
  - Graduation rate.

Schools are awarded scale score points based on their performance on measures 1-4, 6, and 7. Scale score points are then summed up for each school and compared to a scale that relates scale score points to the five profile labels: excelling, highly performing, performing plus, performing, and underperforming. Performance measure five is then examined to determine if the school has earned the highest labels of highly performing or excelling.



State of Arizona

Janice K. Brewer  
Governor

Office of the Governor  
1700 West Washington Street, Phoenix, AZ 85007

Main Phone: 602-542-4331  
Facsimile: 602-542-7601

January 29, 2009

The Honorable Arne Duncan  
Secretary of Education  
400 Maryland Avenue SW  
Washington, DC 20202

Dear Secretary Duncan,

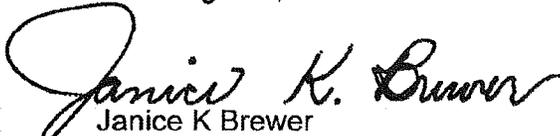
As Arizona's Governor, I'm writing in support of the grant application submitted to your office by The Arizona Department of Education under the Charter School Programs grant.

Arizona has long been one of the nation's leading supporters of the charter school movement as a vehicle to provide additional opportunities for students to achieve to high standards of academic performance.

If awarded this federal grant, student academic options and opportunities to achieve high academic standards will increase. The program will serve as a strong incentive for the creation of new, high quality charter schools through providing new applicant schools with financial support and technical assistance for planning, program design, and implementation, while also demanding a high degree of rigor and accountability throughout the application process. Arizona will further conduct a rigorous evaluation regarding the impact that these new charter schools have on students, student academic achievement, teachers, and parents.

I strongly support this effort, and thank you for your consideration of this application.

Best regards,

  
Janice K Brewer  
Governor

JKB:kp

JOHN MCCAIN  
ARIZONA

COMMITTEE ON ARMED SERVICES  
COMMITTEE ON COMMERCE,  
SCIENCE, AND TRANSPORTATION  
COMMITTEE ON INDIAN AFFAIRS

## United States Senate

January 27, 2009

241 RUSSELL SENATE OFFICE BUILDING  
WASHINGTON, DC 20510-0303  
(202) 224-2235

5353 NORTH 16TH STREET  
SUITE 105  
PHOENIX, AZ 85016  
(602) 952-2410

4703 SOUTH LAKESHORE DRIVE  
SUITE 1  
TEMPE, AZ 85282  
(480) 897-6289

407 WEST CONGRESS STREET  
SUITE 103  
TUCSON, AZ 85701  
(520) 670-6334

TELEPHONE FOR HEARING IMPAIRED  
(602) 952-0170

Honorable Arne Duncan  
Secretary of Education  
Department of Education  
400 Maryland Avenue SW  
Washington, DC 20202

Dear Secretary Duncan:

I am writing to bring to your attention an application submitted by the Arizona Department of Education (ADE) under the Charter School Programs grant. I received the attached a letter from Arizona State Superintendent of Education Tom Horne and would appreciate the Department of Education giving fair consideration to Arizona's grant application.

When such matters are brought to my attention, it is my policy to refer them to the appropriate agency regardless of whether the petitioner has any personal or political relationship with me. It is also my policy that I ask for no preferential treatment for this petitioner or any single or select group of interests, nor do I advocate a specific outcome.

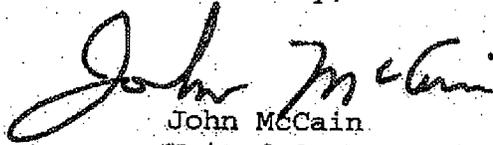
Arizona has long been a leader in the nation's charter school movement, providing parents and students the opportunity to choose schools that best fit their education needs. The ADE has submitted an application on behalf of the Arizona Charter School Incentive Program (AZCSIP) to build upon the past efforts and successes to create new, high quality charter schools through financial support and technical assistance for implementation of new applicant schools.

