

**Minutes**  
**State Board of Education**  
**Monday, June 25, 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 9:00AM.

**Members Present**

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

**Members Absent**

Ms. Anita Mendoza  
Ms. Cecilia Owen

1. BUSINESS REPORTS

A. President's Report

Dr. Karen Nicodemus noted that members attended a P-20 meeting in Flagstaff where there was discussion from an education alignment committee perspective around the work that continues with the math initiative. Dr. Nicodemus reported that they looked at the alignment between current high school graduation math requirements and college requirements.

Dr. Nicodemus thanked Ms. Cheryl Lebo and Ms. Mary Knuck who have done a great deal of work with the P-20 Council, Achieve and math standards. Dr. Nicodemus noted that one of the recommendations from the P-20 meeting is that the state participates in a pilot program around an Algebra 2 test. She explained that there are 10 states forming a consortium, but that money is required that the P-20 does not deal with. She stated that hopefully the ADE, working with the Governor's Office, will be able to find the resources for work on that project.

Dr. Nicodemus reported that the Governor, at a recent luncheon meeting, addressed many Boards, including the SBE, and noted that on October 1<sup>st</sup> she will be charging each education board with updating the P-20 Council on their progress in moving with the education agenda.

Dr. Nicodemus added that the P-20 Council also met with the Arizona Board of Regents regarding the need to connect the K-12 efforts with the universities and community colleges.

Dr. Nicodemus congratulated Dr. Balentine and the Amphitheater Unified School District for receiving funding for teacher incentives. She noted that the District is one of eighteen chosen to receive this funding, which is a grant for approximately \$29.7M total.

Dr. Haeger added that the Governor said that all of the Boards needed to 'get moving' and that she expects more initiatives in math and science out of the universities, particularly those preparing teachers in math and science.

B. Superintendent's Report

Superintendent Horne stated that he attended an Indian Education meeting and that when he took

office at the ADE there were no full time employees in Indian Education but now there are five. Superintendent Horne reported on the following ADE activities:

- Academic Achievement
  - Innovative and Exemplary Programs reported a successful conclusion of their high school renewal summit for the current year
  - Their final event was the June collaboration with the Arizona School Counselors Association with 167 participants
  - First Annual Meeting of the Arizona Indian Education Act in Phoenix coordinated by the newly created office of Indian Education, with 100 participants
- Accountability
  - English Acquisition Services conducted several presentations last month
    - EVIT, AZELLA training and compensatory instruction training were conducted consisting of learning how to access student progress with the AZELLA instrument, how to order AZELLA materials, and other AZELLA issues.
- Education Services and Resources
  - The Professional Development Learning Academy conducted “Mentoring Partnerships for Success, Strengthening Professional Learning Community” where 80 participants learned effective strategies regarding the recruitment and retention of special education teachers
- School Effectiveness
  - Early Childhood hosted 510 participants at the 3<sup>rd</sup> annual where the focus was on alignment of the early learning and kindergarten standards, curriculum, and assessment.
    - Superintendent Horne announced that Ms. Karen Woodhouse, Deputy Associate Superintendent of Early Childhood, would be leaving the ADE and will be the Assistant Director of the new organization created by the initiative for early childhood education
  - Special Populations hosted the 39<sup>th</sup> Migrant Education Conference sponsored by the National Association of State Directors of Migrant Education, with 1500 participants
  - Standards and Assessment and the School Safety and Prevention units held their annual summer conference with 225 participants
    - Workshops included threat assessment and management in schools, developmental changes during adolescents, and relationships to violence, impact of methamphetamines on the developing brain, and research and prevention practice

#### C. Board Members Reports.

Mr. Jacob Moore reported that he attended a teacher preparatory program, offered by Arizona State University, for high school students who may be considering teaching as a profession. Mr. Moore commented that it was exciting to see high school students who have an interest in the teaching profession and that he hopes to see more participation in the future.

Mr. Moore also stated that he attended the 1<sup>st</sup> Annual Indian Education meeting held by the ADE, adding that with the help of Superintendent Horne the Indian Education Unit has been built up and meets a significant need due to problems that are seen in tribal communities relating to education and the lack of available resources.

Mr. Jesse Ary stated that he found the P-20 meeting interesting that the Governor made it very clear that the P-20 Council, even though it is not a statutory authority, does have influential and advocacy authority. He added that the Governor expects them to “flex their muscles” between now and October 1<sup>st</sup>. Mr. Ary said that the P-20 encompasses all of the key players and all of the folks that do have statutory authority with regard to improving public education.

Mr. Larry Lucero complimented Mr. Ralph Romero’s leadership with respect to the Arizona Mexico Committee.

#### D. Director’s Report

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

- At the request of the SBE during the June 11, 2007 meeting, a brief timeline for the plan of action to consider modifications to the minimum course of study has been compiled. The next special meeting will be in late July or early August for further discussion of this matter.
- In September there will be at least three regional forums where the public and field will be solicited regarding proposed modifications to the minimum course of study.
- In late September or early October the SBE will hold a special meeting to finalize the expectations for the minimum course of study.
- In October the SBE will initiate rulemaking. Prior to that meeting the SBE will need to initiate the fiscal impact study.
- Between October and December the regular rulemaking process will be followed.
- In January the SBE will consider adopting the proposal.

Mr. Yanez pointed out that this timeline is ambitious.

Ms. Harmon expressed her concerns regarding the shortage of staff to be able to adhere to this timeline. Mr. Yanez noted that he is certain the ADE will help with regard to reports.

Dr. Nicodemus noted that she is assured that there are plenty of resources available with regard to the special meetings in September.

