AGENDA ITEM: NEW CHARTER APPLICATION – ESTRELLA EDUCATIONAL FOUNDATION

Estrella Educational Foundation submitted a complete new charter application package to serve grades 9-12 for the Board's consideration. The revised application package meets the minimum scoring requirements set by the Board for the 2016-2017 application cycle.

REPORT SUMMARY

Applicant Name: Estrella Educational Foundation

Authorized Representative Name: Ruben Gutierrez

Proposed School Name: Maricopa Institute of Technology

Proposed School Location: 55th Avenue and Jones Avenue in Phoenix (between Lower Buckeye and Upper Buckeye)

Mission Statement

Maricopa Institute of Technology (MIT) is a college preparatory high school providing an advanced Science, Technology, Engineering, and Mathematics (STEM) Education while challenging students to pursue personal excellence in character, in order to serve and lead others. MIT will provide a comprehensive and rigorous STEM curriculum through interdisciplinary work, independent learning, projects, internships, and college credits earned by graduation through Advanced Placement (AP) or Dual Enrollment classes.

Target Population

The target population of MIT falls within the Riverside Elementary School District but will also target families in the Cartwright, Fowler, Isaac, Laveen, Murphy and Roosevelt school districts. This community has a population of fewer than 7,000 people, is made up of primarily farming and agricultural properties and single family housing units. The majority of the population is Latino/Hispanic. The surrounding district areas have a high percentage of students qualifying for free and reduced price lunch, with an average rate of 87 percent among all districts, which is higher than the state average of 58 percent. The surrounding high schools' academic performance data shows that approximately 70 percent of students are not proficient in science, and approximately half of all students are proficient in math, identifying the need for a STEM program to target the science and math skills of students entering high school in this area.

Student Count

Year	Grades Served	# of Students
1	9	150
2	9-10	300
3	9-11	450

School Calendar
Standard, 180 days

Target Start Date
July 18, 2016

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	69%	Yes	98%
Operational Plan Score ≥ 95% Meet standard?	No	88%	Yes	96%
Business Plan Score ≥ 95% Meet standard?	No	87%	Yes	97%

The Technical Review Panel (TRP) provided the Applicant with written technical assistance based on its review of the preliminary written application package and the Applicant submitted a 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 each Plan (Educational, Operational, Business).

The capacity interview was attended by three founding board members representing the Applicant, the Chief Operating Officer (COO) of the Estrella Education Foundation (EEF), and the proposed school leader. The Applicant effectively addressed the TRP's questions and concerns about all sections of the plan, spending the greatest amount of time discussing and describing the partnership with Riverside Elementary School District (RESD).

During the applicant interview the TRP learned that this collaborative agreement is five years in the making and that the COO of EEF, also an employee of the school district, will not be paid for his role at MIT (Estrella Capacity Interview Part 2, 29:50). The COO explained his experience with the target population and conveyed his excitement when describing the proposed plan; it is evident that he is a valuable team member.

Other board members answered questions about working in the target community and in partnership with the school district and they all demonstrated knowledge of the plan and the challenges that will be part of serving a high-poverty, high English language learner (ELL) student population. Mr. Calderon, to give one example, remarked that he is well acquainted with parents in the community and expressed his belief that "the more parent involvement you have in the school, the better the child is going to do" (Estrella Capacity Interview Part 2, 17:30). One board member, an engineer by trade, shared his interest in bringing STEM programs to underserved communities. The TRP agreed that, given his professional background, he is a valuable addition to the board.

The proposed school leader has extensive experience working with the target population and she spoke at length regarding her plan to individualize instruction and support students who come to the school academically behind. She expressed her excitement at being given the "opportunity to create a culture from the beginning" (Estrella Capacity Interview Part 2, 23:30). Her commitment and experience add a great deal of capacity to the applicant team.

Qualitative Analysis Summary

The TRP recommends that the application for Estrella Educational Foundation (EEF) be approved because the Applicant makes a strong case for the need for a school in the target area focused on teaching students how to

succeed in college and exposing them to technology with live instructional support. In addition, the proposed partnership between the proposed school, Maricopa Institute of Technology (MIT) and Riverside Elementary School District (RESD or the district) is innovative; it allows the school to receive and/or purchase services directly from RESD, thereby allowing school staff to focus more time on instruction and creating seamless K–12 transitions for target-area students by aligning MIT high-school classes with RESD's K–8 programs and classes.

