B.3.1 Education Service Providers

A. Contracting Explanation [1]

Ethos Academy: A Challenge Foundation Academy ("Ethos Academy") will have a subsidiary relationship with an Education Service Provider ("ESP"). This affiliation will take place with TeamCFA, and the founding team believes this association will benefit the school in the areas of academics, business and governance. TeamCFA is the sole member of Ethos Academy, but will receive no transfers of state equalization funding from Ethos Academy. The network will provide to the school a Charter Management Organization ("CMO") at no charge. The CMO designation is determined by TeamCFA's ability to appoint and approve board members for Ethos Academy. Additionally, through its affiliation agreement, TeamCFA has agreed to lend its name, financial start-up, and operating support to Ethos Academy.

TeamCFA's general operating principles are identified as follows: [2]

> *TeamCFA is a national network of free, public charter schools, built on the values of hard work, good citizenship, and teamwork. Our ultimate goal is to graduate thoughtful, articulate youth who are prepared to become productive, accountable, engaged citizens. Schools in the TeamCFA network gain access to startup funding, grants, training, services, the Core Knowledge curriculum, and—in some cases—the necessary facilities.*
>
> *The mission of Team CFA is to support the development of academically rigorous, financially sustainable TeamCFA charter schools by employing proven academic, business and governance practices and leveraging the free market to support the broader school choice movement.*

The state of Arizona is currently home to three schools that have a relationship with TeamCFA that include Pioneer Academy: A Challenge Foundation Academy, Ridgeline Academy: A Challenge Foundation Academy and Hirsch Academy: A Challenge Foundation Academy. In addition, TeamCFA is welcoming a fourth school, opening in August 2014, called Western School of Science and Technology: A Challenge Foundation Academy.

The performance data of Pioneer Academy: A Challenge Foundation Academy is listed below and demonstrates the academic growth of a TeamCFA school with similar demographics to Ethos Academy.

Figure B.3.1 (A) [3]
Pioneer Academy: A Challenge Foundation Academy

State Assessment Data	Math	ELA
2012-2013	65%	70%

2011-2012	60%	74%
2010-2011	37%	65%

The performance data of Ridgeline Academy: A Challenge Foundation Academy is listed below and demonstrates the academic growth of a TeamCFA school with a similar academic design and approach to data analysis as Ethos Academy.

Figure B.3.1 (B) [4]
Ridgeline Academy: A Challenge Foundation Academy

State Assessment Data	Math	ELA
2012-2013	74%	89%
2011-2012	56%	81%
2010-2011	45%	82%

Ethos Academy, assuming approval, will become the fifth TeamCFA organization in Arizona. It has and will benefit from the strong presence of the existing schools. From day one Ethos Academy will proudly represent TeamCFA within the central Glendale community. The high standards formed within this network and by Arizona's Department of Education will become a foundation upon which Ethos Academy will increase student academic achievement.

Ethos Academy's governance relationship with TeamCFA will have a profound impact on improving pupil achievement. This is evidenced through the success of existing TeamCFA schools in Arizona and North Carolina that reach a similar demographic to central Glendale. Specifically, this relationship will be realized through the following:

- The most accurate predictor of achievement for Ethos Academy is Pioneer Academy. It is located approximately seven miles from the proposed location of Ethos Academy. Pioneer Academy has a demographic layout that is nearly identical in all indicators to include social economic status, crime, and most importantly student achievement in surrounding district schools. In one comparison Pioneer outperformed a neighboring district school, G. Frank Davidson, by 9% points in Reading and 11% points in Math, for the academic year ending 2013.
- Using the academic data from Pioneer there is a clearly identifiable increase in data. Ethos Academy will be placing a high emphasis on literacy development at every grade, and especially in the early grades due to a projected enrollment of 70% ELL. Pioneer has recognized a jump in Reading scores of 28% over a two year period by incorporating an RTI and ELL model, almost identical to the one being employed by Ethos Academy, that has resulted in significant increases. This plan is one developed within TeamCFA through its regional leadership and by way of the Core Knowledge design. Both of these are being utilized in the same way. For example, Ethos Academy will be using CKLA, a Core

Knowledge Language Arts program, that has been the impetus for literacy improvement at Pioneer and other network schools.

B. Services Description [5]

TeamCFA provides a wide variety of services to members of its network at no cost to the member schools. These services are detailed further in the template Affiliate Agreement, but are summarized below:

Initial Requirements

- Assistance in writing the charter application.
- Assistance in writing and submitting 501(c)(3) application.
- Assistance in writing start-up grants.
- Provide board training for board members that are selected to the Governing Board.
- School materials and templates, including but not limited to, a school operations manual that school management policy, salary and bonus structures, and security and crisis management plan. In addition, TeamCFA provides a school handbook, parent teacher contract, and templates for preparing the school's budget.