Mr. Yanez reported that the Board received a quarterly report from Colorado City, and that the status of the district is the same as the last quarterly report. He reminded members that four items needed to be addressed before the SBE could terminate the receivership:

- Auditor General must certify that the district has been financially solvent for one fiscal year
- The receiver must certify that the district is no longer engaged in gross mismanagement
- The SBE must determine that the district is able to pay its debts
  - USFR compliance

Mr. Yanez noted that the receiver is working on compiling reports to show that the district is in compliance with the USFR and when the SBE receives notice from the Auditor General that the district is in compliance with the USFR, the SBE may propose termination of the receivership.

Mr. Yanez added that once this occurs the SBE will maintain a two-year oversight responsibility.

## 2. Consent Agenda

### A. Consideration to Approve State Board Minutes

1. May 21, 2007
2. May 21, 2007 Executive Session
3. June 11, 2007 Special Session

- B. Consideration to Approve Contract Abstracts
  - 1. Part B – Individuals with Disabilities Education Improvement Act of 2004
  - 2. Part B-Individuals with Disabilities Education Improvement Act of 2004
  - 3. Part B-Individuals with Disabilities Education Improvement Act of 2004
  - 4. The Navajo Nation Allocation of Federal Individuals with Disabilities Education Act (IDEA 04)
  - 5. PL 107-110, 21<sup>st</sup> Century Community Learning Centers in the Title IV, Part B, Of the No Child Left Behind Act of 2001
  - 6. Federal Title I – Part C, Migrant Education Program Section 1304C (1) (B) of NCLB P1 107-110 – Amendment to Existing Contract with the Buckeye Elementary School District
  - 7. Federal Title I – Part C, Migrant Education Program Section 1304C (1) (B) of NCLB P1 107-110
  - 8. A.R.S. § 15-234, Workforce Investment Act Of 1998: the Adult Education and Family Literacy Act (P.L. 105-220), and the Arizona State Plan for Adult Education
  - 9. Elementary and Secondary Education Act, Title II, Part D, Enhancing Education through Technology
- C. Consideration to Approve Qualified Providers for the Full Structured English Immersion Endorsement
- D. Consideration to Approve Appointments to the Career Ladder Advisory Committee
- E. Consideration to Approve Additional Monies for Teacher Compensation for FY 07-08, Pursuant to A.R.S. § 15-952 and A.R.S. § 15-537
- F. Consideration to Appoint Mr. Larry Lucero to the WestEd Board of Directors
- G. Consideration to Appoint Performance Based Compensation Task Force Member

The following items were removed from the Consent Agenda for further discussion and/or clarification:

- Item B1
- Item B5
- Item B8

Motion by Ms. Balentine and seconded by Ms. Kramer to approve the Consent Agenda with the exception of Items B1, B5 and B8. *Motion Passes*

**Item B1**

Part B – Individuals with Disabilities Education Improvement Act of 2004

Motion by Mr. Moore and seconded by Mr. Ary to approve the item. *Motion passes. Ms. Kramer recused herself from this item.*

**Item B-5**

PL 107-110, 21<sup>st</sup> Century Community Learning Centers in the Title IV, Part B, Of the No Child Left Behind Act of 2001

Motion by Mr. Moore and seconded by Ms. Harmon to approve the item. *Motion passes. Ms. Kramer recused herself from this item.*

**Item B-8**

A.R.S. § 15-234, Workforce Investment Act Of 1998: the Adult Education and Family Literacy Act (P.L. 105-220), and the Arizona State Plan for Adult Education

Motion by Ms. Balentine and seconded by Ms. Harmon to approve the item. *Motion passes.*

*Dr. Nicodemus recused herself from this item.*

### 3. Special Presentation and Recognitions

#### A. Update Regarding the Governor's Master Teacher Program

Ms. Penny Kotterman, Associate Director of Programs and New Policy, Arizona K-12 Center, presented the item per the materials provided in the packet.

Mr. Ary asked if the money given by the Master Teacher Program affects the teacher's retirement and Ms. Kotterman responded that the stipend in the teacher's pay does count toward the teacher retirement. Dr. Balentine added that Ms. Kotterman and Ms. Kathy Wiebke, Executive Director, Arizona K-12 Center, have provided many great opportunities to participate in their program as well as other additional pay programs for which she is very appreciative.

Mr. Lucero recommended that another SBE member participate actively in terms of a liaison for this program as it is an excellent opportunity. Mr. Yanez noted that Mr. Lucero is referring to the liaison to the K-12 center and that he will bring consideration to make a new appointment at the next meeting. Dr. Nicodemus suggested any member interested in the appointment should let Mr. Yanez know.

#### B. Presentation of the Arizona Charter Schools of the Year

Dr. Karen Butterfield, Associate Superintendent of Academic Achievement, Arizona Department of Education, presented the Arizona Charter School of the Year award to representatives of Challenge Charter School and Triumphant Learning Center. Detailed information regarding this award is included in the materials packet.

#### C. Presentation of the Milken National Educator Award to Marco Ramirez and Laura Lyman

Ms. Adria Lugo, Director of Special Projects and Constituent Services, Arizona Department of Education, introduced the item and Superintendent Horne presented the award to Mr. Marco Ramirez, Principal of Pueblo Gardens Elementary School, and Mrs. Laura Lyman, third grade teacher at Ishikawa Elementary School. Detailed information regarding this award is included in the materials packet.

### 4. CALL TO THE PUBLIC

Mr. Marv Lamer, Superintendent, Valley Academy of Career and Technology Education, expressed his concerns regarding the SEI provisional endorsement:

- The majority of his employees are from the field and do not necessarily have a degree with an education background
- Many of his employees are certified under an option that allows them to be certified if they have 6,000 clock hours of industry-based experience then they have two years to complete the teacher proficiency exam and nine hours of training in curriculum and instruction specific to career and technology education
- The current certification requirement takes into consideration that many of these employees have strong content knowledge but lack experience and coursework in teaching
- The SEI requirement, prior to initial certification, creates a barrier that many in this group will not cross.

Mr. Lamer proposed a one-year waiver of the SEI requirement for a first time CTE candidate. Mr. Yanez responded that he will discuss the options with Certification to see if a solution is possible.

