AGENDA ITEM: NEW CHARTER APPLICATION – ECA – ARIZONA, INC.

ECA – Arizona, Inc. submitted a complete new charter application package to serve grades 11 and 12 for the Board's consideration. The application package meets the scoring requirements set by the Board for the 2015-2016 application cycle.

REPORT SUMMARY

Applicant Name: ECA – Arizona, Inc.

Authorized Representative Name: Larry Hansen

Proposed School Name: The Early Career Academy

Proposed School Location: ITT Technical Institute – 5005 S. Wendler Drive in Tempe

Mission Statement

The Early Career Academy is a career-focused charter high school for grades 11 and 12 in which students have the opportunity to earn a high school diploma and a tuition-free Associate's degree at the same time.

Target Population

The area to be served is an approximated seven mile radius around ITT Technical Institute – Tempe. The school is prepared to serve all students who select The Early Career Academy (ECA); however, believes it will attract primarily career-focused students. The target student population will be those students who:

1. Are in Grades 11 or 12,
2. Prefer a nontraditional high school experience,
3. Excel in environments where they can be active learners and where hands-on and applied activities are prevalent,
4. Who wish to be challenged with college coursework,
5. Are interested in earning a career-oriented associate degree in a technology-related field to either pursue a career or to enable further postsecondary education.

Student Count

Year	Grades Served	# of Students
1	11	120
2	11-12	240
3	11-12	240

School Calendar
Standard, 182 days

Target Start Date
August 17, 2015

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		No	
		Percent Meets		Percent Meets
Educational Plan Score ≥ 95% Meet standard?	No	67%	Yes	100%
Operational Plan Score ≥ 95% Meet standard?	No	90%	Yes	100%
Business Plan Score ≥ 95% Meet standard?	Yes	100%	Yes	100%

The Technical Review Panel (TRP) provided the Applicant with written technical assistance based on its reviews of the preliminary and revised written application packages 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.

The capacity interview included three board members and two members of the identified education service provider (ESP), ITT Educational Services, Inc. (ITTESI). The TRP found no critical elements of capacity lacking with the application package. The interview focused on the evidence of capacity to open and operate The Early Career Academy (ECA) as a career-focused high school for grades 11 and 12 in which students have the opportunity to earn a high school diploma concurrent with a tuition-free Associate's degree.

The Applicant effectively addressed the TRP's questions regarding governing board capacity, indicating the intent to add seven additional members and diversify the board (Interview, part 1, 9:51). In addition, the Applicant spoke to the resources available from ITTESI (Interview, part 1, 13:10). The Applicant articulated a commitment to open enrollment and serving all types of students.

Questions regarding the program of instruction, specifically related to 11th and 12th grade students taking dual enrollment courses, were sufficiently addressed. The Applicant described a diagnostic entry assessment for every student identifying academic needs in a plan to ensure the school addresses deficiencies (Interview, part 1, 22:40). In addition, the Applicant spoke to the utilization of career counselors providing continual monitoring of individual student performance and regular data review by the board.

Questions regarding the school's Performance Management Plan (PMP) focused on ensuring the management of student academic performance was sufficient. Representatives from ITTESI referenced the school improvement plan currently used at ITT Technical Institute (ITT) and stated that the PMP for ECA would follow the same process (Interview, part 1, 27:15). The Applicant's description of curriculum committees and mapping of student outcomes, as well as the collaboration between ECA and ITT, utilizing ITT Standards and the Arizona College and Career Ready Standards (ACCR Standards), were particular strengths.

Qualitative Analysis Summary

The TRP recommends that the application for ECA - Arizona, Inc. be approved because the Applicant presents clear educational, operational, and business plans supporting the mission of opening and operating "a career-focused charter high school for grades 11 and 12 in which students have the opportunity to earn a high school diploma and a tuition-free Associate's degree at the same time."

The mission has an embedded focus of "eliminating the lost decade and breaking the cycle of poverty through the delivery of a post-secondary education while in high school." ECA's plan would reach a unique student population of 11th and 12th grade students seeking a dual degree with a rigorous program. The Applicant's identified student population is 11th and 12th grade students interested in a nontraditional high school experience as well as earning a career-oriented Associate's degree in a technology-relate field, initially Network Systems Administration or Software Development. The submitted program of instruction and the capacity interview indicated that the Applicant has a deep understanding of teaching and learning and a deliberate model based on both research and experience.

