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Arco Iris Charter Renewal

POLICY ISSUE/SITUATION

The first renewal of the Charter for Arco Iris Charter School (Arco Iris) expires on June 30, 2016. The Arco Iris Charter School Board is seeking renewal of the Charter. By state law, renewals of a charter after the first renewal shall be for a minimum of five years but may not exceed 10 years.

As outlined in the approved Charter (section 2.2) Renewal:

If Arco Iris desires to renew this Charter, it must submit a written renewal request to the District at least 180 days before the then-current Charter term expires. Within 45 days after receiving the renewal request, the District must hold a public hearing about the request for renewal. Within 20 days after the public hearing, the District must notify Arco Iris of the District's intent about the renewal of this Charter. Within 35 days after the public hearing, the District must approve the renewal or state in writing the reasons for denying the renewal. If the District approves the renewal, the District and Arco Iris must negotiate a new charter school contract within 90 days after the date on which the District approved the renewal, unless the District and Arco Iris agree to an extension of the time. If the District does not approve the renewal, Arco Iris may address the reasons stated in the District's denial notice and any remedial measures suggested by the District, and submit a revised request for renewal to the District.

BACKGROUND INFORMATION:

According to ORS 338.065 there are five factors required for consideration in the renewal decision. The sponsor bases the renewal decision on a good faith evaluation of whether the charter school is:

- In compliance with the chapter and all other applicable state and federal laws
- In compliance with the charter of the public charter schools
- Is meeting or working toward meeting the student performance goals and agreement specified in the charter or any other written agreement between the sponsor and other public charter school governing body;
- Is fiscally stable and evidence that a sound financial management system described in the proposal and incorporated into the written charter was used; and
- Is in compliance with any renewal criteria specified in the previous charter, if any.

The sponsor must base the evaluation described above primarily on a review of the public charter school's annual performance reports, annual audit of accounts and annual site visit and review as required by ORS 338.095 and any other information mutually agreed upon by the public charter school governing body and the sponsor.

Arco Iris has met the five criteria for renewal outlined above. Supporting evidence is attached.

Additional information requested by the Board:

1. *What is a typical renewal time for charters?* For the metro-area charter schools that responded, the majority have second renewals for 5 years, while 3 of the 11 had 10 year renewals.
2. *What is a typical percentage of the ADMw that is given to charters?* The minimum ADMw provided by state law for elementary charters is 80%. Roughly two-thirds of the metro-area charter schools receive the state minimum, while the others receive between 89 and 95%.

District Goal: WE empower all students to achieve post-high school success.

The Beaverton School District recognizes the diversity and worth of all individuals and groups. It is the policy of the Beaverton School District that there will be no discrimination or harassment of individuals or groups based on race, color, religion, gender, sexual orientation, gender identity, gender expression, national origin, marital status, age, veterans' status, genetic information or disability in any educational programs, activities or employment.

3. *What is the average cost per student that BSD spends to have this charter?* The 20% of ADMw retained provides a 0.5 special education teacher (shared with Hope Chinese). District staff from multiple departments, including the Business Office, Information Technology, and Teaching & Learning, provide non-dedicated support to the charter schools through professional development, materials, data submission, etc. The District also annually evaluates or contracts for the evaluation of the charter school.

4. *What will the additional funding requested by Arco Iris be used for?* Teacher salaries, staff benefits (e.g., dental & vision coverage), and staff professional development.

RECOMMENDATION:

(16-628) The Board approves the renewal of the Charter for Arco Iris Charter School and directs staff to negotiate a new charter contract.



