AGENDA ITEM: NEW CHARTER APPLICATION – GRANDVIEW ASSOCIATES, INC.

Grandview Associates, Inc. submitted a complete new charter application package to serve grades 6-12 for the Board's consideration. The revised application package does not meet the minimum scoring requirements set by the Board for the 2014-2015 application cycle.

REPORT SUMMARY

Applicant Name: Grandview Associates, Inc.

Authorized Representative Name: Edward Denny

Proposed School Name: Sierra Preparatory Academy

Proposed School Location: Near the intersection of Ellsworth and Brown Roads in Mesa.

Mission Statement

Sierra Preparatory Academy's Liberal Arts philosophy and approach to education define the mission of the school, which is to educate students for the lifelong pursuit of truth, beauty, and goodness. Students will have a foundation in the liberal arts defined as grammar and rhetoric, logic and mathematics, history, natural science, and philosophy. Students will also practice the fine arts of music, drawing and painting, and drama. Students are subsequently prepared for every career, every course of advanced or specialized study, and every kind of leisure.

Target Population

Sierra Preparatory Academy targets all students in the 6th through 12th grade span within a 10-mile radius from a planned location at the intersection of Ellsworth and Brown Rd. in Mesa. Data provided by the Applicant indicate that a majority the residents in the target area have high education achievement, are married, have a median household income above the Arizona average, and are White (83%).

Student Count

Year	Grades Served	# of Students
1	6-9	150
2	6-10	180
3	6-11	210

School Calendar
Standard, 183 days

Target Start Date
August 13, 2014

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	41%	No	77%
Operational Plan Score ≥ 95% Meet standard?	Yes	96%	Yes	100%
Business Plan Score ≥ 95% Meet standard?	No	81%	Yes	97%

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

The in-person interview included the two corporate principals and three additional proposed members of the Board of Directors who had participated in the development of the application package. The Applicant effectively addressed the TRP's questions and concerns about the Educational Plan. The interviewees articulated a commitment to open enrollment and serving all types of students, through small classes, remediation, targeted tutoring, contracted special education, and the scaffolded introduction of the Socratic methods. The Applicant demonstrated a thoughtful and nuanced understanding of the proposed model, its basis in research and their experience with it in similar schools, and its innovative features. For example, the proposed school is based on existing programs at Tempe Preparatory Academy and the Great Hearts Academies network of schools; the Applicant intend to adapt their liberal arts programs but maintain a small school environment and provide an enrichment/tutoring period after lunch. In addition, the interview provided a reasonable explanation of the process and timeline intended for developing an integrated liberal arts curriculum, and of the use of the Socratic Method to engage students in college preparatory work.

Qualitative Analysis Summary

While the rubric scores are below the 95% threshold, the TRP recommends that the application package for Sierra Preparatory Academy be approved because it presents a sound educational plan supported by a viable business plan. Though the application package presented curriculum samples that did not meet the evaluation criteria, preventing the educational plan from obtaining the 95% threshold, the TRP concluded that the application package included a strong academic model that would likely benefit students.

The proposed academic program is based on existing high-performing charter schools using a similar model. Throughout the application package and the in-person interview the Applicant articulated high expectations for learning based on a rigorous and engaging curriculum. Moreover, the Applicant has extensive experience with the curriculum development process and delivery model, and intends to build a unique integrated program with a core sequence for all students. The Educational Plan also describes a combination of teacher-created and commercial assessments that will inform instructional planning and allow teachers to identify students in needs of targeted assistance.

The TRP found that the proposed staffing plan and financial model are viable, but rely on assumptions that provide little room for error. The expectation that administrators will take on teaching responsibilities is grounded in the Applicant's experience in other successful schools, though the TRP was concerned that they may be stretched thin as the school grows. In addition, the budget is balanced, but assumes full enrollment with limited places to cut expenditures should revenue be lower than anticipated. Finally, the proposed Headmaster has considerable experience teaching in a liberal arts environment, but does not have substantial experience leading a school. However, the school also has close ties to existing schools using a similar model and can reasonably be assumed to have access to their practices and procedures.

