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| **Why BASIS is not Arizona’s model high performing public school** Background: The first BASIS charter school was founded in Tucson in 1998 by Michael and Olga Block. The school won numerous awards and was named the top high school in the U.S. by Newsweek in 2008.  There are now 14 BASIS charter schools in Arizona, Texas, and Washington D.C.  This year, U.S. News and World Report named BASIS Scottsdale as the best schools in Arizona and the second best school in the nation.  BASIS Schools Inc. is one of Governor Ducey's examples of a high performing charter school that public schools should emulate.  We will conduct an in-depth analysis of BASIS Schools Inc. examining how they spend public funds, their corporate structure, the "most challenging" curriculum in Arizona, and the illusion of success.    **Reason 1 : BASIS spends more on administration than almost all schools in** Arizona  Based the 2014 Annual Financial Report filed by all schools in Arizona, BASIS Ahwatukee spends 3 times more on administration per pupil than public schools and 82% more than a charter school that out-performed several BASIS schools, Arizona Agribusiness & Equine Center South Mountain:  Mesa Unified (largest Unified)  64,532 students spends $542/pupil on administration Washington Elem (largest Elem) 23,281 students spends $583/pupil Tempe Elem 12,159 students spends $546/pupil  Kingman Unified 6,789 students spends $592/pupil Coolidge Unified 3,568 students spends $719/pupi Thatcher Unified 1,729 students spends $585/pupi Clarksdale-Jerome 469students spends $778/pupil administration Aguila Elem 219 students spends $530/pupil McNary Elem 169 students spends $661/pupil  AZ Agribusiness South Mountain Charter School 380 students spends $1,025/pupil on administration BASIS Ahwahtukee 699 students spends $1,854/pupil on administration  If BASIS Ahwatukee operated as efficiently as AZ Agribusiness, they would save $580,000 a year.  If BASIS administrative costs were near the typical Arizona public school cost of $600/pupil they would save $880,000 – at just at one of their 10 schools.  Putting this into perspective, a savings of $580,000 a year for a school of 699 students would mean 13 additional teachers (at $45,000 a year).  What would your local school be able to do with 13 additional teachers?  BASIS is a money making machine.  But how are they able to extract so much for corporate salaries and management?  The key lies in their business model that serves only the brightest students in Arizona.  That’s next…      **Reason 2:  BASIS is able to spend less on students than on administration because Basis students are all the same.** Creighton Elementary District is in central Phoenix.  They have 6515 students and over 90% are on free or reduced lunch, the government’s definition of poverty.  84% are Hispanic and 27% of students require ELL classes to learn to speak and read English.  Ten percent of students  receive special education services.  Many Creighton students come to school hungry.  Most live in a home where Spanish is the primary language.  Every day at school is a challenge for them and for their teachers.    Creighton provides free breakfast and lunch for students.  They hire reading specialists, ELL teachers, special education teachers, counselors, nurses, and social workers to try to meet the needs of their at-risk population.  Additional federal funding from Title One and I.D.E.A. don’t come close to paying for these programs.  The money has to come from the general funds provided by the state.  Creighton spends 62% of their general funds on students.  Creighton Elementary District spends almost four times as much on instruction as they do on administration.    BASIS Ahwatukee spends 40% of their budget on students and spends a more on administration than they do on instruction and support for kids.  That is because BASIS only serves gifted students.  There are no poor kids at BASIS.  Basis schools are 27% Asian and 59% White.  Out of 8700 students, there are no ELL students and only two schools have special education students and constitute less than one percent of the student body.  BASIS doesn’t have a lunch program.  They don’t have nurses or social workers.    The extremely advanced curriculum is responsible for keeping BASIS homogeneous.  Students are required to complete high school Algebra 1 by the end on seventh grade and are encouraged to take it in fifth grade.  Students are held back if required high school level courses are not passed in elementary school.  High school classes are all Advanced Placement courses with college level expectations and examinations.  BASIS is required to admit everyone, just like Creighton.   BASIS goes to great lengths explaining of the difficulty of the curriculum and parents are required to attend pre-admission workshops that stress how rigorous the program is to discourage all but the brightest from attending.  