AGENDA ITEM: NEW CHARTER APPLICATION – ETHOS ACADEMY: A CHALLENGE FOUNDATION ACADEMY, INC.

Ethos Academy: A Challenge Foundation Academy, Inc. submitted a substantively incomplete new charter application package to serve grades K through 8 for the Board's consideration. The revised application package does not meet the minimum scoring requirements set by the Board for the 2015-2016 application cycle.

REPORT SUMMARY

Applicant Name: Ethos Academy: A Challenge Foundation Academy, Inc.

Authorized Representative Name: Joan Lange

Proposed School Name: Ethos Academy: A Challenge Foundation Academy

Proposed School Location: The area south of Northern Avenue, west of 43rd Avenue, north of Camelback Road, and east of 67th Avenue, in Glendale

Mission Statement

Ethos Academy will prepare and empower students to succeed in college and 21st century careers by providing strategic academic programs, developing exceptional teachers, engaging family members, and building community partnerships.

Target Population

Ethos Academy: A Challenge Foundation Academy intends to serve students in grades K through 8 in the historic area of Glendale, in a 9 square mile area centered on 55th Avenue and Maryland Avenue represented by zip code 85301. The target neighborhood includes portions of the Alhambra Elementary, Isaac Elementary, Glendale Elementary, Pendergast Elementary, Cartwright Elementary and Washington Elementary school districts.

Student Count

Year	Grades Served	# of Students
1	K-3	175
2	K-4	225
3	K-5	275

School Calendar
Standard, 183 days

Target Start Date
August 10, 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		Yes	
		Percent Meets		Percent Meets
Educational Plan Score ≥ 95% Meet standard?	No	57%	No	81%
Operational Plan Score ≥ 95% Meet standard?	No	93%	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 Applicant was represented at the capacity interview by two board members, the proposed school director, the proposed dean of academics, and a representative from TeamCFA, the proposed Educational Service Provider (ESP). The Applicant effectively addressed the TRP's questions about the business and operations plans and sufficiently addressed concerns about the education plan. The TRP's concerns regarding the curriculum samples were allayed by the strong responses from the representative of TeamCFA, who described how TeamCFA would support the school and specifically the school leader in addressing any capacity issues related to school design, implementation, or curriculum creation.

Regarding the operational plan, the Applicant provided a thorough response regarding the strengths of the board, and gaps to be filled. Peter Ezugwu, the proposed board treasurer, provided strong responses related to parent and community involvement, based on his experience running a local community organization that provides enrichment to students living in the target areas. Jason Romero, who will be the board secretary, spoke knowledgeably about board governance and oversight, and his legal expertise will be a valuable resource for the board. The team stated that they had identified potential board candidates with expertise in special education and in career preparation (interview, 1:04:25). TeamCFA will also provide financial support to the school, and the Applicant provided additional information regarding the funding arrangements (interview, 1:11:00).

Qualitative Analysis Summary

The Applicant presented viable and well supported educational, operational, and business plans, which were reinforced by responses presented in the interview. While the application package did not meet the Board's criteria, the deficiencies were confined to the curriculum samples, and the interview responses gave sufficient evidence of capacity to warrant a recommendation to approve.

The operational plan and business plan both meet the Board's criteria. The description of board roles and administrative duties in the plan are clearly delineated and grounded in the school's mission and vision. The proposed structure, in which the school director reports directly to the governing board and deans report to the director, is straightforward and will allow team members to focus on their respective areas of responsibility without confusion or ambiguity. The Applicant has budgeted conservatively and plans to build a substantial reserve by the end of year three. Should revenue shortfalls occur, TeamCFA has agreed to assist the school with a low-interest loan and/or other financial support (interview, 1:17:15).

In the educational plan, the application package presented curriculum samples that did not meet the evaluation criteria, preventing the educational plan from meeting the 95 percent threshold. However, the TRP recommends that the application for Ethos Academy be approved because the proposed education plan is a viable academic model that should benefit the target population. The Education Plan is designed with the target population in mind, describing a number of specific supports that will benefit students who enter the school below grade level and includes frequent assessment to track their progress. The school will receive additional support in curriculum development, staff training, and data analysis, as needed, from TeamCFA.

