AGENDA ITEM: NEW CHARTER APPLICATION – COLEGIO PETITE PHOENIX

Colegio Petite Phoenix submitted a complete new charter application package to serve grades K-8 for the Board's consideration. The revised application package did not meet the minimum scoring requirements set by the Board for the 2014-2015 application cycle.

REPORT SUMMARY

Applicant Name: Colegio Petite Phoenix

Authorized Representative Name: Michele Kaye

Proposed School Name: Colegio Petite Phoenix

Proposed School Location: An area bounded by Lincoln Drive on the north, Indian School Road on the south, 7th Street on the west, and 32nd Street on the east in Phoenix.

Mission Statement

The mission of Colegio Petite Phoenix is to provide a rich, bilingual K-8 environment that offers a robust program of academics steeped in arts, multi-cultural experiences, and technology.

Target Population

The Applicant has identified the students of the Little Big Minds bilingual preschool in the Arcadia neighborhood as the target population, as well as students from the Cave Creek, Creighton, Madison, Osborne, Paradise Valley, and Scottsdale districts.

Student Count

Year	Grades Served	# of Students
1	K-5	225
2	K-6	275
3	K-7	325

School Calendar
Standard, 189 days

Target Start Date
August 11, 2014

Application Package Scoring

	Preliminary TRP Scores		Revised TRP Scores	
Any **Falls Below the Expectations** ratings?	No		No	
Any section in which more than one evaluation area scored **Approaches**?	Yes		Yes	
		Percent Meets		Percent Meets
Educational Plan Score ≥ 95% Meet standard?	No	63%	No	94%
Operational Plan Score ≥ 95% Meet standard?	No	57%	Yes	96%
Business Plan Score ≥ 95% Meet standard?	No	67%	Yes	97%

The TRP provided the Applicant with written technical assistance based on its review of the preliminary written application package and the revised written application package prior to the in-person interview.

In-Person Interview Summary

During the in-person interview the Applicant responded to the questions regarding the submitted (Educational, Operational, Business) Plan. Because the Applicant CMO for Colegio Petite Ahwatukee and Colegio Petite Phoenix is the same and two very similar application packages were submitted, the Applicant was offered, and accepted, a single extended in-person interview to cover the content of both applications in lieu of two separate in-person interviews.

The in-person interview included one of the named Corporate Principals along with five staff members from The Leona Group, the proposed charter management organization (CMO). The interview demonstrated that the Applicant has thoroughly researched the proposed bilingual academic program and was able to substantively answer the TRP's questions with regards to the program of instruction. They clearly articulated the plan to offer two paths for students with bilingual and non-bilingual backgrounds and their vision for offering a truly "50/50" model of bilingual instruction. They also spoke knowledgeably about the proposed curriculum programs and their process and rationale for selecting them. Finally, the Applicant demonstrated a clear understanding of the Sheltered Instruction Observation Protocol (SIOP) and the implications for implementing this instructional approach in a new school.

The Applicant was honest about the challenges of opening new schools and conceded that the timeframe for securing a facility presented in the application package was unfeasible, indicating it would seek to open the proposed school in 2015. The Applicant also discussed the performance and outcomes of other schools operated by the proposed CMO, acknowledging that some schools were not currently meeting standards, that in Arizona a school had recently been closed and that, in other states, schools had closed or had severed ties with the CMO.

Finally, the members present from the CMO demonstrated a strong commitment to the project, including professional interest and financial support to get the school started and housed. While they indicated that the proposal was a "strategic partnership" with two private bilingual pre-K programs, it was evident that the CMO is the driving force behind this proposal.

Qualitative Analysis Summary

The TRP recommends that the application for Colegio Petite Phoenix be denied because the Applicant has not demonstrated that the CMO has the capacity to consistently operate high performing elementary schools. Data regarding elementary schools operated by the CMO in Arizona indicate that a majority are not meeting ASBCS standards under its performance framework. In addition, information provided by the Applicant in the application package regarding the CMO's performance in other states also did not demonstrate a consistently high level of performance, which does not support giving two more charters to this CMO at this time.

That said, the Educational Plan presented a strong academic program that was convincingly fleshed out during the in-person interview, though the proposed CMO has never implemented a bilingual elementary program before. The Applicant demonstrated a thoughtful process for researching and selecting curriculum programs aligned to the school's mission and described an instructional approach that would provide access to the curriculum for students with both bilingual and non-bilingual backgrounds. However, the application package did not provide a clear understanding of the target population. It provided limited information about the characteristics and performance of the students it intends to enroll, especially given that the proposed feeder preschool will only provide students in the lower grades, and an open enrollment process may limit the number of students coming from that school.