Mr. Dan Weiss, Principal, Johnson Primary School, Tucson Unified School District stated that his school is a K-2 school and to calculate a K-2 AYP status, the ADE uses the student's scores the following year when they take AIMS test in the third grade. Mr. Weiss concerns are:

- That the test is taken one full year after the students have left his building
- This year Johnson Primary was labeled as not making AYP based on the fact that the third graders that are no longer attending his school did not make sufficient growth on their AIMS test
- His school is listed on various websites as not making AYP even though the ADE had decided not to calculate their AYP any longer
- He does not feel that his school should be listed as needing improvement and he urged the ADE to closely monitor the progress of K-2 schools.

Dr. Nicodemus asked Mr. Yanez if this subject is appropriate for the SBE and Mr. Yanez said that this is a subject that the ADE should take care of due to AYP. Mr. Horne commented on the irrationality on the NCLB and stated that the ADE will remain committed to solving these issues as best as they can. Dr. Nicodemus asked how many K-2 schools are in Arizona, what their labels are, and what their situation is and Mr. Yanez responded that he will compile the information and bring it to the next SBE meeting.

## 5. GENERAL SESSION

### A. Presentation and Discussion Regarding the Character Education Program

Ms. Tammy Linn, Deputy Associate Superintendent, presented detailed information regarding the Character Education Program which is included in the materials packet.

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

Ms. Susie Cannata, Legislative Liason, presented information and an update regarding the Legislative Affairs, which is included in the materials packet.

Dr. Balentine requested that the SBE communicate regarding the K-8 school that will be chosen to have the pilot for the upgraded instructional technology teacher training. Mr. Yanez assured her that he would communicate that process with the SBE. Mr. Ary asked if the full report will include specific printouts of line items and Ms. Cannata said yes.

Mr. Ary asked if there was a timeline on recruiting the two additional FTEs and Mr. Yanez noted that he will be working with SBE leadership and Ms. Harmon to discuss how to structure the FTEs. Mr. Yanez said that it is generally agreed that these positions will assist in policy development and that as soon as there is a more concrete proposal it will be shared with the SBE. Dr. Nicodemus commented on the attendance of members at the legislative meetings and that she feels that the SBE is taken as a serious stakeholder. She added her appreciation for each member's efforts in this regard.

Mr. Michael Smith, representing the Arizona School Administrators, made the following comments:

- The education policy tends to be commented on in the 11<sup>th</sup> hour in the budget process
- A number of decisions are made without good input
- The SBE has become much more of a player in the last legislative process
- All have to work, especially in the budget process, on the way it gets worked on in the related bills, etc.
- If a significant policy determination is being made, the Legislature needs to work with the designated agency or the people implementing the process to understand the resources

and the timeline necessary to achieve what they are looking for

- Everyone needs to be diligent in getting in front of the Legislature to make sure that we all get guidelines on what to do and time and resources are available

C. Presentation, Discussion, and Consideration to Approve Proposed Changes to the AZ LEARNS School Accountability Formula Relating to the English Language Learner Assessment

Mr. John Stollar, Associate Superintendent for Accountability, Arizona Department of Education, presented information regarding the proposed changes to the AZ Learns School Accountability Formula Relating to the English Language Learner Assessment. Information regarding this presentation is included in the materials packet.

Dr. Balentine asked if there was input from the PEL group and Mr. Stollar responded that he asked the PEL group if they would be happy with a 16% pass rate and their answer was no. He added that in general, the feedback he received from the PEL group was that 20% was not sufficient.

Dr. Nicodemus asked what the impact was of the 198 schools and Dr. Franciosi, Deputy Associate Superintendent, Research and Evaluation Section, Arizona Department of Education, said they didn't look at the 198 schools specifically but that they looked at how many schools would be impacted by a point on the AZ Learner Assessment. He added that 80-100 underperforming schools are within one point of being performing and that there is a similar number for performing schools to be performing plus.

Dr. Nicodemus asked if the 30% is a best-guess number or option from ADE's perspective and if 30% is a number the school districts should be able to manage. Dr. Franciosi confirmed that this is correct. Dr. Nicodemus asked if they anticipate a change next year to the formula and Dr. Franciosi and Mr. Stollar said yes. Ms. Harmon asked if in the future they could have a process so she could see how they got to this recommendation and she would like to see them sit down more formally with the field in regards to the formula. Mr. Stollar stated that Ms. Harmon is right and that they should be able to answer the question.

Dr. Balentine wanted to clarify that this formula will not harm any school labels and Mr. Stollar said that that was correct. Mr. Moore commented that, according to previous SBE minutes, the Legislature requested that the percentage be increased to 30% and Mr. Stollar said that until they have a consistent base of time and a focus on a certain set of standards and make sure the standards are monitored, they will need that data to help. Mr. Horne clarified that the Legislature did not come up with the number, but that they said 16% sounds too low. Mr. Horne also clarified that they were speaking of English proficiency which is the ability to learn in English. Mr. Ary stated that he supports the 30% given the understanding that the formula may need adjustment in the future. Dr. Nicodemus asked that in looking at the 2006 data whether they looked at other numbers and Mr. Stollar said they did look at the numbers of schools at each number such as 60%.

Motion by Mr. Ary and seconded by Mr. Horne to approve the proposed changes to the AZ Learns Accountability Formula. *Motion Passes*

D. Presentation, Discussion and Consideration to Initiate Rulemaking Procedures for Arizona Administrative Code R7-2-614, Relating to Administrative Certificates

Ms. Jan Amator, Deputy Associate Superintendent of Highly Qualified Professionals, Arizona Department of Education, presented background information which is included in the materials packet.