TeamCFA also supports other Arizona charter schools which have had a record of success. Two TeamCFA-affiliated Arizona schools, Pioneer Preparatory School and Ridgeline Academy, have met the Board's academic performance expectations for three consecutive years. The TRP felt that this provides a viable support structure should the Applicant need additional capacity in implementing curriculum aligned to ACCR Standards. In the summer of 2014, TeamCFA has increased its capacity to support schools in Arizona by hiring a full-time regional director based locally, with access to national resources (interview, 1:15:50).

Given the strong support pledged by the proposed ESP, with a record of success supporting local schools serving similar populations, the academic program tailored to benefit the target population, and the team members

with viable qualification and a commitment to serving the community, the TRP recommends that this application be approved.

A. EDUCATIONAL PLAN

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

Plan Summary

Ethos Academy: A Challenge Foundation Academy, Inc. (Ethos Academy, Inc.) proposes to open Ethos Academy: A Challenge Foundation Academy (Ethos Academy), an elementary school that plans to open with grades K-3 and add a grade each year, ultimately growing to serve grades K-8. The school will have a Core Knowledge focus, which will be supported through a partnership with TeamCFA, an ESP that works with other charter schools in the area. The school will work with TeamCFA to align all curriculum with the Core Knowledge sequence and state standards. Core Knowledge Language Arts (CKLA) will be used for all ELA instruction up to Response to Intervention (RTI) Tier 1, CKLA Supplemental will be used for RTI Tier 2. Singapore Math is the planned program for all math instruction up to RTI Tier 2. Compass Learning, a computer-based educational resource, will be used for RTI Tier 3 for both math and ELA instruction. Science Fusion is the planned science curriculum, and the school will use Pearson's Core Knowledge History. The school will develop curriculum for all other areas, with support from TeamCFA (B.3.1, p. 3). Instructional practices will include direct instruction (incorporating Bloom's Taxonomy) with differentiation, cooperative learning in pairs and small groups, and experiential learning with a project-based approach. Teachers will develop standards-aligned formative assessments, and students will take the Galileo assessment at the beginning, middle, and end of each school year and the NWEA assessments annually, in addition to required state tests (A.3, p. 7). The school will monitor performance through student action plans.

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 K through 8. The table below indicates which curriculum samples in the revised application package met all Board requirements (+), and which had deficiencies (-). Details for areas that did not meet the standard can be found in the attached Scoring Rubric.

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	45 of 79	No	64 of 79
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	34		15	

Analysis of Educational Plan

Although the Educational Plan rubric scores are below the 95 percent threshold, the TRP finds that the plan meets the standard for approval because the Applicant articulates a plan with a broad spectrum of supports clearly aimed at the target population and because the partnership with TeamCFA will support the Applicant group specifically in those areas that did not meet the criteria.

The Applicant's education plan clearly differentiates strategies for reaching students who have fallen behind or have unique learning styles (A.3, p. 5). The plan also includes two strategies that will benefit students in the Applicant's high-risk, high-poverty target population, teaching children in pairs and small groups and using project-based instruction.

The application package includes detailed plans for supporting students beyond the classroom and for broadening the school's impact by engaging parents and other community stakeholders. The Applicant's plan to provide classes for parents in a number of areas, including parenting skills, decision-making, and independent learning has a high likelihood of positive impact with the target population. The plan to staff a dean of families to focus on developing and maintaining strong relationships with parents and other family members demonstrates the Applicant's commitment to supporting students beyond the classroom and the school day. Strategic partnerships, including the partnership with community organizations like Future Stars, are additional evidence of the Applicant's focus on strengthening the school and the community by establishing strong connections between them.

While a majority of the sections of the Education Plan met the criteria for approval, the TRP's evaluation of the revised application resulted in an "approaching" evaluation for several curriculum samples. The TeamCFA representative present at the applicant interview gave the interviewers confidence that the school leader will receive sufficient support in areas of weakness to overcome any present gaps identified in the TRP's evaluation of the curriculum samples (interview, 55:45). Specifically, when the TRP asked the TeamCFA representative to describe the nature of the support the school can expect to receive from TeamCFA, the response indicated that TeamCFA has the capacity to support the Ethos staff in developing standards-aligned curriculum and assessments and that they provide similar supports to other local affiliate schools, Pioneer Preparatory Academy being a notable example (interview, 1:10:00).

