

**Minutes  
State Board of Education  
Monday, February 26, 2007**

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 9:05AM.

**Members Present**

Mr. Jesse Ary	Mr. Larry Lucero
Dr. Vicki Balentine	Ms. Anita Mendoza
Dr. John Haeger	Mr. Jacob Moore
Ms. Martha Harmon	Dr. Karen Nicodemus
Superintendent Tom Horne	Ms. Cecilia Owen
Ms. Joanne Kramer	

**PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**

Dr. Nicodemus welcomed the three new members of the State Board of Education and asked them to introduce themselves.

Ms. Martha Harmon, CEO, Arizona College Scholarship Foundation, stated that she served previously as a Deputy Superintendent at the Arizona Department of Education and that she is looking forward to bringing her experiences to the State Board of Education.

Dr. John Haeger stated that he taught 20 years at the college level, has served in administrative capacities at two state institutions where there are large teacher preparation programs, has served as chair of the Governor's Committee on Teacher Quality and Support and is now on the P-20 Council. Mr. Jacob Moore stated that he is Tohono O'Odham, that both his parents graduated from ASU, that he is currently working on an Executive MBA degree at ASU, that his family has been involved in education for many generations with his father serving as the director of Indian education in the mid-80's and that it is a great honor and pleasure to have the opportunity to participate on the State Board of Education. Mr. Moore added that he currently works with tribes on policy issues.

**1. BUSINESS REPORTS**

**A. President's Report**

Dr. Nicodemus gave members a packet of information regarding various research reports including:

- "Betraying the College Dream: How Disconnected K-12 and Postsecondary Education Systems Undermine Student Aspirations"
- "Claiming Common Ground: State Policymaking for Improving College Readiness and Success"
- "High School to College and Careers: Aligning State Policies"

Dr. Nicodemus encouraged members to share issues/information that could assist in State Board discussions/decisions.

**B. Superintendent's Report**

Superintendent Horne welcomed the three new SBE members and announced that Ms. Joanne Kramer is the new principal of a new school, McCartney Ranch Elementary School. Ms. Kramer noted that this school will open in Fall 2007 and that she is excited to be taking on this special challenge after 25 years in the classroom.

Mr. Horne recognized the following divisions of the Arizona Department of Education:

- Education Services and Resources Division
  - Arizona's first Response to Intervention Conference

- Academic Achievement Division
  - Arizona High School Renewal Initiative “Small Learning Communities” Summit

#### C. Board Member Reports

Dr. Vicki Balentine reported that she is participating in a national study group with NASBE and that a report was forwarded to members. She added that she will be attending a conference in March and will provide follow up information as the process continues.

#### D. Director’s Report

##### 1. Update Regarding Saddle Mountain USD

Mr. Vince Yanez, Executive Director, State Board of Education, reported that last month during Call to the Public, two individuals spoke to the Board and made allegations that the district has over-expanded its budget over the last several years. Mr. Yanez noted that he met with School Finance to review the allegations and has confirmed that over the last 3 fiscal years the district has over-expanded its budget by a significant amount. Mr. Yanez added that as a matter of law, when a district over-expends its budget, the ADE School Finance Unit sets up a series of withholdings for the following two fiscal years to pay back the over-spent amount. In meeting with ADE, Mr. Yanez noted that there are two options:

- Receivership statute that allows the SBE, upon findings of gross mismanagement or insolvency, to take over a district as was done in Colorado City
- Entertain administrative solutions with the ADE, Board staff and the district

Mr. Yanez noted that as a first course of action the administrative remedies should be pursued and made the following proposal:

- That a plan be put together to bring the district back into compliance
  - Including a series of benchmarks that must be met and that would show good faith on the part of the district.
- ADE would monitor this on a regular basis
- Provided the district makes a good faith effort to hit the benchmarks the SBE would not move for receivership
- If the district does not make progress in coming back under its budget, staff would propose placing a petition before the SBE to place the district into receivership

Mr. Yanez reiterated that this is a proposed compliance plan to bring the district back under budget with careful monitoring by the ADE and receivership would only be pursued if the district did not demonstrate its good faith effort. Mr. Yanez added that during the investigations into this particular issue, other procedural issues came up, not directly related to Saddle Mountain but to receivership options in general, and he asked for an Executive Session at the next meeting to discuss some of these procedural issues.

Mr. Yanez clarified that in the case of Saddle Mountain, this is not a direct withholding but rather is lowering their budget allowance.

Dr. Balentine asked how this differs from cases brought to the SBE by the Auditor General and Mr. Yanez explained:

- The SBE regularly receives matters of USFR compliance that are specifically for districts that have failed to submit their financial audit and for those districts that have submitted audits where internal control deficiencies have been found by the Auditor General.
- Saddle Mountain is not a USFR issue but rather an issue of gross mismanagement of finances

Mr. Yanez clarified that over-expenditures are not issues that the Auditor General would bring to the SBE for action. Mr. Ary asked what the difference is in this case from others brought to the SBE and Mr. Yanez clarified that what we don’t see here is malfeasance but rather a district over-spending its budget by a significant amount.

Mr. Paul Roetta, stated that he has lived in the Saddle Mountain area for 20 years, is involved in the community, and was appointed for 4 months to the governing board. He noted that he is not making accusations of inappropriate accounting but basically that the district is spending more than is being taken in. He noted that if the district has to pay back each year it would have less money, but then the overspending continues which leaves an estimated \$1.2M in overspending this year plus the pay-back amount and they are not meeting their budget as there is not a budget process, just a spending process. Mr. Roetta requested that the SBE appoint a receiver as soon as possible to do what the district cannot or will not do for the students in the district.

Mr. Chris Stewart, who has 6 grandsons attending Saddle Mountain schools, stated that Saddle Mountain is the worst over-expenders of its M&O budget, which was \$2M last year on a GBL of a little over \$4M and with a waiver for the debt repayment it will be another \$2M on a \$4.6M GBL. He stated that this is financial chaos. Mr. Stewart stated that the plan proposed by Mr. Yanez is the reason constituents lose faith in government as they don't want a plan to prepare to begin to set an agenda to start to study something. Mr. Stewart stated that they want action. He added that he has sent large packets of evidence for the past 18 months to representatives, Mr. Yanez, ADE Finance, showing teachers are not being given 301 and Indian gaming monies and presenting a comprehensive recovery plan indicating that spending stipends are inverted. He noted that they need to be put back on a track to financial security and suggested that efforts along the lines of Mr. Yanez' suggestions are exhausted and it is time to appoint a receiver.

