

To: Richard Ellis, Chair, Utah Charter School Finance Authority

From: Tim Beagley, Chair, Utah State Charter School Board **B**

Date: July 10, 2014

Subject: Letter of Certification for Legacy Preparatory Academy

Certifications

- The Utah State Charter School Board certifies the charter is in place for Legacy Preparatory Academy, and was originally approved September 2006.
SATISFACTORY
- The Utah State Charter School Board certifies that Legacy Preparatory Academy is in good standing.
SATISFACTORY (See definition, Exhibit A)
- Legacy Preparatory Academy meets the minimum criteria outlined in State Board of Education Rule R277-481-3.
SATISFACTORY (See discussion, Exhibit A)
- As of the date of this certification, the Utah State Charter School Board does not have any serious outstanding or unresolved concerns regarding Legacy Preparatory Academy.
SATISFACTORY (See definition, Exhibit A)
- The Utah State Charter School Board certifies it is not contemplating the termination of the charter or placing the school on probation status as defined in State Board of Education Rule R277-481-3.
SATISFACTORY
- The Utah State Charter School Board certifies that Legacy Preparatory Academy's most recent re-enrollment rate is 84.8%. SATISFACTORY (See discussion, Exhibit A)
- The Utah State Charter School Board certifies that Legacy Preparatory Academy meets recommended academic standards.
SATISFACTORY (See discussion, Exhibit A)
- The Utah State Charter School Board certifies that Legacy Preparatory Academy has demonstrated reasonable proficiency in forecasting revenues and expenditures since the standard was approved.
SATISFACTORY (See discussion, Exhibit A)

Exhibit A

Definition of Good Standing

To maintain a charter to operate a school, U.C.A. 53A-1a-510 requires a charter school to meet the terms of its charter agreement, meet generally accepted standards of fiscal management, and make adequate yearly progress under the No Child Left Behind Act. For the purpose of this letter of certification, the Utah State Charter School Board (SCSB) adopted these three requirements as its definition of “good standing”.

Definition of Serious Concern

The SCSB has five minimum standards and nineteen recommended standard in the areas of (1) board performance and stewardship, (2) student attendance and reenrollment, (3) financial performance and sustainability, and (4) student achievement level. Annually, charter schools are monitored for compliance with these standards. A charter school that fails to meet any of the minimum standards or a significant number of the recommended standards may be placed on warning status. If any minimum standard or a significant number of the recommended standards has not been met by an assigned date following designation of warning status the SCSB may place the school on probation for up to one calendar year. For the purpose of this letter of certification, the SCSB identifies “serious concern” as a charter school on warning status or probation.

Minimum standards

Board Rule R277-481-3(B) requires all charter schools to meet five minimum standards:

- (1) charter schools shall have no unresolved material findings, financial condition findings or repeat significant findings in the school's independent financial audit, federal single audit or USOE audits;
- (2) charter schools shall maintain a minimum of 30 days cash on hand or the cash or other reserve amount required in bond covenants, whichever is greater;
- (3) charter schools shall have no violations of federal or state law or regulation, Board rules or Board directives;
- (4) charter schools shall have all teachers properly licensed and endorsed for teaching assignments in CACTUS; and
- (5) charter school governing boards shall ensure all employees and board members have criminal background checks on file.

Legacy Preparatory Academy’s USOE qualified for teaching assignment as of June 26, 2014, is 97.2%.

Enrollment History

As defined in U.C.A. 53A-20b-102, annual charter school enrollment “means the total enrollment of all students...enrolled in a charter school in grades kindergarten through 12, based on October 1 enrollment counts.” As another recommended standard, the SCSB reviews the percentage of within year transfers and percentage re-enrollment from one year to the next. Below is the enrollment data for Legacy Preparatory Academy.