A. EDUCATIONAL PLAN

The following summary was created from excerpts and summaries of the documents submitted for the Applicant's Educational Plan.

Plan Summary

Colegio Petite Phoenix is proposed to open as a school serving grades K-5 and subsequently add one grade per year until it serves grades K-8. The school will open with 50 students per grade in K-2 and 25 students per grade in 3-5 with the goal of eventually serving two classes of 25 students in each grade. The application package states, "The impetus for this school has been a collaborative project between the administration of LBM [Little Big Minds], its active PTO [parent teacher organization], and the Leona Group. Currently serving over 170 students, with 75 more on a wait list, LBM needs a feeder program for its graduates. Its stakeholders also deeply desire a choice for a K-8 program that continues the bilingual mission of the pre-school, offers stellar academics, and is an environment rich in multi-cultural respect and global awareness." LBM is a private preschool for two to five year olds that teaches in Spanish. Colegio Petite Phoenix is designed to serve LBM's graduates who have limited bilingual education options.

The academic program will offer two paths, one for LBM alumnae or other bilingual students and one "to transition children from non-bilingual backgrounds to the campus." The school intends to build a curriculum aligned to state standards and Partnership for Assessment of Readiness for College and Careers (PARCC) assessments. The school will develop vertically-aligned curriculum maps and, according to the application package, "teacher lesson plans will have focused objectives for each day that are aligned to the standards ... Our lesson plan template also requires that all teachers pre-plan an intervention and enrichment for each standard tied to an objective-aligned assessment." The application package indicates that the school will adopt specific curriculum programs that support learning content in both English and Spanish, including Journeys and Benchmark Literacy as well as Envisions and Connected Math.

The academic program is designed such that "50% of the day's instruction is delivered in Spanish and 50% is delivered in English." Spanish will not be taught as a separate language; it will be used to teach core subjects. As the application package notes, "Reading, writing, math, and social studies are offered each day in English . . . but courses in science, reading, writing, math, and specials are also offered in Spanish." The school will use the Sheltered Instruction Observation Protocol (SIOP) model, a research-based approach to pedagogy that aligns with the Common Core instructional shifts.

Colegio Petite Phoenix will use a school-wide formative assessment protocol. At the end of every class, all students will "complete 'exit slips' to measure their grasp of the essential standard for the day. This data is collected by the teacher and used to drive RtI [Response to Intervention] interventions during the final period of the day." K-2 teachers will also administer commercial standardized assessments for reading and mathematics. Finally, teachers will administer end-of-unit assessments, and three times per year all teachers will administer common math and literacy assessments across the schools operated by The Leona Group.

PMP

The Performance Management Plan (PMP) for new applicants is a continuous school improvement plan that demonstrates the Applicant is ready to implement systems for meeting the Board's academic performance expectations. The Applicant submitted a PMP that did not meet the criteria in all areas for both Reading and Math. Details can be found in the attached Scoring Rubric (presented in the application portfolio: C. Scoring Results).

Curriculum Samples

Curriculum samples were provided for grades K-8. The table below indicates which curriculum samples in the revised application package met all Board requirements (+), and which had deficiencies (-). Details can be found in the attached Scoring Rubric (presented in the application portfolio: C. Scoring Results).

Grade	Math	Reading	Writing	Science
K	+	+	+	
1	+	+	+	
2	+	+	+	
3	+	+	+	
4	+	+	+	+
5	+	+	-	
6	+	+	+	
7	+	+	+	
8	+	+	+	+

Educational Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Educational Plan Score ≥ 95% Meet standard?	No	54 of 86	No	81 of 86
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	32		5	

Analysis of Educational Plan

The Educational Plan approaches the standard for approval because, though it contains a strong academic program, the application package did not demonstrate a clear understanding of the students and community the school would serve, including current levels of academic performance. Points lost in the scoring of the Educational Plan were primarily in the Target Population section. Though the school intends to enroll students from the Cave Creek, Creighton, Madison, Osborne, Paradise Valley, and Scottsdale districts, the application presented comparative data from only three local schools. The TRP inquired about this during the in-person interview, and the Applicant explained that it chose those schools because those are the schools that a majority of LBM graduates attend. While the impetus for creating the charter school came from LBM's founder and parents, the Applicant indicated the school will not have a formal relationship with the "feeder" school. The Applicant acknowledged that the school will utilize open enrollment, and the application package presents enrollment sources other than the three schools for which performance data are provided. As the application package states, "many parents in the area are paying private school tuition at a variety of Spanish immersion programs for grades K-5, which would feed this program's grades 2-6. There are also a variety of other bilingual schools in neighboring districts from which we may draw boundary-exemption students."