Mr. Yanez pointed out that regarding the Principal and Superintendent Certificate there has been question on whether or not the SBE requires all Superintendents and Principals to hold that Certification. He noted that the law states that a school district may hire a Superintendent, a Principal, or both and that the change is the one that has the most attention. He clarified that the changes are consistent with the way the law currently reads, meaning the school district would not have to hire a superintendent that has an actual superintendent certificate.

Dr. Balentine asked if there is an alternate path for the business world and Ms. Amator stated that this offers no alternative path. Ms. Amator added that the general feeling of the Certification Committee is that a Principal must have teaching experience and that the Superintendent must have education experience.

Dr. Balentine asked if this were to pass how they would process a person trying to identify their alternative experience and Ms. Amator responded that there is not a way to process this based on the wording.

Ms. Harmon asked if there was consensus on each of these issues from everyone and Ms. Amator stated that the Administrative Review Committee had total consensus, the Certification Advisory Committee had 8 out of 15 members and they inserted the requirement for three hours of school law and three hours of school finance for each. She noted that she cannot speak to whether the field has strong consensus.

Dr. Balentine stated that she supported the Certification requirements but that she believes they may be short-changing the people who could be a Superintendent who have strengths in business. Dr. Haeger agreed with Dr. Balentine and asked if in the process of getting this consensus whether the numbers of the people in the field that can be accessed were presented.

Ms. Amator responded that it was considered.

Mr. Ary stated that he would feel more comfortable hearing from the field and Dr. Nicodemus asked if by law the principal is certified then whether the Superintendent does not have to be.

Mr. Yanez clarified that this is correct. Dr. Nicodemus clarified that if a person is not titled as Superintendent they do not have to be certified, and Mr. Yanez said they would still need to have a certificate but not necessarily a Superintendent Certificate. Dr. Nicodemus asked what the current status is of this rule and Mr. Yanez stated that there is no urgency with this rulemaking package, except that guidance is needed to give to the field with regard to the Superintendent Certificate. He noted that the current rule expires this month. Dr. Nicodemus asked if some direction needs to be given to the districts and Mr. Yanez stated that the law will trump the rule whether it is passed today or later.

Dr. Balentine re-stated that an out-of-state alternate path certificate, with the approved classes, would be able to be a superintendent and Ms. Amator clarified that they must have three years' teaching experience.

Motion by Mr. Ary and seconded by Ms. Kramer to initiate rulemaking procedures for Arizona Administrative Code R7-2-614, Relating to Administrative Certificates.

Roll Call Vote:

*Dr. Vicki Balentine – no*

*Superintendent Tom Horne-yes*

*Mr. Jesse Ary - yes*

*Dr. John Haeger - no*

*Ms. Martha Harmon- yes*

*Ms. Joanne Kramer - Yes*

*Mr. Larry Lucero - no*



*Mr. Jacob Moore - yes*  
*Dr. Karen Nicodemus –no*  
*Ms. Anita Mendoza – Absent*  
*Ms. Cecilia Owen – Absent*

*Motion Failed*

Dr. Nicodemus noted that she voted no because she would like to see more input from the field.

Mr. Michael Smith, representing Arizona School Administrators, noted concerns about the eligible pool, stating that there needs to be serious discussion regarding standards. Mr. Smith agreed that there needs to be an alternative path.

*The Board adjourned for lunch at 11:55 and reconvened at 12:30*

E. Presentation, Discussion and Consideration to Initiate Rulemaking Procedures for Arizona Administrative Code R7-2-612 and R7-2-613, Relating to the Early Childhood Certificate and the Structured English Immersion Endorsement

Ms. Karen Woodhouse, Deputy Associate Superintendent, Early Childhood Education, Arizona Department of Education, presented information regarding A.A.C. R7-2-612 and R7-2-613 relating to the Early Childhood Certificate and the Structured English Immersion Endorsement.

Dr. Nicodemus asked Mr. Yanez if R7-2-613 would provide relief with regard to the earlier comment of the Career and Vocational Technical Education and the SEI endorsement.

Mr. Yanez confirmed that R7-2-613 (J) is the rule relating to Structured English Immersion and that there is an exemption for out of state applicants. He pointed out that that exemption is included because we have a statutory requirement to have reciprocity, which authorized the SBE to make that one exemption. He clarified that the language before the SBE is to make this certificate consistent with the other certificates with regard to SEI.

Dr. Nicodemus asked if the recommended changes/corrections are made to this rule, whether the Career Technical Education issue would later cause the SBE to re-open the rule. Dr. Nicodemus asked whether the SBE needs to address the CTE issue and Mr. Yanez recommended that the SBE treat the issues as separate.

Motion by Dr. Balentine seconded by Mr. Lucero to initiate the rulemaking procedures for R7-2-612 and R7-2-613, relating to the Early Childhood Certificate and the Structured English Immersion Endorsement. *Motion Passes*

F. Presentation, Discussion and Consideration to Adopt the Proposed Findings of Fact, Conclusions of Law and Order, and Place the Following Districts into Immediate Receivership:

1. Saddle Mountain Unified School District

Mr. Vince Yanez, Executive Director, State Board of Education, informed members that Mr. Christopher Munns, Assistant Attorney General, Arizona Solicitor General's Office, would represent the SBE during this presentation.

Ms. Jennifer Pollock, Assistant Attorney General, Arizona Attorney General's Office, presented information regarding the possible receivership of Saddle Mountain Unified School District. She stated that the State is requesting that the SBE adopt the findings of fact, conclusions of law and place Saddle Mountain Unified School District into immediate receivership pursuant to the 2007 Arizona Session Law, Chapter 234, Sections 5D and 6, and A.R.S. § 15-103, based on the following:

- Fiscal year 2003-2004 the district over-expended its maintenance and operations budget by approximately \$426,887 which resulted in a more than 10% over-expenditure of its general budget limit, and more than 12% of its revenue control limit.
- Fiscal year 2004-2005 the district over-expended its maintenance and operations budget by approximately \$1,466,038 which resulted in more than 33% over-expenditure of its general budget limit, and more than 38% of its revenue control limit.
- Fiscal year 2005-2006 the district over-expended its maintenance and operations budget by more than \$1.2M, and its unrestricted capital budget by \$149,158, which resulted in more than 26% over-expenditure of its general budget limit and more than 31% of its revenue control limit.