Arco Iris Charter Renewal

	<i>Renewal Criteria</i>	<i>Status</i>	<i>Comments</i>
1	Is the school in compliance with Oregon charter school law and all other applicable state and federal laws?	Yes	Periodic visits to the school and the desk audit and compliance verification visit conducted in April - May 2015 reveal no deficiencies. Annual Evaluation presented to the Board on October 26, 2015.
2	Is the school in compliance with the charter?	Yes	Desk audit and a compliance verification visit were conducted in April - May 2015 by the Center for Student Success at PSU. Annual Evaluation presented to the Board on October 26, 2015.
3	Is meeting or working toward meeting the student performance goals and agreement specified in the charter?	Yes	Arco Iris met the student achievement charter renewal criteria in year 2 of the current charter. For the most recent results, refer to indicator 3.0 of the Annual Evaluation presented to the Board on October 26, 2015.
4	Is the school fiscally stable and was the sound financial management system outlined in the Charter used?	Yes	See Indicators 6.1 – 6.4 and 7.2 in the Evaluation by the Center for Student Success at PSU presented to the Board on October 26, 2015. Financials for the first two quarters of the current year are attached.
5	Is in compliance with any renewal criteria specified in the charter, if any?	Yes	The only renewal criteria specified is the renewal timeline outlined below.

Renewal Timeline

<i>Timeline</i>	<i>Event</i>	<i>Date completed</i>
No later than December 30, 2015	Written request for renewal of Charter	December 14, 2015
Within 45 days of receiving request for renewal (received 12/14/15)	Public hearing on renewal request	January 19, 2016
Within 35 days of public hearing	School Board decision on renewal request	February 22, 2016
Within 90 days of renewal approval	Negotiation of Charter	

Arco Iris Spanish Immersion Charter School

Balance Sheet

As of December 31, 2015

	Total	
	As of Dec 31, 2015	As of Dec 31, 2014 (PY)
ASSETS		
Current Assets		
Bank Accounts		
101 USNB- Ck	47,592.83	98,614.18
102 USNB- Sav	576,423.07	465,833.54
103 USNB - PTO	36,008.27	30,731.68
Total Bank Accounts	\$ 660,024.17	\$ 595,179.40
Accounts Receivable		
158 Accounts Receivable (A/R)	12,000.00	6,917.00
159 Receivable Admw- BSD	0.00	0.00
Total Accounts Receivable	\$ 12,000.00	\$ 6,917.00
Other current assets		
157 Recievable- Day care	0.00	0.00
181d Prepaid Expenses	0.00	0.00
Undeposited Funds	-125.50	0.00
Total Other current assets	\$ 125.50	\$ 0.00
Total Current Assets	\$ 671,898.67	\$ 602,096.40
Fixed Assets		
231 Furniture and Equipment		
232 Computers	33,483.48	33,483.48
233 Data & Phones	7,184.59	7,184.59
234 Desks & Furniture	7,746.22	7,746.22
235 Leasehold Improvements	552.50	552.50
262 Accum Depreciation	-13,921.04	-13,921.04
Total 231 Furniture and Equipment	\$ 35,045.75	\$ 35,045.75
Total Fixed Assets	\$ 35,045.75	\$ 35,045.75
Other Assets		
390 Payroll Suspense	0.00	0.00
Prepaid rent	0.00	0.00
Security Deposits Asset	8,665.00	8,665.00
Total Other Assets	\$ 8,665.00	\$ 8,665.00
TOTAL ASSETS	\$ 715,609.42	\$ 645,807.15
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
421a Accounts Payable	3,866.93	7,771.28
Total Accounts Payable	\$ 3,866.93	\$ 7,771.28

Credit Cards			
451 US Bank CC #4768		0.00	0.00
452 US Bank CC #9132		31.96	0.00
453 US Bank 5233		-4,518.67	
	\$	-	
Total Credit Cards		4,486.71	\$ 0.00
Other Current Liabilities			
470 Deferred Summer Wages		0.00	0.00
471 Payroll Liabilities		23,531.21	21,449.84
472 PERS Payable		24,602.87	16,483.75
481 Deferred Revenue		117,772.50	117,772.00
Total Other Current Liabilities	\$	165,906.58	\$ 155,705.59
Total Current Liabilities	\$	165,286.80	\$ 163,476.87
Total Liabilities	\$	165,286.80	\$ 163,476.87
Equity			
32000 Unrestricted Net Assets		402,784.36	302,968.33
Net Income		147,538.26	179,361.95
Total Equity	\$	550,322.62	\$ 482,330.28
TOTAL LIABILITIES AND EQUITY	\$	715,609.42	\$ 645,807.15

