

Minutes
State Board of Education
Monday, February 27, 2006

The Arizona State Board of Education held its regular meeting at the Arizona Department of Education, 1535 West Jefferson, Room 417, Phoenix, Arizona. The meeting was called to order at 9:05 AM.

Members Present

Mr. Bill Estes
Ms. JoAnne Hilde
Superintendent Tom Horne
Ms. Joanne Kramer
Mr. Larry Lucero
Ms. Anita Mendoza
Dr. Karen Nicodemus
Ms. Cecilia Owen

Members Absent

Mr. Jesse Ary
Dr. Vicki Balentine
Dr. Michael Crow

PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

1. **APPROVAL OF MINUTES**

- A. December 5, 2005 Executive Session
- B. January 6, 2006 Special Session
- C. January 23, 2006
- D. January 23, 2006 Executive Session Regarding Item 7.C.1
- E. January 23, 2006 Executive Session Regarding Item 7.N

Motion by Mr. Estes to approve the above minutes as submitted. Seconded by Dr. Nicodemus.
Motion passes.

2. **BUSINESS REPORTS**

A. **President's Report**

Ms. JoAnne Hilde stated that on behalf of the State Board of Education she serves on the High School Renewal Board with Dr. Butterfield and Ms. Daly. Ms. Hilde complimented Dr. Butterfield's group on their productive meeting and in moving forward with breaking ranks.

B. **Superintendent's Report***

Superintendent Horne welcomed Mr. Larry Lucero on behalf of the Arizona Department of Education and the State Board members.

Mr. Horne noted that the AIMS testing starts tomorrow and that there would be a televised celebration in front of Sunnyslope High School tomorrow since it has a high population of ELL students and all are going to graduate. He added that all the seniors in Safford are expected to graduate, as well. He noted that students are studying and learning.

C. **Board Member Reports**

Ms. Hilde welcomed Mr. Larry Lucero and Mr. Lucero stated that he works for Tucson Electric Power in government relations and is engaged in lobbying legislature in this capacity. Mr. Lucero stated that he was born and raised in Tucson, has an Elementary Education degree from the UofA, and is looking forward to assisting in moving education forward. He noted that education is one of the most important aspects of our society and we need to continue to make it better in our state.

Ms. Mendoza reported that she attended a conference sponsored by WestEd and the ADE

regarding classroom observation protocol. She noted that there should have been a higher attendance as they talked about the tie-in with higher level thinking/critical thinking. She encouraged the ADE to find ways to involve more members in this kind of training. Ms. Mendoza also noted that she has attended two "First Things First" meetings and requested that the State Board invite a representative from "First Things First" to present at a State Board meeting regarding the results of quality day-care and pre-school experiences in Arizona.

- D. Director's Report, Including Discussion and Possible Legal Action
 1. Legislative Update
 2. Other Items as Necessary

Mr. Vince Yanez, Executive Director, Arizona State Board of Education, presented a summary of the bills currently in legislature that may affect the State Board of Education. He noted the following:

- Very little progress has been made on the ELL bill
 - Some small modifications were made late last week regarding corporate tax credit
- May have some action today
- Will keep members apprised

Regarding **SB 1443** sponsored by Senator Vershooor regarding rules related to AIMS augmentation:

- These rules were adopted by the SBE but this bill would change the rules and make all 20 credits eligible for augmentation
- No emergency clause is added at this time but it is being considered
- If one is included it would impact students as early as this Spring
- Scheduled for a hearing today.

Mr. Yanez stated that the Senate confirmation hearings for Mr. Estes and Mr. Lucero are scheduled for Wednesday, March 1, 2006.

Dr. Nicodemus asked for the primary sponsor of each bill to be added to the form.

It was asked if there is a projection of the number of students to be impacted by the augmentation change and Superintendent Horne asked for updated information from Dr. Franciosi. Mr. Yanez noted that an estimate was presented to the SBE earlier from Mesa and since then there has been a change in the eligibility but at that time it was approx 30%. Superintendent Horne noted that they used Mesa as a test to predict statewide figures.

Dr. Nicodemus noted that an update from the P-20 Council regarding alignment of high school curriculum for matriculating into community college could be added to this report. Dr. Nicodemus added that it is difficult for the SBE to take a stand on issues without complete information.

Ms. Hilde responded that the Board can take stands around concepts but must be careful around exact points, as noted in the belief statements that were adopted at the last State Board meeting which provides opportunity for Mr. Yanez to speak to the legislature on behalf of the SBE.

Mr. Yanez added that some bills create some new responsibilities for the SBE which also creates budget implications and he reminded members that the belief statement alludes to this issue as well.