Marketing and Enrollment Assistance

- Use of local themes and landmarks to develop school colors, logo and mascot.
- Create current school stationery system, including letterhead, envelopes, business cards, etc.
- Development of marketing materials for individual schools. Including brochures and school signage.
- Provide other supporting materials as necessary, including postcards, flyers, door hangers, and brochures.
- Creation of school branded promotional materials for use on items like school uniforms, pencils, stickers, car magnets, cups, and t-shirts.
- Creation of a fully-hosted, customizable website.
- Training on how to use the site and collaborate with others.

Development and Implementation of Academic Curriculum

- Discount on Core Knowledge materials (15%) and training (10%) as provided through the Core Knowledge Foundation.
- Access to ways to collaborate with other faculty and administrators within the TeamCFA network, provided through discussion boards and shared network contact information.
- Access to integration of state standards and the Core Knowledge sequence, Core Knowledge units, and recommended resources for each grade level and content area.

Implementation of Governance Best Practices

- Assist in building a local board to include two members from the TeamCFA board or TeamCFA board representatives. TeamCFA has the ability to approve all board members per its bylaws. Ethos Academy's existing board and School Director are able to engage in recruiting and recommending new board members to the TeamCFA board.
- Help in creating policies that provide for the effective operation of the school, including the evaluation of administrative leadership, in a manner consistent with the school's mission.

Business Plan Best Practices and Support

- Assistance with accounting reports and procedures.
- List of possible contacts and fundraising opportunities.
- Assistance in filling out federal, state, and local grants.
- Assistance in development of a plan to identify cost savings and efficiencies.
- Access to other TeamCFA vendors (lawyers, accountants, etc.) that could help the school reduce costs through economies of scale.

Three-Year Forgivable Loan

In addition to the services outlined above, TeamCFA provides each school in the nationwide network with a $300,000 loan to be paid in annual installments of $100,000 over a three-year period. The loan may be forgiven over a subsequent and consecutive 3 year period. Terms of the loan will be memorialized in the promissory note between TeamCFA and Ethos Academy. As long as the school remains in good standing through June 30th of the given year no repayment will be required during the term of the loan. The loan will be forgiven and converted to a grant and the school will need to exercise "expenditure responsibility" with respect to such a grant within the meaning of the IRS Code of 1986, as amended (the "Code") Section 4945(h). If not in good standing as of June 30th the amount of the loan not yet forgiven will be due within 30 days of termination of the loan agreement with accrued but unpaid interest.

Technology Services

TeamCFA believes strongly in the use of technology to improve student achievement and operational capacity. Consequently, the network provides technological support to new and existing schools through the following:

- Two full-time technology staff in the network that provide training on any and all technology needs at no costs. These include the implementation of NWEA/MAP assessments, analysis of the tools, and the technical use of the leveled intervention tools by teachers in the classroom. In addition, these two staff members assist with the

setup of informational systems and the maintenance of these same systems based on the individual schools. In the case of Ethos Academy this has and will take place in the form of obtaining infrastructure technology that is aligned to the program of instruction and operation design of the school.

- Discounts on technological supplies and third-party services through leverage discounts. Due to the significant number of schools in the network there discounted costs for both hardware and software.
- The network provides additional support through an initial grant with the purchases of Mimeo Boards, projections, and other related supplementary items that can benefit the learning environment. In the months leading up to the opening of the school the network will provide a free analysis of the needs based on projected enrollment.

C. Expectations and Evaluations

The above services provided in Section B denote the Ethos Academy expectations of TeamCFA. It is the expectation that said services are provided in a manner adequate to the establishment and maintenance of a high-quality charter school program.

Annually, the Ethos Academy Governing board will review its expectations of TeamCFA by determining if any of the above expectations were not met during the past year. If any of the above enumerated expectations are deemed unsatisfactory the Ethos Academy Governing Board shall notify TeamCFA in writing within 30 days of this finding. TeamCFA is expected to respond to the request regarding the specific expectation.

D. Roles and Responsibilities

TeamCFA has neither a role nor responsibilities in the day-to-day operations of Ethos Academy aside from the services provided. TeamCFA will provide a minority presence on the board but will reserve the right to confirm all other non-TeamCFA board members per the bylaws.

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[1] Adapted from the Western School of Science and Technology: A Challenge Foundation Academy charter application, approved by the Arizona State Board for Charter Schools January 15, 2014.

[2] TeamCFA. About TeamCFA. Retrieved from http://teamcfa.org/who-we-are.

[3] Arizona Department of Education. Arizona Report Cards. Retrieved from https://azreportcards.com/ReportCard/AIMS.

[4] Arizona Department of Education. Arizona Report Cards. Retrieved from https://azreportcards.com/ReportCard/AIMS.

[5] Adapted from the Hirsch Academy: A Challenge Foundation Academy charter application, approved by the Arizona State Board for Charter Schools January 14, 2013.