Superintendent Horne stated that the district has been able to spend more than it takes in because the County Treasurer has been loaning money to the district. Mr. Roetta stated that last year the district was going to bring on 3 additional schools and the funds have not yet been used, so the money at the treasurer's office for these purposes is being used. He stated that his concern is when the schools open the money will be needed for them. Mr. Horne asked the ADE Finance Department to contact the County Treasurer and ask them to stop advancing money to the district and then they won't have money to overspend. He added that if the County Treasurer stops issuing warrants the district will be forced into staying within its budget or going under receivership. Mr. Roetta stated that they are concerned that teachers won't get paid.

Mr. Yanez reiterated that receivership is not off the table but this proposal is to set up some system by which we can try to bring the district back into compliance before moving to receivership. Mr. Yanez added that when a district is put into receivership, there is absolutely no local control, as the receiver supersedes the superintendent and the governing board; therefore the proposed plan is to only use the receivership statute if it is absolutely necessary. Mr. Yanez noted that everything that can be done at the state level to bring the district back into compliance has not been tried, as yet. Mr. Ary asked if the district has had malice intent and Mr. Stewart responded that they are not alleging any criminal activity.

Dr. Nicodemus asked for an update next month as well as a report from the ADE regarding the processes to follow and the options available to the SBE, including a timeline for full compliance and hardships anticipated for the district. Mr. Yanez will work with ADE staff to put this report together for the next meeting.

Ms. Owen noted that this is the second time to see county treasurers advancing monies for districts and Mr. Horne noted that his finance department is contacting all county treasurer offices to see what the issues are and what can be done to assist them.

Mr. Yanez noted that the plan has to be comprehensive so the errors don't re-occur. Mr. Horne noted that the district has submitted its audits every year but the problem appears to be a unique problem of over-spending and not a general systematic problem regarding the audit reports. Mr. Horne added that the SBE has no direct leverage as this is not a state-aid district; the Palo Verde Nuclear Plant pays their entire budget via their local property taxes. He added that the key to solving the problem is with the county treasurer where the leverage will probably be.

Mr. Roetta asked that this be an agenda item next month so action can be taken as two new schools are going to be opened and the recovery plan in process will not be sufficient to provide enough teachers for the additional students.

## 2. SPECIAL PRESENTATION AND TEACHER RECOGNITION

### A. ELL Teacher of the Year

Dr. Karen Butterfield, Associate Superintendent, Academic Achievement, Arizona Department of Education, presented the ELL teacher of the year, Ms. Lisa Wakefield, noting that she was formally presented with this award in Tucson at the EAS Conference. Dr. Butterfield noted that the Rodel Foundation sponsored this award and noted the teacher initiatives that are sponsored by the Rodel Foundation.

Dr. Carol Peck, Executive Director, Rodel Foundation, noted that Arizona has a wealth of excellent teachers as our ELL students deserve the best to assist them in achieving. Dr. Peck then presented a check to Ms. Wakefield.

Superintendent Horne noted the following regarding Ms. Wakefield:

- ELL teacher at Greenway High School
- Graduate of Greenway High School
- Spent a summer teaching English as a Second Language in China
- Encourages teachers never to give up on a student
- Considered a role model and mentor in the field of English Language Development

Ms. Lisa Wakefield expressed her appreciation for the demonstration of a “pat on the back” which is a great motivator for teachers.

### B. National Board Certified Teachers

Ms. Jan Amator, Deputy Associate Superintendent for Highly Qualified Professionals, Academic Achievement, Arizona Department of Education, reported that the mission is to advance the quality of teaching and learning by high rigorous standards of what teachers can do and know. She added that this is a voluntary system and Arizona now has 349 National Board Certified teachers. Ms. Amator introduced those teachers who were in attendance.

## 3. ADJOURN AS THE STATE BOARD OF EDUCATION AND RECONVENE AS THE STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

Motion by Mr. Ary and seconded by Ms. Kramer to adjourn as the State Board of Education and reconvene as the State Board for Vocational and Technical Education. *Motion passes.*

Presentation, Discussion and Consideration to Approve the State Plan for the Carl D. Perkins Career and Technical Education Act of 2006

Ms. Barbara Border, Interim Deputy Associate Superintendent and State Director of Career and Technical Education, Arizona Department of Education, presented the state plan which will be submitted to the federal government for approval. Ms. Border outlined the background information provided in the materials packet noting that the first submission will be a one-year plan as the federal guidelines for a six-year plan have not yet been received. Ms. Border stated that the committee is asking for an approval of the one-year plan and the separate plan for the remaining years as it has been developed to date. (Please note the 5 key recommendations listed in the materials packet.) Superintendent Horne commended Ms. Border on her excellent work in the division.

Ms. Harmon asked about the work being done in bio-tech and Ms. Border responded that they are working on increasing the level of knowledge in these areas. Ms. Border noted that new programs will be started next year looking at building these kinds of skills, requiring a great deal of science and math in these new types of programs.

Mr. Ary added his congratulations to Ms. Border for the work being done and the division’s

accomplishments.

Motion by Mr. Ary and seconded by Ms. Owen to approve the State Plan for the Carl. D. Perkins Career and Technical Education Act of 2006 as presented. *Motion passes.*

4. ADJOURN AS THE STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION AND RECONVENE AS THE ARIZONA STATE BOARD OF EDUCATION

Motion by Dr. Balentine and seconded by Mr. Ary to adjourn as the State Board for Vocational and Technical Education and reconvene as the State Board of Education. *Motion passes.*

Dr. Nicodemus asked for suggestions regarding the order of the Agenda and asked members to forward those suggestions to Mr. Yanez for consideration.

GENERAL SESSION

A. Presentation from WestEd Regarding High School Graduation Requirements

Mr. Yanez noted that this item will be finalized later this week and may be presented at next month's meeting.