Regarding the possibility of the SBE taking over school districts for extreme dysfunction and the Board's concern about the expense of going through a hearing, Superintendent Horne stated that the ADE will find funds for these hearing expenses.

HB 2008 is moot.

SB 1439 requesting additional funding for the SBE:

- Still in legislature
- Would appropriate \$100,000 to assist the SBE in its added responsibilities
- Passed the senate education committee
- Is not scheduled for consideration
- May not be moving forward
- We are still pursuing efforts

Superintendent Horne noted that the appropriations committee had a full agenda and added that perhaps this should be in the budget request rather than in a separate appropriation.

Dr. Nicodemus asked what the priorities were for the ADE and Superintendent Horne responded:

- A bill has passed the house and is before the senate now to take over dysfunctional districts
- The ADE has taken no position on augmentation as this was specifically given to the SBE

Mr. Estes noted that the SBE should take a position and since the bill is still alive it should be on the agenda for further discussion.

Superintendent Horne noted that Mr. Yanez could convey the opinions of the SBE to legislature before the bill is out of the house.

Dr. Nicodemus commented that the SBE tries to know the implications and take a position but may not be well served with individual information and suggested a telephone meeting to clarify member opinion. Ms. Hilde requested Mr. Yanez to assist in scheduling further discussions.

SB 1439:

- Ms. Hilde thanked Mr. Horne for agreeing to carry forward the request for budgetary requests
- Ms. Mendoza noted that members indicated at the retreat their desire to participate in continuing education for professional development and thanked Mr. Horne for assisting in requesting additional SBE funding for conference/travel/education for its members

3. SPECIAL PRESENTATION REGARDING ARIZONA ACADEMIC SCHOLARS PROGRAM

Ms. Susan Carlson, Executive Director, Arizona Business Education Coalition, presented the objectives around high school reform and increased student achievement via PowerPoint Presentation included in the materials packet.

Ms. Carlson urged the SBE to move quickly in considering refining and defining an upgraded graduation requirement. She added that a higher high school graduation curriculum could also provide an opportunity for students to qualify for more Pell Grant funding.

Dr. Nicodemus commended this program and noted that they need to get the word to Cochise County. She asked if there is a profile on students who do not successfully complete the scholars program and Ms. Carlson responded:

- Some are personally making the decision to re-take classes in the summer (10-20%)
- This is the first year so data will be forthcoming regarding those who do not complete the coursework successfully

Concerning whether students would take Math/Science over Career/Technical coursework, Ms. Carlson noted that some of the required courses can be taken within core/technical coursework.

Ms. Mendoza cautioned that we need to make sure credits are accepted at the college level and Mr.

Lucero stated that he applauds the effort in this arena as it is creative and brings new enthusiasm.

He asked if they will be able to track the demographics of Arizona's experience and Ms. Carlson responded that the big issue is now being tracked in Peoria and Flowing Wells and that a judgment is difficult to make in the short term.

Mr. Lucero also pointed out:

- Basic industry is facing a loss in finding kids to apply for work as they have a misconception of what the real world of work is all about
- These situations are not defined for kids
- We need to become more sophisticated in this approach
- There is an extremely important need for continuing education from the potential employers' perspective

Ms. Carlson responded:

- Business and local leaders go to classrooms and explain what kids need to do to be able to come work for them
- There is opportunity to demonstrate the need for workplace skills and the need for a higher level of knowledge
- Like to get this statewide but it is being done now district-by-district

Mr. Estes asked what ABEC would like the SBE to do and Ms. Carlson noted:

- Establish scholarships for volunteer diplomas in Arizona
- Consider making changes in Arizona graduation requirements

Dr. Nicodemus noted that it is critical for the SBE to understand all implications and all that needs to come to the table before this kind of decision can be made. She also noted that the full support of local business/academic community is needed to make this program a success.

Ms. Carlson volunteered to show a video to the SBE of student testimony as well as present campaigns in local high schools to raise expectations.

Dr. Nicodemus pointed out the following factors to be considered:

- Learning the differences from a generational perspective
- Understanding how young people learn
- Having serious discussions around merit- versus need- based financial issues

Ms. Carlson noted that this could be an issue of making decisions based on GPA rather than on the coursework taken.

Superintendent Horne added that the ADE strongly supports this philosophy and that the ADE has aligned all CTE coursework to Arizona's academic standards. He added that there is a higher percentage of CTE students passing AIMS and that next year there will be increased curriculum in high schools. Ms. Carlson added that we have to work together as these curriculum requirements also affect the middle school and elementary curricula.

