



## UTAH STATE CHARTER SCHOOL BOARD

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Date: July 9, 2015

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

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

Subject: Letter of Certification for Lakeview Academy

### Certifications

- The Utah State Charter School Board certifies the charter is in place for Lakeview Academy. **SATISFACTORY**
- The Utah State Charter School Board certifies that Lakeview Academy is in good standing. **SATISFACTORY** (See definition, Exhibit A)
- Lakeview 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 Lakeview 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 Lakeview Academy most recent re-enrollment rate is 84.0%. **SATISFACTORY** (See discussion, Exhibit A)
- The Utah State Charter School Board certifies that Lakeview Academy meets recommended academic standards. **SATISFACTORY** (See discussion, Exhibit A)
- The Utah State Charter School Board certifies that Lakeview Academy has demonstrated reasonable proficiency in forecasting revenues and expenditures since the standard was approved. **UNSATISFACTORY** (See discussion, Exhibit A)

A copy of this letter was sent to the applicant on June 17, 2015 with the advice that they respond to the Utah State Charter School Board with any pertinent explanations for items found “Unsatisfactory.” The governing board’s formal response, signed by the chair, is included with this letter as Exhibit B. The State Charter School Board approved sending a Letter of Certification after review of the additional information provided by Lakeview Academy in its letter.

## 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.

### **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 Lakeview Academy.

Table 1: Student enrollment, broken down by grade since SY2007 (2006-2007).

	<b>K</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>Total</b>	<b>MAX</b>
2007	92	86	74	74	57	57	64	42	30					576	750
2008	75	90	82	85	87	75	59	72	47	37				709	750
2009	76	75	92	75	69	82	61	31	45	23				629	750
2010	75	75	101	100	75	69	74	59	33	24				685	750
2011	77	77	100	100	100	75	75	50	51	6				711	750
2012	75	75	75	99	101	100	75	61	47	19				727	750
2013	100	75	101	100	101	100	102	77	58	27				841	850
2014	102	104	101	102	104	102	102	97	70	47				931	950
2015	104	105	104	105	104	104	104	96	86	57				969	1,000

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>School Year</i>	<i>Authorized</i>	<i>Enrollment</i>	<i>% Enrolled</i>	<i>ADM</i>	<i>Transfers</i>	<i>Reenrollment</i>
2007	750	576	76.8%	*	*	*
2008	750	709	94.5%	99.3%	7.8%	66.9%
2009	750	629	83.9%	100.6%	4.8%	77.8%
2010	750	685	91.3%	109.3%	7.9%	75.9%
2011	750	711	94.8%	97.0%	8.2%	76.5%
2012	750	727	96.9%	97.5%	3.9%	84.3%
2013	850	841	98.9%	97.4%	5.0%	86.5%
2014	950	931	98.0%	96.9%	5.7%	84.0%
2015	1,000	969	96.9%	*	*	*

\* 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.

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 is 100.

	2012	2013	2014
Lakeview Academy	82.0	81.6	84.7
Charter Median	78.6	76.0	84.0
Charter High Score	96.8	94.8	98.8

**Budget:**

The SCSB approved a recommended 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 Lakeview Academy.

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

	Revenue	Expense
FY12	25.74%	16.12%
FY13	3.52%	41.04%
FY14	1.09%	(4.31)%

Exhibit B