Given the school's detailed plan to hire strong staff and the demonstrable targeted support provided by TeamCFA, the TRP has found that the school's Educational Plan meets the standard for approval.

B. OPERATIONAL PLAN

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

Plan Summary

Ethos Academy: CFA is a non-profit corporation, located in Phoenix, which was created on September 20, 2013 for the purpose of organizing and operating public charter schools, with three directors: Joan Lange (took office 4/7/14), Nkechinyelu Peter Ezugwu (took office 4/7/14), and Jason Romero (took office 4/7/14). The corporation has one Member, TeamCFA.

The corporate board acts as the school's governing body and was established in September of 2013 for the express purpose of founding and governing Ethos Academy. Through their "affiliate" relationship with Ethos Academy, TeamCFA reserves the right to appoint members to the Ethos board and to approve board members not appointed by TeamCFA (B.3.1 Affiliate School Agreement, p. 3). The governing board will operate on a policy-governance level, and will oversee the school director, to whom other school administrators, the dean of academics, dean of families, dean of operations, and the special education director report directly. Neither TeamCFA nor the Ethos board will be involved in school-level administrative decision making.

School Governing Body Member Type	Number	Name
Organization Principal(s)	3	Joan Lange, Peter Ezugwu, Jason Romero

Principal Background Information

Authorized Representative and Principal: *Joan Lange*
Confirmed Education History: Master of Arts in Elementary Education, Southeast Missouri State University, 1981
Confirmed Employment History: National Schools Director, Challenge Foundation, 1997-present
Arizona FCC Expires: October 2, 2018
Current or Past Charter Affiliations[1]: Pioneer Preparatory School: A Challenge Foundation Academy; Ridgeline Academy: A Challenge Foundation Academy; Hirsch Academy: A Challenge Foundation Academy; Western School of Science and Technology: A Challenge Foundation Academy; additional Challenge Foundation Academies in Indiana and North Carolina

Principal Name: *Nkechinyelu Peter Ezugwu*
Confirmed Education History: Bachelor of Science in Legal Studies, Eastern Michigan University, 1999
Confirmed Employment History: Chief Executive Officer, Future Stars International Enterprises, 2010-present
Arizona FCC Expires: October 7, 2017
Current or Past Charter Affiliations[1]: None

Principal Name: *Jason Romero*
Confirmed Education History: Juris Doctor, Arizona State University, 2004
Confirmed Employment History: Founding Partner, St. John & Romero, PLLC, November 2013-present; Sole Proprietor, Law Office of Jason J. Romero, January-November 2013; Partner and Associate Attorney, Osborne Maledon, October 2005-December 2012
Arizona FCC Expires: April 5, 2020
Current or Past Charter Affiliations[1]: None

Education Service Provider

Ethos Academy plans to partner with TeamCFA, an ESP currently affiliated with four operating charter schools in Arizona. The ESP offers affiliated schools assistance writing the charter application, 501(c)(3) application, and start-up grant applications, and also provides board training. Once the school is operating, the ESP provides school materials and templates, including but not limited to a school operations manual, salary and bonus structures, security and crisis management plan, a school handbook, parent teacher contract, and templates for preparing the school's budget. The ESP also assists with marketing and enrollment, helps develop the academic curriculum, provides discounts on curriculum resources, and supports creation and implementation of the school's business and technology plans.

TeamCFA provides the school a "three-year forgivable loan" of $300,000 (B.3.1, p. 4). TeamCFA does not assess a fee for these services, nor does it play a role in day-to-day school operations beyond the supports listed above. In the event that the ESP contract is terminated, the ESP retains ownership of all furnished materials, and, if

[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.*

terminated in the first three years of operation, the school must repay the loan in full. Three Arizona TeamCFA supported schools have accountability data available for 2014: two have met the Board's academic performance expectations for three years, and a third received an overall rating of Falls Far Below Standard in its first year of operation. During the interview, the TeamCFA representative provided a detailed description of the ESP's response to the substandard first year performance of this school (interview, 1:12:55). A fourth school affiliated with the ESP is in its first year of operation, and is not yet eligible to receive an overall rating. Details can be found in the Additional Background Information section below.