Many that enroll leave within a few months as they fail the required courses that are 2-3 years above grade level.  Creighton Elementary should perhaps change their curriculum to require all students to pass Algebra 1 in seventh grade.  They could be a model school, like BASIS.  **Reason # 3: BASIS schools do not have a governing Board available to the public.** I attended a BASIS Schools Inc. board meeting today; at least I tried to. BASIS has one school board governing all 13 BASIS schools around the state. So much for local control.   Board meetings are held in their corporate offices in Scottsdale and are supposedly available by phone conferencing at each of the 13 schools. The BASIS school board met seven times between February 2014 and February 2015. In those meetings they achieved the following: - Approved 9 policy addition for select schools  - Approved school enrollment caps and grade additions  - Approved the Parent and Student Handbook - Set fees for a program - Approved the revised budget 2014 and the proposed budget 2015, as required by law  That’s it. No other discussion or reports of any kind the entire year. BASIS opened new schools and received million of dollars in bond financing. Not even a report from BASIS Ed. – the management company that the board supposedly hired to run the schools.  The meeting scheduled at 10:00 today had 13 agenda items – “review, discussion, and possible approval” of each of the revised 2015 budgets for the 13 schools. This is the final budget revision of the year and it shows if the schools stayed in their established budgets.  I came to Suite B 121 in a plush office building in Scottsdale at 10:04. B121 had a sign on the wall, but only B100 was there, the main office for Basis Schools Inc. I asked the receptionist for directions to B121 for the board meeting. She had no idea what I was talking about and told me B121 no longer existed. She called a co-worker that also knew nothing about a board meeting. She got on her phone and then walked by me to go upstairs. As I waited, a gentleman came in asking about the board meeting as well. Finally at 10:15 we were told that the meeting was upstairs but it only lasted ten minutes and was over. There was someone still upstairs, however, if we wanted to talk to someone. The other gentleman is a BASIS parent with a concern and went upstairs. I gave the lady my card and told her that if the board discussed, reviewed, and approved 13 budgets in ten minutes I had nothing to ask.  There obviously was no review or discussion of the schools' budgets. Non- BASIS employee board members were not present – they attended via a ten minute phone call.  I am filing an open meeting complaint with the Arizona Attorney General’s Office next week (after I read the meeting minutes, if they took them) for denying a citizen access to a public meeting and posting false information meant to mislead the public.   The BASIS schools are actually run by the Board of Directors of the non-profit corporation BASIS Schools Inc. They selected the school board to do the minimum possible while they actually run the schools. The Arizona Attorney General has ruled (100-009 R99-013) that Board of Director meetings of non-profit charter companies are not public meetings, so the public has no right to attend. Every decision made about BASIS Schools, except things like the Visitors Policy and Student Handbook, are made in secret.  Again, some perspective from real public schools. All public school governing boards are comprised of community members living in the school district. The board approves vouchers (all money paid to vendors and employee pay checks), approves all budgets, accepts donations, and hires and fires all personnel, including the superintendent. They receive reports from the superintendent, board members, district departments, schools, and students. They set policy. They are elected community members that have the final say in how the district is run.  BASIS Schools Inc. school board does none of that. They are not a governing board. Of course, they only have 10 minutes to spare.  **Reason # 4 BASIS cons parents out of millions of dollars every year.**  Remember these figures throughout this post:  BASIS Ahwatukee had 699 pupils last year and spent $1,296,279 on administrative costs - less than on classroom instruction, including teacher’s salaries, supplies, materials, etc.   1.3 million dollars would pay the salary of twelve principals…to run one school.  Here is what BASIS said in their 2012 non-profit 990 tax report regarding why they didn’t publish their non-discrimination policy as required:  “….we are charged by the length of the statement/column inch for solicitation printed in the newspaper or media and are constrained by our limited resources”.  This fabrication about limited resources is the manta BASIS parents face every day.  