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**BEFORE THE TENNESSEE STATE BOARD OF EDUCATION**

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IN RE:  
Omni Prep Academy — Middle School  
Charter Revocation Appeal

State Board of Education Meeting  
May 27, 2016

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**FINDINGS AND RECOMMENDATION REPORT OF THE  
EXECUTIVE DIRECTOR TO THE STATE BOARD OF EDUCATION  
OMNI PREP ACADEMY – MIDDLE SCHOOL**

On April 26, 2016, the chartering authority, Shelby County Board of Education (“SCS”), a local education agency, voted to revoke the charter for Omni Prep Academy – Middle School (“OPA Middle”), a charter school sponsored by Omni Schools, Inc. (“Sponsor”). SCS revoked the charter for the following reason: OPA Middle’s failure to meet minimum performance requirements set forth in its charter agreement constituted a material violation of the charter agreement.<sup>1</sup>

Pursuant to Tenn. Code Ann. (T.C.A.) § 49-13-122, charter school sponsors may appeal the revocation of their charter agreement by a local education agency (LEA) to the State Board of Education (“State Board”). OPA Middle appealed the revocation of its charter by SCS to the State Board on May 3, 2016.

Based on the following procedural history and findings of fact, I believe that OPA Middle committed a material violation of the conditions, standards, or procedures set forth in the charter agreement.<sup>2</sup> Therefore, I recommend that the State Board affirm the decision of SCS.

**STANDARD OF REVIEW**

In order to overturn an LEA’s decision to revoke a charter agreement, the State Board must find that such decision was contrary to the Tennessee Public Charter Schools Act, § 49-13- 122.<sup>3</sup> Under T.C.A. § 49-13-122 (c), a chartering authority may revoke or deny renewal of a public charter school agreement if the chartering authority determines that the school did any of the following: “(1) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter agreement; (2) Failed to meet generally accepted standards of fiscal management; or (3) Performed any of the acts that are conditions for nonapproval of the charter school under § 49-13-108(c).” Pursuant to that code section and State Board Policy 6.110, the executive director of the State Board and other members of the State Board staff will conduct a de novo, on the record review of the revocation decision, taking into account the

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<sup>1</sup> SCS also revoked the charter of OPA Middle because, per TCA § 49-13-108(b), “the ‘substantial negative fiscal impact’ to the District in maintaining such low-performing charters is contrary to the best interest of students.” However, the State Board does not consider this reasoning when determining whether to affirm or overturn an LEA’s revocation decision because it is not one of the reasons that a chartering authority can revoke a charter agreement under T.C.A. § 49-13-122.

<sup>2</sup> T.C.A. § 49-13-122.

<sup>3</sup> Tennessee State Board Policy 6.110

information submitted by the charter school and chartering authority, the public hearing, and any additional information gathered at the discretion of the State Board staff. Based on this information, the executive director will provide a recommendation to the State Board.

### **PROCEDURAL HISTORY**

1. SCS voted to revoke the charter of OPA Middle on April 26, 2016.
2. The State Board received OPA Middle's appeal on May 3, 2016.
3. On May 4, 2016, State Board staff requested additional information from SCS and OPA Middle.
4. On May 10, 2016 (OPA Middle) and May 11, 2016 (SCS), the parties provided information including the following:
  - a) Documentation of the LEA's Revocation Decision;
  - b) Copies of the approved charter school application;
  - c) Timeline of the approval of the original charter application and the revocation decision;
  - d) Copies of all correspondence from the LEA to the charter school's governing board regarding the status of the charter school including notices of good standing, compliance or non-compliance with the charter agreement, policy, or statute, and any plans of corrections required by the LEA of the governing board;
  - e) Any evidence supporting or refuting the LEA's reasons for revocation;
  - f) A list of the grade levels being served and the final Average Daily Membership counts for each year the school has been in operation;
  - g) Copies of all reports, including any annual reports, site visit reports, and five-year interim reports, from LEA to governing board on the performance status of the charter school;
  - h) Copies of all annual progress reports submitted by the governing board to the LEA and Commissioner of Education in accordance with T.C.A. § 49-13-120; and,
  - i) Copies of all annual financial audits submitted by the governing board to the LEA, the Commissioner of Education, and the Comptroller of the Treasury in accordance with T.C.A. § 49-13-127.
5. A public hearing was held on May 18, 2016, at which OPA Middle and SCS had an opportunity to present information and respond to questions. During the public comment portion of the hearing, six individuals spoke in support of OPA Middle, including current students, parents, and employees of the school.
6. The State Board received hundreds of written comments from OPA Middle students stating why they do not want OPA Middle to close. In addition, the Board received six non-student written comments in support of OPA Middle remaining open.