A. EDUCATIONAL PLAN

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

Plan Summary

Grandview Associates, Inc. proposes to open Sierra Preparatory Academy, a middle and eventually high school, to provide "a traditional liberal arts education model in a small school setting." The school would open with

grades 6-9 and add a grade each year, ultimately growing to grades 6-12. The Applicant projects a class size of no more than 22 students and a teacher to student ratio of 1:15. The school would require a sequence of courses for all students to prepare them for "top tier colleges and universities or any education and career path they choose." The Applicant intends to develop an integrated curriculum that is both horizontally and vertically aligned and prepares students to exceed state standards. The middle school Humanities program will encompass both literacy and composition as well as history to prepare students for the high school Humane Letters courses in the high school. Humane Letters will include a distinct writing course that will support the school's "writing across the curriculum" approach. Students will also take seven years of both science and mathematics. Greek and Latin courses as well as fine arts will also be mandatory. In addition to small classes and a core curriculum, the school's pedagogical emphasis will be the Socratic Method in which the "teacher's responsibility is to create the right questions for discussion" and "students find the answers within their reading and reflective activities." The Socratic Method will be supplemented by direct instruction in the middle school. Finally, teachers will develop diagnostic and formative assessments for their classes; in addition, the school intends to use the Acuity test three times per year. In terms of summative assessments, the school will use the Stanford 10 and state's standardized assessments.

PMP

The Performance Management Plan (PMP) for new applicants is a continuous school improvement plan that demonstrates 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. Details can be found in the attached Scoring Rubric (presented in the application portfolio: C. Scoring Results).

Curriculum Samples

Curriculum samples were provided for grades 6-12. The table below indicates which curriculum samples in the revised application package met all Board requirements (+), and which had deficiencies (-). Details can be found in the attached Scoring Rubric (presented in the application portfolio: C. Scoring Results).

Grade	Math	Reading	Writing	Science
6	+	+	-	
7	+	+	-	
8	+	+	-	-
9	+	+	+	+
10	-	+	-	
11	-	+	-	
12	-	+	+	

Educational Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Educational Plan Score ≥ 95% Meet standard?	No	32 of 79	No	61 of 79
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	47		18	

Analysis of Educational Plan

Although the Educational Plan scores are below the 95% threshold, the TRP finds that the plan meets the standard for approval because the Applicant presents a clear educational model that is currently unavailable and would likely benefit students in the target community. While the Applicant did not submit curriculum samples that met the technical evaluation criteria, the Applicant met the criteria in all other sections of the Education Plan. In particular, the submitted Program of Instruction and the in-person interview indicated that the

Applicant has a deep understanding of teaching and learning and a deliberate model based on both research and experience.

The proposed model is based on the Applicant's experience with and connections to Tempe Preparatory Academy and the Great Hearts Academies network of liberal arts schools, which have a record of high academic performance using a similar model. The proposed curriculum is a deliberate sequence of courses in the classical tradition that support a college preparatory program, including Humanities, Math and Science, Latin and Greek, and Fine Arts. The Applicant has a clear vision for building an integrated curriculum based on the Great Books program and writing across all subjects, acknowledging in the interview the hard work and time required to develop a horizontally and vertically aligned curriculum.

The Applicant has a very specific education model and articulated in the in-person interview the importance of educating parents about the high expectations that would be placed on students in this program. Similarly, the narrative states "Sierra Prep Academy will offer academic counseling for any student who transfers to the school as a high school student in order to advise each transfer student of the appropriate preparation for the curriculum." One concern of the TRP was the capacity of this program to meet the needs of students who enroll significantly below grade level; this was pursued during the in-person interview and the Applicant indicated that the school intends to support struggling students through small classes, remediation, and targeted tutoring. Hugh Hallman stated that while these support mechanisms and mandated special education services will be there from the start, a pattern has been seen at similar liberal arts charter schools in the vicinity, where the early enrollees had well-educated parents seeking a more rigorous environment, with a more diverse population enrolling later as the reputation of the school grows. This will allow the development of additional support systems as the need becomes apparent. In addition, the implementation of the Socratic method will be progressively scaffolded through the grades and for newly-enrolled students. In addition, the Applicant articulated steps for creating a strong school culture and community in which to support students, including small school size, personal daily greetings, administrators with teaching responsibilities and family-style meals.

