Operational Plan
B.3.1 Education Service Providers

Need for and Benefit of an ESP

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. The primary focus on pupil achievement at the Early Career Academy will be earning post-secondary credits and / or credentials, and career-readiness, as measured by employment outcomes of the ECA's graduates.

To fulfill the mission, ECA must secure a post-secondary partner to facilitate awarding post-secondary credit. The partner's curriculum must allow for degree completion while students are enrolled in high school; at no cost to the student. Additionally, career oriented, technology based programs of study rely upon modern technology infrastructure including computers, hardware, networks, software and ongoing maintenance. The curriculum requires frequent updating as technology changes. The facility to house this and all appropriate secondary classroom and associated space is also a consideration. Small charter schools cannot afford to create a facility that includes this kind of infrastructure. ECA must have a partner that brings this to the relationship. Given the funding available to charter schools this is a significant hurdle to the fulfillment of the mission; ECA does not have a large budget.

Partner attributes key to fulfilling the mission:

- Ability to award post-secondary credit; to have value, the institution must be accredited by an accrediting agency recognized by the Department of Education
- Career oriented, technology based programs of study that lead to employment
- Must bring the technology infrastructure and maintenance
- Facility to house both labs and equipment for delivery of education but also traditional classroom and associated secondary school space
- Cannot charge students tuition

The partner with all of these attributes is ITT Educational Services (ESI), Inc. which operates the ITT Tech system across the country. The partnership works because ESI has already made a significant investment in the resources required to run ECA locally and are using the resources to service post-secondary students during the evening. The ITT Tech facility is under-utilized during the day; ITT Tech can simply schedule all post-secondary students in the evening and rent the facility, infrastructure, curriculum, technology and management expertise to ECA for use during the day.

ESI has long supported the local community by allowing local business, non-profits, agencies, and community organizations the use of the ITT Tech facility. Given the long-term commitment required by ECA, ESI has agreed to an EMO contract covering all services and extending for the term of the charter. Additionally, the ECA Board of Directors will hold ESI accountable to performance metrics that will determine if ESI is awarded a second contract (or maintains its current contract). ESI management secured the agreement and support of its Board of Directors for this initiative and is dedicating resources to secure its success.

Description of Services Provided by ESP

The EMO provides a turn-key solution for ECA. ESI will provide the following services to ECA. The list below is not exhaustive. The ESP Agreement draft provides further detail.

- School Administration and Business Support services include:
  - Human Resources – the EMO will assist ECA with the recruitment of all staff members using its proven Talent Management procedures and process. The EMO will provide Benefits Administration including a matching 401k retirement plan and various forms of insurance (health, disability, life). The EMO has a complete set of HR polices that comply will all applicable laws and will assist ECA in staying compliant with all labor laws.
  - Payroll Services - the EMO will provide payroll services including all work time collecting and calculating and tax reporting. The EMO has a contract with ADP for payroll processing and EMO employees are part of that system.
  - Student Information Systems – ESI has a turnkey student information system in place that it will modify as needed to meet the requirements of a secondary school to facilitate all state reporting, administrative reporting and student tracking.
  - Management Reporting Services – this includes detailed academic and financial reporting for school management and board use; data retrieved from the various systems that support the school.
  - Class Scheduling – the EMO will provide a registrar to assist with student scheduling. The registrar follows prerequisite and teacher requirements for each course and student keeping ECA compliant with both High School and post-secondary requirements.
  - Regulatory Support – the EMO will assign a Regulatory Affairs Manager to ECA to provide oversight on all regulatory matters, this includes authorizer, state, federal, grant and board matters. This includes the proactive management of various compliance related projects and matters in ways to prevent any potential non-compliance findings. The Manager will assist the board in maintaining compliance with all governance requirements and will attend board meetings.
  - Purchasing Support – the EMO purchasing department has a considerable annual purchasing requirement to support the acquisition of supplies and equipment as prices associated with a large system of schools (~130). This department will support ECA and obtain pricing and considerations afforded a large system.
  - Operations Management Support – the EMO will provide operations support from a Senior Executive of the EMO and corresponding SME staff for each functional area of the school. The SME's provide consulting support to ECA. They also gather data from the system of schools and identify both best practices and schools that need additional support in specific areas. The SME's work to identify best practices and support underperforming schools in any area. The EMO provides student recruitment support.
  - Marketing support – this includes a marketing plan developed by the same team that built the ITT Tech brand and has assisted other ECA's in recruiting students. A dedicated marketing manager is assigned to the location to monitor the plans implementation and to modify as needed. All marketing materials are part of the EMO agreement including the website www.earlycareeracademy.com.

Rationale for Contracting with ESP

ECA-Arizona will contract with an EMO and specifically with ESI because it allows ECA to fulfill its mission better, sooner and for less cost to more people.

Starting a business from scratch is very challenging and filled with activities that do not fulfill the mission. Partnering with a turnkey solutions provider allows ECA to focus on students from the beginning which fulfills the mission. The EMO partnership allows the ECA board to eliminate the majority of the activities associated with a traditional charter start-up. These include facility locating, leasing and infrastructure build out that would take a large amount of time and capital. Alternatively, ESI provides a ready to go facility designed to deliver the curriculum under a variable rent arrangement (fewer students, less rent, same space). This example can be repeated with each back-office or start-up activity associated with a charter school start-up and operation.

ESP Performance Expectations

The Board will obligate the EMO to the same performance standards outlined in the charter agreement. The following measures of student achievement are proposed. Final goals will be based on actual students enrolled.

- High school graduation - 80% of students who enrolled in 11th grade with 9th and 10th grade required curriculum sequence completed and completing all trimesters with ECA will graduate from high school within 6 trimesters. This is an on-time graduation rate. More students will likely graduate but those students would not graduate with their original 9th grade cohort because they are behind a grade level.
- Student Professional Experience (SPE) - 80% of students who enrolled in 11th grade with 9th and 10th grade curriculum sequence completed and completing all trimesters with ECA will participate in at least one Student Professional Experience - Before achieving associate degree
- Completion of an associate degree - 70% of students who enrolled in 11th grade with 9th and 10th grade state curriculum sequence completed and completing all trimesters with ECA will complete the associate degree
- Some college credit - 75% of students will earn college credit
- Employment to Graduate ratio - 65% of associate degree graduates from ECA will be employed in their field of study or related field - By November 1st following graduation

ESP Roles and Responsibilities

The ECA board is hiring the EMO to manage the school. The board's role is governance and decision and policy making and keeping the public funds safe. The EMO's role is school management and operations towards the implementation of a pre-approved plan and budget.

Background Information for ESP

The EMO, ITT Educational Services, Inc. does not have any performance data from the other schools it manages because the other schools have not started operations yet.

Early Career Academy locations – all scheduled to open August 2014 and 2015

Location	Contact	Authorizer	Status
9511 Angola Court Indianapolis, IN 46268 317-875-8640	George McDermott, Ph.D.	Indiana State Charter Board	2015 Class start
1522 East Big Beaver Road Troy, MI 48083 248-524-1800	Dr. Amy Boyles	Grand Valley State University	Starting first class
4809 Memorial Highway Tampa, FL 33634-7350 813-885-2244	Diane Grondin	Hillsborough County School District	2015 Class start

See attachment for Draft ESP Agreement