The Applicant's proposed school will operate on the ITT campus in Tempe. ECA students will have access to the same facilities and services available to ITT students. The Operational Plan provided a clear delineation of the roles and responsibilities for administering the day-to-day activities of the school. Governing board members demonstrated capacity and are well versed in implementation of the proposed school model. Board responsibilities are well detailed, including oversight of contractual agreements such as the contract with the ESP. All Applicant team members present at the interview were able to provide detailed responses to questions about the content of the application package. They also emphasized the importance of the need for the

proposed model in the community, stating that "120 graduates every year with an Associate's degree will change the community."

The application package includes a viable plan for co-location of ECA on the campus of ITT in Tempe, as well as a balanced budget that reflects the requirements for implementing the school's academic and operational plans.

A. EDUCATIONAL PLAN

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

Plan Summary

ECA-Arizona, Inc. proposes to open ECA, a career-focused high school for grades 11 and 12. The school would open with 120 students in grades 11 and, projected to grow to 240 students in year two and add grade 12. The Applicant plans to have a class size of no more than 30 students and a teacher-to-student ratio of 1:30. The curriculum is described as "a college-level Associate's degree program in a technology-oriented field."

The curricula will be modified to meet high school graduation standards and maintain a focus on "career preparation, atop a strong foundation of core concepts in general education" in order to meet the school's mission. Through a six-trimester approach, students will take both general education courses and technical courses. The school's instructional design utilizes the Explore-Practice-Apply model, integrating knowledge building with contextual interactions (A.3, p. 2) All students move through a series of learning levels, and supplemental instruction is infused for students struggling with specific course concepts. Instructional practices are intended to vary, including direct instruction, discussion, lab coursework, analytical writing, student experiential learning, and field trips.

The school will employ a combination of indirect and direct assessment through various aspects of curriculum and academic delivery and utilize performance data to evaluate and inform instruction (A.3, p. 4). The school will use formative and summative assessments, including examinations, capstone rubric data, student professional experience outcomes, and student portfolio work in conjunction with the AIMS test.

PMP

The Performance Management Plan (PMP) for new Applicants is a continuous school improvement plan that ensures the Applicant is ready to implement systems for meeting the Board's academic performance expectations.

The Applicant submitted a PMP that met the criteria in all areas for both Reading and Math

Curriculum Samples

Curriculum samples were provided for grades 11 and 12 for Reading and Writing and grades 9-12 for Math and Science. The table below indicates which curriculum samples in the revised application package met all Board requirements (+), and which had deficiencies (-).

Grade	Math	Reading	Writing	Science
9	+	+	+	+
10	+	+	+	
11	+	+	+	
12	+	+	+	

Educational Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Educational Plan Score ≥ 95% Meet standard?	No	37 of 55	Yes	55 of 55
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	18		0	

Analysis of Educational Plan

The Educational Plan meets the standard for approval because the Applicant presents a clear educational model that is currently unavailable and would likely benefit students in the target community. The mission has an embedded focus of, "eliminating the lost decade and breaking the cycle of poverty through the delivery of a post-secondary education while in high school." The Applicant's identified student population is 11th and 12th grade students interested in a nontraditional high school experience as well as in earning a career-oriented Associate's degree in a technology-related field, initially Network Systems Administration and Software Development.

The Applicant's revised curriculum samples demonstrated student activities that would clearly provide a student with opportunities to engage in ACCR Standards as well as summative assessments clearly measuring student mastery. In particular, the submitted program of instruction and responses in the capacity interview indicated that the Applicant has a deep understanding of teaching and learning and a deliberate model based on both research and experience (Interview, part 2, 1:45). The TRP determined the Applicant's specific education model was well articulated in the application and interview (A.3, pp. 1 -2).

Locating the school on the ITT campus will provide students unique opportunities. ECA students will have access to the same facilities and services available to ITT students. The Applicant utilized current population statistics and census data to analyze the target geographic area. In addition, the Applicant assessed area high school data, including two alternative high schools. The data supports the determination that the school model "does not exist currently in the geographic area" (A.1, p. 3). The Applicant articulated steps for creating a strong school culture and community to support students, including small school size, personal daily greetings, and administrators with teaching responsibilities, (Interview, part 1, 40:30).

In conclusion, the Education Plan in the application package meets the quantitative threshold. This, in conjunction with the Applicant's answers to a range of interview questions regarding the proposed academic model, led the TRP to conclude that this is a sound plan with the potential to provide a valuable option in the target community.