I believe that all entities applying for federal grants and programs should be treated fairly and equally and judged

on their merits. Accordingly, I trust that the evaluation of ADE's application will be handled in strict accordance with existing department rules, regulations, and ethical guidelines.

Thank you for your fair consideration of Arizona's grant application.

Sincerely,

A handwritten signature in cursive script that reads "John McCain". The signature is written in dark ink and is positioned above the printed name.

John McCain  
United States Senator

JM/cd



State of Arizona  
Department of Education

Tom Horne  
Superintendent of  
Public Instruction

January 26, 2009

The Hon. John McCain  
United States Senate  
Washington, D.C.

Dear Senator McCain:

As you may recall from past conversations we have had regarding school choice, I have raised the issue of the so-called Pastor Amendment, which was passed into law in 1997.

This language, which was originally in the 1997 Labor-HHS conference report, has since been codified into the ESEA Section 5204(g) as amended under No Child Left Behind.

This language results from a dispute over how charter schools in tribally-controlled regions of Arizona are funded by the state. In 1996, the state legislature took note of the fact that those schools are already fully funded by federal dollars. State funding is extraneous and continued state appropriation of funds would have amounted to double-dipping for those schools.

Since the state took the action of not adding to the already-sufficient federal appropriation, Rep. Pastor inserted language in the above-referenced portions of federal law.

The only net effect of this action has been to chill the ability of the State of Arizona to apply for certain authorized and appropriated federal charter school dollars. In some fiscal years, the potential loss to Arizona charter operators has been as high as \$20 million.

Individual charter holders may apply for some funds, but many charters do not have the staff or other resources to adequately apply for these competitive grants. Giving the Arizona Department of Education the authority to apply for these grants to act in the department's normal capacity as the state's fiscal agent for education funding would significantly boost the ability of Arizona charters to access these funds and enhance school choice in Arizona.

The Arizona Department of Education has requested that the U.S. Department of Education (ED) waive the ESEA Section 5204(g) language. Upon our request for that waiver, ED staff have asked that Arizona apply for *CFDA 84.282A* the Charter School Programs grant. Our application will contain a formal waiver request.

I am respectfully requesting a letter of your support to be contained in this competitive grant application.

Best regards,

A handwritten signature in black ink that reads "Tom Horne".

Tom Horne  
Superintendent of Public Instruction

HARRY E. MITCHELL  
5TH DISTRICT, ARIZONA

2434 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
Ph: 202-225-2190  
Fx: 202-225-3263

7201 EAST CAMELBACK ROAD, SUITE 335  
SCOTTSDALE, AZ 85251  
Ph: 480-946-2411  
Fx: 480-946-3246

mitchell.house.gov



**Congress of the United States**  
**House of Representatives**

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**  
SUBCOMMITTEE ON AVIATION  
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT  
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT  
**COMMITTEE ON VETERANS' AFFAIRS**  
CHAIRMAN  
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS  
**COMMITTEE ON SCIENCE AND TECHNOLOGY**  
SUBCOMMITTEE ON TECHNOLOGY AND INNOVATION

January 26, 2009

The Honorable Arne Duncan  
Secretary of Education  
400 Maryland Avenue SW  
Washington, DC 20202

Dear Secretary Duncan:

I am writing in support of the Arizona Department of Education's application for the Charter School Programs (CSP) grant.

With support from this grant, The Arizona Charter School Incentive Program will seek to increase the number of academic options and opportunities for students in Arizona. With this grant, the Arizona Charter School Incentive Program will provide new application schools with financial support and technical assistance for planning, program design, and implementation. Additionally, with this assistance, the Arizona Charter School Incentive Program will conduct a rigorous evaluation regarding the impact that new charter schools have on students, student academic achievement, teachers, and parents.

Thank you for your consideration.