The TRP also inquired during the in-person interview about how the school would adjust its program depending on the number of students who enrolled into Paths 1 and 2, i.e., the bilingual and non-bilingual programs. The Applicant indicated a preference for one class of each path in each grade but acknowledged this would be challenging if larger percentages of students enrolled in one path rather than the other. The Applicant described structures in the plan to address these concerns, including common times across grade levels for core content instruction to allow leveling of students, and norming the classrooms to balance language ability. The eventual intent once students have come up through the system is to phase out Path 2 to the extent possible.

The Applicant presented a well thought-out and researched academic program, though the CMO has never implemented a bilingual elementary program before. Representatives of the CMO noted that they have expertise in serving English Language Learners (ELL), and the Colegio Petite Phoenix model is based on their

experience delivering English as a Second Language (ESL) services. Participants in the in-person interview were knowledgeable about bilingual education, particularly the 50/50 approach to teaching in English and Spanish, as well as the eight components of the SIOP model. In addition, it was clear that they had researched the curriculum programs presented in the application package and selected them based on mission-aligned criteria. For example, they noted that Benchmark Literacy has been chosen for Spanish Language Arts because of the quality of texts, which aligns with Common Core expectations. They also noted that Envision Math, a Common Core-aligned program that they are using at several schools, provides instructional support material and is available in Spanish, which their research showed was not common among curricular materials.

B. OPERATIONAL PLAN

The following summary was created from excerpts and summaries of the documents submitted for the Applicant's Operational Plan.

Plan Summary

The Applicant's corporate board is currently comprised of two initial members, Dr. William Coats and Michele Kaye, chief executive officer (CEO) and chief operating officer (COO), respectively, of The Leona Group. Regarding the Applicant's governance plan, the application package states that initially, the corporate board will also function as the school governing body of Colegio Petite Phoenix. They anticipate that the school governing body will eventually be comprised of between three and five persons appointed by the CMO and will be separate from the corporate board. The application package indicates that in addition to members of the corporate board, the school governing body will "include a blend of interested parents, education, civic and business leaders" who the Applicant stated during the in-person interview would be added during the first year of operation.

Regarding the responsibilities of the two boards, the narrative states that the corporate board is responsible for governance issues and will govern according to the submitted bylaws, overseeing Academy mission, policy, financial and academic oversight, legal and regulatory compliance, strategic planning, accountability to the public, and oversight of the CMO. The school governing body's powers are limited to policy decisions regarding overall policies of the charter school.

The management and operation section indicates that Colegio Petite Phoenix will be led by a full-time school leader, and the administrative staff will also include one full-time curriculum coach/ELL facilitator, one full-time office manager, and two part-time office support staff who will be bilingual. The application package states that "All instructional and support staff are supervised and led by the school leader." The school leader will report to and be supervised by The Leona Group's COO, who will coordinate all CMO departments and staff members supporting the school. These include the CMO's vice president of human resources, vice president of academic support services, director of English language acquisition department, director of exceptional student services, data director, director of finance, and chief information officer. The COO will interface with and report directly to the school governing body to the corporate board, as applicable, regarding all administrative and operational aspects of the school. In addition to CMO services, the application package indicates that the school may contract for legal, audit, special education, and professional development services.

The table below delineates the composition of the school governing body as described in the narrative:

School Governing Body Member Type	Name
Charter Organization	William Coats
Charter Organization	Michele Kaye
Community	TBD
Community	TBD
Community	TBD

Principal Background Information

Authorized Representative and Principal: *Michele Kaye*
Confirmed Education History: Master of Education in Educational Leadership, Northern Arizona University, 2004
Confirmed Employment History: Chief Operating Officer, The Leona Group LLC, 2000-present
Arizona FCC Expires: 03/02/2017
Current or Past Charter Affiliations[1]: Advance U (K-6), Crestview College Prep HS (7-12), Discover U (K-6), Gilbert Arts Academy (K-6), Havasu Preparatory Academy (K-9), Liberty Arts Academy (K-8), South Pointe Elementary (K-5), South Pointe Junior High (6-8), Vista Grove Preparatory Elementary (K-6), and Vista Grove Preparatory Academy Middle (7-8), as well as 16 currently operating charter high schools in Arizona (See Additional Background Information)