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Arco Iris Spanish Immersion Charter School

Profit and Loss

July - December, 2015

	<u>Total</u>
Income	
1510 Interest and Dividends income	1,150.74
1610 Food Services	
1612 Lunches	7,462.16
Total 1610 Food Services	\$ 7,462.16
1700 Extracurricular Activities Rev.	
1790b AfterSchool Care	44,392.00
1790d Activity Fees/Field Trips	35,525.00
Total 1700 Extracurricular Activities Rev.	\$ 79,917.00
1920 Contributions Income	
1920b Script Sales	1.46
1920d Auction Fundraiser	6,809.68
1920e Fun Run Fundraiser	36,060.77
1920f Corporate Contributions	3,713.65
1920g Personal Contributions	550.81
1920h Project Fundraisers	339.79
Total 1920 Contributions Income	\$ 47,676.16

3101 SSF - General Support		765,835.50
4110 Grants		2,000.00
Total Income	\$	904,041.56
Gross Profit	\$	904,041.56
Expenses		
1111000 Primary (K-5)		
1111111 K-5 Salaries - Licensed		208,383.70
1111112 K-5 Salaries Classified		9,895.48
1111121 K-5 Salaries Substitutes		1,199.68
1111200 K-5 Associated Payroll Costs		
1111210 K-5 PERS Employer		41,755.79
1111220 K-5 Social Security		15,129.63
1111231 K-5 Workers Comp		1,774.00
1111232 K-5 Unemployment		4,454.22
1111240 K-5 Employee Benefits		36,181.73
Total 1111200 K-5 Associated Payroll Costs	\$	99,295.37
1111300 K-5 Purchased Services		
1111311 K-5 Contract Services		10,560.01
1111355 K-5 Printing Costs		1,024.21
Total 1111300 K-5 Purchased Services	\$	11,584.22
1111400 K-5 Supplies/Materials		
1111410 K-5 Consumable Materials		2,318.62
1111420 K-5 Textbooks/Curriculum		20,974.23
1111430 K-5 Library/Periodicals		1,463.01
1111460 K-5 Non-Consumable Items		811.35
Total 1111400 K-5 Supplies/Materials	\$	25,567.21
Total 1111000 Primary (K-5)	\$	355,925.66
1113000 Elementary Extracurricular		
1113112 Extracurr - Salaries Classified		9,855.27
1113200 Extracurr - Associated Payroll Costs		
1113210 Extracurr - PERS		2,174.55
1113220 Extracurr - Social Security		1,009.94
1113231 Extracurr - Worker's Comp		119.36
1113232 Extracurr - Unemployment		234.61
1113240 Employee Benefits		2,602.38
Total 1113200 Extracurr - Associated Payroll Costs	\$	6,140.84
1113319 Elementary Other Instructional Services		3,319.50
1113410 Extracurr Consumables		1,889.80
1113460 Extracurr Non Consumables		1,512.50
Total 1113000 Elementary Extracurricular	\$	22,717.91
1121000 Middle/Jr High		
1121111 MS Salaries - Licensed		47,679.80
1121112 MS Salaries - Classified		4,544.08
1121200 MS Associated Payroll Costs		
1121210 MS PERS		5,466.70
1121220 MS Social Security		4,477.27

