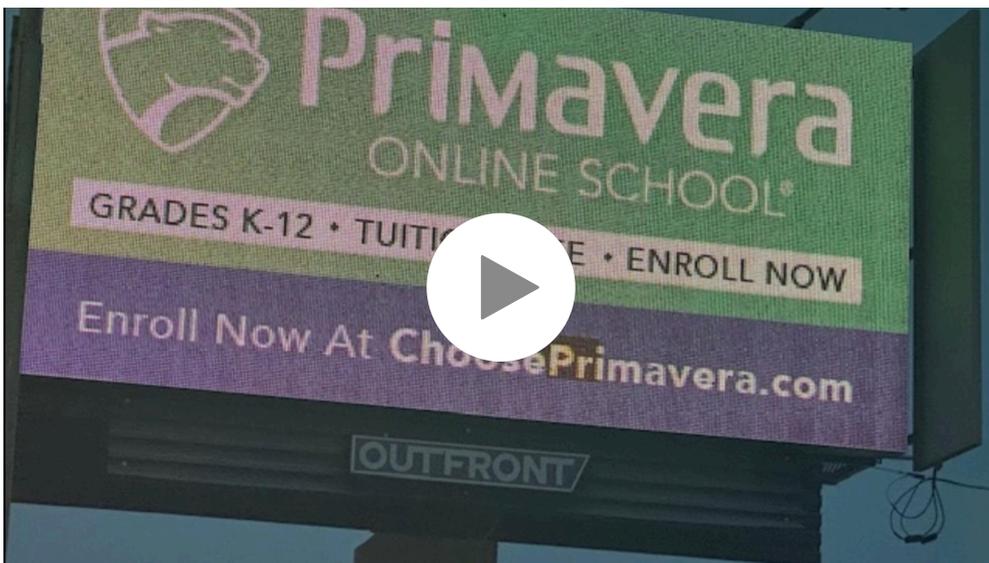


VALLEY

## I-TEAM: Charter school founder pays himself millions as students fail for years

An Arizona online charter school for at-risk kids had failing grades for years. The I-Team found the owner paid himself millions. Will the state shut it down?



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Damian Creamer while students repeatedly failed.

On Thursday, the board – following questions that began earlier this month from 12News – posted an agenda item for next Tuesday’s meeting.

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It noted the board may revoke Primavera Online School’s charter to operate because of “failure to meet academic performance expectations.”

The I-Team found that since 2017, Primavera has produced abysmal academic results that could have caused the Charter Board to intervene years ago. Primavera caters to those at risk of graduating, having behavioral issues or dropping out of traditional schools, according to records it submitted to the Charter Board.

**VERSIÓN EN ESPAÑOL:** [I-TEAM: El fundador de una escuela se paga millones a sí mismo mientras los estudiantes han fracasado durante años](#)

As its students were failing, the I-Team found Creamer paid himself nearly \$10.8 million in dividends. He also paid another \$13.5 million in shareholder distributions to StrongMind, the parent company of Primavera.

StrongMind has one shareholder: Creamer.

Primavera records show there is another \$8.8 million in equity to which Creamer has access.

The free-wheeling at Primavera with minimal oversight is a byproduct of Arizona’s loosely regulated charter school industry that allows owners to make as much money as possible for years with public funds.

Further, the overwhelming majority of annual state funds given to Primavera are transferred to StrongMind for online curriculum and a service agreement, records show. Only a small portion of state money goes to pay Primavera teachers, 12News found.

## History of failing academic standards

Creamer, a major donor to Republicans who have long controlled the Legislature, did not return numerous calls and emails from 12News.

He also did not respond to attempts to reach him at his Paradise Valley home or Chandler-based Primavera or StrongMind.

Ashley Berg, the state Charter Board's executive director, said Friday that state law allows privately operated but publicly funded charter schools to pay distributions and dividends without limits.

The decision to put Primavera on next Tuesday's Charter Board agenda came just one day after 12News questioned Gov. Katie Hobbs, a Democrat who appoints members to the Charter Board, about Primavera's poor academic performance while paying millions to Creamer.

"Any entity that is receiving public dollars, especially for public education, should be held to a high standard," Hobbs said. "It's my understanding that the state Charter Board is aware of these concerns, and I'm hopeful they are looking into them."

All this, while the I-Team found that since 2017 the Charter Board gave Primavera its worst annual rating four times: Falls Far Below Standard.

The past two years, Primavera got the second worst rating: Does Not Meet Standard.

State law allows the Charter Board to exert "oversight" of one of its 500-plus schools when one of its members receives either of those ratings three years in a row.

That occurred the past three years as well as in 2017, 2018 and 2019. The Charter Board did not issue grades during Covid.

The Charter Board did not previously act because the state Board of Education, which gives annual letter grades to all public schools in Arizona, gave Primavera a "B" letter grade in 2019.

However, the Board of Education has given Primavera "D" letter grades for the past three years.

State rules say that should automatically make Primavera a "F" school. However, the Board of Education is not counting the 2021-22 rating because it came right after Covid.

The State Department of Education told 12News that improvement specialists have been sent to Primavera because of the "D" ratings. However, nothing in state law compels a school to implement any of the improvement measures, said Doug Nick, an Education spokesman.

Berg said Primavera, which also operates as American Virtual Academy, is the only charter school with three consecutive “D” letter grades the past three years.

## **Founder of failing charter school a major GOP donor**

Creamer founded Primavera in 2001 with just 35 students.

The school today says it has nearly 19,000 full and part-time students, who take at least one online course.

According to the state Charter Board, Primavera has the equivalent of 6,880 full-time students daily.

Though it's an online-only school, the state department of education says the state pays Primavera and other online charter schools, about 95 percent of the amount paid to traditional public schools. Primavera records show it received nearly \$80 million last year.

These amounts are determined by state lawmakers, who also exempt charter schools from conflict-of-interest laws.

Campaign finance records show Creamer is among the largest campaign donors to state Republicans. He donated more than \$90,000 to GOP candidates since 2017, with much of that money going to legislative candidates. During that time, he donated to one Democrat.

Republican House Speaker Steve Montenegro and Senate President Warren Peterson declined interview requests.

## **Failing charter school spends fraction of state funds on teacher pay**

The 12NEWS I-Team found just a fraction of that \$80 million in revenue – about \$12.4 million – went to teachers whose average pay was essentially stagnant from 2019 to 2023.

Primavera gave its teachers a 12% raise this year, lifting average annual pay to \$63,070, slightly above the state average.

Meanwhile, Primavera paid about \$54 million in state funding to StrongMind for curriculum and service agreement fees, school records show.

The school spent more than \$6 million on advertising last year, blitzing metro Phoenix with billboard, TV and online ads to attract students. That's a bit under half of its entire teacher payroll, state records show.

"They blanket the whole Valley with their ads. It's telling me that money is getting spent there instead of someplace else, like on teachers and really working with the kids," said Curt Cardine, a school funding watchdog with the Grand Canyon Institute. "Way too much is being made in profits compared to what the outcomes are."

But the state isn't the only place where Primavera got millions.

## Online Charter School receives millions in Covid funds

The I-Team found Primavera applied for and received a \$2.2 million federal Paycheck Protection Program loan during Covid in April 2020.

The school got the money even though it and all other schools in Arizona lost no public funding during the pandemic.

That loan was forgiven the following year going straight to Primavera's bottom line.

In 2022, Maricopa County Recorder documents show that Creamer used a Limited Liability Company he solely owns to buy a \$6.1 million home in Paradise Valley in cash.

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