Sincerely,

Harry E. Mitchell  
Member of Congress

**GABRIELLE GIFFORDS**  
8TH DISTRICT, ARIZONA  
WASHINGTON OFFICE:  
502 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
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1661 NORTH SWAN, SUITE 112  
TUCSON, AZ 85712  
(520) 881-3588  
COCHISE COUNTY OFFICE  
77 CALLE PORTAL, SUITE B-160  
SIERRA VISTA, AZ 85635  
(520) 459-3116



**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0308**

COMMITTEES:  
**ARMED SERVICES**  
SUBCOMMITTEE ON AIR AND  
LAND FORCES  
SUBCOMMITTEE ON MILITARY READINESS  
**SCIENCE AND TECHNOLOGY**  
SUBCOMMITTEE ON ENERGY  
AND ENVIRONMENT  
**FOREIGN AFFAIRS**  
SUBCOMMITTEE ON  
THE WESTERN HEMISPHERE

January 27, 2009

The Hon. Margaret Spellings  
Secretary of Education  
400 Maryland Avenue SW  
Washington D.C., 20202

RE: CFDA: #84.282A  
*Charter Schools Program (CSP) Grant*

Dear Secretary Spellings,

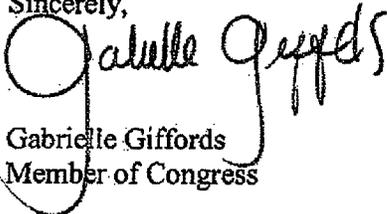
I am pleased to write in support of the Arizona Department of Education's grant application under the Charter Schools Program (CSP) grant.

The Arizona Charter School Incentive Program (AZCSIP) will build upon the tradition of successful Arizona charter schools to create a truly collaborative effort between the Arizona Department of Education, The Arizona State Board for Charter Schools, and the Arizona Charter School Association.

The AZCSIP will help create new high quality charter schools in Arizona. The financial assistance and technical support for planning, program design, and implementation, provided by the AZCSIP program, will provide strong incentives to create new charter schools in Arizona. In addition to the AZCSIP program incentives, Arizona Department of Education plans to demand a high level of accountability during and after the application process. Rigorous evaluations regarding the impact that the new charter schools have on students, academic achievement, teachers, and parents will enable the Arizona Department of Education to assess the progress of these charter schools.

Thank you for considering the Arizona Department of Education's grant application.

Sincerely,

  
Gabrielle Giffords  
Member of Congress

PRINTED ON RECYCLED PAPER

JON KYL  
ARIZONA

730 HART SENATE OFFICE BUILDING  
(202) 224-4521

COMMITTEE ON FINANCE

COMMITTEE ON THE JUDICIARY

REPUBLICAN WHIP

## United States Senate

WASHINGTON, DC 20510-0304

STATE OFFICES:  
2200 EAST CAMELBACK ROAD  
SUITE 120  
PHOENIX, AZ 85016  
(602) 840-1891  
8840 NORTH ORACLE ROAD  
SUITE 150  
TUCSON, AZ 85704  
(520) 575-8633

January 23, 2009

Secretary Arne Duncan  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

Dear Secretary Duncan:

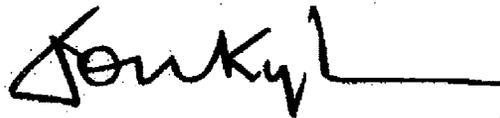
I have been informed that the Arizona Department of Education has submitted an application for grant funding to your office under the Charter School Programs (CSP) grant.

According to Mr. Doug Nick, the grant funds will be used to increase the number of new, high quality charter schools in Arizona. The Arizona Charter School Incentive Program will seek to improve student academic options and opportunities for students to achieve high academic standards. The program will provide new applicant schools with financial support and technical assistance for planning, program design, and implementation, while also demanding a high degree of rigor and accountability throughout the application process. Arizona will further conduct a thorough evaluation regarding the impact that these new charter schools have on students, student academic achievement, teachers, and parents.