Principal: *William Coats*
Confirmed Education History: Doctor of Philosophy in Education, University of Michigan, August 1966; Master of Science in Education, University of Michigan, December 1965
Confirmed Employment History: Founder and CEO, The Leona Group LLC, 1996-present
Arizona FCC Expires: 06/02/2018
Current or Past Charter Affiliations[1]: Advance U (K-6), Crestview College Prep HS (7-12), Discover U (K-6), Gilbert Arts Academy (K-6), Havasu Preparatory Academy (K-9), Liberty Arts Academy (K-8), South Pointe Elementary (K-5), South Pointe Junior High (6-8), Vista Grove Preparatory Elementary (K-6), and Vista Grove Preparatory Academy Middle (7-8), as well as 16 currently operating charter high schools in Arizona (See Additional Background Information)

Educational Service Provider

The Applicant intends to contract with Leona Arizona Management, LLC, an Arizona limited liability company, and an affiliate of The Leona Group, which currently operates schools in multiple states, including 26 schools in Arizona. The application package states that the "governing board for Colegio Petite Phoenix has chosen to contract with a CMO to provide academic, financial and human resources services... The board feels that by contracting with a CMO the school will be able to dedicate more resources to education of students." The CMO will be responsible for all aspects of operating the school, including the academic program, data management, human resources and staff development, finances and accounting, facilities management, and government relations.

[1] *In this section, "Current or Past Charter Affiliations" refers to a leadership or decision-making role in an existing charter school operation, such as charter representative, charter principal, or school site leader.*

Operational Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Operational Plan Score ≥ 95% Meet standard?	No	16 of 28	Yes	27 of 28
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	12		1	

Analysis of Operational Plan

The Operational Plan scores meet the 95 percent threshold, and the TRP finds that the plan meets the standard for approval because the Applicant presents a governance plan that adheres to state requirements, and the CMO has an infrastructure with which to support school management and operations.

The application package and in-person interview demonstrated that the CMO has a comprehensive infrastructure with which to operate and support the school. When asked during the in-person interview how the CMO would support the school, the response addressed academic, operational, and financial function areas, including payroll, accounting, purchasing, facilities management, web development, grants management, school lunch program, technology, legal counsel and risk management, and marketing. The CMO has an academic team based in Arizona that can support curriculum development, teacher training, and bilingual program implementation. The Applicant was also clear about roles and responsibilities delegated to the school level, including student recruitment, attendance, reporting, and special education coordination. The Applicant presented a reasonable separation of duties for school and CMO staff based on experience running schools in multiple states. In addition, the CMO rightly recognized its limitations and addressed the potential need to contract for additional services.

C. BUSINESS PLAN

The following summary was created from excerpts and summaries of the documents submitted for the Applicant's Business Plan.

Plan Summary

The application package presents a facility plan, including the Applicant's ideal floor plan, designed to meet the requirements of the projected enrollment and based on the experience of the CMO. According to the application package, the "school property and the building improvements will be financed by the Leona Group and then leased back to the school. The Leona Group will be financially responsible for land and building purchases and will cover all expenses, including costs associated with identifying potential sites and costs associated with running the school, until the first equalization payment is received." The Applicant indicated during the in-person interview that a facility has not been secured. It has identified two potential sites in Phoenix, one for lease and one for sale. The Applicant acknowledged during the in-person interview that it would be unfeasible to complete a facility in time for a 2014 opening as stated in the application package and that it is now looking to a 2015 opening.

The administration will include a school leader, a curriculum coach/ELL facilitator, an office manager, and two part-time office support staff. The instructional staffing plan assumes one teacher for each class of 25 students. In year one, the school will open with nine full-time classroom teachers and four part-time specials teachers. Two teachers will be added each year as the school grows. In addition, the school will employ one part-time special education teacher in the first year who will be joined by a part-time instructional assistant in year two. The application package indicates that "All teachers will be fluent in both English and in Spanish, and a preference will be placed on hiring teachers who have Spanish as their native language or can demonstrate native-like syntax."

