

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

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



Date: January 17, 2014

Subject: Letter of Certification for Lincoln Academy

**Certifications**

- The Utah State Charter School Board certifies the charter is in place for Lincoln Academy, and was originally approved December 2004.  
SATISFACTORY
- The Utah State Charter School Board certifies that Lincoln Academy is in good standing.  
SATISFACTORY (See definition, Exhibit A)
- Lincoln Academy does not meet 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 Lincoln 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 Lincoln Academy's most recent re-enrollment rate is 85.2%.  
SATISFACTORY (See discussion, Exhibit A)
- The Utah State Charter School Board certifies that Lincoln Academy meets recommended academic standards.  
SATISFACTORY (See discussion, Exhibit A)
- The Utah State Charter School Board certifies that Lincoln Academy has demonstrated reasonable proficiency in forecasting revenues and expenditures since the standard was approved.  
SATISFACTORY (See discussion, Exhibit A)

A copy of this letter was sent to the applicant on January 8, 2014 with the advice that they respond to the Utah State Charter School Board with any pertinent explanations for items found "Unsatisfactory." The response from Lincoln Academy is included in this Letter of Certification as Exhibit B. Subsequently, the Utah State Charter School Board changed the mark for this item to "Satisfactory."

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.

Lincoln Academy's USOE qualified for teaching assignment percentage was 87.2%. State Board of Education Rule requires that all teachers are properly licensed and endorsed for teaching assignments in CACTUS as of October 1. The State Charter School Board's percentage USOE qualified report was pulled November 4, 2013 to ensure adequate time for CACTUS to be updated by USOE. On January 9, 2014, one of the two teachers in question was approved for a temporary Authorization, and the school's percentage qualified teachers had improved to 99.01% (not including the teacher authorized the same day).

**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 Lincoln Academy.

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

<i>School Year</i>	<i>K</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>TOT.</i>	<i>MAX.</i>
2007	50	50	51	52	54	52	56	62	55	63				545	540
2008	52	52	52	52	52	54	60	65	60	43				542	540
2009	41	50	50	50	50	50	54	80	66	55				546	540
2010	42	51	50	50	50	50	73	84	85	60				595	590
2011	48	51	52	52	54	78	81	75	77	75				643	640
2012	46	54	52	52	52	76	78	85	77	71				643	640
2013	46	48	53	52	52	79	81	91	81	62				645	640
2014	50	56	56	56	56	84	85	71	98	72				684	690

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>
2006	540	545	100.9%			
2007	540	542	100.4%			
2008	540	546	101.1%	98.1%	4.6%	85.9%
2009	590	595	100.8%	99.3%	3.3%	91.6%
2010	640	643	100.5%	98.6%	3.2%	86.9%
2011	640	643	100.5%	98.5%	3.2%	89.3%
2012	640	645	100.8%	98.7%	6.8%	95.6%
2013	690	684	99.1%	93.5%	4.1%	85.2%

**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. Charter schools are then grouped into quartiles: Highest Quartile, Mid-High Quartile, Mid-Low Quartile, and Lowest Quartile. For the purpose of this letter of certification, the SCSB identifies schools in the Highest and Mid-High quartile as meeting recommended academic standards.

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.

<i>Year</i>	<i>Academic score</i>	<i>Charter median</i>	<i>Charter high score</i>
2012	80.0	76.9	96.8
2013	81.4	76.0	94.8

Lincoln Academy is in the Mid-High Quartile.

**Budget**

The SCSB approved a minimum standard for charter school governing board budgets, starting with FY12, 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 Lincoln 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	(8.82)%	(1.75)%
FY12	(3.19)%	0.78%
FY13	(3.03)%	3.15%

## **Exhibit B**

In response to the unsatisfactory rating indicated on the letter of information for Lincoln Academy generated by Utah State Office of Education Charter School Office, Lincoln Academy would like the Utah Charter School Finance Authority to consider the following.

The report states that as of November 4, 2013 Lincoln Academy's USOE qualified for teaching assignment was 87.2% in CACTUS. This was correct at that time. Prior to this and since then, Lincoln Academy has been making a continued concerted effort to get all teachers USOE qualified. In November 2013 Lincoln Academy was still waiting for several teachers to complete college courses they were enrolled in to be eligible for ARL authorizations, SAEP authorizations, license endorsements, and other license authorizations.

As of January 9, 2014, Lincoln Academy is happy to report that 99.0% of its teachers are USOE qualified. There are two teachers who are not currently qualified for a small part of their assignment. These teachers are:

Teacher 1 (not qualified for 0.21 of his assignment): Teacher 1 completed all of the requirements to be eligible for an SAEP Geography endorsement in late December 2013. However, knowing Lincoln Academy was applying for the credit enhancement before this would happen, and knowing the time it takes to process SAEP requests through USOE, the school governing board submitted an authorization request. This request will go before the Utah State Board of Education in January 2014 for approval.

Teacher 2 (not qualified for 0.14 of her assignment): Teacher 2 teaches two semester drama classes that she is not qualified for. Lincoln Academy began trying to contact the USOE Fine Arts Specialist over a theater endorsement in September 2013 to see if she could qualify for the theater SAEP. The school didn't receive a timely response and decided to submit an authorization for Teacher 2. According to Lincoln Academy's understanding through conversations with USOE licensing officials, a background check had to be completed before submitting a request for authorization. The teacher completed the background check and the school governing board submitted the authorization request. However, Lincoln Academy's request was past the deadline and it was denied. In actuality the school should have submitted the request before the deadline and USOE would have waited for the background check to clear before granting the authorization. Having learned this, we will not make the same mistake going forward.

Lincoln Academy continues to want to work to get a theater endorsement for Teacher 2. Below is a log of the schools attempts to contact the state office for guidance.

- 1- Lincoln Academy Principal called USOE Fine Arts Specialist and left a message late September 2013 asking for help with Teacher 2 and another teacher
- 2- Lincoln Academy Principal emailed USOE Fine Arts Specialist October 2, 2013 asking for help with Teacher 2 and another teacher
- 3- Lincoln Academy Principal stopped by USOE Fine Arts Specialist's office on October 8<sup>th</sup>, but she was not available
- 4- Lincoln Academy Principal re-sent October 2nd email October 21st
- 5- Lincoln Academy Principal received response from USOE Fine Arts Specialist October 21st giving direction on other teacher and asking to have Teacher 2 contact her to see if some of her experience could

count towards the SAEP.

6- Teacher 2 called and emailed USOE Fine Arts Specialist November 12th asking for appointment to discuss experience and SAEP possibilities

7- Teacher 2 called USOE Fine Arts Specialist late November 2013 and left a message.

Lincoln Academy still has not received the necessary guidance to determine what needs to be done to help Teacher 2 get her endorsement. Teacher 2 is reaching out again via email and phone in an attempt to establish communication.

If Teacher 1's authorization request is approved Lincoln Academy will have 99.61% of its teachers USOE qualified. Lincoln Academy hopes that the committee will recognize Lincoln Academy's progress and efforts towards having all teachers USOE qualified as satisfactory.