Ms. Pollock explained that the current statutory provisions were inadequate and that during this legislative session, the Legislature adopted HB 2305 to address the issues of Saddle Mountain Unified School District. She noted that the legislation became effective immediately pursuant to an emergency clause and that the legislation provides, in part, that a district that over expended its budget between fiscal year 2004-2006 is required to correct the over-expenditure over a five year period provided that certain conditions apply:

- The total amount of correction for fiscal years 2004-2006 is more that \$3M and less than \$3.4M
- The district did not receive state aide for equalization assistance for education during fiscal year 2006 or fiscal year 2007
- The district's student count calculated pursuant to A.R.S.§ 15-902 during fiscal year 2006 is more than 800 and less than 920 pupils

Ms. Pollock stated that the new law in HB 2305 requires the SBE to immediately appoint a receiver for any district that has to use the five year budget correction procedure and that Saddle Mountain Unified School District meets the criteria of the new law. She added that the law requires that this district be placed under immediate receivership pursuant to A.R.S. §15-103.

Ms. Pollock asked on behalf of the State that the SBE adopt the proposed findings of fact and conclusions of law and place the Saddle Mountain Unified School District into immediate receivership.

Ms. Jill Osborne, Attorney, Udall, Shumway, and Lyons, representing Saddle Mountain Unified School District, stated that the district regrets the circumstances that bring them here today and that the legislation that was passed to assist them with the finances is appreciated. Ms. Osborne added that the district pledges to cooperate fully with the receiver and thanked the ADE, SBE, and the Assistant Attorneys General.

Mr. Moore asked if the legislation is only specific to 2006, FY 2005-2006, and if the same standards apply to FY 2006- 2007 and Ms. Pollock stated that the legislation applies to over-expenditures for Saddle Mountain between FYs 2004 through 2006 and any over-expenditures in FY 2006-2007 have not yet been calculated. She added that the legislation does incorporate all of the over-expenditures and therefore the district is required to utilize the five-year pay-back period beginning in FY 2008.

Motion by Dr. Balentine and seconded by Ms. Kramer to adopt the proposed findings of fact, conclusions of law and order related to Saddle Mountain Unified School District. *Motion Passes*

Motion by Dr. Balentine and seconded by Ms. Harmon to place Saddle Mountain Unified School District into immediate receivership and appoint Veriti Consulting as the receiver. *Motion Passes*  
Mr. Yanez clarified that this action will take place immediately.

## 2. Union Elementary School District

Ms. Jennifer Pollock, Assistant Attorney General, Arizona Attorney General's Office, presented information regarding the possible receivership of Union Elementary School District. Ms. Pollock noted that Ms. Susan Segal, Chief Counsel for Education and Health, Attorney General's Office, has recused herself from this matter and therefore Ms. Pollock and Mr. Chad Sampson, Assistant Attorney General, Arizona Attorney General's Office, will act as the representing attorneys in this matter.

Ms. Pollock stated that the State requests that the SBE adopt the proposed findings of fact, conclusions of law, and order relating to the Union Elementary School District, and place the district in immediate receivership pursuant to the 2007 Arizona Session Law, Chapter 238, section 2, and A.R.S. §15-103 based on the following:

- In FY 2005 the district over-expended its maintenance and operation budget by approximately \$6,998 resulting in a 32% over-expenditure of its general budget limit and 35% over-expenditure of its revenue control limit
- In FY 2006 the district over-expended its maintenance and operation budget by approximately \$968,535 resulting in a more than 21% over-expenditure of its general budget limit and a more than 22% over-expenditure of its revenue control limit
- The total amount of over-expenditure between FY 2005 and 2006 totaled approximately \$975,533

Ms. Pollock explained that the current statutory provisions related to school district over-expenditures and budget correction procedures did not adequately address the issue. She noted that the legislature adopted HB 2612 as an emergency clause which means it is effective immediately. Ms. Pollock stated that the legislation provides, in part, that a district that over-expends its budget between FY 2004-2006 is required to correct the over-expenditures over a five year period provided that certain conditions apply:

- The district is an elementary school district located in a county with a population that is more than 1.5 million people
- The district student count for the 2006-2007 school year was more than 1300 pupils and less than 1800 pupils
- The total amount of correction that would be required for FY 2005 is between \$6,000 and \$10,000 and for FY 2006 is between \$700,000 and \$1.1 million

Ms. Pollock added that the new law requires that any school district meeting the conditions of the law is required to avail itself to the five year budget correction period and that any school district that avails itself to the five year budget correction period is required to be placed into immediate receivership by the SBE. She concluded that Union Elementary School District meets the conditions of HB 2612 based on the following:

- The district is a K-8 elementary school district located in Maricopa County with a 2006 estimated population of 3.7 million people according to the U.S. Census Bureau
- The student count for the 2006-2007 school year was 1345.537, which is in the range established by the law.
- The district's total amount of over-expenditure for FY 2005 was approximately \$6,998 which is within the \$6,000-\$10,000 range and \$968,535 for FY 2006, which was between \$700,000 and \$1.1 million

Ms. Pollock stated that because Union Elementary School District meets the criteria, it is required by law to correct its over-expenditure over a five year period. Ms. Pollock added that because the district is required to avail itself to the five-year correction period the district must be

placed in immediate receivership pursuant to A.R.S. § 15-103. Ms. Pollock requested, on behalf of the State, that the SBE adopt the findings of fact, conclusions of law, and order as stated, and place Union Elementary School District in immediate receivership pursuant to 2007 Arizona Session Law, chapter 238, sections 1 & 2, and A.R.S. § 15-103.