B. Presentation and Discussion Regarding Legislative Affairs. The Board May Take Action to Support, Oppose or Remain Neutral on Specific Legislative Proposals

Mr. Vince Yanez, Executive Director, State Board of Education, highlighted the following bills:

- **HB 2382** purpose was to give SBE authority to charge fees for educator performance assessment and to clarify authority of current assessments already in place
  - Last month members were reluctant to take action and now the bill deals specifically with performance tests; passed House Education Committee on the 14<sup>th</sup> and is now scheduled for presentation before the House
- **HB 2378** Extension of receivership law; bill has been held; extends throughout this year but ability to put districts in receivership will expire if this is not extended
- **SB 1045** Expands list of offenses in fingerprint clearance process; expecting further list that would add additional crimes that would not be eligible for clearance cards; Fingerprint Board approved this unanimously
- **SB 1177** end-of-course testing; amended in Senate Education Committee; SBE leadership worked with ADE to see that this was amended; state maintains authority; still some concerns regarding specificity in language
  - These are AIMS tests and will go through the same process for SBE approval as all other AIMS tests

Ms. Owen asked about SB1178 and Mr. Yanez noted it is past the date for bills to be heard and that it did not make it through the committee but may pop up at a later time.

C. Presentation and Discussion Regarding the Arizona Troops to Teachers Program

Mr. John Scheuer, Education Program Specialist, Troops to Teachers, Arizona Department of Education, presented information via PowerPoint presentation included in the materials packet. Regarding the people that are certified and ready to teach but have not yet been hired by districts, Mr. Scheuer clarified that more marketing, etc., can be done to get the information out to district personnel.

D. Presentation, Discussion and Consideration to Accept the Recommendation of the Professional Practices Advisory Committee and Suspend the Certificates Held by Steven M. Linder, Case # C-2005-05

Mr. Yanez noted that Mr. Linder's attorney requested that this matter be tabled until March 2007.

E. Presentation, Discussion and Consideration to Accept the Recommendations of the

Professional Practices Advisory Committee and Grant the Applications for Teacher Certification for:

1. Martin B. Freed, Case # C-2005-008 R

Mr. Charles Easaw, Chief Investigator, Investigative Unit, Arizona State Board of Education, noted that Mr. Freed is present with his Counsel, Ms. Donna McDaniel.

Ms. McDaniel asked the SBE to accept the PPAC's recommendations as they made an extensive presentation to the PPAC. Ms. Owen recused herself from this item.

Motion by Dr. Balentine and seconded by Ms. Kramer to accept the findings of fact, conclusions of law and recommendation of the Professional Practices Advisory Committee and grant Martin B. Freed's application for certification. *Motion passes. Ms. Owen recused herself.*

2. Melvin E. Hansen, Case # C-2006-092 R

Mr. Charles Easaw, Chief Investigator, Investigative Unit, Arizona State Board of Education, noted that there is no further information to present to the SBE and Mr. Hansen stated that he is comfortable with the information provided.

Motion by Ms. Owen and seconded by Ms. Kramer to accept the findings of fact, conclusions of law and recommendation of the Professional Practices Advisory Committee and grant Melvin E. Hansen's application for certification. *Motion passes.*

3. John McClain, Jr., Case # C-2006-100 R

Mr. Charles Easaw, Chief Investigator, Investigative Unit, Arizona State Board of Education, noted that Mr. McClain is present with counsel.

Mr. Terry Hall, Counsel for Mr. McClain, noted that they are comfortable that all information was reviewed by the PPAC.

Dr. Nicodemus asked Mr. Easaw to expand on the one dissenting vote in the PPAC and Mr. Easaw noted that it involved the differing information between the police version and Mr. McClain's statement regarding the incident.

Mr. Yanez noted that this case involves an application for certification and Ms. Pollock noted that the PPAC and SBE have the ability to take several different disciplinary actions.

Ms. Harmon asked for clarification regarding the differences in the two reports and Ms. Pollock clarified that members have the ability to ask these questions.

Mr. Harmon asked Mr. McClain to clarify the incident and he explained that he has been at the same school for over 50 years and that he signed a guilty plea as he didn't know about the law. He stated that he saw the police report just recently, that he wanted to get this over with, and that the police report did not accurately depict what happened. Ms. Owen noted that a plea of guilty is confusing if the report was not accurate and Mr. McClain stated that he hadn't seen the police report and that he followed his attorney's recommendation to sign.

Superintendent Horne clarified that the applicant will be notified of his appeal rights including a full hearing before the PPAC if this request is denied.

Motion by Ms. Mendoza and seconded by Mr. Lucero to accept the findings of fact, conclusions of law and recommendation of the Professional Practices Advisory Committee and grant John McClain's application for certification. Roll call vote indicated 6 no, 3 yes, 1 recused. *The motion failed.*

Ms. Jennifer Pollock, Assistant Attorney General, advised that in a disciplinary action the PPAC and the SBE have the ability to take certain types of discipline ranging from letter of censure, suspension, suspension with conditions or revocation. She added that when it is an application for certification or renewal, the only option is to either renew or grant the application or to deny the application and there is no discipline involved.

Mr. Yanez added that in some cases there might be an ongoing investigation regarding a current teacher and the teacher applies and in other cases it might be a situation where the district or the SBE

weren't aware of the arrest or allegation until the person applies for certification.

Mr. Easaw noted that at the time Mr. McClain applied for certification, the Investigative Unit was in the process of dealing with a complaint arising out of this same conduct and because Mr. McClain applied in the midst of the investigation the complaint was changed to a review.

Mr. Yanez clarified that if the direction of the SBE is to take no action, the applicant will receive complete information regarding the appeal process, which includes a full administrative hearing before the PPAC and ultimately an appeal to Superior Court.