The plan makes a strong case for targeting the gap between the growing number of students accepted into college and the shrinking number of students - particularly minority students - who graduate from college with a STEM-related degree. MIT targets this gap by preparing students to complete college successfully, encouraging students to enroll in advanced placement (AP) and dual language courses, providing students with a state-of-the art lab facility for STEM projects and experiments, and offering college visits and personal counseling focused on supporting students toward college and career goals. MIT exposes students to technology through a 1:1 laptop program. Students use laptops to access resources, including a personal performance plan, core instructional modules, and instructional support. MIT offers computer-based classes, all of which are facilitated by live instructors. Students without home internet services can obtain access through MIT so that they can access their classes and tools from home. The TRP found that MIT's targeted instruction and high-level of student support will lead to successful engagement with the target population.

According to EEF's COO, the collaborative partnership proposed in this plan is five years in the making. The TRP was impressed with the high level of resource sharing between the partners and human capital allocated by the district. Under the plan, MIT will receive key services and goods from the district, including student transportation; a state-of-the-art, newly constructed facility; and access to technology and furniture. The district will receive a high-performing STEM high school located within their elementary district boundaries that is aligned with traditional school programs and classes. This partnership is detailed in an agreement that treats both sides as equal partners. The evidence that convinced the TRP of the plan's likelihood of success, however, is the personal engagement of district staff as school advisory board members, and in particular, the engagement of the district's associate superintendent working in an unpaid position under the authority of the school's board. For these reasons and the strength of the written plan, the TRP recommends approval for this application.

A. EDUCATIONAL PLAN

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

Plan Summary

Estrella Educational Foundation (EEF) proposes to open Maricopa Institute of Technology (MIT), a high school offering a STEM curriculum through interdisciplinary work, independent learning, projects, internships, and college credits earned by graduation through AP or dual enrollment classes. The school plans to open with grade 9 in its first year, and to then add a grade each year, growing to serve grades 9 - 11 in year three. In addition to STEM and core classes, MIT will focus on critical thinking, problem solving, communication, and collaboration. The school will also offer science labs for developing robotics and engineering courses.

MIT instructional strategies will include standards-based, objective, data-driven instruction; project-based learning; differentiation; cooperative learning; high-yield instructional strategies; and blended learning. Instructors will supplement face-to-face instruction with online activities to intensify the level of instruction. Students will rotate to different learning stations within the classroom to receive personalized instruction, course review, or accelerated coursework. All online and blended instruction will be supervised and guided by live instructors.

All course curricula will be teacher-created and aligned to Arizona College and Career Ready Standards and other standards – such as International and Next Generation - where appropriate. All students will take two

years of a foreign language, with the option of choosing Spanish, French, German, Latin, Mandarin Chinese, or Japanese. Students will receive personalized education plans based on past classroom and test performance and students who are behind will receive differentiated instruction, including personal tutoring. MIT will use the Response to Intervention (RTI) model to identify and address student gaps.

MIT will implement quarterly assessments for each course taught. Summative assessments such as pre- and post-course assessments, AP exams, AZ MERIT end-of-course testing, PSAT, and the ACT will be reviewed at the end of each year to determine college readiness. Benchmark assessments, which are aligned to state standards, will be given three times a year

Academic Systems Plan

The Academic Systems Plan (ASP) for new Applicants is for the purpose of ensuring the school's essential systems are in place and appropriate for providing a quality education for each student it serves through the creation of a comprehensive, sufficiently detailed and implementable plan in the Areas of Curriculum, Assessment, Monitoring Instruction, and Professional Development. It is also intended to focus the school on meeting the Board's Academic Performance Expectations.

The Applicant submitted an ASP that met the criteria in all areas.

Curriculum Samples

Curriculum samples were provided for grades 9-12. 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	35 of 51	Yes	50 of 51
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	16		1	

Analysis of Educational Plan

The Educational Plan meets the standard for approval because it presents an educational model that targets specific gaps and challenges in the target population - namely college success and a lack of exposure to technology - and partners with the local school district to present a fully-aligned, rigorous program focused on academic achievement and career readiness.