Education Service Provider

As a management fee, the school will pay the CMO a percentage of its gross revenue in monthly installments. These fees amount to six percent of the year one expenditures, rising to eight percent in year two and 10 percent in year three. The draft agreement also indicates that in addition to the management fee, the school will reimburse the CMO "for all commercially reasonable costs incurred and paid by LAM [Leona Arizona Management] in providing the Educational Services and Administrative Services to CPP [Colegio Petite Phoenix] for the Charter School."

Facility Information

Proposed School Name:	Colegio Petite Phoenix
Proposed Location:	Unconfirmed location: The Applicant intends to locate the school in Phoenix within Lincoln Drive and Indian School Road and 7th Street and 32nd Street. A facility has not yet been secured. The revised application package notes a potential site at 1624 W. Camelback Road in Phoenix.
Facility necessary to implement the program of instruction:	The Applicant expects to utilize a facility with a minimum of 25,000 square feet. There will be a total of 18 classrooms. The school will also have offices for the office manager, school leader, conference room, and special education as well as a multipurpose room with a stage and food preparation area. There will also be teacher work areas with staff restrooms and boys' and girls' bathrooms for students.

Budget Summary

The Applicant has secured a loan from The Leona Group for start-up purposes. The secured funds, in the amount of $400,000, as stated by the Applicant, were confirmed by Charter One Bank.

The budget revenue for the start-up period is based on a $400,000 loan. The Applicant indicated it would either come from the CMO or be guaranteed by the CMO. The interest rate will be five percent, and five years of repayment will begin at $25,000 in year one, rising to $152,000 in years four and five.

Some of the start-up expenses are for salaries--the school principal and secretary will start in April, with the curriculum coach starting in June before the school opens. Much of the remaining start-up expenditures are on equipment, technology, and curriculum resources. The school will not pay facility costs during the start-up period. Once the school is operational, approximately 60 percent of expenditures will be for salary and benefits. The school will pay the CMO $64,971 in the first year (six percent of revenue), rising to $172,169 in year three (10 percent of revenue). The school has also budgeted $10,000 per year for contracted services for special education. The facility lease and loan will be $125,000 in year one, rising to $175,000 in year three, which is nine percent of expenditures.

The table below presents a summary of the budgets by year:

	Startup Period	Year 1	Year 2	Year 3
Projected Full Enrollment:	N/A	225	275	325
# Students Budget Based On:	N/A	191 (85%)	238 (87%)	300 (92%)
Total Revenue:	$400,000.00	$1,244,944.10	$1,639,377.08	$1,904,515.92
Total Expenditures:	$362,910.00	$1,242,855.85	$1,621,555.91	$1,900,567.08
Ending Balance:	$37,090.00	$2,088.25	$17,821.17	$3,948.85

Business Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Operational Plan Score ≥ 95% Meet standard?	No	20 of 30	Yes	29 of 30
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	10		1	

Analysis of Business Plan

The Business Plan scores above the 95 percent threshold and the TRP finds that the plan meets the standard for approval because the Applicant presents a viable plan for opening a charter school and a balanced budget that reflects the requirements for implementing the school's academic and operational plans.

The application package presents a plan for acquiring and preparing a facility. During the in-person interview, the Applicant indicated that a school site had not yet been identified. The CMO does have expertise in this area, indicating at the in-person interview that it has built or renovated 20 school buildings in Phoenix and hence has gained considerable experience. The Applicant acknowledged during the in-person interview that it would be unfeasible to complete a facility in time for a 2014 opening as stated in the application package and that it is now looking to a 2015 opening.

The budget is conservative to the extent that revenue is based on 85 percent of projected enrollment in year one, but assumes 87 percent enrollment in year two and 92 percent in year three. The CMO's plan to develop the school site and provide a $400,000 start-up loan demonstrates its commitment to the school and provides it with a strong incentive to establish and maintain a successful program. On the other hand, should the school not perform at expected levels, these debts could make it difficult for the school to invest in the programs or staff necessary to remedy the problem. When asked during the interview how the school would manage an enrollment shortfall, the Applicant indicated it would focus on marketing (the school has budgeted $40,000 for marketing in the start-up period, followed by $20,000 in years one and two of operation), and the CMO could cut its management fee.