### **FACTS**

#### **I. District Revocation of Charter**

On April 26, 2016, SCS voted to revoke the charter of OPA Middle. SCS revoked the charter based on the following:

1. In School Years 2013-2014 and 2014-2015, OPA Middle failed to meet the minimum performance requirement set forth in its charter agreement that 95% of students who have attended OPA Middle for two or more years will achieve a proficient or advanced performance

level on the criterion-referenced section of the TCAP in mathematics, reading, and language arts.

2. In School Years 2013-2014 and 2014-2015, OPA Middle failed to meet the minimum performance requirement set forth in its charter agreement that students who attended OPA Middle for two or more years will perform at an achievement level greater than or equal to that of their peers across the state and district in all grades and on all subject tests.
3. In School Years 2013-2014 and 2014-2015, OPA Middle failed to meet the minimum performance requirement set forth in its charter agreement that it would re-enroll 85% of its students overall for reasons other than geographic relocation, transportation, or illness.

## **II. Public Hearing**

Pursuant to T.C.A. § 49-13-122 and State Board Policy 6.110, the Executive Director of the State Board presided over a public hearing in Memphis on May 18, 2016.

### **A. SCS Arguments**

At the hearing, SCS argued that the revocation of OPA Middle's charter was appropriate because OPA Middle failed to meet minimum performance requirements set forth in its charter application, which constituted a material violation. Although there was no signed agreement between the Sponsor and SCS, SCS explained that, pursuant to Tennessee Attorney General Opinion 10-45, if there is no signed agreement, the approved charter school application serves as the agreement.

SCS presented data (Exhibit A) evidencing that OPA Middle failed to meet the following three minimum performance requirements outlined in its charter agreement: (1) 95% of students at OPA Middle who have attended the school for two or more continuous years will achieve a performance level of proficient or advanced on the criterion-referenced section of the TCAP in mathematics, reading, and language arts; (2) OPA Middle students who have attended the school for two or more continuous years will perform at an achievement level that is equal to or greater than the achievement level of their peers across the state and across the district in all grades and on all subject tests; and (3) OPA Middle will re-enroll 85% of its students overall for reasons other than geographic relocation, transportation, or illness. SCS explained that the failure to meet each of these minimum performance requirements resulted in a material violation of the charter agreement.

Next, SCS discussed how OPA Middle had been on notice concerning its poor academic performance since August 2014. SCS presented evidence that OPA Middle was on both the 2015 Priority List (with a percentile rank of 4.6 and a success rate of 23.1%) and the January 2016 list (based on 2014-15 data of the bottom 10% of Tennessee state schools, with a percentile rank of 5.6). SCS provided data showing that the combined success rate of Omni Schools, Inc.'s schools in Shelby County, including OPA Middle, is lower than other SCS 3-8 district schools, SCS 3-8 charter schools, and surrounding schools located in the Raleigh area of Memphis. SCS showed that OPA Middle had received an overall TVAAS score of 1 for 2013, 5 for 2014, and 3 for 2015. While OPA Middle achieved growth in 2015, it was not enough for OPA Middle to exit the Priority List.