Knowing funds are limited and proposals are reviewed through a competitive process, I request that this application be given the consideration it deserves within the parameters of available funding. Naturally, I do not expect any action to be taken in this matter that would contravene normal rules and regulations. Please provide a final notification once a decision has been made.

Thank you for your consideration.

Sincerely,



JON KYL  
United States Senator

JK:DR

<http://www.senate.gov/~kyl/>  
PRINTED ON RECYCLED PAPER

**TRENT FRANKS**  
ARIZONA

JUDICIARY COMMITTEE  
RANKING MEMBER,  
SUBCOMMITTEE ON THE CONSTITUTION

SUBCOMMITTEE ON  
COMMERCIAL AND ADMINISTRATIVE LAW

ARMED SERVICES COMMITTEE  
SUBCOMMITTEE ON STRATEGIC FORCES

SUBCOMMITTEE ON READINESS



## Congress of the United States

Washington, DC

January 26, 2009

2435 RAYBURN BUILDING  
WASHINGTON, DC 20515  
(202) 225-4576

7121 W. BELL ROAD, SUITE 200  
GLENDALE, AZ 85308  
(623) 776-7911

[www.house.gov/franks](http://www.house.gov/franks)

The Honorable Arne Duncan  
Secretary of Education  
400 Maryland Avenue SW  
Washington D.C., 20202

Reference: CFDA #84.282A  
*Charter School Programs (CSP) Grants*

Dear Secretary Duncan,

I'm writing in support of the grant application submitted to your office by The Arizona Department of Education under the Charter School Programs (CSP) grant.

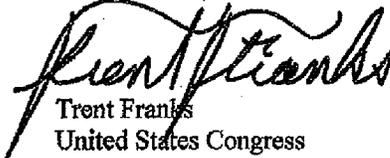
Arizona has long been one of the nation's leading supporters of the charter school movement as a vehicle to provide additional opportunities for students to achieve to high standards of academic performance.

The Arizona Charter School Incentive Program (AZCSIP) will build upon these efforts and successes, and will be a true collaborative effort between our Arizona Department of Education, Arizona State Board for Charter Schools, and the Arizona Charter Schools Association.

The Arizona Charter School Incentive Program will seek to improve student academic options and opportunities for students by increasing the number of new, high quality charter schools in Arizona. The program will provide new applicant charter schools with financial support and technical assistance for planning, program design, and implementation, while also demanding a high degree of rigor and accountability throughout the application process. Arizona will further conduct a rigorous evaluation regarding the impact that these new charter schools have on students, student academic achievement, teachers, and parents.

Arizona, with its sharp population rise, is in need of significant enhancements to its efforts to ensure parents have a choice in the educational opportunities for their children and that students achieve to high standards, as required by No Child Left Behind. I strongly support the Arizona Charter School Incentive Program, and thank you for your consideration of the State's application.

Most sincerely,



Trent Franks  
United States Congress

PRINTED ON RECYCLED PAPER

JOHN SHADEGG  
3RD DISTRICT, ARIZONA

WASHINGTON, DC OFFICE:  
308 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 226-3381  
FAX: (202) 226-3462

ARIZONA OFFICE:  
301 EAST BETHANY HOME ROAD  
SUITE C170  
PHOENIX, AZ 85012  
(602) 283-5300  
FAX: (602) 248-7733  
<http://johnshadegg.house.gov>



**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0304**

January 13, 2009

ENERGY AND COMMERCE  
SUBCOMMITTEES:  
ENERGY AND AIR QUALITY  
HEALTH  
ENVIRONMENT AND  
HAZARDOUS MATERIALS  
REPUBLICAN STUDY COMMITTEE

Ms. Margaret Spellings  
Secretary of Education  
US Department of Education  
400 Maryland Ave. SW  
Washington, D.C. 20202-0001

**Reference: CFDA #84.282A**  
***Charter School Programs (CSP) Grants***

Dear Secretary Spellings:

The Arizona Department of Education is in the process of submitting an application for the Charter School Programs (CSP) grant.