Dr. Nicodemus stated that the school advisory personnel play a key role as they advise students and some high school students take more rigorous curriculum than recommended in the framework outlined in the adopted standards.

Ms. Hilde agreed that there is not an understanding regarding the high level of expectation for today's work force.

Superintendent Horne noted that in the Social Studies standards every student has to be a citizen and that the ADE recommends that Social Studies be required for all students in all fields.

Ms. Hilde asked Mr. Yanez to invite P-20 Council personnel to bring back a beginning discussion in this area and Mr. Estes noted that a timeline should be set. Ms. Hilde asked for a framework to be brought at the March SBE meeting. Mr. Lucero requested that the information include a fiscal note to determine the possible implications regarding cost.

Ms. Hilde added that we must also ask questions regarding any unintended consequences.

*Superintendent Horne asked Dr. Robert Franciosi, Deputy Associate Superintendent, Research and Evaluation Section, Arizona Department of Education, to clarify the information regarding

senior ELLs that have not passed all the AIMS tests. Dr. Franciosi presented information to be included as part of the Superintendent's Report and is included in the Memorandum provided in the materials packet. Dr. Franciosi reported that after the spring 2005 AIMS test 4,521 students in the class of 2006 were identified as ELL and noted what happened to the ELL students:

Of the 4,521 identified in the spring:

- 1,072 are identified as ELL students in the fall
- 588 are no longer enrolled
- 2,861 are not currently identified as ELL

Dr. Franciosi noted that the database tracks all students and in July the databases roll over with a status of zero and it stays blank until the school fills in the SAIS information to identify the student's status.

Ms. Mendoza commented that 4,521 seems like a low percentage of the total school population.

Dr. Nicodemus commented that this data represents an opportunity for the SBE to look at strategic issues and to understand more critical issues using data to move forward.

Regarding AIMS augmentation, Mr. Yanez explained that data was provided from the Mesa district by Mr. Joe O'Reilly which was calculated from an earlier Senate bill. This data indicated that 25%-33% did not score high enough to benefit from augmentation, 14%-27% did not take the test at every opportunity, and that a single digit percentage of students would not pass AIMS.

Mr. Yanez asked members to take these numbers with a grain of salt as they used AIMS scores that may not have been as high and that they may have used much stricter criteria than in Board rule.

Ms. Owen asked to see actual comparisons in order to make a more definitive decision.

Ms. Hilde noted that an upcoming study session will be around AZ LEARNS formulas and that the agenda may be expanded so additional information will be brought to the session. Ms. Mendoza asked for percentages and impact numbers of students.

Superintendent Horne noted that this information was presented in writing previously and today's presentation was a matter of clarification.

Ms. Owen arrived at 10:05AM during the foregoing discussion.

4. CONSENT ITEMS

- A. Consideration to Approve Contract Abstracts
- B. Consideration to Accept Monies from the Centers For Disease Control and Prevention Grant Award
- C. Consideration to Appoint Members to the Performance Based Compensation Task Force Pursuant to A.R.S. § 15-920.01
- D. Consideration to Re-appoint Dr. Beverly Hurley and Dr. Wade McLean to the WestEd Board of Directors
- E. Consideration to Approve Proposals for Training Programs Relating to Full Structured English Immersion Endorsements
- F. Consideration to Accept Funding from the Gilder Lehrman Institute of American History and Preserve American History Teacher of the Year Award Program
- G. Quarterly Update Regarding IDEAL
- H. Consideration to Approve the Listed Career Ladder Programs for FY 2006-2007
- I. Consideration to Approve the Alternative Secondary Path to Certification Pilot Sites

- J. Consideration to Approve Receipt and Disbursement of Funds Relating to the Hurricane Education Relief Act
- K. Consideration to Accept the Recommendations of the Professional Practices Advisory Committee and Approve Certification for the Following Individuals:
 - 1. Paula Stockamp, Case No. C-2005-154R
- L. Presentation, Discussion and Consideration to Approve the Teacher Evaluation System Verification for FY 2006-2007

Motion by Mr. Estes and seconded by Dr. Nicodemus to approve the Consent Agenda with the exception of Items 4B, 4E, 4J, and 4L which were pulled for further discussion/clarification.

5. CALL TO THE PUBLIC

6. GENERAL SESSION

A. Presentation of the Milken National Educator Award Recipient, Sylvia Grace Ms. Adria Lugo, Director, Special Projects and Constituent Services, Arizona Department of Education, noted that Superintendent Horne would make the presentation. Mr. Horne stated that this award is to encourage teachers and students who may want to become a teacher. Ms. Grace's brief biography was submitted and is included in the materials packet.