Lastly, SCS provided legal clarification in order to explain its statutory basis for the revocation decision. SCS explained that T.C.A. § 49-13-122(a)(2) provides that automatic revocation cannot occur prior to the 2017 Priority List, but that T.C.A. § 49-13-122(a)(3) provides that, "Nothing in this subsection (a) shall prohibit a chartering authority from revoking or denying renewal of a charter agreement of a charter school that fails to meet the minimum performance requirements set forth in the charter

agreement.” SCS noted that T.C.A. § 49-13-122(g) provides a process for charter school closure, not revocation, and that SCS had begun a process for revocation when OPA Middle was assigned Priority Status in August of 2014.

### **B. OPA Middle Arguments**

In response, OPA Middle argued that SCS had provided no due process and no closure procedure, SCS targeted OPA Middle for closure, and that SCS’s hastened timeline for the revocation and closure is contrary to the best interest of students. With regard to lack of due process and a closure procedure, OPA Middle claimed that SCS had no policy for closing charter schools as required by T.C.A. § 49-13-122(g). OPA Middle provided transcripts from SCS Board meetings containing quotes from SCS Board members that OPA Middle argued were acknowledgements that SCS had no process or procedure in place for closing charter schools.

With regard to SCS targeting OPA Middle for closure, OPA Middle claimed that SCS wanted to close OPA Middle for budget reasons, but created criteria to show that OPA Middle had committed material violations of its charter agreement. OPA Middle claimed that SCS used academic performance criteria that was never reviewed or approved by the Board, that SCS never notified OPA Middle that it would be held to the terms in its charter application in the absence of a signed agreement, and that SCS had not created a policy or procedure for reviewing the academic performance of charter schools. In response to SCS’s data concerning OPA Middle’s poor academic performance, OPA Middle stated that in past years, it had been teaching students using previous state standards, but more recently had created new curriculum and aligned instruction with TNReady.

With regard to SCS’s hastened timeline for revocation and closure, OPA Middle explained that there were a total of 13 calendar days from the superintendent’s public announcement of a recommendation to close six charter schools for budget reasons on April 13, 2016, to SCS’s Board meeting in which SCS voted to revoke OPA Middle’s charter on April 26, 2016. OPA Middle noted that SCS has a policy about closing other, non-charter district schools, and that this policy contains a specific timeline and requires adequate notification for students and parents. OPA Middle asserted that the quick timeline between public announcement and the revocation decision forced SCS to scramble and make hasty decisions without proper notice to OPA Middle. OPA Middle claimed that SCS had not provided notification of any academic concerns that year aside from a five-year review requested by OPA Middle, and that OPA Middle had submitted reports to SCS, but had received no feedback. OPA Middle noted that it had received a letter from SCS in 2015 stating that the delay of mandatory closure was pushed back to 2017 in order to allow additional time to address any weaknesses, but that SCS never identified any weaknesses for OPA Middle to address. OPA Middle maintained that the swift decision led to inadequate notification and lack of a specific timeline for the revocation decision, which is contrary to the best interests of students and in conflict with SCS internal policies.

### **III. Public Comments**

Six individuals, including three Omni Schools’ students, commented at the public hearing. All those who gave oral comments did so on behalf of Omni Schools, asking the State Board to overturn SCS’s revocation decision so the students could remain at OPA Middle. Some asserted that OPA Middle could make more adjustments in an effort to remove itself from the Priority Schools List. In addition, the State Board received hundreds of written comments submitted by OPA students on why they do not want OPA

Middle to close. The Board also received six written comments from non-students in support of OPA Middle.

### ANALYSIS

In order to overturn an LEA's decision to revoke a charter agreement, the State Board must find that such decision was contrary to the Tennessee Public Charter Schools Act, § 49-13-122.<sup>4</sup> As stated above, T.C.A. § 49-13-122 allows a chartering authority to revoke a charter agreement if it determines that the school:

1. Committed a material violation of any of the conditions, standards, or procedures set forth in the charter agreement;
2. Failed to meet generally accepted standards of fiscal management; or
3. Performed any of the acts that are conditions for non-approval of the charter school under § 49-13-108(c).