Operational Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Operational Plan Score ≥ 95% Meet standard?	No	27 of 29	Yes	29 of 29
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	2		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 and clearly describes the relationship between the school's governing board and TeamCFA, as well as the services provided by TeamCFA.

The school leadership positions are described in detail and the requirements for these positions are grounded in the school educational philosophy (B.3, p. 1). The reference to The High Bar's four roles of governance, "Governor, Ambassador, Sponsor, and Consultant" draws a clear line between administrative duties and board duties and provides a strong template for board members to follow. The description of proposed board committees is detailed and creates an organizational model that will facilitate board decision-making and action as it creates specific paths for future board work.

The description of administrative duties is, in every case, described and grounded in the school's philosophy, which requires a commitment to serving and supporting the target population. These duties are described in detail and will allow school administrators to work collaboratively under their shared mission without ambiguity regarding responsibilities or assignments. The proposed school director and the dean of academics, both present at the interview, displayed a strong commitment to the school mission and vision and gave interviewers confidence that they will carry out the operations plan with fidelity.

The Applicant also provided additional detail regarding the operational relationship between Ethos Academy, Inc. and TeamCFA. The agreement between the two entities requires the Applicant to adhere to the mission, goals, and directives of TeamCFA, in return for financial, academic, and operational support. TeamCFA representatives take a minority position on the Applicant's corporate board, but are not involved in the daily operations of the school. TeamCFA does not charge a management fee (interview, 1:10:54).

Given the viable plan for governance and management described in the application package and confirmed in the interview, and the substantial support provided by the ESP, the TRP has found that the school's Operational Plan meets the standard for approval.

C. BUSINESS PLAN

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

Plan Summary

Ethos Academy: CFA has identified two viable properties in the target area of central Glendale. Both were built for churches and formerly used as schools. The first facility is suitable for expansion for the first three years, while the second would require the use of modular buildings in years 2 and 3, which has been agreed to by the owner. The budget has been developed with the higher-cost option (C.1, p. 2).

The Applicant has identified a three-phase marketing plan starting with community leaders, then moving to parents of preschoolers, and culminating with a door-to-door campaign in surrounding neighborhoods. The Applicant has already begun developing partnerships with community groups including the YWCA, the Boys and Girls Clubs, and Glendale Family Advocacy. TeamCFA employs a marketing director, and the Applicant will not incur costs associated with marketing, public relations, and community relations, but has earmarked $1,000 for unexpected costs (C.2, p. 2).

The Applicant has described a viable and adequate plan to recruit and train personnel in numbers appropriate to the growth in grade levels and student capacity (C.3, p. 1). The compensation plan is based on figures from other TeamCFA-affiliated charter schools in the area (C.3, p. 11).

Education Service Provider

The school's proposed agreement with TeamCFA does not set a fee for the support provided by the ESP to the school. In the event that the agreement is breached during the first three years of operation, the school would be required to repay the $300,000 forgivable loan to the ESP.

Facility Information

Proposed School Name:	Ethos Academy: A Challenge Foundation Academy
Proposed Location:	Unconfirmed location: 2 possible locations in Central Glendale • 7317 North 61st Avenue, near Grand Avenue • 7614 North 43rd Avenue, near Northern Avenue
Facilities Requirements:	The campus will require seven classrooms in year one, nine classrooms in year two, and 11 classrooms in year three. Thus, the minimum square footage required each year will be 9,625 square feet; 12,375 square feet; and 15,125 square feet, which is an average of 55 square feet per student. Ethos Academy will also require access to adequate restrooms, drinking fountains, reception areas, administrative offices, special education meeting space, outdoor recreation space, and a multi-purpose room for meals and large-scale gatherings.

Budget Summary

The Applicant has secured an AZ CSP grant from the Arizona Department of Education for start-up purposes. The secured funds, in the amount of $200,000 per year for three years, as stated by the Applicant, are available as confirmed by Arizona Department of Education Grants Management. The Applicant has secured a loan from the Challenge Foundation for start-up purposes. The secured funds, in the amount of $100,000, as stated by the Applicant, are available as confirmed by Wells Fargo Bank.