B. OPERATIONAL PLAN

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

Plan Summary

ECA – Arizona, Inc. is a non-profit corporation, located in Tempe, AZ, that was created on April 29, 2014 for the purpose of establishing a charter school with three founding Directors: Larry Hansen, Sheryl Berling-Wolff, and Shannon Sweat.

ECA – Arizona, Inc. will utilize its corporate board as it governing body. The governing body will be responsible for the policy decisions of the school.

School Governing Body Member Type	Number	Name
Organization Principal(s)	3	Larry Hansen, Sheryl Berling-Wolff, and Shannon Sweat

Principal Background Information

Authorized Representative and Principal: *Larry Hansen*
Confirmed Education History: Master of Education in Counseling-Human Relations, Northern Arizona University, 2009
Confirmed Employment History: Teacher, ITT Technical Institute, September 2008 – present; Adjunct Instructor, Estrella Mountain Community College, August 2012 – present; Adjunct Instructor Online, University of Phoenix, August 2009 – present; Online Instructor, Herzing University, February 2011 – present; Teacher, Chandler High School, 2005 – 2009
Arizona FCC Expires: October 16, 2016
Current or Past Charter Affiliations[1]: None

Principal Name: *Sheryl Berling-Wolff*
Confirmed Education History: Master of Science in Plant Biology, Arizona State University, 2002
Confirmed Employment History: Library Assistant, ITT Technical Institute, April 2012 – present; Teacher, Learning Foundation, January 2010 – October 2010; Teacher, Maricopa Well Middle School, August 2009 – November 2009, Teacher; Horizon Community Learning Center, July 2006 – June 2009
Arizona FCC Expires: May 31, 2018
Current or Past Charter Affiliations[1]: None

Principal Name: *Shannon Sweat*
Confirmed Education History: Master of Education in Secondary Education, Wayland Baptist University, 2006
Confirmed Employment History: Adjunct Instructor, ITT Technical Institute, September 2012 – present; Chair for School of Criminal Justice, ITT Technical Institute, May 2008 – June 2012
Arizona FCC Expires: May 31, 2018
Current or Past Charter Affiliations[1]: None

Education Service Provider

The Applicant intends to contract with ITT Educational Services, Inc. (ITTESI) as their ESP. Key points in selection of ITTESI were securing a post-secondary partner to facilitate awarding post-secondary credit, a curriculum allowing for degree completion, and a facility to house appropriate classrooms and associated space (B.3.1, p. 1). According to the contract, ITTESI will provide school administration and business support services including human resources, payroll, student information systems, management reporting, class scheduling, purchasing, operations management, marketing, and regulatory support. Additional services provided will leverage subject matter expertise and will be focused on curriculum, assessment, and information technology.

The application package differentiates the corporate board and ESP roles. The board's role is governance, decision and policy making, and safeguarding of public funds, while the ESP's focus is school management and operations. Additionally, the corporate board will hold the ESP accountable to performance metrics that will determine if the ESP is awarded a second contract or maintains its current contract (B.3.1, p. 1). ESP staff will not serve on the school's governing body. The ESP has one school currently operating in Troy, Michigan and has two more scheduled to open in 2015 in the following states: Indiana and Florida.

[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	28 of 31	Yes	31 of 31
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	3		0	

Analysis of Operational Plan

The Operational Plan meets the standard for approval because it provides a clear description of the responsibilities and structure of the board that adheres to Arizona requirements. In addition, it provides a clear delineation of the roles and responsibilities for administering the day-to-day activities of the school.

In terms of governance, the proposed board includes members well versed in implementation of the proposed school model. Board responsibilities are well detailed, including the establishment of policy, short- and long-range goals, ensuring satisfactory financial operations, and overseeing contractual agreements, including the ESP contract. All Applicant team members present at the interview were able to provide detailed responses to questions about the contents of the application package. They also emphasized the importance of the need for the proposed model in the community, stating, "120 graduates every year with an Associate's degree will change the community" (Interview, part 1, 36:25).

The management and operations section of the application package includes a clear organizational chart and detailed position descriptions listing key responsibilities. The management plan is designed to maintain a small school, and a notable feature is the importance of staff being capable of handling multiple functions (B.3, p. 1). The TRP considered the administrative staff of an executive director and administrative assistant lean; however, the Applicant made an intentional decision to keep staffing low, "with the exception of teachers and Career Academy Counselors," which the Applicant notes will grow during the first two years.

The Applicant thoroughly describes the school's contractual relationship with the ESP, including services available in the areas of curriculum, assessment, information technology, regulatory, human resources, purchasing, marketing, and legal. The TRP determined the balance between a small, skilled staff and ESP services allows for effective management. In addition, the Applicant will contract for additional specialized services, including special education, auditing, food services, information technology, and legal.

