

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #142 (2004-2005)

December 13, 2004

TO: SCHOOL BOARD
FROM: OFFICE OF THE SUPERINTENDENT
SUBJECT: VILLAGE PROPOSAL

RECOMMENDATION:

It is the Administration's recommendation that the School Board consider Village Charter School's request for additional funds for the 2004-2005 school year.

PERTINENT FACTS:

Richard Hermosillo, Chair of the Village Charter School's Academic Policy Committee (APC), has requested a budget for 120 students at the 150 student-funding rate. (Attachment A) This is an increase over the amount they qualified for at the end of the October count period. Village Charter School maintained 120 students for the state count period. As of December 6, 2004, the school had 103 students, down from a high of 125 students in October 2004 (Attachment B).

Mr. Hermosillo attributes several factors as the cause for Village Charter School's failure to meet their enrollment projection of 163 students for 2004-2005 school year (Attachment A).

The first factor stipulated by Mr. Hermosillo was that the passage of Senate Bill 239 and its implementation caused a change in the calendar at Village Charter School. Village Charter School had been operating on a four-day school week with the concept of "banked time" since 1998. The Village Charter School calendar for the 2003-2004 school year still maintained the four-day school week with the understanding that if Senate Bill 239 did not pass, its school year would be extended into June.

As soon as Senate Bill 239 passed and was signed into law by Governor Murkowski, the Superintendent requested that the Anchorage School Board reconsider the Village Charter School calendar for the 2003-2004 school year (Attachment C - Board Memo #309). The Anchorage School Board did approve the changed calendar. Following the Board's approval, on Tuesday May 25, 2004, Jan Christensen, Assistant Superintendent

of Instruction, wrote and faxed a letter to Commissioner Roger Sampson at the Alaska Department of Education and Early Development requesting his approval of the revised Village Charter School calendar (Attachment D - letter to commissioner). Ms. Christensen received a call from Commissioner Sampson on Wednesday, May 26, 2004. Commissioner Sampson expressed concern about the requested calendar change. Immediately after speaking to Commissioner Sampson, Ms. Christensen relayed his concerns to Linda Sharp, principal of Village Charter School in 2003-2004. Commissioner Sampson, in fact, ultimately did approve the calendar change on June 12, 2004, allowing Village Charter School to end the 2003-2004 school year at that time.

Commissioner Sampson indicated during discussions with Ms. Christensen concerning Senate Bill 239 that, at that time, a four-day a week school year, with fewer than the state required number of school days, for Village Charter School would not be approved for the 2004-2005 school year. Additionally, he summarized concerns expressed by the Teachers' Retirement System that if teachers do not work the stipulated number of days, there could be consequences to them in terms of retirement benefits. The calendar for Village Charter School for the 2004-2005 school year does not contain a four-day a week school year.

Mr. Hermosillo's second contention regarding the causality of low enrollment is that District officials obstructed Village Charter School's efforts to hire a new director. On July 19, 2004, Eric Tollefson, Executive Director of Human Resources, received a memo via the United States mail from Linda Sharp, dated July 13, 2004, regarding the recruitment by Village Charter School of an acting principal and elementary teacher fluent in Spanish (Attachment E). The timeline review prepared by Mr. Tollefson indicates that there were timely responses to Linda Sharp's e-mails and phone calls regarding the hiring of a new director for the school. It was on July 26, 2004, that Ms. Sharp indicated Village Charter School would be replacing her as the principal, and stated that she would be teaching at the school. There were a series of e-mails and phone calls to Ms. Sharp to attempt to expedite the hiring process using the appropriate District hiring procedures. All charter schools are required to follow all ASD hiring procedures according to School Board Policy 333.

Concerns were expressed to Ms. Sharp regarding Village Charter School's ability to fund the new director's position. The position is budgeted to pay a salary of \$65,000 a year plus benefits. It is still not clear why the Village Charter School Academic Policy Committee (APC) decided to replace Ms. Sharp as the principal and add another position to its budget at a time of uncertainty in terms of enrollment numbers (Attachment B). Ms. Sharp indicated in a newsletter to parents that she would be gone much of the school year and was not actually teaching in a position at the school (Attachment F). During Village Charter School's annual report on June 14, 2004, mention was made that Linda Sharp would like to take a sabbatical (Attachment K pg.

32). The Superintendent stated that she was very concerned about a principal taking time off when the school is in academic jeopardy (Attachment K - pg. 32).

Mr. Hermosillo's third contention regarding Village Charter School's low enrollment is that the District publicly complained about the school's test scores for the 2003-2004 school year, even though the school made adequate yearly progress. Additionally, the District did not denote Village Charter School as a choice option for those schools designated under No Child Left Behind that needed to provide choice for students.

Village Charter School presented their annual report to the Board on June 14, 2004 (Attachment G). ASD Memorandum #319 (2003-2004) does, in fact, state that the Administration had concerns about the test scores at Village Charter School. The Terra Nova for grade four for Village Charter School indicates that in every area the students scored below the 50th percentile (Attachment H). The Terra Nova for grade five for Village Charter School indicates that in nine of the measurements, the students scored at or below the 50th percentile (Attachment H). The Terra Nova for grade seven for Village Charter School indicates that at grade seven in five measures the students scored below the 50th percentile (attachment H).