Even though BASIS spends more than almost every charter school on management fees and administrative costs, they demanded fees and contributions from parents in order to provide basic services.  BASIS extracted $ 3,659,875 from parents in 2012, $1.6 million on extra-curricular fees alone.  Just to apply to BASIS requires a refundable $300 fee for high school students and a $150 fee for K-8.  Just to apply.  There are no pencils or paper available in BASIS schools.  Parents are expected to provide all school supplies.  If workbooks are used in a class, parents must pay for them.  If a student signs up for any optional class or elective, parents must purchase all of the materials and supplies used in the activity – art supplies, science lab supplies, etc.   BASIS budgets no money for sports or extra-curricular activities. All extra curricular activities require a fee: Co-ed soccer  $200 Fencing   $200 Small Plays   $125 Engineering Club  $50  Florence Unified School District is about the same size as BASIS (8000 students).  All clubs and activities are free.  Major sports like basketball and football require a $100 fee.  Florence spent $56,816 on extra-curricular activities and $812,989 on sports from their general operation fund.  BASIS spent: zero.  They passed all the costs to parents while pocketing millions of dollars in profits.  BASIS Ahwatukee paid less for teachers than they did for central and school administration costs.  But here is what they tell parents in their brochure:  “As a charter school, BASIS receives less state and local funding per student than traditional schools, making it unfeasible to pay faculty much more than the average teacher salary without the help of the Annual Teacher Fund”.  The Annual Teacher Fund provides bonus incentives to teachers.  Parents are repeatedly asked to contribute $1,500 to this program each year.  Parents are expected to pay teacher salaries at BASIS.  The ultimate arrogance has to be the New Schools Development Fund.  With missionary zeal, BASIS asks parents to help cover the costs “…associated with starting new schools, thus continuing our mission to raise the standards of American K-12 education to internationally competitive levels”.  Basis just refinanced eight of their school to the tune of $88,000,000 to expand their empire.  And parents have bake sales to help cover construction costs.  BASIS parents think they are getting a private school education for free so contributing a little here and there seems appropriate.  But BASIS is well funded and able to reap huge profits from Arizona taxpayers.  BASIS parent contributions are icing on the cake.  BASIS plays their parents for suckers.  Why BASIS charter schools are not model high performing public schools  **Reason # 5: BASIS is a school for the exceptionally mathematically gifted – its curriculum far more accelerated than the best private college prep high schools in Arizona.**  3.5 per cent of all graduating high school seniors  in the U.S. passed Advanced Placement (AP) Calculus AB in 2010.  Only 1.6 percent of Arizona seniors passed the exam that year.  All BASIS students must pass Calculus AB to graduate and most due so before their senior year.  The minimum requirement for BASIS freshmen is pre-calculus and many are taking AP Calculus AB as freshman.  BASIS freshman Eric Kim took the AP Calculus AB test and earned a perfect score – one of only ten in the world to do so.  A junior at BASIS Scottsdale got a perfect score on the more difficult AP Calculus BC exam last year – one of only nine in the world.    BASIS seventh grade students are required to pass high school Algebra 1 to be promoted to the eighth grade.  But when you look at the curriculum of the best private high schools in the state, Algebra 1 is still a freshman requirement.  Phoenix Country Day has been considered one of the best private college prep schools in Arizona for decades.  Their graduates are accepted in top colleges around the world.   It is the most expensive high school school in Arizona with tuition costs of  $24,600 a year.  As you can imagine, parents have high expectations for their children and the school.   Phoenix Country Day School’s math requirements for graduation are:  Algebra I Geometry Algebra II A 4th course for which Algebra II is a prerequisite. Brophy Prep is also one of the leading private high schools in Arizona (tuition $13,900). Their math requirements are the same as Phoenix Country Day School.     BASIS students are required to pass the same classes freshmen and sophomores take in the private schools by the end of eighth grade. Many seventh and eighth grade students are taking the math classes required by seniors at the most expensive prep schools in the state.  BASIS curriculum is far more accelerated than private college prep schools in Arizona.  BASIS boasts that their curriculum is one of the most accelerated in the nation.  