Therefore, the sole consideration for the Board is whether any of the three statutory reasons for revocation exist in this case.<sup>5</sup> Here, SCS revoked the charter agreement with OPA Middle because they believe OPA Middle committed material violation of the conditions, standards, or procedures set forth in the charter agreement. Specifically, SCS asserted that OPA Middle violated the performance standards contained in its charter agreement.<sup>6</sup>

To begin, it is important to note that SCS and OPA Middle did not have a separate charter contract in place. As noted in Tennessee Attorney General Opinion No. 10-45, if the chartering authority grants approval to the charter school's sponsor, the charter application becomes the charter agreement.<sup>7</sup> Thus, the charter application of OPA Middle became the charter agreement between OPA Middle and SCS. SCS revoked the charter because OPA Middle failed to meet the following minimum performance requirements as set forth in the agreement: (1) 95% of students at OPA Middle who have attended the school for two or more continuous years will achieve a performance level of proficient or advanced on the criterion-referenced section of the TCAP in mathematics, reading, and language arts; (2) OPA Middle students who have attended the school for two or more continuous years will perform at an achievement level that is equal to or greater than the achievement level of their peers across the state and across the district in all grades and on all subject tests; and (3) OPA Middle will re-enroll 85% of its students overall for reasons other than geographic relocation, transportation, or illness. The performance data provided by SCS and attached to this report as Exhibit A shows that OPA Middle extremely underperformed against these stated goals.

In August 2014, the state designated OPA Middle as a Priority School based on the school's prior year's academic performance. In 2015, OPA Middle remained a Priority School due to the fact that the school did not show sufficient growth in achievement. As such, it did not move into Priority Improving or Priority Exit status. On the contrary, in January 2016, OPA Middle remained in the bottom 10% of schools

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<sup>4</sup> Tennessee State Board Policy 6.110.

<sup>5</sup> In its appeal, OPA Middle raised the issues of a lack of closure procedure, selective enforcement, discrimination, and selective enforcement; however, those issues are not properly before the State Board for consideration.

<sup>6</sup> SCS included "substantial negative fiscal impact" as a reason for revocation; however, that is not a basis for revoking a charter under T.C.A. § 49-13-122 and will not be considered in this recommendation.

<sup>7</sup> Tenn. Op. Atty. Gen. No. 10-45 (Tenn. A.G.), 2010 WL 1495645 (citing Tenn. Code Ann. §§ 49-13-104(1); 49-13-106(b)(1)(B); 49-13-108(1); and 49-13-110(a)).

statewide. Moreover, OPA Middle placed in the 4.6 and 5.6 percentile of schools in 2015 and 2016 respectively. Thus, it is clear that OPA Middle has had a continued pattern of significant underperformance towards its achievement goals.

The decision to revoke a charter agreement is extremely emotional for all involved and affected by the revocation and proceeding closure. Through the hearing and public comments, it was evident that OPA staff, students, parents, and other stakeholders have an attachment to OPA Middle and a vested interest in keeping its doors open. Conversely, SCS also has a responsibility to act dutifully as a quality charter authorizer and “revoke a charter during the charter term if there is clear evidence of extreme underperformance or violation of law or the public trust that imperils students or public funds.”<sup>8</sup> As such, the autonomy afforded to charter schools is at times a tough, but critical, bargain.

The charter school contract is the embodiment of the autonomy-for-accountability bargain and the commitments of both parties. The authorizer commits to entrusting public dollars and public school students to the independent governing board of the school. It also commits to giving the governing board more flexibility in how it operates the school than is afforded traditional public schools. In return, the school’s governing board commits to handling the funds responsibly, complying with its legal obligations, and educating students well.<sup>9</sup>

In this case, it is clear that OPA Middle has not fulfilled its part of the autonomy-for-accountability bargain. The record shows that OPA Middle consistently failed to meet its performance standards and thus has committed material violation of conditions and/or standards set forth in the charter agreement.