During the start-up period, the school expects revenue of $500,000, consisting of a $100,000 loan from the Challenge Foundation, which will be forgiven by the ESP after year three, and $400,000 in Charter Schools Program (CSP) grants. Expenses during this period include employee salaries, marketing, SAIS software, curriculum-related expenses, and facilities costs. The operational budget projects revenue based solely on State

funding (equalization assistance) and the aforementioned grant and loan; revenues are based on 90 percent enrollment, with a projected 175 students in year one and budgeted revenue for 157.5 students. In all three years, the majority of expenditures are for personnel costs. Ethos Academy expects to have a special needs population that exceeds 10 percent and an ELL population that exceeds 25 percent (both based on comparable schools); however, the budget does not include additional funding for these students in order to remain conservative. The budget assumes $77,000 in lease costs in year one, $101,970 in year two, and $128,411 in year three. Many year one materials costs are budgeted for, and purchased during, the school's start-up phase. The Applicant plans to maintain a positive fund balance each year, growing to $171,770.21 by the end of 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	175	225	275
# Students Budget Based On:	N/A	157.5 (90%)	202.5 (90%)	247.5 (90%)
Total Revenue:	$ 500,000	$ 1,107,389	$ 1,367,370	$ 1,677,912
Total Expenditures:	$ 488,212	$ 1,018,287	$ 1,239,467	$ 1,506,142
Ending Balance:	$ 11,788	$ 89,103	$ 127,903	$ 171,770

Business Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Operational Plan Score ≥ 95% Meet standard?	Yes	28 of 28	Yes	28 of 28
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 facility acquisition, promotion, and personnel, and a balanced budget that reflects the requirements for implementing the school's academic and operational plans.

Although the Applicant has not yet secured a specific facility, the acquisition plan presented is detailed and provides options that are located in the proposed target area and are currently configured for educational use. Though the Applicant identifies the 61st Avenue facility as superior, since it meets both size and layout requirements (the 43rd Avenue option would require the use of modular units to accommodate growth in subsequent years of operation), both options have been used as instructional spaces in the past and could be used by Ethos with minimal renovation. The application package contains a detailed timeline for securing the school facility and a detailed description of the proposed school layout (C.1, p. 3).

The school proposes a very active start-up schedule, funded through a $100,000 TeamCFA grant and $400,000 in CSP grants. This approach allows the school to onboard key staff—school director, director of academics, and director of operations—by February 1 and to pay teacher salaries for professional development provided well before the start of the school year. Many other key expenditures are planned during the start-up period, including the supplies and curricular materials required for pre-planning (C.4 Assumptions, p. 3). This approach gave the TRP confidence that the Applicant understands the importance of long-term planning and will minimize last-minute challenges by setting up processes in advance.

The Applicant provides a balanced budget that establishes a reserve that increases for each year of operation. Revenue is calculated at 90% for each year of operation, allowing a margin for attrition and establishing a hedge against low enrollment.

Evidence of TeamCFA's support of the school in the interview and the clear and detailed description of the financial and operational support provided to other TeamCFA-affiliated schools supported the scoring of the application package (interview, 1:11:00).

EVIDENCE OF CAPACITY

Applicant Summary

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

Name	Role	Attended Interview?
Joan Lange	Authorized Representative/Corporate Principal; TeamCFA Board Representative	No
Jason Romero	Corporate Principal; Board Secretary	Yes
Peter Ezugwu	Corporate Principal; Board Treasurer	Yes
Tim Boykin	Founding School Director	Yes
Jack Rowe	TeamCFA Regional Director	Yes
Whitney Stockhauser	Founding Dean of Academics	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 the team described in the application package has a diverse and relevant skillset. The Applicant provided evidence of capacity during the interview which confirmed the experience described in the application package. Finally, the interview responses provided by TeamCFA support a positive recommendation.