Dr. Nicodemus asked if the same rules apply to coming out of this receivership as the Colorado City receivership and Ms. Pollock said yes.

Mr. Justin Greene, Superintendent, Union Elementary School District, and Ms. Elaine Dawson, Governing Board President, Union Elementary School District, represented Union Elementary School District.

Mr. Greene thanked the ADE and the SBE for their assistance in the process and stated that while the school over expended by 20%, the school population grew by 126%. He noted that the district anticipates the same amount of growth for the next school year and that the district enrolls about 19 students per week. Ms. Dawson thanked Mr. Yanez for his help and stated that they look forward to the help the receivership will bring to the district.

Mr. Ary asked about the rapid enrollment and whether the proposed receivership would resolve the situation and Mr. Greene responded that he believes it will be a two-year process to manage the growth.

Dr. Balentine asked if the district has support from the developers and Mr. Greene said they have received some donations from some of the developers. Dr. Balentine asked if they have been able to set out a capital override potential in the community to support the supplies and Mr. Greene described the building process of the additional schools adding that this fall they will be going for a capital override for supplies.

Motion by Ms. Kramer and seconded by Dr. Haeger to adopt the proposed findings of fact, conclusions of law and order. *Motion Passes.*

Motion by Dr. Haeger and seconded by Mr. Moore to place Union Elementary School District into immediate receivership and appoint Simon Consulting as the receiver. *Motion Passes.*

Mr. Greene asked what the cost of the receiver would be and Mr. Yanez responded that he did not have a cost at this time but will follow up.

Mr. Greene asked what the interest rate is for the million dollars as stipulated in the law and Mr. Lyle Friesen, Legislative Business Policy Advisor, School Finance, Arizona Department of Education, stated that the interest rate is to be determined by the Superintendent of Public Instruction, Arizona Department of Education. Superintendent Horne responded that he will get back to the district in this matter.

Mr. Michael Smith, Arizona School Administrators, stated that they have issues with A.R.S. § 15-103, the receivership law, as the law was crafted for the Colorado City issue. He added that the SBE should look at the law, and if it is to be utilized for more than Colorado City, it should be appropriate and have proper safeguards for both the State and the districts. He noted that the procedures should make sense in terms of the receivership and that A.R.S. § 15-103 should be rewritten to better cover every district that may have financial issues.

Mr. Lucero commented on the growth of the state and said that he believes there are institutional limitations on how to address the growth.

Mr. Ary stated that he agrees with Mr. Lucero and that the SBE needs to immediately find a way to address this concern.

Dr. Nicodemus asked if the Legislature will look at the issue of growth more proactively and Mr. Yanez responded that HB 2305 that impacted Saddle Mountain created a legislative study committee that will deal with receivership and the surrounding issues as well. He added that it is uncertain when the committee will convene.

Mr. Moore stated that a report is due in December 2007 in this regard and emphasized the vulnerability that the state will have as a result of growth. He noted that there needs to be a larger discussion regarding public policy in this area.

G. Presentation and Discussion Regarding Teach for America and the Alternative Teacher Development Program.

Andrea Stouder, Arizona Executive Director, Teach for America, presented information regarding the program and its relationship with the ADE and SBE. Complete information presented is included in the materials packet.

H. Presentation, Discussion and Possible Action Regarding the Use of Non-Standard Accommodations (Modifications) for Mathematics AIMS Tests

Ms. Roberta Ally, Deputy Associate Superintendent, Standards Development and Assessment, Arizona Department of Education, presented information regarding the use of calculators as a non-standard accommodation for AYP determination, which is included in that materials packet. She also introduced Dr. Jerry D'Agostino Professor, University of Arizona, who presented information regarding testing in 2005 and 2006, which is also included in the materials packet. Dr. Nicodemus stated that she had concerns regarding the information presented to the SBE a few months back and the presentation given today. She commented that there is a vast difference between the two and asked what has taken us from the previous presentation to today's presentation.

Ms. Alley stated that the presentation that came before the SBE months ago was two questions: the use of calculators by special education students for a non-standard accommodation and an issue as to whether all students will have access to a calculator when it is mandated on the test. She noted the following details:

- the test was developed without the use of calculators
- if math standards are changed the AIMS test would have to be re-written
- if all students used a calculator it would become costly
- this presentation is to allow students, with an IEP that allows the use of a calculator, to use a calculator as a standard accommodation for AYP purposes

Dr. Nicodemus asked if calculators for special education students were allowed on the test, whether there would be an issue of validity of the test and Dr. D'Agostino said he was quite certain that the scores would be valid, whether using a calculator or not, referring again to the special education students. He added that if they added it to general education there would be different results.

Superintendent Horne commented that California had a solution for reducing the scores to account for the use of calculators and that the federal government has rejected that solution. Mr. Horne recommended that calculators be reclassified as a standard accommodation contingent upon the federal government's approval.

Dr. Balentine asked what the timeline for federal approval would be and Ms. Alley stated that there is not a timeline but that they would need to submit all data and research to be reviewed and that a recommendation would then be made to the ADE. She mentioned that only 20 states have full approval.

Mr. Horne stated that Arizona was the first of ten states to be approved and that it is not recommended to make a change without the federal government's approval.

Mr. Ary asked if Ms. Alley was aware of which states utilized calculators in special populations only and Ms. Alley stated that she did not know, but that it varies by state and is unique to each state. Mr. Ary asked if there was any consideration to identify the impact that Arizona's special population has and any measurement with regard to ethnicity or ELL and Dr. D'Agostino stated that the study did not concentrate on ethnicity or social, economic or language status. He added that they looked at the overall demographic comparisons between group 4 and the focal group and what type of special education issue the student has and that they didn't find many differences. He noted that it is not clear from the AIMS data when the decision is made in the IEP to allow a student to use a calculator or an alternate accommodation and when it is decided not to allow the accommodation.