Similarly, SCS did not adequately fulfill its duties under the autonomy-for-accountability bargain, and as an authorizer, has significant room to improve its practices for transparency, performance evaluation, and timely notification. In sum, a quality authorizer:

1. Has clearly established performance frameworks by which charter schools are held accountable and annually communicates with a charter school about its performance against goals.
2. Releases an annual report on the charter school to provide students, families, stakeholders, and the public with important information about a school’s growth and achievement, among other success factors; and,
3. Has an intervention policy in place to notify schools of performance, operational, or financial issues in a timely way, and where applicable, provides a timeline and expectations for remedying the issue(s) prior to a revocation decision.<sup>10</sup>

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<sup>8</sup> Principles & Standards for Quality Charter School Authorizing, 2015 Edition, National Association of Charter School Authorizing, Page 20, available at [http://www.qualitycharters.org/wp-content/uploads/2015/08/Principles-and-Standards\\_2015-Edition.pdf](http://www.qualitycharters.org/wp-content/uploads/2015/08/Principles-and-Standards_2015-Edition.pdf)

<sup>9</sup> Haft, William, “The Terms of the Deal: A Quality Charter School Contract Defined,” National Association of Charter School Authorizers, February 2009, page 1, available at [http://www.qualitycharters.org/wp-content/uploads/2015/11/IssueBrief\\_TheTermsOfTheDeal\\_2009.02.pdf](http://www.qualitycharters.org/wp-content/uploads/2015/11/IssueBrief_TheTermsOfTheDeal_2009.02.pdf)

<sup>10</sup> Principles & Standards for Quality Charter School Authorizing, 2015 Edition, National Association of Charter School Authorizing, Pages 14-21, available at [http://www.qualitycharters.org/wp-content/uploads/2015/08/Principles-and-Standards\\_2015-Edition.pdf](http://www.qualitycharters.org/wp-content/uploads/2015/08/Principles-and-Standards_2015-Edition.pdf)

Moreover, while legally permissible, SCS's communication and notification regarding the revocation of OPA Middle's charter agreement, particularly the timing of the decision, is troubling. The extremely short notice of the revocation decision and the significantly late timing of the revocation in the academic year negatively impacts the transition of affected students and places an undue burden on families surrounding school choices for the upcoming year. Ultimately, the way the revocation decision was made and communicated to OPA Middle, its students, parents, and stakeholders does not embody the actions of a quality authorizer.

Considering the disruption to students and families, SCS must be extremely conscientious and intentional in its efforts to comply with the provisions of T.C.A. § 49-13-122(g). Specifically, SCS shall communicate within thirty (30) days to the families of students enrolled in the school all other public school options for which the student is eligible to enroll. Pursuant to T.C.A. § 49-13-123, if a charter agreement is terminated in accordance with § 49-13-122, "a pupil who attended the school, siblings of the pupil, or another pupil who resides in the same place as the pupil may enroll in the resident district or may submit an application to a nonresident district according to § 49-6-3105 at any time. Applications and notices required by this section shall be processed and approved in a prompt manner." Moreover, SCS shall "communicate regularly and effectively with the families of students enrolled in the school, as well as with school staff and other stakeholders, to keep the families, staff and other stakeholders apprised of key information regarding the school's closing."<sup>11</sup> Given the timing of this revocation decision, the burden is on SCS to ensure each student and family affected is afforded excellent communication and support in creating a smooth transition for the coming 2016-17 school year.

In closing, the revocation of a charter agreement is a serious and significant decision, and one that all involved should contemplate with great care. As an appellate authorizer, the State Board of Education continues to be focused on quality school choices for all students across our state. Allowing low-performing charter schools to remain open is a disservice to the students it serves, and to the charter community as a whole, in terms of ensuring the health and quality of the charter sector. Furthermore, as a state, we owe all students the opportunity to attend a high-quality school that will prepare them for a successful future. As the record shows, OPA Middle continually failed to meet the most minimal of performance standards as illustrated by its status on the 2014 and 2015 Priority Lists, and thus is in violation of its charter agreement with SCS.

### CONCLUSION

Accordingly, my recommendation is that the State Board uphold SCS's revocation of OPA Middle's charter.