At this time Item 6J was discussed followed by the Consent Items that were pulled for further clarification and discussion.

Ms. Hilde noted that Item 6D will be discussed immediately after the lunch break to accommodate those who need to travel.

Item 4B: Ms. Jean Ajamie, Director, School Safety and Prevention, Arizona Department of Education, presented the information provided in the packet. Dr. Nicodemus noted that the data was not consistent and Ms. Ajamie noted that there is a potential for flawed data and/or how respondents answered as this may not be a high level priority to the students. It is hoped that more schools will adopt these programs through the availability of grant funds.

Motion by Mr. Estes to accept, on behalf of the state of Arizona, \$226,915 appropriated by the Centers for Disease Control and Prevention and approve distribution and use of the funds.

Seconded by Ms. Kramer. *Motion passes.*

Item 4E: Ms. Val Frost-McKinley, teacher, SandPiper Elementary, noted the following regarding the SEI endorsement requirements:

- Teachers and administrators have received notice to add an additional 45 hours to their arsenal of requirements
 - They feel they are being held hostage by this requirement
- She is knowledgeable about the ELL issue before the legislature and this Board and is not unsympathetic of the pressures
- She has been teaching for 30+ years with a master's degree and has taken other additional courses
- She believes in continuing professional growth to be the best possible
- She has risen to occasions before and would be willing to assist in creating a rubric
- She asked when is enough enough.

Superintendent Horne noted that the Center for Public Interest wanted 272 hours and the SBE worked long and hard to reach the 60 hour requirement.

Ms. Frost-McKinley noted that some do not have this requirement and Ms. Mendoza responded that many charter teachers are certified but are not required to be although many charters are requiring the SEI endorsement.

Ms. Frost-McKinley added that certifications are on the line and teachers will have one year to teach after this date.

Ms. Jennifer Pollock, Assistant Attorney General, Attorney General's Office, clarified that according to statute, charter schools are not required to hire certified teachers.

Dr. Nicodemus noted that she understands the reason and value for the requirement but that there should be some effort made to see if there is a meaningful difference by making this requirement.

Ms. Hilde clarified that this was the best effort developed with a large committee including a lot of hearing processes. She added that it is now time to do an evaluation around results, looking at the curriculum. Ms. Hilde requested that Ms. Irene Moreno, Deputy Associate Superintendent, Academic Achievement Division, English Acquisition Services Unit, Arizona Department of Education, inform the SBE when this evaluation will take place and the results of the evaluation.

Ms. Mendoza commented that she has just completed the online SIOP class and that the hours spent in taking the class are much higher than the hours awarded. She suggested that this information be added into the rubric. Mr. Horne added that with the rubric other ways to meet the requirements could be suggested and forwarded to Ms. Moreno.

Motion by Dr. Nicodemus and seconded by Mr. Estes to approve the recommendations for the 45 clock hour SEI curricular framework for the following entities:

- Institutes of Higher Learning
- Central Arizona College
- Eastern Arizona College
- Northern Arizona University

LEAs

- Agua Fria Union High School District
- Deer Valley Unified School District
- Mammoth-San Manuel USD
- Page Unified School District
- Paulo Freire Freedom School

Trainers

- Bowman, Cheryl
- Castillo, Melissa
- Diehn, Delight
- Hess, Natalie
- Kimzin, Gail
- Learning Keys
- Milinovich, Monica
- Salvia, Kelly

Motion passes.

Item 4J: Mr. Yanez noted that a technical matter needed to be clarified regarding presentation of the list to be provided by the US Department of Education which will not be available until tomorrow and funds have to be disbursed within 14 days according to federal law. The list provided is tentative in anticipation of the first of four payments to be provided by the federal government and approval is requested to receive and continue to disburse funds within 14 days of each of the four receipts.

In response to Ms. Kramer's question, Mr. Ralph Romero, Deputy Assoc Supt, Policy Articulation and Special Populations, Academic Achievement, Arizona Department of Education, noted that the estimates are derived by:

- Multiplying the regular education students x 750
- Adding 1.5% for each special education student
- Reducing by 1% for administrative costs and 2% to districts for administrative costs

Motion by Ms. Kramer and seconded by Ms. Mendoza to approve receipt of an award of up to \$2.4 million pursuant to A.R.S. § 15-206 and A.R.S. § 15-207 from the United States Department of Education and authorize expenditures in accordance with the terms of the award. *Motion passes.*

Item 4L: Ms. Hilde noted that one district was missing from the list provided and asked about the implications if they not on this list?