Regarding the timeline from the federal government, Mr. Ary asked if they knew what the timeline was on other states that have been approved and Ms. Alley said that all states were expected to have their systems reviewed by July 2006. She noted that the ADE submitted its system in November 2005 and had approval on July 1, 2006, but that it varies between a few months to some states that do not yet have approval.

Dr. D'Agostino added that the California case is different than Arizona, in that California found that there was some effect with using calculators. He noted that they went a step further, computed a conversion table, and if a calculator was used the score was going to go down.

Dr. Nicodemus asked if the Terra Nova questions were put into consideration with this study and Dr. D'Agostino stated that they looked at test questions that were on the Terra Nova and on the AIMS test but that they did not find any disproportion of items that were flagged as DIF items that were from the Terra Nova originally.

Ms. Alley stated that CTB McGraw-Hill would be able to do a study and calculate norm scores for those students using a calculator.

Dr. Nicodemus asked, from McGraw-Hill's perspective, whether a calculator is a non-standard accommodation and Ms. Alley stated that McGraw-Hill considers calculators a non-standard accommodation on the Terra Nova. Dr. Nicodemus asked if the Terra Nova is nationally normed or has not been nationally normed for years and Ms. Alley said that year 2000 was when it was normed. Dr. Nicodemus asked how they would go back and Ms. Alley responded that they normed it both ways. Dr. Nicodemus asked if they would go back to having the calculator being a non-standard accommodation and Ms. Alley said yes and that special education students were part of the norming group for Terra Nova, when the norming was done in 2000.

Dr. Nicodemus confirmed that what exists now in Arizona is absent the non-standard accommodation and that it is a straight norm.

Ms. Harmon asked about the process that brings them to the question they have now, whether this has to have action today, and why it was in front of the SBE today and Mr. Horne explained the background of the issue. Ms. Harmon asked why there must be a vote now and Mr. Horne recommended that the SBE pass it with a contingency of the federal government's approval.

Ms. Harmon asked what message the SBE is giving to the field if the vote is based upon a contingency and then the federal government does not approve the system. Mr. Horne responded that the message is that the ADE is doing the best it can and that there are a lot of irrational things the federal government expects.

Mr. Ary asked where the SBE should go from here and whether the SBE is solving the problem for special education students or for all students and Mr. Horne stated that this solves the issue of schools not making AYP and for students that have IEP's that use calculators.

Mr. Ary stated his concern that the SBE would be addressing only the special education students that have IEP's and not the rest of the population as he believes the SBE was discussing the standardization of calculators across the state. He asked how this will be addressed if the SBE elects to permit calculators.

Ms. Cheryl Lebo, Associate Superintendent of Standards and Assessment, Arizona Department of Education, stated that this speaks to special education students because it has been the issue. She noted that the first work they did showed the concepts and performance objectives that those groups of teachers looked at, and that there was not much evidence that a calculator would affect students one way or the other. She also mentioned that the work with the math task force and the math standards committee are re-working the math standards and at the end of that process they will be bringing much more information. She added that more decisions will need to be made at that point with regard to the topic of calculators.

Mr. Ary commented that this is probably the only way to come out of this and that he doesn't see that this will impact the masses. He added that it would make a lot of sense to figure out why they are doing what they are doing today.

Dr. Nicodemus commented that if there is a debate about using calculators for all student populations it would be a significant debate, because both ways have been presented.

Mr. Horne said that when the math test was developed the decision was made not to use calculators due to varying reasons, with the main reason being that if you use calculators on a test some teachers will not teach students basic arithmetic.

Dr. D'Agostino commented that group 4, special education students, that had a standard accommodation, is the group that will be the most impacted if the SBE decides to use it as a standard accommodation. He added that this does not open it up to all students but that this will affect less than 10% of the whole student body. Mr. Horne stated that he believes the number is much lower than that because the IEP has to call for a calculator.

Mr. Moore asked how many schools would be in the same situation as Catalina Foothills and Ms. Alley said it was 7% of the school that did not make AYP because of students not being counted as participating on the test. Mr. Moore asked if based on passing this, whether those schools would pass AYP and Mr. Horne said that is correct.

Dr. Balentine commented that she had an excelling school that did not make AYP because of the current status and Mr. Moore asked Dr. Balentine if it is her opinion that this passes it will help solve the issue and Dr. Balentine said she is not certain of that, but thinks the opportunity arises to create a better system.

Dr. Nicodemus asked for clarification regarding a student with an identified disability who is using a non-standard accommodation per the IEP versus the teacher making the judgment that the student needs to use a calculator and Ms. Alley said that it must be in the student's IEP.

Dr. Nicodemus asked if there will be efforts, if this is approved, to identify this group of students so that they would be able to go back after the fact and look at whether there is a difference in numbers, or some way to clearly identify students who use a calculator.

Ms. Alley stated that they asked special education students, on a high school math test, three additional questions: did the student use a calculator, did the student use another math manipulative, or did the student use a calculator and another math manipulative, and the response was 2500 out of 3500 were students that used non-standard accommodations. She added that for

calculators only there was a total of 2,211, 111 calculators and other manipulatives, and 22 used another manipulative.

Dr. Nicodemus asked if the other accommodation was considered standard or non-standard and whether this action will be specific to only calculators and Ms. Alley stated that they found in the study that it didn't make any difference which accommodation they used, they would just have a standard accommodation on math.

Dr. Balentine commented that students who take the SAT's use a calculator.

Mr. Andrew Morrill, Vice President, Arizona Education Association, Arizona Education Association, stated that IDEA and NCLB are conflicting, which is a concern in the field. He stated that he doesn't believe that this addresses the students' needs for a more valid assessment. He noted that the AEA supports the proposal before the SBE to reclassify calculators as a standard accommodation for the special population but that his question is to what extent the process reflects the process that would be used to establish initial validity around an assessment, and if it's different, why. He asked that this be clear that this is for special education students at any grade level, referencing Terra Nova, and asking if they had their own study.