Ms. Pollock stated that the SBE has the ability to propose a motion to accept the findings of the PPAC, to revise the conclusions of law to state as follows: that the conduct of John McClain as delineated above constitutes immoral and unprofessional conduct pursuant to A.R.S. §15-534 D, specifically the applicant's conduct violates Arizona Administrative Code R7-2-1308(B)(15) which is conduct that discredits the teaching profession as well as would have made the applicant unfit to teach and has an adverse affect on or within the school community pursuant to the *Winters vs. State Board of Education* case. Ms. Pollock clarified that the motion would be to deny the application for certification by accepting the findings of fact, revising the conclusions of law by finding that Mr. McClain engaged in unprofessional conduct pursuant to A.R.S. §15-534 D in that his conduct violated R7-2-1308(B)(15) as well as made the applicant unfit to teach and has an adverse affect on or within the school community pursuant to *Winters vs. State Board of Education* and deny Mr. McClain's application for certification for the reason that Mr. McClain engaged in immoral or unprofessional conduct. Ms. Owen so moved and Mr. Moore seconded the motion. Roll call vote results are 7 in favor, 3 against and 1 abstaining. *Motion passes.*

4. Madeline A. Modrak, Case # C-2006-075 R

Mr. Charles Easaw, Chief Investigator, Investigative Unit, Arizona State Board of Education, noted there is not additional information to present to the SBE.

Ms. Modrak noted that she stands by her testimony to the PPAC and asked the SBE to grant her certification.

Motion by Dr. Balentine and seconded by Ms. Kramer to accept the findings of fact, conclusions of law and recommendation of the Professional Practices Advisory Committee and grant Madeline Modrak's application for certification. *Motion passes.*

5. Kenneth B. Pearce, Case # C-2006-066 R

Mr. Charles Easaw, Chief Investigator, Investigative Unit, Arizona State Board of Education, noted that Mr. Pearce is present and that there is no additional information to present.

Mr. Pearce noted that he will answer any questions.

Dr. Nicodemus asked Mr. Pearce about the discrepancy in his testimony outlined in the materials and Mr. Pearce noted that he feels tremendous remorse for the mistakes he made and that he did provide alcohol for students and make romantic advances toward a female student as noted in the materials. Mr. Pearce added that this has affected his career and that he tried hard since that time, almost 12 years ago, to do the right thing and make amends.

Motion by Dr. Balentine and seconded by Ms. Harmon to accept the findings of fact, conclusions of law and recommendation of the Professional Practices Advisory Committee and grant Kenneth B. Pearce's application for certification. Roll call results are 5 in favor, 5 against and 1 absent. Mr. Yanez explained that in order to take any action 6 votes are required; therefore this matter will be tabled for further consideration at the next meeting.

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

1. Cochise Elementary School District No. 26

Mr. Chad Sampson, Assistant Attorney General, Attorney General's Office, introduced the item. Mr. Stephen Webb, Superintendent, stated that he took over July 1, 2006, and was unaware that the district was in arrears regarding the two-year audit. He noted that they have accomplished their goals and the Auditor General is on site today to conduct its audit. Mr. Webb reported that a draft of their findings will be available to the Auditor General soon and that he assumes this could be within 30 days.

Motion by Dr. Balentine and seconded by Mr. Ary to table action on this item for 30 days and Mr. Yanez suggested that the motion call for the item to be tabled until the April meeting as timeline submissions could take that long. *Motion passes.*

## 2. Union Elementary School District No. 62

Mr. Chad Sampson, Assistant Attorney General, Attorney General's Office, stated that he is bringing the issue of USFR non-compliance to the SBE and that representatives from the district are present. Mr. Justin Greene, Superintendent, and Ms. Lisa Smith, Business Manager, addressed the SBE. Mr. Greene noted the difficulty in controlling the processes, that it has been difficult due to rapid growth and asked the SBE to consider that they are working with the Auditor General in upcoming onsite visits. Mr. Greene noted that the items listed by the Auditor General have been resolved and that they will request a follow-up review from the Auditor General as soon as the auditing firm has completed its audit, which should be within 2-3 weeks.

Mr. Greene noted that they have taken a pro-active stance by looking for experienced personnel, scheduling ongoing training, having the Auditor General on site, etc. Ms. Smith added that she is also active in ASBO and is encouraging other staff to do so. Mr. Greene confirmed that the district's overall budget is approximately \$7M.

Motion by Dr. Balentine and seconded by Mr. Ary to determine that the Union Elementary School District No. 62 is out of compliance with the USFR and 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. *Motion passes.*

Ms. Owen noted that she was hoping to hear that the Superintendent is planning to take the time for further training in this area. Mr. Ary asked if the Superintendent has asked if there was evening training available, and Mr. Greene responded that he had not. Members urged Mr. Greene to do his best to attend trainings.

Superintendent Horne commended Mr. Greene and other superintendents who perform multi-tasks noting the enormity of the responsibilities they carry.

Ms. Harmon asked the implications of the withholding and Mr. Sampson clarified that this is not retro-active but moving forward and a percentage of the monthly equalization allocation is withheld until the district comes into compliance.

Mr. Greene noted there is no tax revenue in their district and they are solely dependent on the equalization allocation.

*The Board broke for lunch at 12: 16PM and reconvened at 1:02PM*

### G. Presentation, Discussion and Consideration to Adopt the Curricular Framework for the 45 Clock-Hour Provisional Structured English Immersion Endorsement

Ms. Irene Moreno, Deputy Associate Superintendent, Academic Achievement Division, English Acquisition Services Unit, Arizona Department of Education, explained that the integrity of the original document, approved by the SBE on January 24, 2005, has not been changed but has been enhanced to increase the number of hours to 45.

Dr. Nicodemus asked for clarification regarding the change from 15 to 45 and Mr. Yanez noted the two scenarios:

- If certified prior to 8/31/06, total hours required is 60



- 15 for a provisional and 45 for full
- If certified after 8/31/06, total hours required is 90
  - 45 for a provisional and 45 for full

Dr. Balentine noted that people in the field are curious regarding how to notify those who are certified but unemployed and may not be aware of the new requirement. Ms. Moreno responded that they do not have a plan in place and would welcome suggestions. Dr. Nicodemus asked Ms. Moreno to keep members informed as this plan is developed.