The Applicant presents data supporting the establishment of a STEM school in the target area: the U.S. Department of Commerce predicts that STEM occupations will grow by 17 percent by 2018, while only 8.9 percent of Arizona college graduates enter STEM fields, and only 23 percent of those who graduate from STEM college programs are minority students (Educational Plan, A.1, p. 7). Additionally, because the data show college enrollment numbers increasing while college completion rates are decreasing, MIT focuses on preparing students to complete college successfully. This preparation includes: offering AP and dual enrollment STEM courses, providing a high-tech lab facility, providing personal counseling toward meeting college and career goals, and cultivating a school culture that provides numerous college-related experiences and college visits.

Attention to detail and concern over every child are the essential elements of the plan and show the deep commitment and understanding the Applicant has for students in the target area. For example, MIT exposes all students to technology through its 1:1 laptop program. Students use their laptops to access core instruction, to update their individual performance plan and to receive additional support, strategies, and resources (Educational Plan, A.3, p. 3). Live instructors run all computer-based classes, and students who do not have internet access or a computer at home are given access and a laptop through MIT, ensuring that all students have a chance to succeed (Educational Plan, A.3, p. 3).

The founding partnership between MIT and RESD is innovative and benefits the school, the district, and most importantly the students in the target area. EEF and RESD staff collaborated closely on MIT's program design to ensure a seamless transition from and cultural alignment with RESD schools. Also, the program alignment allows MIT to have a deeper understanding of incoming students' capabilities since they know exactly what they have learned in their K–8 courses and have access to K–8 student data. This allows the school to build on what the students know and will increase student achievement.

B. OPERATIONAL PLAN

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

Plan Summary

Estrella Educational Foundation is a non-profit corporation, located in Scottsdale, Arizona, that was created on April 19, 2013 exclusively for educational purposes with three Directors: Anthony Arano (took office June 19, 2015), Dave Burrows (took office June 19, 2015) and Anthony Calderon (took office June 19, 2015).

The school's governing body and the corporate board, EEF are the same. In addition to acting as the school's governing body, the corporate board also plans to provide educational services as well as financial start-up and operating support to MIT. The governing board's primary duties are to oversee the COO and MIT's headmaster; to govern; to act as community ambassador; to sponsor the school and locate funds and resources; and to consult and offer the school expertise as needed.

The application names four board positions: chair, vice chair, treasurer, and secretary. The board will operate with four standing committees: governance, finance, academic, and development. The board is recruiting additional members and expects to have a full founding board in place by 2017. Three advisory board members listed in the application - Dr. Marcus Pina, Mr. Talmadge Tanks, and Dr. Stephen Neal - are under consideration as governing board members.

A central feature of EEF is its partnership with RESD. In addition to providing MIT's facility, EEF plans to contract with the district for the provision of the following services: special education, information technology, transportation, facilities maintenance, landscaping, human resources, payroll assistance, 401(k) plan administration, auditor services, food services, legal services, IRS compliance, and accounting. Services are detailed through an executed agreement. Costs for outside-contracted services are itemized in the application budget, but most costs are covered through a 10 percent administrative fee between MIT and the district.

School Governing Body Member Type	Number	Name
Organization Principal(s)	3	Anthony Calderon, Michael Arano David Burrows,

Principal Background Information

Principal Name: *Anthony Calderon*
Confirmed Education History: Bachelor of Science, University of Portland, 1994
Confirmed Employment History: Educational Foundation Support, CEO, August 2005-present
Arizona FCC Expires: April 14, 2021
Current or Past Charter Affiliations[1]: None

Principal Name: *Michael Arano*
Confirmed Education History: no post-secondary education claimed
Confirmed Employment History: Sierra Select Distribution, Territory Manager, September 2009-April 2013; Sub Zero Group, Inc., Territory Manager, April 2013-present
Arizona FCC Expires: May 13, 2021
Current or Past Charter Affiliations[1]: None

Principal Name: *David Burrows*
Confirmed Education History: Bachelor of Science in Civil Engineering, Arizona State University, 1992
Confirmed Employment History: Gannet Fleming, Inc., Project Manager, January 2009-present
Arizona FCC Expires: May 2, 2021
Current or Past Charter Affiliations[1]: None

Operational Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Operational Plan Score ≥ 95% Meet standard?	No	22 of 25	Yes	24 of 25
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	3		1	

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, and provides a clear and detailed picture of all services shared through the partnership agreement between EEF and RESD.