Arizona has long been one of the nation's leading supporters of the charter school movement as a vehicle to provide additional opportunities for students to achieve to high standards of academic performance. The Arizona Charter School Incentive Program (AZCSIP) will build upon these efforts and successes, and will be a true collaborative effort between our Arizona Department of Education, Arizona State Board for Charter Schools, and Arizona Charter Schools Association.

The Arizona Charter School Incentive Program will seek to improve student academic options and opportunities for students to achieve to high academic standards, through increasing the number of new, high quality charter schools in Arizona. The program will serve as a strong incentive for the creation of new, high quality charter schools by providing new applicant schools with financial support, technical assistance for planning, and program design and implementation, while also demanding a high degree of accountability throughout the application process. Arizona will further conduct a rigorous evaluation regarding the impact that these new charter schools have on students, student academic achievement, teachers, and parents.

Arizona, with its sharp population rise, is in need of significant enhancements to its efforts to ensure all students achieve to high standards, as required by No Child Left Behind. I strongly support this effort to increase the number of charter schools in Arizona, and thank you for your consideration of this grant application.

Sincerely,

John Shadegg  
Congressman  
Arizona 3<sup>rd</sup> District  
U.S. House of Representatives

JBS:br



State of Arizona  
Department of Education

Tom Horne  
Superintendent of  
Public Instruction

January 22, 2009

The Hon. Arne Duncan  
Secretary of Education  
400 Maryland Avenue SW  
Washington D.C., 20202

**Reference: CFDA #84.282A**  
***Charter School Programs (CSP) Grants***

Dear Secretary Duncan,

I'm writing in support of the grant application submitted to your office by The Arizona Department of Education under the Charter School Programs (CSP) grant.

Arizona has long been one of the nation's leading supporters of the charter school movement as a vehicle to provide additional opportunities for students to achieve to high standards of academic performance.

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The Arizona Charter School Incentive Program will seek to improve student academic options and opportunities for students to achieve to high academic standards, through increasing the number of new, high quality charter schools in Arizona. The program will serve as a strong incentive for the creation of new, high quality charter schools through providing new applicant schools with financial support and technical assistance for planning, program design, and implementation, while also demanding a high degree of rigor and accountability throughout the application process. Arizona will further conduct a rigorous evaluation regarding the impact that these new charter schools have on students, student academic achievement, teachers, and parents.

Arizona, with its sharp population rise, is in need of significant enhancements to its efforts to ensure all students achieve to high standards, as required by No Child Left Behind. I strongly support this effort, and thank you for your consideration of this application.

Best regards,

A handwritten signature in black ink that reads "Tom Horne".

Tom Horne  
Superintendent of Public Instruction

# Budget Narrative

## Budget Narrative

Attachment 1:

Title: Pages: Uploaded File: **1236-AZCSIP BUDGET NARRATIVE.pdf**

Arizona Department of Education

Arizona Charter Schools Incentive Program (AZCSIP)