Motion by Dr. Balentine and seconded by Ms. Kramer to adopt the curricular framework for the 45 clock-hour Provisional Structured English Immersion Endorsement as presented. *Motion passes.*

H. Presentation, Discussion and Consideration to Close the Rulemaking Record and Adopt Proposed Rule R7-2-1109, R7-2-1110 and R7-2-1116 Regarding Alternative Project Delivery Methods

Mr. Vince Yanez, Executive Director, State Board of Education, presented the item and noted that the SBE is required to adopt rules for Alternative Project Delivery Methods including:

- Construction-manager-at-risk
- Design-build
- Job-order-contracting
- Qualified select bidders list

Mr. Yanez noted that a public hearing was held on January 17, 2007 and a summary of the comments received at that time was distributed to members and is included in the materials packet. Mr. Yanez noted that changes were suggested, that were different from the rules as introduced, and that they have been incorporated into the rules package. Mr. Yanez reiterated the suggested changes included in the materials packet, public comment item, and outlined the changes in the rule as:

- R7-2-1116(A)(6) regarding “factors” remains in the rule to make sure that governing boards are engaged in the procurement process particularly in school construction
- R7-2-1116(M)(2) remove “no” in third sentence (If the school district elects to have retention, ...)
- R7-2-1116(F)(2)(a)(iii) eliminate “pre-construction terms” and “professional services” (...the school district shall enter into separate negotiations for the contract with the highest qualified person or firm on the final list, for the construction services.) (...the school district shall take into account the estimated value, scope, complexity and nature of construction services to be rendered.)
- Similar modifications to R7-2-1116(F)(2)(a)(iv) and (v) (If the school district is unable to negotiate a satisfactory contract,...) (If a contract for construction services is entered into...)
- R7-2-1116 (D)(1)(b) (The anticipated evaluation period before selection of a final list)

Mr. Bill Munch, Purchasing Director, Tolleson UHSD, stated that they agree with all changes made and thanked Mr. Gregg Rickert, Auditor General’s Office, but the committee still feels the requirement of factors should not be included. He noted that currently city, county and state agencies do not have to go before their boards with these factors. Mr. Munch noted that if the SBE approves the rules including the factors, they will comply.

Dr. Balentine asked for clarification regarding the impact on timelines and Mr. Munch stated that it could impact the timeline by as much as 2-4 weeks. Mr. Munch added that they still feel factors should be considered but asked that they not have to wait for a board approval.

Mr. Yanez noted that state procurement rule requires consideration of these factors; however, they are not as well defined. He added that the analogous state rule states that the agency chief procurement officer may use an alternative project delivery method and if the agency chief procurement officer determines in writing if it is in the best interest of the state pursuant to A.R.S. § 41-2578 based on factors that are in the SBE rule. Mr. Yanez stated that these factors are considered

at some level and it is felt that the appropriate place to do this is with the governing board, but that there are no legal requirements that the factors be in this rule and they can be removed if the SBE wishes.

Dr. Nicodemus noted a difference in A6, with a cross-reference to A2, and Mr. Yanez noted that the concerns ran throughout the rule and the summary noted the first time the factors were mentioned, but they would have to be removed throughout the rule if that is the decision. Ms. Pollock clarified that there is not a specific legal requirement that the factors be included but that this is a holdover from the original drafting process regarding the APDM rules, and that the Attorney General's Office strongly advised to ensure governing boards are aware of these processes and involved in making the determination as to which is the best route to go.

Mr. Ary noted that some governing boards are meeting more than once a month and Mr. Munch noted that there are also districts that meet only once a month.

Mr. Yanez noted that approximately 50 attended the public hearing with the vast majority of those attending being school procurement officers and it is not believed that governing board members attended. Mr. Munch clarified that he is a governing board member in Tempe and that he attended the public hearing meeting. He added that governing boards don't have this as a major concern and that he believed this should be an administrative process to be reported to boards to expedite the process. Mr. Munch noted that school districts, including small districts, should have the expertise in house and then still be required to report to the board.

Ms. Janice Palmer, Director, Governmental Relations, Arizona School Boards Association, noted the good conversations and valid points being made, adding that it is not onerous on the school governing board to call a special session; however, they can still make a decision as to whether the project goes forward. Ms. Palmer added that it is not required that small districts have a project manager.

Mr. Munch added that the committee will support the SBE's decision.

Motion by Dr. Balentine and seconded by Ms. Mendoza to close the rulemaking record and adopt proposed rules R7-2-1109, R7-2-1110 and R7-2-1116, relating to Alternative Project Delivery Methods including the language changes/corrections noted by Mr. Yanez. *Motion passes.*

I. Presentation, Discussion and Consideration to Adopt a Passing Score for the Economics Subject Knowledge Proficiency Assessment

Ms. Jan Amator, Deputy Associate Superintendent for Highly Qualified Professionals, Academic Achievement, Arizona Department of Education, presented the information provided in the materials packet noting that the test developed was to determine whether a teacher is highly qualified under NCLB. She added that this was tabled from a previous SBE meeting because there was a question as to whether the course had to be labeled Economics for the teacher to be highly qualified or if the Economics standards are being taught within another course. She noted that clarification was received from the USDOE and the core academic subject taught by a highly qualified teacher is content specific not course title specific. She added that one problem in requiring Economics has been whether they can find highly qualified teachers and that this decision has been deferred to make it easier to find highly qualified teachers. Ms. Amator stated that because of the urgency to get the cut score resolved, the ADE recommends the cut score being set at -1 standard deviation measurement to expedite this issue.

Ms. Owen asked if this is about a high school economics course or about a K-12 issue. Ms. Amator responded that the most important current issue is Economics in high school and that the March recommendation from the ADE will be to add ½ unit of Economics to high school graduation requirements. Superintendent Horne added that this was deferred in October because a proposal has been before the SBE to require ½ unit of Economics for graduation which will be discussed later in today's meeting. He added that one problem is whether districts will be able to find highly qualified

teachers so setting the cut score on the test was deferred so if the SBE adopted the Economics requirement, it could consider the cut score in the context of making it easier for schools to find highly qualified Economics teachers.

Dr. Nicodemus noted that the argument is understandable and asked if Economics should be a stand-alone course. Superintendent Horne stated that this proposal is temporary either way but with the difficulty for small/rural schools to find highly qualified teachers, this recommendation is necessary.