The proposed school director and the dean of academics have varied and relevant experience which was clearly communicated both in the application package and in the interview. Tim Boykin, the proposed school director, currently serves as assistant director at Ridgeline Academy, a TeamCFA affiliated school. Mr. Boykin's specific experiences working in a Core Knowledge school serving a similar population and working with TeamCFA are considerable strengths. In addition, Mr. Boykin is a cohort member of the Charter Starter Program, sponsored by the Arizona Charter Schools Association, and a graduate of the Aspiring Leaders Fellowship. Whitney Stockhauser, the proposed dean of academics, has also been an Aspiring Leaders Fellow and participated in the Charter Starter Program. She has also attended TeamCFA leadership development conferences in preparation for her role as a founder of Ethos Academy. In the Capacity Interview, both Mr. Boykin and Ms. Stockhauser spoke specifically and persuasively about the proposed school program (interview, 08:30). Board member Peter Ezugwu's detailed responses during the interview support the commitment expressed in the application package for integrating parents and community organizations into daily school activities (interview, 23:25).

The Applicant's interview responses about board strengths and roles indicated both a clear understanding of the board's role in managing the school leader, holding the ESP to the terms in the management agreement, and providing policy-level oversight for all school functions. The board understands that they will need to add additional capacity as the school grows, particularly in the areas of fundraising and instruction.

ADDITIONAL BACKGROUND INFORMATION

Additional data is included below to provide information related to the Applicant's principals' experience, qualifications, 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

The ESP for the Applicant, TeamCFA, is affiliated with four currently operating charter schools in Arizona. Based on the academic dashboards for 2013 and 2014, two of the four meet the Board's academic performance expectations. One school received an overall rating of Falls Far Below Standard in its first year of operation, in 2014. The fourth school is currently in its first year of operation, and is not eligible to receive an overall rating.

The academic performance of charter schools affiliated with TeamCFA is summarized in the table below, with dashboards presented below.

Associated School	Opened	Grades Served in FY 2014	2013 Overall Rating	2014 Overall Rating
Ridgeline Academy: CFA	1995	K-8	71.25	70.31
Pioneer Preparatory: CFA	2009	K-8	67.5	70.62
Hirsch Academy: CFA	2013	K-3	N/A	33.55
Western School of Science and Technology: CFA	2014	N/A	N/A	N/A

One school affiliated with TeamCFA opened in 2014, and does not have academic performance data yet. Board staff conducted a first year site visit of this school in the fall of 2014, and no issues related to academic performance were noted. See Appendix C for the initial site visit letter.

Staff Analysis

In its analysis of the performance of schools affiliated with TeamCFA, staff felt that the population served by Pioneer Preparatory: CFA most closely reflected the Applicant's target area. Pioneer Preparatory: CFA serves the grades requested by the Applicant and is located less than 1.5 miles due south of the southern edge of the target area for the Applicant. As identified by the Applicant, the demographic profile of Pioneer Preparatory: CFA closely aligns to the profile of the target population (B.3.1, p. 2). In response to the issues seen at Hirsch Academy: CFA, the ESP has increased its capacity to support affiliated schools by hiring a full-time, locally-based Regional Director who had worked with Pioneer Preparatory: CFA as a consultant for the ESP for three years (interview, 1:15:50). The sustained performance exhibited by Pioneer Preparatory: CFA with a similar population, and with the support of the ESP, provides support for staff's recommendation.

Ridgeline Academy: A Challenge Foundation Academy

		2012 Small Elementary School (K-6)			2013 Traditional Elementary School (K to 8)			2014 Traditional Elementary School (K to 8)		
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1a. SGP	Math	56	75	25	48	50	12.5	51	75	12.5
	Reading	70	100	25	56	75	12.5	49	50	12.5
1b. SGP Bottom 25%	Math	NR	0	0	52	75	12.5	58.5	75	12.5
	Reading	NR	0	0	64	75	12.5	58	75	12.5
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
2a. Percent Passing	Math	55 / 47.1	75	7.5	75.2 / 64.3	75	7.5	74.1 / 63.8	75	7.5
	Reading	81 / 67.6	75	7.5	90.2 / 78.1	100	7.5	88 / 79	75	7.5
2b. Composite School Comparison	Math	6.1	75	7.5	-1.1	50	7.5	-2.4	50	7.5
	Reading	12.9	75	7.5	2.3	75	7.5	-1.2	50	7.5
2c. Subgroup ELL	Math	NR	0	0	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0	NR	0	0
2c. Subgroup FRL	Math	NR	0	0	NR	0	0	85.7 / 53.6	100	3.75
	Reading	NR	0	0	NR	0	0	85.7 / 71.4	75	3.75
2c. Subgroup SPED	Math	44 / 22.4	75	7.5	20 / 24.5	50	7.5	50 / 24.4	75	3.75
	Reading	56 / 32.2	75	7.5	53.3 / 35.4	75	7.5	65 / 40.2	75	3.75
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
3a. State Accountability		B	75	5	A	100	5	A	100	5
Overall Rating		Overall Rating			Overall Rating			Overall Rating		
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		81.25		100	71.25		100	70.31		100