1121231 MS Workman's Compensation		309.62
1121232 MS Unemployment Expense		672.53
1121240 MS Employee Benefits		8,301.90
Total 1121200 MS Associated Payroll Costs	\$	19,228.02
1121400 MS Supplies & Materials		
1121410 MS Consumables		539.08
1121420 MS Textbooks/Curriculum		5,567.27
1121430 MS Library/Periodicals		386.72
Total 1121400 MS Supplies & Materials	\$	6,493.07
Total 1121000 Middle/Jr High	\$	77,944.97
1122000 Extracurricular Middle School		
1122319 MS Other Instruction Service		4,166.03
1122410 MS Consumable Supplies		68.06
1122460 MS Non Consumables		29.52
Total 1122000 Extracurricular Middle School	\$	4,263.61
2115000 Student Safety		
2115460 Safety Non Consumables		42.25
Total 2115000 Student Safety	\$	42.25
2240300 InstructStaff-Develop-Purchased		
2240312 Staff Development		3,429.66
2240342 Staff Dev. Travel Out District		491.28
Total 2240300 InstructStaff-Develop-Purchased	\$	3,920.94
2300000 General Administration		
2310300 Board Purchased Services		
2310324 Board - Rentals		7,284.72
2310342 Board - Travel out District		720.10
2310351 Board - Telephone/Internet		2,071.69
2310354 Board - Advertising		25.00
2310381 Board - Audit Expenses		5,250.00
2310382 Board - Legal Costs		6,923.20
2310383 Board - Accounting Fees		7,943.10
2310389 Board - Other Non Instr. Fees		1,295.50
Total 2310300 Board Purchased Services	\$	31,513.31
2310600 Board - Other		
2310640 Board - Dues/Subscriptions		641.25
2310651 Board - Insurance		6,606.00
2310670 Board - Taxes/Licenses		500.00
Total 2310600 Board - Other	\$	7,747.25
Total 2300000 General Administration	\$	39,260.56
2400000 School Admin		
2410112 Admin - Salaries Classified		37,421.79
2410113 Admin - Salaries Administrative		43,629.98
2410200 Admin - Associated Payroll Costs		
2410210 Admin - PERS		17,911.82
2410220 Admin - Soc Sec		6,838.98
2410231 Admin - Workmans Compensation		555.01

2410232 Admin - Unemployment Expense		1,848.97
2410240 Admin - Employee Benefits		4,845.44
Total 2410200 Admin - Associated Payroll Costs	\$	32,000.22
2410300 Admin - Purchased Services		
2410321 Admin -- Contracted Services		19,187.50
2410353 Admin - Postage Expense		1,273.41
2410355 Admin - Printing Expense		620.77
Total 2410300 Admin - Purchased Services	\$	21,081.68
2410400 Admin - Supplies & Materials		
2410410 Admin - Consumable Supplies		8,192.37
2410460 Admin - Non Consumable Supplies		1,484.91
Total 2410400 Admin - Supplies & Materials	\$	9,677.28
Total 2400000 School Admin	\$	143,810.95
2500000 Support Services		
2525391 Bank Charges		1,063.69
Total 2500000 Support Services	\$	1,063.69
2525391		101.32
2540000 Bus-Operation/Maint Plant		
2542321 Bldg - Cleaning Services		14,701.62
2542324 Bldg - Rent		59,700.00
2542389 Facility Other Professional Fees		8,411.00
2542410 Bldg - Consumable Supplies		2,761.10
2542460 Bldg - Non Consumables		627.75
Total 2540000 Bus-Operation/Maint Plant	\$	86,201.47
2660000 Technology Services		
2660389 Technology - Contracted Services		5,823.00
2660410 Technology - Consumables		89.49
2660460 Technology - Nonconsumables		159.40
2660470 Technology Licensing		343.98
Total 2660000 Technology Services	\$	6,415.87
3120000 Nutrition Costs		
3120410 Office/General Administrative Expenses		423.70
3120450 Nutrition Services		13,730.40
3120460 Lunch Non Consumable Supplies		680.00
Total 3120000 Nutrition Costs	\$	14,834.10
Total Expenses	\$	756,503.30
Net Operating Income	\$	147,538.26
Net Income	\$	147,538.26

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