EVIDENCE OF CAPACITY

Applicant Summary

The table below describes the participation of the Applicant in the In-Person Interview:

Name	Role	Attended Interview?
Dr. William Coats	Corporate Principal, CEO of The Leona Group	No
Michele Kaye	Corporate Principal, COO of The Leona Group	Yes
Mary Berg	VP of Academic Support Services, The Leona Group	Yes
Emily Britton	Director of Quality Schools Initiative, The Leona Group	Yes
Abigail Broderick	Site Leader for Pre-K – 3 School operated by The Leona Group	Yes
Kristen Kelley	Chief of Staff, The Leona Group	Yes
Scott Shelley	Budget Manager, The Leona Group	Yes

Analysis of Applicant Capacity

The application states that the corporate board and the school governing body will oversee and are ultimately responsible for all aspects of the school and its operations, the implementation of all aspects of the charter contract, and holding the CMO and the school staff accountable to carry out the policies and procedures of the school.

The primary concern of the TRP is the record of academic performance of the schools currently operated by the proposed CMO. While the CMO has a strong track record with traditional and alternative high schools, only two of the seven elementary schools operated by The Leona Group in Arizona in 2012 met the ASBCS standards under its performance framework, with one school falling far below standard. In 2013 only three of seven met the ASBCS standards. Finally, the application presented performance information for schools operated by the CMO in other states; the results varied and showed generally poor performance.

The Applicant demonstrated during the in-person interview that the CMO is staffed by smart and enthusiastic people committed to creating options for a bilingual public education. However, given the CMO's track record combined with the fact that the proposed school is one of two elementary schools that the CMO intends to open with a model that it has never before implemented, the TRP is not confident the CMO has at this time the capacity to open and maintain this school at the level of academic performance expected by the ASBCS.

ADDITIONAL BACKGROUND INFORMATION

The following information was the result of the due diligence process conducted by Board staff, and was not considered by the TRP in its analysis of the application package or Applicant capacity.

Academic Performance of Associated Schools

The Leona Group is the CMO for a variety of charter schools currently operating in Arizona. However, for consideration of this application, staff analysis focused on the performance of the 8 schools providing services in grades K-8 which have academic performance data (see Table 1). The academic performance data for high schools operated by The Leona Group are presented following the analysis of the elementary schools (see Tables 2 and 3).

Table 1: Schools offering grades K-8 (See Appendix A for each school's academic dashboard)

School Name	Opened	Grades Served	2012 Overall Rating	2013 Overall Rating
Advance U	2013	K-6	See below	See below
Crestview College Prep HS *(Alternative)*	2002	7-12	80.62 (Meets)	78.33 (Meets)
Discover U	2013	K-6	See below	See below
Gilbert Arts Academy	2008	K-6	60.62 (DNM)	65 (Meets)
Havasu Preparatory Academy	2011	K-8	49.38 (DNM)	48.12 (DNM)
Liberty Arts Academy	2008	K-8	67.19 (Meets)	60.62 (DNM)
South Pointe Elementary *(Alternative)*	2000	K-5	61.25 (DNM)	72.5 (Meets)
South Pointe JHS *(Alternative)*	2001	6-8	69.79 (Meets)	72.71 (Meets)
Vista Grove Preparatory Academy ES	2008	K-6	45.62 (DNM)	53.75 (DNM)
Vista Grove Preparatory Academy MS	2002	7-8	35.62 (FFB)	54.38 (DNM)

Staff analysis

In the application package, the Applicant presented state letter grade information which was reviewed by the TRP. That information stated that 11 of the 23 schools operated by the CMO in Arizona had letter grades of C/C-Alt or D/D-Alt in 2012. This data was considered by the TRP in determining their recommendation. However, at

the time of submission of the application package, 2013 academic performance information (letter grades, academic dashboards) was not available.

As part of the due diligence process, staff reviewed the academic dashboards for all schools operated by the CMO. While 6 of the 8 schools offering elementary grades do not currently meet the Board's academic performance expectations[2], staff finds that there is evidence that the Applicant and CMO demonstrate the capacity to improve:

- Two of the schools (Crestview College Prep High School, South Pointe Junior High School) met the standard in both 2012 and 2013.
- Two of the schools that Did Not Meet in 2012 (Gilbert Arts Academy, South Pointe Elementary) improved to Meets in 2013.
- Two of the schools that Did Not Meet or Fell Far Below in 2012 showed improvement towards meeting the standard in 2013.
    - Vista Grove Preparatory Academy Elementary School improved 18%, from 45.62 to 53.75.
    - Vista Grove Preparatory Academy Middle School improved 53%, from 35.62 to 54.38.
- One of the schools that Did Not Meet in 2012 (Havasu Preparatory Academy) submitted a Demonstration of Sufficient Progress in 2012 that was accepted by the Board. While their overall rating did not improve for 2013, during the in-person interview for the new charter application for Havasu Preparatory Academy High School, also attended by the representatives of The Leona Group, information about the changes implemented as a result of the scores was provided[3], and was considered in the TRP's recommendation to approve that new charter application package.