Ms. Jan Amator, Deputy Associate Superintendent for Highly Qualified Professionals, Academic Achievement, Arizona Department of Education, responded that all were notified on November 8 and their faxed statements were received recently and will probably be on the next agenda. Ms. Amator assured the Board that they will do a cross-check regarding any districts that may not have responded and will present them at the next meeting as well.

Motion by Mr. Estes and seconded by Ms. Mendoza to approve the participating districts to continue the 1.25% budget level initially approved by the State Legislature. *Motion passes.*

- B. Presentation, Discussion and Consideration to Accept the Recommendations of The Professional Practices Advisory Committee And Deny Certification for the Following Individuals:

1. April Blevins, Case No. C-2005-135R

Ms. Rachell Tucker, Chief Investigator, Investigative Unit, State Board of Education, presented the background information provided in the materials packet. Motion by Dr. Nicodemus and seconded by Ms. Kramer to accept the recommendation of the PPAC and deny Ms. Blevins' application. *Motion passes.*

The Board broke for lunch at 11:15AM and reconvened at 11:55AM beginning with Item 6D.

- C. Presentation, Discussion and Consideration to Approve Format for the Posting of AIMS Scores on High School Transcripts

Ms. Roberta Alley, Deputy Associate Superintendent, Assessment Division, Arizona Department of Education, presented the background information provided in the materials packet. Further discussion ensued clarifying the following issues:

- Some reaction was not in favor of including the performance level
- Whether districts post date of graduation
 - Some stamp the date of graduation

Motion by Mr. Estes to approve the format for posting AIMS scores on high school transcripts. Seconded by Mr. Horne. *Motion passes.*

Further discussion ensued regarding whether to post the highest score or each score and it was determined that it depends on what software or system the school is using. Ms. Hilde noted that "Excelling" should be there to assist the student in qualifying for grants/scholarships.

Ms. Alley explained that the scores are transmitted electronically and via paper.

Ms. Owen noted her concern about the logistics for the small and medium districts having certified and/or classified staff to handle these additional tasks. Ms. Alley responded that they can talk to the scoring companies regarding peel/stick labels and given the timeframe it would be one-two years out to get this into motion. She added that currently 13 vendors have student information

systems in place but Ms. Owen noted that two of them in Coconino County are too expensive and are not offering this option at this time.

Ms. Mendoza also commented on the added work and expense for adding this option to transcripts and Ms. Alley suggested that additional appropriations could be requested from legislature.

Mr. Horne stated that perhaps this could be an added evaluation piece regarding the quality of service rendered by these vendors and that the evaluation could include these kinds of services that schools/districts need.

Ms. Alley noted the period of time they have been doing this and that processes are in place. She added that given today's discussion, some have already determined what they are going to do, and if another field is added, she wondered if the smaller schools would be able to accommodate this requirement by spring.

Dr. Nicodemus asked if this is a local issue and should the SBE let the local district make this determination? She added that she is logistically in favor of it but philosophically opposed.

Ms. Pollock stated that the requirement is for the SBE to present the format for recording AIMS scores on high school transcripts pursuant to A.R. S. § 15-743 (F).

Mr. Yanez noted that the SBE has presented the format in the past but the test is now obsolete and the SBE must now present a friendly amendment and whether to use the highest score or all scores is the district's decision. Mr. Horne seconded this friendly amendment.

Dr. Nicodemus stated that she supports the legislature's funding for the testing companies to provide labels with AIMS scores to be affixed to transcripts.

A further amendment to the motion was suggested regarding if a school/district is meeting the minimum requirement this year whether they would have to follow the new format until 2007.

Ms. Ruth Solomon, Associate Superintendent for Education Policy, Arizona Department of Education, noted that the Department will explore avenues for helping schools meet the requirements of this issue.

The entire motion was reiterated by Ms. Hilde as follows: Move to include the AIMS performance level and scale scores on high school transcripts. The district can decide as to whether to post the highest or all scores. The ADE will explore avenues for helping schools to meet the requirements and the effective date is May 2006. *Motion passes. Dr. Nicodemus and Ms. Owen voted no.*

D. Presentation, Discussion and Consideration to Determine Non-Compliance with the USFR for Failing to Correct Deficiencies and to Withhold State Funds Pursuant to A.R.S. §15-272(B) for the Following Districts:

1. Bicentennial Union High School District No. 76

Mr. Chad Sampson, Assistant Attorney General, Attorney General's Office, presented the background information as provided in the materials packet. Further discussion ensued with clarification that the request be modified to contain language that states should the district receive state funds this withholding would then take place. However, the district is out of compliance in its use of local tax monies and should it get state funds at a later date, its record should show that Bicentennial Union High School District No. 76 was out of compliance at this time.