Ms. Amator also noted that Social Studies certification covers them but:

- Federal highly qualified recommendation is in play at this time
- If they are teaching economic academic standards they have to be highly qualified
  - They can have 24 semester hours in Economics;
  - They can be nationally certified in Social Studies or US history;
  - They can pass the Economics test; OR
  - Get 100 points on the rubric where they get credit for teaching economics

Ms. Mendoza asked if someone is qualified on the HOUSSE rubric, even though it's going to sunset, whether they maintain that mode of certification but can't get certified using that rubric in any other form. Ms. Amator clarified that for highly qualified, our plan, which was accepted by the feds, allows the HOUSSE to be used by everyone until the beginning of next school year. She added that if the HOUSSE is used to be highly qualified in a content, the HOUSSE will continue to be used in that content. She added that the feds said that content of each subject requires the teacher to be highly qualified and ADE, in good faith, must tell the feds that they are meeting these criteria.

Dr. Balentine stated that this is not clear information to those in the field and when math was passed, as long as a person made the effort to take the test, the person was deemed to be highly qualified until the cut score was set. Mr. Horne noted that before the SBE acted on math, there was already a cut score, which was changed to 1 below the standard error of measurement and that in Economics there is not an established cut score. Ms. Amator noted that we don't have the same flexibility as there was in the past.

Mr. Yanez added that in past years when most proficiency assessments were coming online, the SBE adopted a participation index for the test until there were enough people to have some reliable impact data in terms of the pass rate and the participation index was essentially whether the person gave an honest attempt at taking the test, and if they did the index was set low; however this practice has not been used for quite some time.

Ms. Mendoza recalled that a sample of the tests were to be given to members prior to making these decisions and Mr. Horne responded that it was arts tests and that they would make sure members received copies. He also pointed out that districts are losing teachers due to the federal requirements, like this one in Economics. He added that there is always a necessity to find the golden mean between avoiding the moving target on one hand and becoming so static on the other hand that we never have continuous improvement, so over the years the ADE will continue to raise standards; however, at the moment the cut score needs to be set.

Ms. Mendoza noted that highly qualified is important but to lower the passing score seems to be a contradiction.

Ms. Harmon asked what the problem is and how big it is and Ms. Amator responded that the test was originally developed because teachers needed to show competency in economics if they are teaching the economics standards. She noted that if a teacher is teaching those standards in a Title I school and the teacher is not highly qualified, letters must be sent home stating that they do not meet the requirements for highly qualified. She added that districts are pushing to get teachers appropriately certified and highly qualified which may come down to contracts for next year.

Superintendent Horne explained the reason for the suggested cut score is due to the fact that rural/small schools may have difficulty finding highly qualified teachers so they wanted to make a practical solution that if a history or business teacher was willing to teach Economics they can pass the test. Mr.

Horne added that the federal government requires highly qualified, which is very impractical and causes hardships for smaller schools/districts that can't get someone who is highly qualified. Mr. Moore asked when teachers can take the test over if needed and Ms. Amator stated that it is offered six times per year and that teachers pay the full price each time they take the test. She added that districts use Title IIA monies to assist teachers and the cost is approximately \$100 each time. Mr. Ary stated that this seems to be lowering standards and asked how temporary this is and Mr. Horne stated that if the SBE does not adopt Economics they will come back the following month and if the SBE does adopt Economics as a requirement the ADE will come back when sufficient efforts to educate teachers have been done.

Dr. Nicodemus suggested that the SBE suspend action on this item until discussion is heard regarding Economics. The Board then moved to Item 4M.

*Follow-up discussion:* Dr. Balentine asked if there is a range on the cut score and Ms. Amator explained that originally all content subjects were set at 2 Standard Error of Measurements (SEM) below to be consistent with Mathematics as there was concern that Mathematics would eliminate math teachers. She added that all cut scores were moved a few years ago to the recommended cut score except the Mathematics which is at -1 SEM.

Motion by Mr. Horne and seconded by Dr. Balentine to set the Economics cut score at 1 standard deviation below the recommended cut score in all categories. *Motion passes.*

J. Presentation, Discussion and Consideration to Approve Career Ladder Programs for FY 06-07

Ms. Jan Amator, Deputy Associate Superintendent for Highly Qualified Professionals, Academic Achievement, Arizona Department of Education, presented the information provided in the materials packet noting that the recommendations made to the SBE are per statute. Ms. Amator noted that the committee will wait for the final approval recommendations when a quorum of the committee is available to finalize the evaluations.

Motion by Ms. Mendoza and seconded by Ms. Kramer to accept the recommendations of the Career Ladder Advisory Committee and approve the Career Ladder Programs as presented. *Motion passes.*  
*Dr. Balentine abstained.*

K. Presentation, Discussion and Consideration of the Professional Preparation Program Recommendations for:

1. Arizona State University-Polytechnic
2. Northern Arizona University (Flagstaff)
3. Scottsdale Community College
4. University of Arizona
5. University of Phoenix

Ms. Jan Amator, Deputy Associate Superintendent for Highly Qualified Professionals, Academic Achievement, Arizona Department of Education, noted that this item will be brought back in April 2007 for final consideration and approval.

Ms. Amator noted the process utilized in re-writing this proposal and the members who participated, which is included in the materials packet. Ms. Amator presented complete information via PowerPoint Presentation, also included in the materials packet.

Dr. Haeger asked if the ADE has taken a stance on a national basis and Ms. Amator noted that it has and that they are attending trainings by the Wallace Foundation, SELP 2 Grant, Principals/Board Members' Academy, clinical profession, pre-service and experiential training and learning.

Dr. Haeger noted ADE is on the right track and that both universities and ADE need to find resolutions that are acceptable across the board.

Ms. Mendoza acknowledged all the work that has gone into this to date, and commented that all the alternatives we are looking for are institution bound here and that other models are available nationally and other available options are being looked at. Ms. Mendoza suggested that the door to any of the other organizations not be closed.

Dr. Nicodemus asked about the impact to local institutions if there was a delay in SBE approval and noted the tight timeframe being proposed.

Dr. Haeger recommended that the timeline be moved to be able to consider all facets being proposed.

Ms. Amator asked for clarification regarding the proposed timeline and Dr. Haeger noted that extending the final approval may be helpful. Dr. Nicodemus noted that some of the timelines seem short for those already in the pipeline. Ms. Amator noted that they would rather do this now and stated that they can also forward the site visit reports to Mr. Yanez for further background information.