It certainly is.  So who can be successful at a BASIS school?  Only the top 1% of math students in Arizona.  Maybe.     **Reason # 6:  The BASIS model requires students in grades 5-8 to fail so only the elite continue to high school.**  Between the four years 2010 -2013, 77,135 students in the U.S. took six AP exams. That is 2.3% of all high school graduates for 2013. Data is not available on how many students actually PASSED 6 exams.  BASIS requires all graduates to pass at least 6 AP exams.  Less than 2% of all students in the nation can do that. BASIS students average 9.9 AP exams passed.  Six tenths of one percent of students in the U.S. take 9 exams, let alone pass them.  Bottom line.  To graduate at a BASIS school, you have to be in the top 1% of students nationwide. Or better.  Let’s look at BASIS Scottsdale, the second best high school in the nation for 2015 according to U.S. News and World Report. BASIS Scottsdale has been open since 1998.  In 2010, 144 students were enrolled in fifth grade.  That cohort of students decreased to 111 in 7th grade and 99 in eighth grade.   In 2014, only 75 students out of the original 144 became freshmen.  Last year there were on 44 seniors at BASIS Scottsdale (BASIS has an average of 33 seniors in their 7 high schools).    One hundred fifth grade students in 2010 failed at BASIS Scottsdale and transferred to other schools.  About half made it to 9th grade and only 30% made it to their senior year.  There is no shortage of parents of gifted and talented students that want their children to have every possible advantage.  They enroll their children at BASIS in 5th and 6th grade.  But a majority of the brightest students in Arizona don’t succeed at BASIS Scottsdale.    The 99 students in eighth grade passed high school Algebra I in 7th grade to get there. When I was a junior high principal in a middle class school, we had less than a dozen 7th graders out of nearly 2000 students in a six-year period pass Algebra 1.  If these very gifted students were at BASIS Scottsdale, less than half would graduate.  BASIS is not just a sorting machine.  It is a failure machine by design.  But they have 100% of their forty four  seniors passing AP exams.  They are the best school in the nation.  If BASIS Scottsdale was a public school they would be shut down.     **Reason 7: BASIS Scottsdale is the second best high school in the nation, according to U.S. News and World Reports. But BASIS Scottsdale does not meet the magazine’s basic scoring criteria and should not have been considered.**  The ranking of the nation’s high schools and colleges by U.S News and World Reports is a big deal. It is a cornerstone of the BASIS sales pitch – proof they are the best schools in Arizona. But the folks at U.S. News apparently didn’t look at the same school we have been looking at in this series.   It is important to examine the criteria employed by U.S. News to rate American high schools. They used data from the 2012-13 school year. This is from the Technical Guide 2015:  *Step 1: The first step determined whether each school's students were performing better than statistically expected for students in their state.  We started by looking at reading and math results for all students on each state's high school proficiency tests. We then factored in the percentages of economically disadvantaged students – who tend to score lower – enrolled at the schools to identify schools performing much better than statistical expectations.*  BASIS Scottsdale has NO economically disadvantaged students; they don’t collect the data because they have no lunch program identifying free/reduced lunch students, the indicator for being economically disadvantaged. A great school “beats the odds” and helps disadvantaged students become successful. There is no indication that BASIS Scottsdale has any economically disadvantaged students.  *Step 2: For schools passing this first step, the second step assessed whether their disadvantaged students – black, Hispanic and low-income – were outperforming disadvantaged students in the state.*  BASIS Scottsdale is listed as 50% minority in the U.S. News report. Actually there were 328 Asians, 33 Hispanics, 18 Multi-race, and 358 White students enrolled in 2012-13. There were 12 Blacks the year before, but they didn’t make it. Since there are no disadvantaged students at BASIS Scottsdale, it is impossible to compare the 33 Hispanic students with disadvantaged Hispanic students in Arizona. A “beats the odds” school helps minority students become successful. This is not BASIS Scottsdale.  *Step 3: Schools that made it through the first two steps became eligible to be judged nationally on the final step – college-readiness performance – using Advanced Placement or International Baccalaureate test data as the benchmarks for success, depending on which program was largest at the school. This was done by computing a College Readiness Index based on the school's AP or IB participation rate – the number of 12th-grade students in the 2012-2013 academic year who took at least one AP or IB test before or during their senior year, divided by the number of 12th-graders – and how well the students did on those tests.*  BASIS Scottsdale weeded out the 140 students who enrolled in 5th grade down to 32 high school graduates in 2012-13. One hundred percent of these students passed at least six AP tests. The 32 students who made it to the 12th grade after the annual purging of inferior gifted students made BASIS Scottsdale the best school in Arizona.   And who graduated from BASIS Scottsdale in 2013? 14 Asians and 18 Whites. Black and Hispanic students comprised 49% of all Arizona students in 2012-13. Not one of them made it through BASIS Scottsdale.  BASIS Scottsdale simply is not the best high school in Arizona. Maybe it is the most racist?   **Reason 8: BASIS Schools Inc. is a very lucrative business that is making millions of dollars in profit every year.**  In 2009, BASIS owner Michael Block made $156,362 and his wife Olga earned $197,507 as the sole officers of BASIS Schools Inc. Olga’s daughter received $19,000 for unspecified services, and her sister was paid $53,047 for accounting services, performed from the Czech Republic. Good salaries to run two schools.  The Blocks had plans for major expansion in the coming years. Since the company is a non-profit, they had to declare the income they received (and family members received in the Czech Republic...) on the annual 990 form submitted to the IRS every year by non-profit organizations. There were big profits to be made with the BASIS model, but how could they realize these profits without having to declare them publicly?   The answer was for the Blocks to become sole owners of a new company, BASIS Ed. Inc., a for-profit charter school management company. A private, for-profit management company does not have to divulge their financial affairs to the public. They simply charge a set management fee that includes all management salaries and company profits. The public can never see what these salaries or profits are.   BASIS Schools Inc. selected a management company to run all aspects of their schools on June 25, 2009. They selected… themselves. Now the salaries and profit gained by the Blocks is buried in the management fee charged by BASIS Ed. Inc. that began as $1,767,000 in 2009-10 and increased to $7,059,200 by 2012-13.  By 2012-13, BASIS had grown from two schools to eight. Revenues grew by a factor of four, as you would expect. But their total assets grew from 13 million dollars to 122 million dollars with the addition of six campuses. State law allows all assets gained by a charter school to be retained by the charter holder, even if the charter is revoked. BASIS expanded their real estate empire by 109 million dollars in four years – with nothing down and the annual mortgage payments of $5,268,294 paid for by Arizona taxpayers.   The cash position of BASIS also improved over the four years. In 2009 they had $565,282 in cash, savings, pledges, and grants. By 2013 that had grown to $7,826,289.  The Blocks have become very rich indeed.   BASIS Parents: Would you please put a smiley face on the $1500 check you write to BASIS every year to help pay teacher salaries? The Blocks are laughing all the way to the bank.   **Why BASIS charter schools are not model high performing public schools Reason # 9: BASIS exists because of the unfunded mandates public schools must meet, and BASIS avoids. A look at the Prescott Unified School District:**  Prescott Unified School District (PUSD) had 4917 students in 2014. This year enrollment dropped to 4456 students and the school board had to close an elementary school. What caused the enrollment decline? BASIS Prescott came to town.  Prescott Unified can’t compete with BASIS, and it is by the design of the Arizona State Legislature. BASIS has been given more money per pupil than Prescott Unified and has been given license to spend the money in any way they chose. And BASIS Prescott choses to accept and retain only the brightest of the bright while extracting huge profits from their school budget. Prescott Unified takes every student in Prescott. They have to. They want to. They are a public school district.   As noted in previous posts, the BASIS model is based on: - An extremely advanced curriculum where students in 7th grade are required to complete high school algebra and high school students are required to pass at least six college advanced placement tests. Only the most gifted students can meet this standard. - The absence of minorities, no special education students, no English Language learners, and no indication of low-income students.. - The expectation that parents pay teacher salaries by asking each family to donate $1500 each year to supplement low BASIS salaries. - Not providing funds for extra curricular activities like clubs and sports.  