Mr. Dave Perey, Administrator, Bicentennial Union High School District No. 76, noted that they have a very large tax base in the district. Ms. Sherry Kindel, Business Manager, was also in attendance. Mr. Perey provided documentation regarding the district's efforts in addressing the non-compliance issues which is included in the materials packet. He noted that they feel they are ready to request a follow-up audit from the Auditor General's Office.

Motion by Mr. Estes and seconded by Ms. Owen to determine that Bicentennial Union High School District No. 76 is out of compliance with the USFR. *Motion passes.*

2. Kin Dah Lichi'I Olta, Inc.

Mr. Chad Sampson, Assistant Attorney General, Attorney General's Office, presented the background information as provided in the materials packet.

Representing Kin Dah Lichi'I Olta, Inc., were Mr. Gale Tucker, Legal Counsel, Hufford, Horstman, Mongini, Parnell & Tucker, P.C., Flagstaff, Arizona; Mr. Virgil Holmes, Board President; Ms. Hubbard; Ms. Ora James, Principal; and Mr. Gordon Gorman, Business Manager. Mr. Tucker stated that the school's board is very serious about taking care of this matter and that auditors are on campus today working on these matters. He stated that they are working extra hours to get matters in order and that the '05 report will be submitted on time. He added that they hope to be in compliance in a matter of a few days. Mr. Tucker requested that the school be given a ten-day extension.

Ms. Hilde asked how many charters that Peach Springs still holds and Mr. Sampson responded that there may be four but that can be confirmed at a later time. Mr. Yanez noted that the SBE has no authority over charter schools and that they are under the jurisdiction of the sponsoring district. Dr. Nicodemus noted that no audit has been submitted as yet since the letter was sent to the school by the Auditor General's Office. Mr. Tucker responded that the school has undergone several unfortunate circumstances with its board members but that they have been working on these matters as well as the non-compliance issues.

Motion by Mr. Estes to extend a ten-day extension and then at the end of ten days a ten percent penalty should be assessed if the report is not submitted at that time. Further discussion ensued regarding the potential possibilities and difficulty in tracking this timeline and the motion was amended. Mr. Estes re-stated his motion to determine that the school is out of compliance with the USFRCS based on the reports of the Auditor General and to direct the Superintendent of Public Instruction to withhold 10% of state funds from the school until the Auditor General reports that the school is in compliance with the USFRCS. Seconded by Ms. Owen. *Motion passes.*

3. St. Johns Unified School District No. 1

Mr. Chad Sampson, Assistant Attorney General, Attorney General's Office, presented the background information provided in the materials packet.

Mr. Larry Heap, Superintendent, St. Johns Unified School District No. 1, presented information included in the materials packet. He noted that the only issues are housekeeping items that they are working on very diligently.

Mr. Ashton, Business Manager, noted the following steps that are being taken:

- Strengthening controls over capital assets
 - The auditor stated that the audit looked very clean
- Working on follow-through procedures to get complete information/receipts for expenditures
- Consultant working with them on financial issues
- Sending personnel who handle student activities monies to training seminars sponsored by Heinfeld and Meech
- Not ready for the Auditor General to come back for an audit but may be shortly after the beginning of the 06-07 year

Motion by Mr. Estes to determine that the district is out of compliance with the USFR based on the reports of the Auditor General and move to direct the Superintendent of Public Instruction to withhold 10% of state funds from the district until the Auditor General reports that the district is in compliance with the USFR. Seconded by Ms. Kramer. *Motion passes.*

Ms. Owen commented that the school is developing an infrastructure and that she would be inclined to withhold 5% rather than 10%. Dr. Nicodemus concurred with Ms. Owen stating that they are taking all factors into consideration. She noted that the SBE has seen more detail from

districts and that this may indicate that districts see the SBE as an entity that considers each districts' efforts.

Ms. Pollock noted that members may add a friendly amendment or may vote on the standing motion.

Mr. Estes and Ms. Kramer agreed to change the withholding to 5%. *Motion passes.*

4. Yuma Elementary School District No. 1

Mr. Chad Sampson, Assistant Attorney General, Attorney General's Office, presented the background information provided in the materials packet.

Mr. Kerry Jones, Chief Financial Officer, Yuma Elementary School District No. 1, presented information regarding the district's status which is included in the materials packet. Mr. Tom Rushin, Superintendent, Yuma Elementary School District No. 1, was also in attendance.