The Benchmark scores for Village Charter School indicate some problems with specific areas like writing and math for grade three and math for grade six (Attachment I). The Benchmark scores for grade eight are not definitive, as there are not enough students in the grade to generate a report for the public (Attachment I).

Village Charter School did make adequate yearly progress (AYP) for the 2003-2004 school year (Attachment J). In further examination of the results though, it must be noted that in many of the categories required for making AYP there is a N/A or an asterisk. Both of those denotations indicate that there was not a score calculated as the "n" was below the minimum number developed by DEED (Attachment J). Those categories labeled N/A or with an asterisk do not count against a school in its efforts to attain AYP. Preliminary APY data was given to all of the District's schools in early June. **As the data had not yet been reviewed and confirmed, all schools were asked not to release the preliminary data until the District's assessment department had adequately examined it. AYP data for District schools was officially released for all schools in early August 2004.**

The approved minutes of the School Board meeting on June 14, 2004, indicate that there was discussion by District staff and School Board members about Village Charter School's test scores and enrollment numbers (Attachment K, pages 26-33). Both District administrators and school board members expressed concerns about the test scores at Village Charter School. Since every charter school reports on their yearly progress to the Board, it is appropriate that there is discussion about all aspects of the charter

school. Anchorage School Board meetings are generally televised and are a matter of public record.

District staff, including Jan Christensen, Assistant Superintendent of Instruction; Patricia McRae, Executive Director of Elementary Education; Gail Opalinski, Executive Director of Middle School Education; Julie Jessal, Title 1 Supervisor; Rhonda Gardner, District Coordinator for No Child Left Behind; Steve Kalmes, Director of Transportation; and Roger Fiedler, Assistant Director of Communications met and conferred about the designation of schools of choice for those Title 1 schools in Level 2 or above that needed to provide transportation. A variety of factors were considered in recommending to the Superintendent those schools to be offered as choice for the specific Title 1 schools. The factors include the academic success of the schools to be designated for choice, proximity to the schools needing to offer choice, the level of additional services offered at schools designated for choice, the space available at the schools being designated for choice, and the mobility rate of the schools designated for choice.

The No Child Left Behind regulations state that if more than one school meets the requirements to be a school for a choice option then the District must offer more than one choice to eligible students, but all schools making AYP do not have to be offered as a choice option. For every Title 1 school that needed to offer choice options, parents were provided two schools to consider. Charter schools may be designated to fulfill that consideration. In the example of Clark Middle School, Highland Tech Charter School was offered as one of the choice options for that school. Goldenview Middle School was the other option. Due to concerns about the Terra Nova and Benchmark test scores at Village Charter School and the high number of students exiting the school over the past three years, Village Charter School was not recommended to the Superintendent as a school of choice for any of the specified Title 1 schools. The superintendent concurred with that recommendation. Even if Village Charter School had been determined to be a choice option there is little evidence that this factor would have increased enrollment substantially. While approximately 5,000 students had the option to exercise school choice, only 133 students chose to leave their neighborhood schools.

Within the past several weeks, there have been contacts by Village Charter School teachers and parents to Connie Bensler, charter school liaison and to Jan Christensen, assistant superintendent, instruction expressing concerns about the “chaotic” state of the school. Some staff members have requested transfers and some parents have removed students from the school. A recent incident regarding lack of supervision of a kindergarten classroom prompted a parent to remove her two children from the school and contact School Board members and Administration. Staff and parents have been directed by the ASD to take their concerns to the Village Charter School’s Academic Policy Committee.

Mr. Hermosillo submitted six other issues for consideration. Responses were prepared by Marie Laule, Director of Budget, and Jan Christensen, Assistant Superintendent for Instruction.

1) The District follows the Alaska State Statute regarding Charter School funding. Charter Schools receive funding provided through the Alaska Public School Funding Program based on average daily membership (ADM) adjusted for their school size factor and special needs services if they choose to accept the funding. (Village accepts the additional 20 percent special needs factor.) This adjusted ADM is then multiplied by the state provided per student allocation, which for FY 2004-2005 is \$4,576, to arrive at their basic need. As a component of public school funding, Village Charter School receives an additional \$16/adjusted ADM for the Quality Schools Grant. The total of basic need and the quality grant amount is then reduced by the state approved indirect cost rate, (for FY 2004-2005 the rate is 4.38 percent) to arrive at the total funding provided by the District for their Charter School. **Attachment L** provides different funding scenarios for Village Charter School for FY 2004-2005. Scenario 1 calculates funding for the fall 2004 projected enrollment of 163 students. Scenario 2 calculates funding based on the preliminary October 2004 OASIS student count. The final statewide count is under review by the state to ensure that no duplication of students is being reported. Scenario 3 is the current requested funding for Village Charter School at 150 ADM. It is unclear as to how the budget attached to the request was calculated at \$996,221.