BASIS Prescott served 364 students in grades 5-10 this year. They plan to become a K-12 school with a maximum enrollment of 840 in the future.   Prescott Unified School District has 4454 students in grades K-12. They serve a diverse population. There are 69 Asian, 673 Hispanic, and 111 Native American students in PUSD. There are also 475 special education students and 1539 students who receive free or reduced lunch.   Prescott Unified welcomes all students and provides programs to meet their individual needs. These programs are funded largely out of their general maintenance and operations budget:  - Special Education: The majority of the 475 special education students have specific learning disabilities. Schools receive less than $20 per pupil from the state to provide programs for SLD students. PUSD budgeted 4.5 million dollars for special education. BASIS Prescott has no special education programs. - PUSD budgeted $13, 419 to support extra curricular activities and $266,664 for sports programs. BASIS Prescott budgeted zero. - PUSD has hires counselors, nurses and other support staff to assist at-risk students, who are often children dealing with poverty at home. It costs PUSD over $1,000,000 a year to do this. BASIS has no counselors or nurses and they have no at-risk students. They budget nothing.  Prescott Unified has been in a budget crisis for years. Their per pupil funding has been approximately $5400 for maintenance and operations for several years. BASIS Prescott received $6981 (after mortgage payments) - $1590 per pupil more than PUSD and had to provide none of the support programs that Prescott Unified offers to serve ALL students in the Prescott community.  Where does BASIS spend the extra funds they receive from lucrative state funding and the limited programs provided? Administration, expansion, and profit.  BASIS Prescott budgeted $921,000 for administrative costs, for a school of 364 students. That’s 36% of their M&O budget and $2,531 per student.  PUSD spent 13% of their budget on administrative costs, which is only $708 per student.   PUSD budgeted $328,757 for General Administration that includes the superintendent ‘s office and district expenses. BASIS Prescott budgeted $508,085 for the same services – for a school of 364 students.  PUSD has 585 gifted students. There is no state funding to support gifted education. The gifted students are going to BASIS where 100% of their classroom budget is dedicated to gifted students. How can Prescott Unified compete with that?  And herein lies the problem. Prescott Unified is mandated to provide special education programs, ELL classes, and what ever it takes to have third grade students read at grade level. The state provides minimal, or no additional funds to pay for these mandates. Prescott Union is expected to meet the expectations of the community as well by providing quality programs and services for all students, so they hire librarians, nurses, and counselors at a cost of over $1,000,000 at year. They provide all day kindergarten when the state only pays for half-day programs. They pay for extra curricular activities and sports programs, the pride of Prescott and of many small towns in America. All of this has to come out of the maintenance and operations budget.   BASIS Prescott can devote all of its resources toward gifted education, since it effectively excludes at-risk and special education students. BASIS doesn’t have nurses or ELL classes. There is no expense assuring 3rd grade students can read – all BASIS Prescott students meet or exceed on the AIMS test. Without having to fund required programs and not worrying about the Prescott community’s wishes for nurses, counselors, all day kindergarten and sports programs, BASIS Prescott is able to divert hundreds of thousands of taxpayer dollars to corporate profits, money that could be used to fund mandated programs in public schools like Prescott Unified.  Requiring public schools to pay for mandated programs out of the general budget while allowing charter schools complete autonomy and selective admission and retention of students has been purposely legislated in Arizona. There are winners and losers. BASIS Prescott is a winner. Public schools, like Prescott Unified are the losers. So are the children of Prescott - and the town itself.    (Data is from the revised budgets for 2014-15 submitted by BASIS Prescott and Prescott Unified School District. Since BASIS Prescott is in its first year of operation, the adopted budgets for the two schools were utilized, rather than Annual Financial Reports. Demographic data comes from the October 1 Enrollment Count Reports submitted by all public and charter schools. Information about BASIS Prescott comes from their Parent Handbook available on the BASIS website.) |  |