Dr. Nicodemus noted that it appears that the district is ready for a review and asked about the timeframe. Mr. Sampson explained that the district, not the Auditor General's Office, has put in place the processes indicated. The Auditor General waits 60-90 days after notification from the district and then again makes contact with the district asking certain questions. After that, another status report is taken.

Ms. Laura Miller, County Services Manager, Auditor General's Office, explained the process:

- A letter is sent to the SBE and the district stating that the district is not in compliance
- The Auditor General contacts the district to go over deficiencies to see if the district is ready for another review
- If the district feels it is ready, a review is scheduled within 2-3 weeks and then 2 months to go through the full review and issue a full report
- The district must formally request the Auditor General to come back by notifying the SBE that it is ready

Ms. Hilde commented on what appears to be a common thread consortium to tighten up the processes within that consortium and she asked how this affects the others in the consortium? Mr. Sampson noted that ultimately each district is responsible for its own accounting practice and each district is required to submit to an audit by the Auditor General's Office. Mr. Sampson added that he has no knowledge that any other district within Yuma is presently being looked at.

Mr. Jones responded that there are several other consortia within the district but that they did not springboard to Yuma. He added that there is a computer services consortium with Yuma UHSD that involved coding issues only.

Mr. Yanez explained that when a district has been found to be out of compliance with the USFR, the district must notify the SBE when it is ready for an audit and the SBE notifies the Auditor General's Office that the district is ready for a follow-up audit.

Ms. Hilde noted the options available for a motion and Mr. Estes motioned to determine that the district is out of compliance with the USFR based on the reports of the Auditor General and moved to direct the Superintendent of Public Instruction to withhold 5% of state funds from the district until the Auditor General reports that the district is in compliance with the USFR. Seconded by Ms. Owen. *Motion passes.*

Mr. Sampson clarified that the Auditor General's Office is a neutral body that brings these issues to the SBE's attention. In addition Mr. Sampson will submit written policy and procedural issues regarding these matters to the SBE.

E. Presentation and Discussion Regarding the Withholding Of Classroom Site Funds for Late Submittal of School Improvement Plans Pursuant to A.R.S. § 15-241 for the Following Schools:

1. Academic and Personal Excellence High School
2. Cheatham Elementary School, Laveen Elementary District
3. Copper Basin, Florence Unified School District

Mr. Dale Parcell, Deputy Associate Superintendent for School Improvement, Arizona Department of Education, presented the information provided in the materials packet reminding members that the three schools on the agenda are from a total of 90 schools that were found to be underperforming and that the ADE has stepped up its involvement with these schools in assisting them in developing their improvement plans.

Dr. Nicodemus asked about the financial implications to the schools/districts and Mr. Parcell speculated that this could be in the thousands of dollars. Mr. Lyle Friesen, Legislative Advisor, School Finance, Arizona Department of Education, noted that the amount varies and depends on enrollment, but the JLBC has set an estimated amount of \$353 per student.

Mr. Parcell noted that these funds are “lost” monies and not “held” to be given back at a later time. Mr. Estes asked for clarification regarding the assistance process and Mr. Parcell noted that statewide workshops are held, letters are sent, and phone calls and visits are made so that each school has had contact and information to assist them in getting the reports in on time.

Mr. Parcell noted that as of today all plans have been received but according to statute the penalty is for the number of days late plus 90 days.

Mr. Parcell also explained that the IDEAL system allows schools to submit their improvement plan online and therefore streamlines the procedure. He noted that schools have declared that they saved many hours of input time using the IDEAL system.

Ms. Hilde asked for an update on this matter at future meetings.

Mr. Andrew Morrill, Vice President, Arizona Education Association, noted that 60% of classroom site funds go to teacher compensation and it is unfortunate that the law is written this way, as it ultimately penalizes teachers for something outside their control.

F. Presentation, Discussion and Consideration to Initiate Rulemaking Procedures for Rules R7-2-617, Relating to the Alignment of Teaching Certificates

Mr. Vince Yanez, Executive Director, Arizona State Board of Education, presented background information and noted that the Department is in the process of re-writing renewal, tiered, and administrative certification and some pieces of the rules are ready for Board action. He noted that this rule proposes to permit teachers to align their certificates so they have a single expiration date and prevents them from having to come in at multiple times for renewals.

Motion by Mr. Estes to initiate the rulemaking process for R7-2-517, relating to alignment of teaching certificates and that a public hearing be scheduled at the discretion of the Board’s executive director. Seconded by Ms. Mendoza. *Motion passes.*

G. Presentation and Discussion Regarding AIMS Intervention Dropout Prevention Grants under A.R.S. § 15-809

Ms. Maxine Daly, Deputy Associate Superintendent, Innovative and Exemplary Programs, Academic Achievement Division, Arizona Department of Education, presented the background information provided in the materials packet which is a continuation of information brought in September and December.