As 7 of the 8 schools operated by the CMO and offering elementary grades either met the Board's expectations, met the standard in 2013, showed improvement towards meeting the standard, or provided evidence of capacity to improve, Board staff is providing a recommendation that takes into account information not considered by the TRP.

Two elementary schools operated by the CMO opened in 2013, and do not have academic performance data yet. Staff conducted first year site visits of these schools in the fall of 2013:

- A first year site visit to Advance U was conducted on September 24, 2013 and closed out on November 4, 2013. No issues related to academic performance were noted. See Appendix E for the initial site visit letter.
- A first year site visit to Discover U was conducted on September 17, 2013 and issues were noted regarding the implementation of standard-aligned instruction in mixed-grade classrooms. On December 9, the charter holder submitted additional requested information that addressed the issues and the site visit was closed out on December 17. See Appendix E for the initial site visit letter.

Table 2: College Preparatory High Schools (See Appendix B for each school's academic dashboard)

School Name	Opened	Grades Served	2012 Overall Rating	2013 Overall Rating
Glenview College Prep HS	2013	9-12	See below	See below
Mission Heights Preparatory HS	2011	9-12	68.38 (Meets)	63.97 (Meets)
South Ridge High School	2006	9-12	86.88 (Meets)	81.88 (Meets)

[2] A charter school meets the Board's academic performance expectations with two consecutive Overall Ratings of meets or exceeds the Board's standard.

[3] See Interview Recording for Havasu Preparatory Academy High School, Part 2, 8:30.

Table 3: Alternative High Schools (See Appendix B for each school's academic dashboard)

School Name	Opened	Grades Served	2012 Overall Rating	2013 Overall Rating
Alta Vista HS	2003	9-12	83.12 (Meets)	85.42 (Meets)
Apache Trail HS	2002	9-12	87.5 (Meets)	74.38 (Meets)
Desert Hills HS	1997	9-12	63.12 (Meets-Trad.)	78.12 (Meets-Alt.)
El Dorado HS	1997	9-12	81.88 (Meets)	72.5 (Meets)
Estrella HS	1997	9-12	79.17 (Meets)	72.29 (Meets)
Maya HS	1997	9-12	60.42 (DNM)	58.75 (DNM)
Peoria Accelerated HS	2002	9-12	73.96 (Meets)	71.88 (Meets)
Quest HS	1997	9-12	63.75 (Meets)	65 (Meets)
Skyview HS	1997	9-12	85.62 (Meets)	77.5 (Meets)
South Pointe HS	2003	9-12	70.62 (Meets)	69.58 (Meets)
Summit HS	1997	9-12	58.75 (DNM)	54.38 (DNM)
Sun Valley HS	2002	9-12	68.54 (Meets)	66.04 (Meets)
West Phoenix HS	2002	9-12	68.75 (Meets)	63.12 (Meets)

One high school operated by the CMO opened in 2013, and does not have academic performance data yet. A first year site visit to Glenview College Preparatory High School was conducted on November 5, 2013 and closed out on November 26, 2013. Further details on the findings can be found in site visit letter in Appendix E.

Operational and Financial Performance of Associated Schools

Operational

Audits for fiscal years 2012 and 2013 were reviewed for the following charter holders listed below that contract with The Leona Group, LLC as the CMO. For 19 charter holders, no issues were identified that required follow-up to the Board :

- American Charter Schools Foundation d.b.a. Alta Vista High School
- American Charter Schools Foundation d.b.a. Apache Trail High School
- American Charter Schools Foundation d.b.a. Crestview College Preparatory High School
- American Charter Schools Foundation d.b.a. Desert Hills High School
- American Charter Schools Foundation d.b.a. Estrella High School
- American Charter Schools Foundation d.b.a. Peoria Accelerated High School
- American Charter Schools Foundation d.b.a. South Pointe High School
- American Charter Schools Foundation d.b.a. South Ridge High School
- American Charter Schools Foundation d.b.a. Sun Valley High School
- American Charter Schools Foundation d.b.a. West Phoenix High School
- Kaizen Education Foundation d.b.a. Gilbert Arts Academy
- Kaizen Education Foundation d.b.a. Havasu Preparatory Academy
- Kaizen Education Foundation d.b.a. Liberty Arts Academy
- Kaizen Education Foundation d.b.a. Maya High School
- Kaizen Education Foundation d.b.a. Skyview High School
- Kaizen Education Foundation d.b.a. South Pointe Elementary School
- Kaizen Education Foundation d.b.a. Summit High School
- Kaizen Education Foundation d.b.a. Vista Grove Preparatory Academy Elementary School
- Kaizen Education Foundation d.b.a. Vista Grove Preparatory Academy Middle School