Enrollment procedures are well documented, and marketing strategies referenced during the capacity interview support the Applicant's ability to meet projected enrollment goal (B.3, p. 5).

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 marketing department from the ESP will be tasked with developing and executing the advertising/promotion plan. A variety of media outlets will be utilized to promote the school. The school's mission will be delivered by, but not limited to social media, website, posters, door hangers, pamphlets, surveys, radio ads, e-mail campaigns, telephone campaigns, television ads, press releases, and interview by the local director. (C.2 pg. 1)

The staffing plan includes the Executive Director, Administrative Assistant, Guidance Counselor, 5 regular education Teachers in year 1, and Teaching Assistants.

ECA will initiate a recruitment process to ensure that all students have an equal chance of admission, as enrollment will be limited to grades 11 and 12 (B.3, p. 5). During the interview, the Applicant described how ECA would determine what grade a student would be placed in (Interview, part 1, 50:43). Additionally, the Applicant indicated that ECA will admit students that have completed two years of high school.

Education Service Provider

The proposed agreement includes the following fees to be paid to the ESP:

- Student technology services at $200 a year per student enrolled;
- Curriculum support at $150 per student per course;
- School administration and business support at 12 percent of revenues from all governmental sources;
- Rent (includes use of instructional equipment, facilities, utilities) at $900 a year per student enrolled.

These elements combine for a total of $446,896.96 annually. The ESP includes an in-kind grant/fee offset in year one of $308,000, reducing the total cost to $138,896.96, which is 17.7% of the year one expenditures. The in-kind grant is "a credit to offset the fair-market value fees assessed by the EMO for access to curriculum resources, administration, and turnkey educational space."

ECA and ITT have established an agreement detailing the cost for facility rent on a per-pupil basis. During the capacity interview, the Applicant clarified that rent will be based on 50 square feet per student and a variable cost based on the actual number of students enrolled.

Facility Information

Proposed School Name:	The Early Career Academy
Proposed Location:	ITT Technical Institute – Tempe at 5005 S. Wendler Drive, Tempe, Arizona 85282.
Facilities Requirements:	ITT's Tempe campus is 30,000 square feet and has 15 theory rooms, four computer labs, and one electronics lab, for a total of 662 classroom seats and 20 classrooms. ECA students will occupy eight to 10 classrooms in the facility during daytime hours, which will not be in use by postsecondary students. ITT will incur the cost for any building modifications required to secure occupancy authorization.

Budget Summary

The Applicant has secured funds from ESI Service Corp. for start-up purposes. The secured funds, in the amount of $150,000 as stated by the Applicant, are available as confirmed by JP Morgan Chase.

During the start-up period, the school expects revenue of $150,000, a grant provided by ITTESI, including staff and operations. Expenses during this period are related to administrative salaries, one month of teaching salaries and benefits, and marketing. The operational budget projects revenue based on state funding and includes a $35,000 carryover of start-up funding. The school intends to open with 120 students with revenue based on 91.67 percent enrollment. In all three years, the majority of expenditures are on personnel and student material costs. Benefits are projected annually at 10 percent of salaries. The three-year operational budget assumptions explain that "the facility charge formula applies an estimated 50 square feet per pupil to the facility's estimated occupancy cost per square foot of $19.68. This cost is inclusive of utilities, infrastructure, and maintenance expenses." Within the ESP agreement, both parties agree to an annual credit amount, "determined by the ECA and EMO, such that the ECA pays amounts due for services and resources to the extent funding sources allow" (B.3.1, Agreement, p. 15). The proposed budget for year one has an ending balance of $25,414.04, which rises to $40,617.48 in year three.

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

	Startup Period	Year 1	Year 2	Year 3
Projected Full Enrollment:	N/A	120	240	240
# Students Budget Based On:	N/A	110 (92%)	220 (92%)	220 (92%)
Total Revenue:	$ 150,000	$ 819,586	$ 1,562,429	$ 1,566,961
Total Expenditures:	$ 114,972	$ 794,072	$ 1,532,383	$ 1,526,344
Ending Balance:	$ 35,028	$ 25,514	$ 30,046	$ 40,617

Business Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Operational Plan Score ≥ 95% Meet standard?	Yes	30 of 30	Yes	30 of 30
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	0		0	

Analysis of Business Plan

The Business Plan meets the standard for approval because it provides a viable plan for co-location of ECA on the campus of ITT Tempe, and a balanced budget that reflects the requirements for implementing the school's academic and operational plans. ECA proposes to contract with ITTESI for a variety of services including student technology services, curriculum support, school administration and business support, as well as facility rental. The management fee is reduced through a negotiated in-kind grant/fee offset. The credit reduces the impact of the management fee on the budget, and the TRP noted this as an effective budgeting tool. During the interview, the Applicant noted that "the management fee is a function of revenue," with less revenue resulting in a reduced management fee. The Applicant provides a balanced budget that does not rely on any uncommitted funds. The budget is dependent on a reasonable enrollment estimate of 91.67 percent.