Pioneer Preparatory: a Challenge Foundation Academy

		2012 Traditional Elementary School (K-8)			2013 Traditional Elementary School (K to 8)			2014 Traditional Elementary School (K to 8)		
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1a. SGP	Math	63	75	12.5	62	75	12.5	55.5	75	12.5
	Reading	62	75	12.5	55.5	75	12.5	40	50	12.5
1b. SGP Bottom 25%	Math	63	75	12.5	45	50	12.5	61	75	12.5
	Reading	57	75	12.5	46	50	12.5	54.5	75	12.5
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
2a. Percent Passing	Math	61 / 64.1	50	7.5	66.3 / 64.1	75	7.5	66.8 / 63.6	75	7.5
	Reading	74 / 77.5	50	7.5	72.6 / 78.1	50	7.5	74.5 / 78.7	50	7.5
2b. Composite School Comparison	Math	4.2	75	7.5	17	100	7.5	15.6	100	7.5
	Reading	3.5	75	7.5	9.2	75	7.5	6	75	7.5
2c. Subgroup ELL	Math	45 / 43.5	75	2.5	53.5 / 40.9	75	2.5	43 / 33.3	75	2.5
	Reading	57 / 55.3	75	2.5	54.9 / 52	75	2.5	52.7 / 48	75	2.5
2c. Subgroup FRL	Math	60 / 54.3	75	2.5	66.3 / 54.9	75	2.5	66.9 / 53.4	75	2.5
	Reading	74 / 69.7	75	2.5	72.9 / 70.7	75	2.5	74.2 / 71	75	2.5
2c. Subgroup SPED	Math	16 / 26.6	50	2.5	24 / 25.1	50	2.5	23.7 / 23.9	50	2.5
	Reading	24 / 37.7	50	2.5	34 / 37.3	50	2.5	37.3 / 40.2	50	2.5
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
3a. State Accountability		B	75	5	B	75	5	B	75	5
Overall Rating		Overall Rating			Overall Rating			Overall Rating		
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		70		100	67.5		100	70.62		100

Hirsch Academy: A Challenge Foundation Academy

		2014 Small Elementary School (K to 3)		
1. Growth		Measure	Points Assigned	Weight
1a. SGP	Math	13.5	25	25
	Reading	41	50	25
1b. SGP Bottom 25%	Math	NR	0	0
	Reading	NR	0	0
2. Proficiency		Measure	Points Assigned	Weight
2a. Percent Passing	Math	16.7 / 58.4	25	7.5
	Reading	33.3 / 68.9	25	7.5
2b. Composite School Comparison	Math	-23.1	25	7.5
	Reading	-7.4	50	7.5
2c. Subgroup ELL	Math	NR	0	0
	Reading	NR	0	0
2c. Subgroup FRL	Math	16.7 / 55.7	25	7.5
	Reading	33.3 / 65.1	25	7.5
2c. Subgroup SPED	Math	NR	0	0
	Reading	NR	0	0
3. State Accountability		Measure	Points Assigned	Weight
3a. State Accountability		NR	0	0
Overall Rating		Overall Rating		
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		33.55		95

Operational Performance of Associated Schools

The ESP for the Applicant, TeamCFA, is a corporate Member of four currently operating charter holders in Arizona. The information regarding operational performance applies to the following four entities, except as noted:

- Challenge Foundation Academies of Arizona, Inc. (Pioneer)
- Hirsch Academy: A Challenge Foundation Academy, Inc. (Hirsch)
- Ridgeline Academy: A Challenge Foundation Academy, Inc. (Ridgeline)
- Western School of Science and Technology: A Challenge Foundation Academy, Inc. (Western)

Does the delivery of the education program and operation reflect the essential terms of the educational program as described in the charter contract?