Audits for fiscal years 2012 and 2013 were reviewed for the following charter holders listed below that contract with The Leona Group, LLC as the CMO. For 4 charter holders, issues were identified in either the fiscal year 2012 audit, fiscal year 2013 audit or both that required follow-up to the Board:

- Kaizen Education Foundation d.b.a. El Dorado High School – In 2012, no issues were identified that required follow-up to the Board. In 2013, an audit corrective action plan has been requested and is due by January 27, 2014.
- Kaizen Education Foundation d.b.a. Mission Heights Preparatory High School – In 2012, an audit corrective action plan was reviewed and closed out. In 2013, no issues were identified that required follow-up to the Board.
- Kaizen Education Foundation d.b.a. South Pointe Junior High School (2012 and 2013) – In 2012, an audit corrective action plan was reviewed and closed out. In 2013, the audit identified a similar issue to the one that was identified in 2012. An audit corrective action plan has been requested and is due by January 27, 2014.
- Kaizen Education Foundation d.b.a. Tempe Accelerated High School [school name in ASBCS Online is Quest High School] – In 2012, an audit corrective action plan was reviewed and closed out. In 2013, no issues were identified that required follow-up to the Board.

Financial Performance

Based on the fiscal year 2013 audit, the following charter holders meet the Board's financial performance expectations (the table in Appendix C includes each charter holder's financial data and financial performance for the last three audited fiscal years):

- Kaizen Education Foundation d.b.a. El Dorado High School
- Kaizen Education Foundation d.b.a. Gilbert Arts Academy
- Kaizen Education Foundation d.b.a. Havasu Preparatory Academy
- Kaizen Education Foundation d.b.a. Skyview High School
- Kaizen Education Foundation d.b.a. South Pointe Junior High School
- Kaizen Education Foundation d.b.a. Summit High School
- Kaizen Education Foundation d.b.a. Tempe Accelerated High School [school name in ASBCS Online is Quest High School]
- Kaizen Education Foundation d.b.a. Vista Grove Preparatory Academy Middle School

Based on the fiscal year 2013 audit, American Charter Schools Foundation does not meet the Board's financial performance expectations. The table in Appendix D includes the charter holder's financial data and financial performance for the last three audited fiscal years and reflects the 10 charter contracts the Board has with the American Charter Schools Foundation.

Based on the fiscal year 2013 audit, the following charter holders do not meet the Board's financial performance expectations (the table in Appendix D includes each charter holder's financial data and financial performance for the last three audited fiscal years):

- Kaizen Education Foundation d.b.a. Liberty Arts Academy
- Kaizen Education Foundation d.b.a. Maya High School
- Kaizen Education Foundation d.b.a. Mission Heights Preparatory High School
- Kaizen Education Foundation d.b.a. South Pointe Elementary School
- Kaizen Education Foundation d.b.a. Vista Grove Preparatory Academy Elementary School

BOARD OPTIONS

Option 1: The Board may approve the application package. Staff recommends the following for consideration: Based upon review of the contents of the portfolio provided for this Applicant and the information provided by the representatives of the Applicant during consideration, and given it is within the sole discretion of the Board to approve or deny a charter, I move to approve the application package and grant a charter to Colegio Petite Phoenix to establish Colegio Petite Phoenix charter school to serve grades K-8.

Option 2: The Board may deny the application package. The following language is provided for consideration: Based upon a review of the contents of the portfolio provided for this Applicant and the information provided by the representatives of the Applicant during consideration, and given it is within the sole discretion of the Board to approve or deny a charter, I move to reject the application package and deny the request for a charter of Colegio Petite Phoenix to establish a charter school for the reason(s) that the Applicant is not sufficiently qualified to operate a charter school based on the academic performance of elementary charter schools in Arizona operated by the identified Education Service Provider.