Dr. Sara Heyburn, Executive Director  
State Board of Education

5/25/2016

Date

### EXHIBITS

- **Exhibit A: Shelby County Schools - Charter School Minimum Performance Requirements for Omni Prep Academy – Middle School**

<sup>11</sup> T.C.A. § 49-13-122(g)



**THE OFFICE OF PLANNING AND ACCOUNTABILITY**

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**Omni Prep Academy Middle School  
Failure to Meet Minimum Performance Requirements of Charter Agreement**

Minimum Performance Requirement	13-14 Results					14-15 Results					Data Sources & Notes	
	Gr	Sub	Tested	P/A	Rate	Gr	Sub	Tested	P/A	Rate		
95% of students at OPA-SPMS who have attended the school for two or more years will achieve a performance level of Proficient or Advanced on the criterion-referenced section of the TCAP in mathematics, reading and language arts	5	Math	1	0	0%	6	Math	16	4	25%	TCAP data gathered from State generated Student Files. Enrollment data gathered from SCS Student Master Files.	
	6	Math	7	2	29%	7	Math	26	9	35%		
	7	Math	17	4	24%	8	Math	14	5	36%		
	8	Math	22	8	36%	6	RLA	16	5	31%		
	5	RLA	1	0	0%	7	RLA	26	6	23%		
	6	RLA	7	2	29%	8	RLA	14	2	14%		
	7	RLA	17	5	29%	Tot	All	112	31	28%		
	8	RLA	22	8	36%							
	ALL		94	29	31%							
OPA-MS students will perform at an achievement level that is equal to or greater than the achievement level of their peers across the state and across the district in all grades and on all subject tests	5	Math	43.5%	53.9%	61.2%	5	Math	32.4%	53.3%	65.7%		Data gathered from State generated Base Files for both 1415 and 1314 and State website download - 2015 TCAP Results
	6	Math	30.9%	37.3%	49.9%	6	Math	25.7%	30.8%	50.5%		
	7	Math	20.8%	35.2%	44.7%	7	Math	38.7%	35.1%	51.4%		
	8	Math	30.0%	36.2%	47.1%	8	Math	35.7%	37.3%	54.0%		
	5	RLA	26.1%	47.6%	52.6%	5	RLA	24.3%	34.3%	50.2%		
	6	RLA	31.0%	44.6%	55.2%	6	RLA	30.8%	34.6%	51.8%		
	7	RLA	29.2%	40.8%	50.4%	7	RLA	22.6%	31.6%	50.8%		
	8	RLA	26.7%	35.9%	46.5%	8	RLA	14.2%	31.6%	50.3%		
	5	Sci	13.0%	53.8%	64.2%	5	Sci	27.0%	47.1%	65.1%		
	6	Sci	31.0%	50.9%	62.3%	6	Sci	25.6%	48.0%	65.0%		
	7	Sci	41.7%	52.6%	65.1%	7	Sci	48.4%	44.4%	66.3%		
	8	Sci	33.4%	51.1%	65.8%	8	Sci	50.0%	45.7%	67.4%		



OPA-MS will re-enroll 85% of its students overall for reasons other than geographic relocation, transportation, or illness	<b>Gr</b>	<b>1314 Count</b>	<b>Returned and Remained in 1415</b>	<b>Return Rate</b>	<b>Gr</b>	<b>1415 Count</b>	<b>Returned and Remained in 1516</b>	<b>Return Rate</b>	Enrollment data gathered from SCS Student Master Files (Note: SCS can determine that the student return rate is less than 85%. However, SCS cannot determine if the students did not return based on one of the factors listed in the goal statement.)				
	<b>7</b>	23	14	<b>61%</b>						<b>7</b>	31	24	<b>77%</b>
	<b>6</b>	43	29	<b>67%</b>						<b>6</b>	39	28	<b>72%</b>
	<b>5</b>	23	15	<b>65%</b>						<b>5</b>	37	19	<b>51%</b>
	<b>Tot</b>	89	58	<b>65%</b>						<b>Tot</b>	107	71	<b>66%</b>