Yes. Based on the available information in the current fiscal year, the Charter Holder's education program, in operation, reflects the essential terms as described in the charter contract.

Does the Charter Holder adhere with applicable education requirements defined in state and federal law?

Yes. Based on the available information in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to education requirements.

Do the Charter Holder's annual audit reporting packages reflect sound operations?

Yes. As reported in the current fiscal year, Hirsch and Ridgeline comply with applicable laws, rules, regulations and provisions of the charter contract relating to the fiscal year 2014 annual audit reporting package.

Yes. As reported in fiscal year 2014, Pioneer complies with applicable laws, rules, regulations and provisions of the charter contract relating to the fiscal year 2013 annual audit reporting package. The charter holder is subject to a single audit for fiscal year 2014, which must be submitted to the Board by March 31, 2015.

Is the Charter Holder administering student admission and attendance appropriately?

Yes. Based on the available information in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to administering student admission and attendance.

Is the Charter Holder maintaining a safe environment consistent with state and local requirements?

Yes. Based on the available information in the current fiscal year, Hirsch, Pioneer, and Ridgeline comply with applicable laws, rules, regulations and provisions of the charter contract relating to maintaining a safe environment.

No. Based on the available information in the current fiscal year, during the first year site visit, Western was unable to provide evidence that three of its employees had been properly fingerprinted and was not in compliance with applicable laws, rules, regulations and provisions of the charter contract relating to maintain a safe environment. Within the 48 hour time frame provided to get into compliance, Western provided evidence that all three employees were no longer employed at Western.

Is the Charter Holder transparent in its operations?

Yes. Based on the available information in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to transparency of operations.

Is the Charter Holder complying with its obligations to the Board?

Yes. Based on the available information in the current fiscal year, Hirsch and Ridgeline comply with applicable laws, rules, regulations and provisions of the charter contract relating to its obligations to the Board.

No. Based on the available information in the current fiscal year, Pioneer is not in alignment with Arizona Corporation Commission regarding the organizational membership of one of its officers/directors.

Is the Charter Holder complying with reporting requirements of other entities to which the Charter Holder is accountable?

Yes. Based on the available information in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements monitored by other entities to which the Charter Holder is accountable.

Is the Charter Holder complying with all other obligations?

Yes. Based on the available information in the current fiscal year, the Charter Holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to all other obligations.

Financial Performance of Associated Schools

Challenge Foundation Academies of Arizona, Inc.

Based on the fiscal years 2012 and 2013 audits, Challenge Foundation Academies of Arizona, Inc. meets the Board's financial performance expectations. The charter holder is subject to a single audit for fiscal year 2014, which must be submitted to the Board by March 31, 2015. The table in Appendix A includes the charter holder's financial data and financial performance for the last three audited fiscal years.

Hirsch Academy: A Challenge Foundation Academy, Inc.

Based on the fiscal year 2014 audit, Hirsch Academy: A Challenge Foundation Academy, Inc. does not meet the Board's financial performance standard. The table in Appendix A includes the charter holder's financial data and financial performance for fiscal year 2014.

Ridgeline Academy: A Challenge Foundation Academy, Inc.

Based on the fiscal years 2013 and 2014 audits, Ridgeline Academy: A Challenge Foundation Academy, Inc. meets the Board's financial performance expectations. The table in Appendix A includes the charter holder's financial data and financial performance for the last three audited fiscal years.

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 Ethos Academy: A Challenge Foundation Academy, Inc. to establish Ethos Academy: A Challenge Foundation Academy 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 Ethos Academy: A Challenge Foundation Academy, 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: (member making the motion should select all that apply and complete the sentence where necessary).

- ❑ Lack of an Education Plan that meets the Board's criteria as stated in the scoring rubric and/or demonstrated through responses to interview questions,
- ❑ Lack of a curriculum aligned to state standards as stated in the scoring rubric,

And/or I move to reject the application package and deny the request for a charter of Ethos Academy: A Challenge Foundation Academy, Inc. to establish a charter school for the reason(s) that:

- ❑ The Applicant is not sufficiently qualified to operate a charter school based on (insert the facts from the background/fingerprint/credit report of the specific Officers, Members, Directors, or Partners that form the basis for the decision).
- ❑ 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 that form the basis for the decision).