In addition, the proposed location on the ITT campus supports the school design and mission of students earning a high school diploma and a tuition-free Associate's degree at the same time. The Applicant provided evidence of ample space to support both programs (C.1, Facility Layout).

A detailed advertising and promotion plan is provided to "inform the community that ECA will provide a public high school experience with programs of study that blend traditional academic content with applied learning concepts resulting in both a high school diploma and an associate's degree at no additional cost." The TRP noted the variety of marketing strategies as a positive attribute of the plan (C.2, p. 2).

The personnel plan details a solid recruitment and hiring process, as well as professional training needs for new personnel. Professional training needs include the analysis of student achievement data, ongoing formal and informal assessments of student achievement, the identification and use of enhanced and differentiated instructional strategies, and emphasis on rigor, relevance, and reading in the content areas. These professional development opportunities correlate with the Applicant's Educational Plan (A.5, PMP Reading and Math).

EVIDENCE OF CAPACITY

Applicant Summary

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

Name	Role	Attended Interview?
Larry Hansen	Authorized Representative/Corporate Principal; Board President	Yes
Sheryl Berling-Wolff	Corporate Principal; Board Member	Yes
Shannon Sweat	Corporate Principal; Board Member	Yes
David Catalano	ESP Employee	Yes
Wayne Matulich	ESP Director	Yes

Analysis of Applicant Capacity

The TRP finds that the Applicant has the range of knowledge, skills, and experience needed to open and operate a high-quality school.

The application package indicates an intent to ensure the majority of board members are independent from the ESP, and the Applicant is currently seeking to add up to seven additional members. The proposed board has considerable educational experience. Background information provided within the application package demonstrates that the board holds the necessary education, knowledge, experience, and critical skills to govern and implement their career-focused instructional model. As noted earlier, board members present at the interview were able to provide detailed responses to questions about the contents of the application package. They also emphasized the importance of the need for the proposed model in the community.

The Applicant presented sufficient detail during the capacity interview regarding the program of Instruction and PMP. In particular, the Applicant spoke directly to strategies to ensure students have the necessary mastery of skills to take dual enrollment courses. These strategies include the utilization of academic counselors, diagnostic assessments, and software tools. The Applicant noted the importance of quality professional development supporting teachers to teach both high school and college coursework. The Applicant noted that every instructor would have an instructional plan.

The capacity interview confirmed the TRP's assessment that the application package meets the standards for approval. The Applicant was clearly passionate regarding the need for ECA, noting the opportunity for students to "forgo a lost decade," graduate with an Associate's degree, and, "change the community." The close connection with ITT was evident with ITT representatives at the interview demonstrating a strong commitment to the success of ECA, described in the application package as, "100% dedicated and focusing on making sure ECA is successful."

ADDITIONAL INFORMATION

Additional facts are included below to provide information related to the Applicant's associated schools, and current and prior charter compliance as an indicator of the Applicant's ability to implement a charter or operate a charter school.

Academic Performance of Associated Schools

On July 1, 2014, The Grand Valley State University Board of Trustees granted a charter contract to Early Career Academy, who contracts with ESI Services Corp. as an Educational Service Provider. The charter school is

currently in their first year of operation in Troy, Michigan. According to the Deputy Director of Charter Schools for The Grand Valley State University authorizer, Mr. Robert Kimball, the school is in compliance with all regulations required by the state of Michigan. In addition, Mr. Kimball expressed that this school has met a need for students that are not college bound but ready for a career, through the unique program they offer.

BOARD OPTIONS

Option 1: The Board may approve the application package. Staff recommends the following language 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 ECA – Arizona, Inc. to establish The Early Career Academy charter school to serve grades 11 and 12.

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 ECA-Arizona, Inc. to establish a charter school for the reason(s) that its application failed to meet the requirements of Title 15, Chapter 1, Article 8 due to: (specific statement made by the Applicant during Board consideration).