The description of board responsibilities is highly detailed and demonstrates that the board's work is focused on mission alignment, strategic planning, oversight, and policy, thereby allowing the board to remain appropriately focused on governance. Board practice focuses on transparent and compliant behavior. The Applicant will develop the board's capacity through use of "The High Bar," a nationally recognized leader in board training, and through regular and varied board training, "from school leadership on the Problem-Based Learning model, MIT Blended Learning Model, and other key elements of the instructional model at Maricopa Institute of Technology." (Operational Plan, B.2, p. 2) The detailed descriptions of board officers' duties and standing committee responsibilities indicate that the board understands the importance of creating and maintaining a strong governance structure and of building capacity through distributed leadership.

The school's proposed organizational structure creates clear lines of reporting and a simple hierarchy with the headmaster appropriately managing instructional staff. The headmaster reports to the COO, who reports to the board. The COO will be Mr. Ruben B. Gutierrez, who serves as associate superintendent for teaching and learning for the RESD. By placing a district employee directly over the headmaster but directly answerable to the independent board, the Applicant creates a structure that allows for collaboration and communication between both parties, and engages them both in administration and board-level communication.

The collaboration agreement between EEF and RESD, as well as other application package documents that describe the relationship, indicate how much significant planning and strategic vision went into developing this project (Operational Plan, B.3.2, pp. 1 - 5). By supporting the charter school, the district creates a space for innovation and a seamless continuation and spectrum of support for their students. By working with the district, the charter school is able to achieve immediate access to crucial resources (Operational Plan, B.3.2, pp. 1 – 5; EEF Capacity Interview, 12:20). The TRP finds this to be a strong and innovative plan that will likely be of great benefit to students in the target area.

C. BUSINESS PLAN

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

Plan Summary

Facility Information

Proposed School Name:	Maricopa Institute of Technology
Proposed Location:	Confirmed location: The Riverside Elementary School District #2 has committed to financing the design and construction of a new school building located between the two RESD2 schools that are located on 67th Avenue between Broadway and Elway and 51st Avenue between Lower Buckeye and Upper Buckeye. Construction is expected to be completed by April of 2016. The facility will be leased to EEF as part of the base fee of 10 percent of the school's gross revenues.
Facilities Requirements:	The facility will consist of a two-story 60,000 square foot building located at 55th Avenue and Jones in Phoenix, Arizona. The building will include fourteen classrooms, four science labs, a lecture hall, a health office, six administrative offices, a warming kitchen with serving area, two faculty workrooms, a reading area, a conference room on each floor, boys and girls bathrooms on each floor, a lobby and a multipurpose room. The construction began in April of 2015 and is expected to be completed in April of 2016. The newly-constructed facility's cost is undertaken by RESD. The assumed lease arrangement is $102,816.87 in year one, $168,056.00 in year two and $230,869.00 in year three and is reflected in the three year budget.

Budget Summary

The secured funds, in the amount of $66,000.00 as stated by the Applicant, are available as confirmed by Chase Bank. During the start-up period, the school anticipates using a $66,000 donation raised EEF. Expenses during this period are primarily related to salaries and benefits, office supplies and software fees, marketing, and insurance premiums. The operational budget projects revenue based solely on state funding, and assumes a 10 percent special education population and a 25 percent ELL population. Revenue estimates are based on 95 percent of actual enrollment, with 150 students projected and revenue calculated for 143 students in year one. Lease costs to the district are included in the annual administrative fee of 10 percent of annual revenue; the

lease is triple-net, with all other associated maintenance, utilities, and upkeep costs paid by the lessee. RESD has committed to purchasing all equipment, furniture, and technology for the school. Transportation will be provided by the district and billed at $25,000 in year one, $25,000 in year two, and $45,000 in year three, reflecting the increase in student enrollment.

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

	Startup Period	Year 1	Year 2	Year 3
Projected Full Enrollment:		150	300	450
# Students Budget Based On:		143	286	429
Total Revenue:	$66,000.00	$1,027,933.00	$2,002,697.13	$3,087,526.99
Total Expenditures:	$66,000.00	$1,026,113.87	$1,832,317.00	$2,658,957.92
Ending Balance:	$0.00	$1,819.13	$170,379.99	$428,569.07

Business Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Business Plan Score ≥ 95% Meet standard?	No	26 of 30	Yes	29 of 30
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	4		1	

Analysis of Business Plan

The Business Plan meets the standard for approval because it provides a solid plan for leasing a newly constructed building through a collaborative agreement with RESD and presents a balanced budget that reflects the requirements for implementing the school's proposed academic and operational plans.