Table 1: Student enrollment, broken down by grade since SY2008 (2007-2008).

| | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | TOT. | MAX. |
|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|----|----|------|------|
| 2008 | 52 | 54 | 55 | 53 | 54 | 52 | 52 | 59 | 48 | 20 | | | | 499 | 500 |
| 2009 | 47 | 51 | 49 | 52 | 51 | 51 | 50 | 46 | 51 | 42 | | | | 490 | 754 |
| 2010 | 77 | 77 | 79 | 76 | 78 | 77 | 72 | 65 | 55 | 75 | 24 | | | 755 | 754 |
| 2011 | 77 | 76 | 78 | 76 | 77 | 76 | 108 | 95 | 76 | 59 | 46 | 24 | | 868 | 932 |
| 2012 | 108 | 80 | 79 | 78 | 78 | 78 | 101 | 102 | 92 | 84 | 54 | 39 | 19 | 992 | 1010 |
| 2013 | 108 | 108 | 81 | 81 | 80 | 81 | 76 | 129 | 109 | 105 | 43 | 54 | 35 | 1090 | 1138 |
| 2014 | 109 | 108 | 110 | 109 | 108 | 118 | 113 | 96 | 112 | 81 | | 2 | 7 | 1073 | 1160 |

Table 2: Enrollment metrics including percent enrolled, average daily membership, percentage of students who leave the school mid-year, and percentage of students reenrolling annually.

| <i>Year</i> | <i>Authorized</i> | <i>Enrollment</i> | <i>% Enrolled</i> | <i>ADM</i> | <i>Transfers</i> | <i>Reenrollment</i> |
|-------------|-------------------|-------------------|-------------------|------------|------------------|---------------------|
| 2008 | 500 | 499 | 99.8% | 98.0% | 2.9% | 87.2% |
| 2009 | 754 | 490 | 65.0% | 99.9% | 2.9% | 78.8% |
| 2010 | 754 | 755 | 100.1% | 103.6% | 5.6% | 89.3% |
| 2011 | 932 | 868 | 93.1% | 98.2% | 4.1% | 88.2% |
| 2012 | 1010 | 992 | 98.2% | 97.8% | 5.6% | 84.9% |
| 2013 | 1138 | 1090 | 95.8% | 98.9% | 5.2% | 84.8% |
| 2014 | 1160 | 1073 | 92.5% | * | * | * |

*Data not available

Academic Performance:

To assess academic performance, the SCSB looks at state assessments, college readiness, and student engagement. State assessments consist of student proficiency and growth scores using the points in UCAS. College readiness looks at graduation rates and percent meeting ACT benchmarks. Student engagement includes school re-enrollment rates, within year enrollment rates, and average daily membership (ADM). To reach an overall academic score that can be used to compare charter schools relative to other charter schools, each category is weighted and then combined.

Leadership...Service...Accountability

Table 3: Academic score represents the points earned in four areas: (1) student proficiency on UCAS, (2) student growth on UCAS, (3) college readiness (if applicable), and (4) student engagement. The total points possible are 100. Note: 2014 data is not yet available.

| <i>Year</i> | <i>Academic score</i> | <i>Charter median</i> | <i>Charter high score</i> |
|-------------|-----------------------|-----------------------|---------------------------|
| 2012 | 83.2 | 76.9 | 96.8 |
| 2013 | 82.9 | 76.0 | 94.8 |

Budget:

The SCSB approved a minimum standard for charter school governing board budgets, starting with FY11, which required the statutory budget to be within 5% of actual revenue and expenditures. Annually, Local Education Agencies must submit a budget including projected revenues and expenditures, as well as submit an Annual Financial Report (AFR) including actual revenues and expenditures. In Table 4, Revenue is calculated by subtracting actual revenue (AR) from projected revenue (PR) divided by actual revenue $((AR-PR)/AR)$ and Expense is calculated by subtracting actual expenditures (AE) from projected expenditures (PE) divided by actual expenditures $((AE-PE)/AE)$. The SCSB obtained the numbers used in the formulas from the school's statutory budget and AFR. Below is the budget information for Legacy Preparatory Academy.

Table 4: Percent actual revenue and expense was above or (below) forecasted revenue and expense for the past three fiscal years.

| | Revenue | Expense |
|------|---------|---------|
| FY11 | (1.79)% | 6.19% |
| FY12 | 2.77% | 6.43% |
| FY13 | 2.33% | 3.12% |

While Legacy Preparatory Academy did not forecast within 5% each of the past three fiscal years for expenses, the school did improve between FY11 and FY13 to be within the 5% expected. The school recently hired a charter school management company to provide financial services.