Budget Narrative  
Non-Construction Programs

Personnel	Year 1	Year 2	Year 3	Year 4	Year 5
Project Director (1FTE - 100%)	\$65,000	\$68,250	\$71,663	\$75,246	\$79,008
Program Specialist (1FTE - 100%: Hired in Year 2)	\$0	\$55,000	\$57,750	\$60,638	\$63,669
Administrative Assistant: Office Support (1FTE - 100%:)	\$35,000	\$36,750	\$38,588	\$40,517	\$42,543
<i>NOTE: Salaries are adjusted to reflect an annual 5% raise</i>					
<b>Total Personnel</b>	<b>\$100,000</b>	<b>\$160,000</b>	<b>\$168,000</b>	<b>\$176,400</b>	<b>\$185,220</b>
<b>Benefits</b>					
Benefits @ 30%	\$30,000	\$48,000	\$50,400	\$52,920	\$55,566
<b>Total Benefits</b>	<b>\$30,000</b>	<b>\$48,000</b>	<b>\$50,400</b>	<b>\$52,920</b>	<b>\$55,566</b>
<b>Travel</b>					
<b>Washington, D.C. Project Director's Meeting (2 Attendees)</b>					
Airfare 2 @ \$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Hotel 2 Nights @ \$200 night x 2 person	\$800	\$800	\$800	\$800	\$800
Per Diem 2 Person, 2 Days, @\$80	\$320	\$320	\$320	\$320	\$320
In State travel for project staff	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total Travel</b>	<b>\$7,120</b>	<b>\$12,120</b>	<b>\$12,120</b>	<b>\$12,120</b>	<b>\$12,120</b>
<b>Contractual</b>					
Contracted Program Specialists (2: 1 in Year 2 + 1 In Year 3)	\$0	\$71,500	\$150,150	\$157,658	\$165,540
<b>Total Contractual</b>	<b>\$0</b>	<b>\$71,500</b>	<b>\$150,150</b>	<b>\$157,658</b>	<b>\$165,540</b>
<b>Other - Project Operating Expenses</b>					
<b>Operating Expenses</b>					
<b>FTE Operating Expenses</b>	\$9,000	\$18,000	\$22,500	\$22,500	\$22,500
Rent for FTEs @ \$1600 each					
Telephone for FTEs @1500 each					
Copier use for FTEs @ \$250 each					
Risk Management for FTEs @\$210 each					
MIS charge for FTEs @ \$925 each					
Employee recognition program for FTEs @ \$15 each					
<b>Additional Operating Expenses</b>	\$56,510	\$92,478	\$189,395	\$149,805	\$130,455

Other Project Operating Expenses

*To include: Evaluation, Peer Review Panel, Electronic and Print Outreach and Marketing, Training and Technical Assistance Materials, Monitoring, Printing, Postage, and other Office Expenses, Supplies, and Equipment*

<b>Other - Competitive Subgrants for New Charter Schools</b> (Awards up to \$230,000 each) Year 1: 20 Total Awards (20 New Awards) Year 2: 35 Total Awards (20 + 18 New Awards) Year 3: 50 Total Awards (38 + 18 New Awards) Year 4: 45 Total Awards (54 + 18 New Awards) Year 5: 45 Total Awards (54 + 18 New Awards) Total New Charter Schools Created: 92	\$4,600,000	\$8,740,000	\$12,880,000	\$12,420,000	\$12,420,000
<b>Total Other</b>	<b>\$4,665,510</b>	<b>\$8,850,478</b>	<b>\$13,091,895</b>	<b>\$12,592,305</b>	<b>\$12,572,955</b>
<b>Total Direct Costs: Administrative Costs</b>	<b>\$202,630</b>	<b>\$402,098</b>	<b>\$592,565</b>	<b>\$571,403</b>	<b>\$571,401</b>
<b>Total Indirect Costs (14.4%)</b> <i>(NOTE: Indirect costs are only applied to the 5% Administrative Cost Limit)</i>	<b>\$29,179</b>	<b>\$57,902</b>	<b>\$85,329</b>	<b>\$82,282</b>	<b>\$82,282</b>
<b>Total ALL Administrative Costs (Administrative Direct + Indirect)</b>	<b>\$231,809</b>	<b>\$460,000</b>	<b>\$677,894</b>	<b>\$653,684</b>	<b>\$653,683</b>
<b>Total Direct Costs: Subgrants</b>	<b>\$4,600,000</b>	<b>\$8,740,000</b>	<b>\$12,880,000</b>	<b>\$12,420,000</b>	<b>\$12,420,000</b>
<b>Total Costs (Direct Costs, Indirect Costs)</b>	<b>\$4,831,809</b>	<b>\$9,200,000</b>	<b>\$13,557,894</b>	<b>\$13,073,684</b>	<b>\$13,073,683</b>
<b>Total All Budget Periods</b>	<b>\$53,737,071</b>				