2) The FY 2004-2005 state approved indirect cost rate is 4.38%. The Charter School budget is funded in accordance with ASD School Board Policy 333.3h, which in turn follows State Statute 14.03.260 which states, "The budget shall not be less than the amount generated by the students enrolled in the charter school less administrative costs retained by the local school district, determined by applying the indirect cost rate approved by the Department of Education and Early Development." There are many programs and services provided to charter schools by the Administration. District administrative services and programs provided to the charter schools include, but are not limited to, Budget, Accounting, Payroll, Technology, Purchasing, Risk Management, Human Resources, EEO/AA, Labor Relations, Assessment and Evaluation, Curriculum, Audio Visual Services and Staff Development. Charter school students and staff have access to District curriculum and instructional media services for which they are not charged. Services are provided by the School Board, Superintendent and Assistant Superintendent for Instruction, but are not included in the indirect cost rate.

3) Pupil Transportation revenues received by the District from the state help support the transportation expenditures of the District. Long standing District policy excludes students who attend alternative/optional programs, or attend school out of their

natural attendance area (zone exceptions) from school bus service. Under the current grant program, the District receives \$349/ADM. The actual cost per student is significantly more than the \$349; in fact, the cost to transport some special education students can cost several thousands of dollars per year for bus service.

4) Anchorage's Charter Schools pay for the direct expense of operating a Charter School; this includes insurance coverage for General Liability, Auto Liability for non-owned and hired autos and School Leaders Errors & Omissions including Employment Practices Liability.

5) Mr. Hermosillo has concerns about charter school staff not included in many resources, trainings, handouts and other benefits given to regular schools. There has been a tremendous effort made by Ms. Bensler, charter school liaison to work directly with and assist all of the five charter schools. Charter school principals are included in many, if not most, District trainings. Charter school principals are invited to meetings with Ms. Bensler and Ms. Christensen to assist in a variety of issues. According to state law and the District Charter School policy, charter schools have control over allocating their individual budgets and can purchase laptops for their staff. Non-charter schools have much less budgetary control over their individual school budgets. If a charter school needs a particular item or training, it should be a part of their budget planning process. Ms. Bensler and Ms. Christensen would be more than willing to continue assisting any charter school in receiving any trainings, handouts, or services that can be provided under the existing Board policies.

6) Charter schools are required to pay for space if District space is not available. This has always been a part of the District's charter school policies and has been in place since the inception of charter schools in the District. Village Charter School has known of this requirement since it began and knew that when it accepted the approval for the school.

In conclusion, the administration has grave concerns about allocating additional funds for Village Charter School for the 2004-2005 school year. Even though the District administration expressed concerns about enrollment and a budget shortfall, the Village Charter School APC hired a director to replace Linda Sharp even though Ms. Sharp is not teaching in the school this year, but is receiving a full teaching salary. To increase expenditures in light of a lower enrollment than projected and the consequential revenue shortfall appears to be misguided and poor judgment. Attempts to work with Mr. Hermosillo and Ms. Sharp on this issue by Ms. Bensler and Ms. Christensen have been met with rejection.

There are further concerns that the school is on the brink of collapse due to the continued withdrawal of students, staff concerns about who is actually supervising them, and in one serious instance a lack of supervision of young students. At the

meeting with Mr. Hermosillo on November 17, 2004, representatives of both the Totem Association and the Anchorage Education Association presented issues of potential contract violations and concerns about the work environment at VCS.

Additional funding for this charter school could set a precedent to other charter schools that may also face revenue shortages. The state law gives charter schools control over their schools' budgets. This authority also conveys with it a responsibility to act prudently and wisely. At the June 14, 2004, School Board meeting it was reported by Ms. Larimer-Musty, former Village Charter School APC member, that there were only 63 students enrolled for the 2004-2005 school year (Attachment K, p. 29). This should have raised serious concerns at that time that there was the potential for the school not to make the budgeted enrollment figure of 163 students. This awareness should have caused the APC to refrain from hiring an additional administrative position and to refrain from placing Ms. Sharp in a position during the time she is traveling and not teaching at the school.

Superintendent's Comments

For the reasons stated above, and many others, I cannot recommend additional funding for the Village Charter School. I believe that the APC has allowed the school to be over-staffed and has not offered teaching and other contracts when necessary. Ms. Sharp has traveled out of state extensively this fall under a separate contract with the APC; leave has not been reported to Ms. Christensen as required by School Board Policy. Employees have been required to work without contracts, and negotiated agreements have not been followed. The APC and Ms. Sharp resist suggestion and direction; it is as if they only want the ASD funds and no accountability.

Finally, as superintendent, it is my responsibility to assure that all students are learning in a safe environment. I cannot say this is happening at this time. I have grave concerns about the Village Charter School as a viable school for students and staff. A recommendation will be made in mid-January as to the status of their renewal application.

Attachments

Prepared by: Janet Stokesbary, Chief Financial Officer
Marie Laule, Director, Budget
Jan Christensen, Assistant Superintendent, and Instruction

Approved by: Carol Comeau, Superintendent