Dr. Nicodemus asked for the county to be added to the list and asked if the award amount is what was requested or whether it was adjusted. She also asked the Department to equate the number of students to the amount of the award.

Mr. Bob Coccagna, Director of Dropout Prevention and High School Renewal, Academic Achievement Division, Arizona Department of Education, noted that schools wrote their own grant and asked for the funding needed to affect the program in the allotted time. He added that some outside agencies could also apply and that they were looking at a county or local area where they were serving students. If they got 55% they deserved to be funded and a second round had only 6 months to work.

Mr. Estes wondered if a report could be available regarding whether the guides/tutoring are being used and what the outcome is.

Dr. Karen Butterfield, Associate Superintendent, Academic Achievement, Arizona Department of Education, stated that they are working with the Grow Network/McGraw-Hill putting together a report regarding guides and adding the information into a database with over 1200 tutors. She added that they are now beginning to collect data and that they may have more information by the end of April. Mr. Estes stated that he would also like to see how the students who are now taking AIMS did with or without the guides. Dr. Nicodemus added that the Board would be well served to look at those who are not successful and see if they availed themselves of the state provided services.

Ms. Owen complimented the Department on its statewide outreach.

H. Presentation, Discussion and Consideration to Initiate Rulemaking Procedures for Rule R7-2-614, Relating to Administrative Certificates

Mr. Vince Yanez, Executive Director, Arizona State Board of Education, presented information provided in the materials packet, noting that the original rules specified a timeframe for administrative certification in small/rural school districts. The anticipation was that this would already be completed but since it is not, the request is to extend the date to 2007.

Mr. Estes noted that Dr. Balentine asked that this item be delayed until the March meeting for further discussion.

I. Presentation, Discussion and Consideration to Initiate Rulemaking for R7-2-409, Relating to Accessibility to Textbooks and Instructional Materials

Mr. Vince Yanez, Executive Director, Arizona State Board of Education, presented background information included in the materials packet. He noted that the law specifies that these rules spell out procedures for schools when they purchase text materials. Mr. Yanez explained that these rules were drafted in cooperation with representatives from the Department and the field and anticipates some small amendments to be made in the final format to be submitted.

Ms. Froma Cummings, Assistive Tech Specialist, Exceptional Student Services, Arizona Department of Education, added that this is in compliance with the Chafee amendment, with textbooks for students with a 504 and an IEP and print disabilities. She noted that many materials are available in PDF files that cannot be managed by some students. She added that this is expanding to meet the needs of a greater variety of students.

Mr. Yanez added that this will apply to materials purchased and/or adopted after the 2005-2006 school year.

Motion by Dr. Nicodemus to initiate the rulemaking process for R7-2-409, relating to accessibility to textbooks and instructional materials and that a public hearing be scheduled at the discretion of the Board's executive director. Seconded by Mr. Estes. *Motion passes.*

J. Presentation, Discussion and Consideration to Approve Supplemental State Aid for Colorado City Unified District Pursuant to A.R.S. § 15-980

Mr. Vince Yanez, Executive Director, Arizona State Board of Education, gave a brief background stating that the SBE learned that the district will not collect a large portion of tax revenue this year.

Mr. Yanez noted that the law states that if 20% is received the district is eligible for supplemental state aid as noted in the materials packet.

Dr. Nicodemus asked about the source of funding and implications to the ADE and whether there is a recovery for state compensation when taxes are paid and Ms. Vicki Salazar, Associate Superintendent, Business and Finance, Arizona Department of Education, stated that the state requires payment in 45 days and that the legislature has been asked for a supplement from general funds, a basic state aid for shortfall.

Mr. Peter Davis, Simon Consulting, LLC, Appointed Receiver for Colorado City, responded that pursuant to A.R.S. § 15-980 repayment is made when the tax is collected and that these funds will be paid back to the state when taxes are collected.

Motion by Mr. Estes to authorize payment of supplemental state aid to the Colorado City School District in the amount of \$711,629. Seconded by Ms. Owen. *Motion passes.*

Mr. Estes requested that no items requiring action be placed on the agenda for discussion after 2:30PM or 3:00PM noting that anything requiring a decision should be discussed earlier in the day.

7. ADJOURN

Motion by Dr. Nicodemus to adjourn and seconded by Ms. Mendoza. *Motion passes.*

Meeting adjourned at 2:40PM.