Dr. Haeger asked if there are currently programs not accredited by the ADE but whose students can be certified through another avenue noting that from a student center perspective this is a bureaucratic nightmare. Ms. Amator noted that this happens but she is not sure how often; this is one of the reasons there are so many certification evaluations to be done. She add that she will give further information at the next meeting.

Dr. Balentine stated that she supports an increase in the robustness of the program noting the chilling affect to enrollment in universities and adding that she supports extending the deadline date for approval. She added that students do not need to hear that a particular program is collapsing but that the program could be approved at a later date.

Superintendent Horne pointed out that this is the first time in history that these programs have received this type of scrutiny and that it is important that the quality of teacher education affects the quality of student education/achievement.

Ms. Amator added that the administrative preparation program is the main thrust, a systemic problem, but holding the higher education institutions hostage in the process doesn't seem productive. She noted that they want to meet with deans and other stakeholders and make this a win-win situation, giving institutions time to develop their programs. Superintendent Horne noted that the improvement plans for a number of the administrative programs have been extended from one to two years.

L. Presentation and Discussion Regarding Proposed Changes to the AZ LEARNS School Accountability Formula Relating to the English Language Learner Assessment

Dr. Robert Franciosi, Deputy Associate Superintendent, Research and Evaluation Section, Arizona Department of Education, presented the proposed changes per the information provided in the materials packet. Superintendent Horne noted that 16% is the statewide average so no points are given if the score is below 16%. Dr. Franciosi pointed out the two principles underlying the method proposed:

- Maintain emphasis on academic performance
- 2007 AZ LEARNS evaluations are a transition year

M. Presentation and Discussion Regarding High School Social Studies Graduation Requirements

Ms. Cheryl Lebo, Associate Superintendent of Standards & Assessment, Arizona Department of Education, presented information via PowerPoint which is included in the materials packet.

Ms. Elizabeth Volard, President, Arizona Council on Economic Education, continued the PowerPoint presentation noting the following:

- This is a study of human action
- Attempts to make informed decisions
- Has a natural connection

- Correlation of Strand 5 Economics Standards with Mathematics Standards provided in packet
- Students learn about percentages, credit, interest, payroll taxes, exchange rates, balance of payments, inflation

Ms. Carol Warren, Social Studies Content Specialist, School Effectiveness Division, Arizona Department of Education, noted the national support for this program, continuing the PowerPoint presentation and pointing out that they will have complete survey information at the March 2007 meeting.

Ms. Ruth Cooper, Program Coordinator, Thomas R. Brown Foundation, noted that they are interested in helping eliminate the problem of so many people not having an economic IQ. She applauded the SBE in recognizing the need noting that the logical next step is a high school capstone course.

Ms. Barbara Gray, Economics Teacher, University High School, Tucson, Arizona, talked about how she learned to teach Economics with assistance from state resources and that this assistance helped her AP Economics students to pass at a rate of 100% this year. Ms. Gray noted that if a person plans to handle money or have a job they need to know Economics.

Mr. Greg Pratt, member of ASET, teacher at Mesa Community College, recommended a required Economics course noting the following:

- 50% of his students are not required to have Economics therefore it is essential that they take it in high school
- Not serving high school students if not teaching economics
  - Key to being an effective citizen
  - Economic literacy
- Need to tell teachers whether they have passed the highly qualified test
  - Teachers want to serve students and will do what they need to do to be highly qualified

Ms. Janice Palmer, Director, Governmental Relations, Arizona School Boards Association, asked if Economics is added increasing the graduation requirements by ½ credit, whether this will increase requirements or whether it will replace another subject. She also asked how a child will be able to graduate and as local districts already require Economics how this deals at the local level with requirements that local districts are offering. Ms. Palmer also asked whether there will be dual credits given, i.e. math course that could count as math and economics, or whether this will be solely an Economics credit and in what practical ways this will be dealt with at the local and state graduation level.

Dr. Nicodemus stated that she agrees with the points made by the speakers noting that the issue is not about the importance of Economics but rather how it fits around graduation requirements. She noted the alignment around Math requirements, if Math is increased to 4 years, and whether they would like Economics to be part of this curriculum.

Ms. Mendoza stated that basic Economics is one of the most important things young people need to understand and right now schools have the choice to offer it. She stated that there is nothing wrong with requiring ½ unit of Economics but schools should have the choice of how it's offered.

Superintendent Horne stated that their recommendation will be along these lines, not to require a particular course but only that the materials are taught, and that they could be taught by business teachers, etc. and embedded. He noted how CTE is working hard on showing how math is embedded in CTE courses and that the March proposal will include all these options.

Mr. Ary stated his concern as to where/how this can be embedded adding that a lot of the changes/modifications in CTE will have an impact on this as well.

Ms. Susan Carlson, Executive Director, Arizona Business Education Coalition, stated that elsewhere in the country 3.5 credits are required that include Economics. She noted that at present Arizona requires 2.5 credits of Social Studies which would align with this suggestion.

Mr. Moore, speaking as an adult who went back to school, noted that Economics may not be something that is required but is empowering once a person understands where they fit in the community.

Dr. Nicodemus noted that this will come back next month for consideration and asked that the survey results be included and reminded members to look at the bigger picture.

Ms. Harmon stated that the SBE needs to deal with the larger plan and whether or not part of the larger plan includes increasing the number of graduation hours. She added that she supports adding Economics as a graduation requirement.

Ms. Mendoza asked Superintendent Horne if there is going to be a bigger picture question in the future, because knowing that at this time would be helpful in making the current decisions.

Superintendent Horne responded that 24 credits would be the maximum which seems to be a good idea in the long term. He noted that the ADE is now engaged with the Legislature in proposing that kids be at school for at least five hours which is meeting with opposition. He explained that the present proposal is to increase the overall Social Studies requirements to 3, which is the Scholars Program recommendation, and would include ½ year of Economics that could be embedded into other courses, which would not increase the graduation requirement but rather would be at the expense of electives.

Mr. Yanez clarified that if the SBE votes to changing graduation requirements then staff will still need to go through the rulemaking process, which includes drafting rules to be initiated, conducting a public comment meeting and then bringing the final rule back to the SBE for final approval. Mr. Horne responded that this is their understanding as well.