Ms. Alley stated that the testing company was not involved in the research but that the testing company's research department is reviewing it and have not yet submitted a response. She noted that when Terra Nova developed the test and tested the validity, the test items development was started with a previous company and this is an ongoing program. She said the tech report is located online and their current test research does agree with the current model AIMS has in place. She stated that she does not believe they address calculator usage on the tech report.

Dr. Cindy Ziker, Director of Research and Assessment, Glendale Union High School District, stated that she also serves as an evaluator for the National Assessment of Educational Progress (NAEP) on its Technical Work Group, and that the group is conducting a two-year study on the validity of NAEP. She stated her concern with Dr. D'Agostino's study as it is an ad-hoc study after the fact. She noted that this could serve as a red flag to the US Department of Education in regards to the validity of the request because there are other ways to find out if calculators affect the test. She added that a new AIMS test will be due out soon and that the test validity should be tested before the next version of AIMS is released. She stated that the test should be administered so that the students are watched during their test taking to see which items the calculator is used on. She noted that the study that was presented does not show if the students used the calculator but only shows that they had access to one. She stated that to be precise the test should specify whether a calculator was used, or not. She said that in the field there are instances where administrators are telling the students not to use a calculator on the first AIMS test administered in order to be counted in the percent tested. She added that when a school follows the IEP standards they are not counted as percent tested, which could cause a mix in the data. She stated that she supports making the calculator a standard accommodation.

Dr. D'Agostino stated that he doesn't believe that a completely accurate study of testing can be done under natural high stakes testing.

Dr. Nicodemus asked if language should be added to the motion if we receive a favorable response from the vendor and Mr. Horne responded that Terra Nova does not affect federal or state accountability but the only use of Terra Nova is to compare it with other states.

Dr. Nicodemus stated that she was trying to look at it in terms of the assessment itself and Mr. Horne said that if any unfavorable information is brought back he will bring it to the SBE.

Ms. Harmon stated that she would like to see the additional research prior to the vote and asked if there is a reason the vote needed to be done today as opposed to the next meeting.



Mr. Horne said the reason to move as quickly as possible is because 140 schools will be counted as not making AYP a second year in a row.

Mr. Yanez stated that action was needed today to impact labels for this year as the labels come out in October. He added that if the SBE is considering making the motion contingent upon federal government approval, which could take several months, the deadline for the labels would be past. Mr. Yanez noted that he is not sure if it is possible to impact AYP determinations this year. Mr. Horne stated that they would add a caveat that states the school didn't make AYP due to the stated reason, and then if the federal government approves the labels will be changed.

Motion by Mr. Horne and seconded by Dr. Haeger to reclassify the use of four function calculators, number charts, and manipulatives as standard accommodations on the AIMS DPA and the AIMS high school assessments as such accommodations identified in a students' IEP, contingent on federal governmental approval. The motion will not take affect until and unless the federal government approves.

*Roll Call Vote:*

*Dr. Balentine: Yes*

*Superintendent Horne: Yes*

*Mr. Ary: Yes*

*Dr. Haeger: Yes*

*Ms. Harmon: No*

*Ms. Kramer: Yes*

*Mr. Lucero: Yes*

*Mr. Moore: No*

*Dr. Nicodemus: Yes*

*Motion Passes*

Mr. Ary stated that he feels it is disingenuous that all other populations are not involved in the statewide policy making issues. He noted his concerns on taking action contingent upon the federal government as it implies that no action is being taken.

I. Presentation and Discussion Regarding the Two Year Evaluation of the Alternative Paths to Certification Pilot Program

Ms. Jan Amator, Deputy Associate Superintendent of Highly Qualified Professionals, Arizona Department of Education, presented background information for the alternative path to certification including the additional money that will result in high retention.

Ms. Jane Dowling, Wellington Consulting Group, Ltd., also presented background information which is included in the materials packet.

Superintendent Horne commented that this program was implemented by the SBE two years ago and now the decision needs to be made as to whether or not to make the program permanent. He noted that the presentation was to help the SBE prepare for the decision at the next SBE meeting.

Mr. Yanez was to confirm with Ms. Amator that the pilot was an ADE initiative that ultimately required Board approval. Mr. Horne stated that the Board implemented the pilot program two years ago with the idea of having a consultant evaluate the program and the SBE was to decide whether to make the program permanent.

Dr. Nicodemus asked if there will be opportunity to expand the program and Ms. Amator said yes.

Dr. Balentine asked Ms. Amator if the program was expanded dramatically and Ms. Amator stated that the 388 includes all of the alternate path programs. She also explained that the ADE has an employee dedicated to helping the alternate program grow.

Dr. Balentine asked if there are particular programs that are generating more students in terms of statewide areas and Ms. Dowling confirmed that Navajo and Apache Counties are two areas that do not have programs represented which is something that is being worked on.

6. ADJOURN AS THE STATE BOARD OF EDUCATION AND CONVENE AS THE STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

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

A. Consideration to Approve Nominees to the Career and Technical Education Advisory Committee.

Motion by Mr. Ary and seconded by Mr. Lucero to approve nominees to the Career and Technical Education Advisory Committee. *Motion passes.*

B. Presentation and Discussion Regarding the Formation of the Arizona Skill Standards Commission

Ms. Barbara Border, Interim Deputy Associate Superintendent, Career and Technical Education, Arizona Department of Education, presented background information which is included in the materials packet.

Mr. Ary pointed out that Ms. Border and Mr. Ericksen have informed him of the aspects of the assessment system and that he supports the attempt.

Superintendent Horne stated that it is important to have an assessment in all of the fields, developed in conjunction with the industry, and if the student has the certification, the student can get a good job.

7. ADJOURN

Motion by Mr. Ary and seconded by Ms. Kramer to adjourn. *Motion passes.*  
*The Board adjourned at 3:22 PM.*