The Applicant has secured access to a building to be constructed in the target area by RESD and leased as part of a collaborative agreement through which MIT will pay the district 10 percent of its gross annual revenues for use of the building and a number of other included services. RESD is constructing the facility to meet MIT's program specifications and will complete construction by April of 2016, in time for school opening, should the application be approved (Business Plan, C.1, Facilities Acquisition Narrative, p.1). The TRP finds that the provision of a new building tailored to MIT's program design is a strong indicator of the founding team's planning, negotiating, and execution capacity.

The Applicant has put in place start-up plans that include key staff members such as headmaster, while clerical and instructional staff begin work in July - one month before school starts - to minimize last-minute challenges (Business Plan, C.4, Start Up Budget Assumptions, p. 1). The proposed start-up activities will be funded through a $66,000 donation raised by EEF, the corporate board. Key purchases are planned during the start-up period, including insurance, office supplies, software, and marketing. Many other items, such as student furniture and technology purchase will be made by the district and furnished to EEF as part of the collaboration agreement (Business Plan, Start Up Budget Assumptions, C.4, p. 3-4).

The Applicant provides a balanced budget establishing a reserve that increases in each year of operation. Revenue is calculated at 95 percent each year of operation, allowing a small margin for attrition and establishing a contingency for enrollment. Although the Applicant anticipates an average distribution of special education and ELL students, revenue projections do not include additional funding for these students, though services are

budgeted, indicating a conservative budgeting approach. The school will have a positive fund balance in each budgeted year.

EVIDENCE OF CAPACITY

Applicant Summary

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

Name	Role	Attended Interview?
Ruben Gutierrez	Authorized Representative	Yes
Anthony Arano	Charter Principal / Board Member	Yes
David Burrows	Charter Principal / Board Member	Yes
Anthony Calderon	Charter Principal / Board Member	Yes
Ramona Gonzales	Headmaster	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 because of the depth and breadth of experience demonstrated in the application package and because of the passion and deep commitment shown by the applicant team during the capacity interview.

Mr. Gutierrez, who led the interview on part of the Applicant, was knowledgeable in all parts of the application and, though he often deferred to other team members, was completely conversant regarding all aspects of the plan. Mr. Gutierrez's experience as a long-standing administrator in the target area and his obvious passion for working with the target population add a great deal of capacity to the applicant team. Ms. Gonzales has important and relevant experience working with students similar to the target population and was comfortable talking about MIT's instructional plan, particularly when she spoke about communicating with parents (Estrella Capacity Interview, Part 2, 14:10). The TRP was impressed with her calm and matter-of-fact demeanor throughout the interview and believe that she will prove to be a strong instructional leader for the proposed school.

The other board members in attendance - Mr. Arano, Mr. Calderon, and Mr. Burrows - all articulated their own involvement in the project and described what strengths they will bring to the governing board. While all three appear to be leaders, Mr. Burrows, as an engineer, is a particularly valuable asset for a STEM school and conveyed excitement about involvement in a project that will expose more students to engineering and other sciences (Estrella Capacity Interview, Part 2, 8:08).

Though not in attendance at the interview, advisory board members Marcus Pina, Mr. Talmadge Tanks, and Dr. Stephen Neal are administrators at RESD with expertise in special education and STEM implementation, and their involvement in an advisory capacity will facilitate alignment between charter and traditional school programs and ensure that communication and collaboration continue between these two strategic partners.

BOARD OPTIONS

Option 1: The Board may approve the application package and the charter. The following language is provided 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, I move to approve the

application package and grant a charter to Estrella Educational Foundation to operate Maricopa Institute of Technology charter school to serve grades 9-12.

Option 2: The Board may deny the charter. 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, I move to deny Estrella Educational Foundation's request for a charter for the reason(s) that:

- ❑ The Applicant is not sufficiently qualified to operate a charter school based on (insert the facts that form the basis for determination [i.e., background/fingerprint/credit report of the specific Officers, Members, Directors, or Partners]).
- ❑ The Applicant is not sufficiently qualified to operate a charter school based on the (insert the facts from the financial, operational and/or academic performance of associated schools or affiliated schools that form the basis for the decision).