Ms. Owen asked about the difference with Economics standards embedded in math versus Social Studies and if it is embedded where there is an actual additional credit. Superintendent Horne indicated that the minimum graduation credits would not change but the school would have to indicate where Economics was given. He added that Economics should not be embedded in math as there is already a serious shortage of math teachers.

Dr. Nicodemus reiterated that she agreed with the math issue and that this discussion demonstrates the overlap and various directions available in a relatively simple issue of Economics, which the Board supports. She noted that it would not be good to send a message to Social Studies teachers that action taken by the SBE in March would be reflective of this support. Dr. Nicodemus noted that the survey will be critical in seeing how this all fits together in terms of knowing how many districts are already offering 3 credit hours of Social Studies and where to place Economics. Ms. Lebo added that 82% of schools responding to the survey already are requiring 3 years or more and the other parts are being clarified. Ms. Lebo stated that clear data will be provided in March. She noted that Economics is uniquely situated with teachers standing ready to work with students, teachers, parents and at all levels of education.

*The Board then moved back to Item 4I*

#### N. Presentation and Discussion Regarding the Arizona Scholars Program

Ms. Susan Carlson, Executive Director, Arizona Business Education Coalition, noted that some communities are already making some changes and that one county is about to kick off the Arizona Academic Scholars challenge for their students. Ms. Carlson pointed out that the Arizona Academic Scholars program is:

- In eight school districts
- Focused on the middle 50% of students

- Asking students to take a more rigorous course of study including Algebra I and Geometry and Algebra II
- Asking students to take three credits of Social Studies that includes Economics
- Asking students to take two credits of foreign language other than English
- Rewarding these students with an Arizona Academic Scholar Endorsement
- Offering scholarships through its new foundation as well as additional Pell benefits

Ms. Carlson noted that students are looking at their coursework in a different way and exercising some great self-analyses. She reported that a group of students at Mesa are learning how to set goals and explore a career, etc.

Ms. Bobbie Cossano, Interim Project Director, ABEC, stated that they are targeted at the middle 50% of students who have an opportunity to take advantage of learning business and education together. She pointed out that:

- As careers change, it is clear that a high school education is not sufficient in making a living wage
- They are not asking students to get all A's but asking that they get a C which allows them to become an Arizona Academic Scholar
- Students feel prestige and power in earning this title
- Pima county is looking at coming on county-wide
- They are looking at models to bring this as a state initiative
- SBE can assist in the effort to push this as a statewide effort
- This is a great bridge in dealing with graduation requirements

Ms. Harmon stated her support of these kinds of programs and asked what is being asked of the SBE. Ms. Carlson noted that they want to continue building awareness and meeting with school administrators, etc., to get the word out and perhaps draft roles and responsibilities in terms of where this might move.

Dr. Balentine suggested the SBE could pass this program and Ms. Carlson added that readiness in the communities is also very important.

Dr. Nicodemus noted the value in a continuing dialogue to build on what the ADE is already doing as it reaches out across the state. Ms. Owen noted that this seems like a logical piece to consider as ABEC is already established in the state.

Ms. Harmon stated her support for this program and those programs, per se, are the responsibility for the ADE and asked what would be required from the ADE and/or SBE and Dr. Nicodemus responded that this would have to be looked at as it is developed.

#### O. Presentation and Discussion Regarding the Educator Performance Assessment

Mr. Vince Yanez, Executive Director, State Board of Education, stated that discussion on this item will be postponed until the March 2007 meeting, at which time it will be placed early on the Agenda. Mr. Yanez added that at this point in time it may not be possible to secure new legislation and if the SBE moves forward with an amendment to the fees bill, 2382, it would be unlikely that we would be successful in getting it forward this year. Mr. Yanez explained that he has communicated with certain legislators and staff in both Houses that authority for fees associated with performance assessment would not be pursued this year.

Superintendent Horne added that if there is no effort to get fees included in legislation, there would be a two-year period of limbo where the SBE previously passed.

Mr. Yanez responded that the way this was structured had a start date of far out in the future and if this is brought back in the next session and is successful, the authority should be in place prior to anyone taking the assessment. Mr. Yanez clarified that:



- There is no rule in place at this time and that the language in rule is conditional stating that if you have a performance assessment then “this” and if you don’t have one, then “this”
- The date set out in June 2005 was decided in terms of what it would take to re-write rules and re-structure the issuance of the provisional certification from a two-year to a three-year
- Requirement is on hold and not affecting anyone until the SBE decides to have a performance assessment in place; then those getting a provisional certificate at that time would be subject to the performance assessment

5. CALL TO THE PUBLIC

There were no additional requests from the public to speak.

6. CONSENT AGENDA

- A. Consideration to Approve State Board Minutes
  - 1. January 22, 2007
  - 2. February 1, 2007 Special Session
- B. Consideration to Approve Contract Abstracts
  - 1. The Workforce Investment Act of 1998 Allowing State Leadership Funds to be used for collaboration building
  - 2. Arizona Family Literacy, A.R.S. § 15-191, 15-191.91, S.B. 1065
- C. Consideration to Accept Monies from the Centers for Disease Control and Prevention Grant
- D. Consideration to Approve Qualified Providers for the Full Structured English Immersion Endorsement
- E. Consideration to Approve Recommended Appointments to the Career Ladder Advisory Committee
- F. Consideration to Approve the Alternative Teacher Development Program

Dr. Nicodemus asked Item 6B1 to be pulled from the Consent Agenda for further discussion/consideration.

Motion by Dr. Balentine and seconded by Ms. Mendoza to approve the Consent Agenda with the exception of Item 6B1. *Motion passes.*

**Item 6B1**

Dr. Nicodemus noted a possible technical issue in the materials referencing Northland Pioneer as a receiving community college and yet Yavapai County was listed as one of the counties. A correction was made to the document to reflect that Northland Pioneer will be providing services to Apache/Navajo Counties.

Motion by Dr. Balentine and seconded by Ms. Kramer to approve the Adult Education Adult Secondary Education Reframing Pilots. *Motion passes.*

7. ADJOURN

Motion by Ms. Mendoza and seconded by Mr. Moore to adjourn. *Motion passes.*  
*The meeting adjourned at 3:48PM*