In conclusion, though the written Education Plan does not meet the quantitative threshold, other sections of the plan as well as the Applicant's answers to a range of questions regarding the proposed academic model led the TRP to conclude that this is a sound plan with the potential to provide a valuable option in the target community.

B. OPERATIONAL PLAN

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

Plan Summary

Grandview Associates, Inc. was created to operate a tuition-free public charter school and was approved by the Arizona Corporation Commission on April 30, 2013. The Board of Directors of Grandview Associates, Inc. will act as the school governing body for Sierra Preparatory Academy. Grandview Associates, Inc. was incorporated by Edward Denny and Yuliya Yatsyshina, who currently comprise the Board of Directors and intend to also serve as Sierra Preparatory Academy's founding Headmaster and Office/Business Manager, respectively. The Board has identified and intends to add three more Directors by the time Sierra Preparatory Academy opens in August 2014; they were in attendance at the in-person interview, and described contributing to the development of the application package.

The staffing plan for the school includes three full time administrative positions for the first three years of the school's operation: Headmaster, Office/Business Manager and Secretary/Receptionist. The Headmaster is the school leader and responsible for, among other things, the academic program, teacher supervision and evaluation, and managing operations and finance. Other administrative functions will be carried out by faculty. The application package states "Some faculty will serve in more pronounced administrative capacities, including:

dean of students, dean of athletics, college counselor and special education coordinator." In the first three years of operation, the Dean of Students will be 0.5 FTE and the Dean of Athletics will be 0.3 FTE. The school also intends to contract for legal, audit, special education and janitorial services.

The table below delineates the composition of the school governing body as described in the narrative:

School Governing Body Member Type	Name
Charter Organization	Edward Denny
Charter Organization	Yuliya Yatsyshina
Community	Ron Bergez
Community	Hugh Hallman
Community	Darryl Orletsky

Principal Background Information

Authorized Representative and Principal: *Edward Denny*
Confirmed Education History: Master of Arts in History, Arizona State University, 2009; Master of Arts in Liberal Arts & Sciences, Arizona State University, 2009; Bachelor of Arts in Classics, Hamilton College, 1991
Confirmed Employment History: Teacher, Chandler Preparatory Academy, August 2012-present; Teacher, Tempe Preparatory Academy, August 1999-February 2011
Arizona FCC Expires: 07/20/2018
Current or Past Charter Affiliations[1]: None

Principal: *Yuliya Yatsyshina*
Confirmed Education History: Master's in Business Administration, Northwest Nazarene University, 2011
Confirmed Employment History: Teacher/Program Manager, Kazakh-American Free University, September 2006-June 2012
Arizona FCC Expires: 03/21/2019
Current or Past Charter Affiliations[1]: None

Operational Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Operational Plan Score ≥ 95% Meet standard?	Yes	23 of 24	Yes	24 of 24
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	1		0	

Analysis of Operational Plan

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

In terms of governance, the proposed Board of Directors includes members well versed in implementation of the proposed school model; they all have connections to Tempe Preparatory Academy and the Great Hearts Academies, which operate very similar programs. Though this common thread may limit their perspective, they possess significant and relevant expertise in curriculum and instruction as well as school administration and finance with which to govern the school. The Applicant principals present at the interview were able to provide

[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.*

detailed responses to questions about the contents of the application package. They also emphasized the importance of mission alignment in bringing on new members to the Board. During the in-person interview the Applicant also recognized and acknowledged potential conflict of interest issues, and indicated that the proposed Business Manager, who is married to the proposed Headmaster, would step down from the Board of Directors.

The Management and Operations section of the application package includes detailed job descriptions that list key responsibilities, restrictions and qualifications that align with proposed school model and mission. The management plan is designed to maintain a small school and a notable feature is the expectation that most administrators also serve as teachers, a practice modeled on practices at Tempe Preparatory Academy. The TRP considered the administrative staff lean, which may be stretched thin as the school grows, and noted that the school intends to contract for some key services, including special education. The application package states "Sierra Preparatory Academy will contract for outside special education services, such as a school psychologist, speech and occupational therapist, or other therapy as needed" but does not address mandated academic support services either via contracted services or certified teachers on staff.

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:	Sierra Preparatory Academy
Proposed Location:	Unconfirmed location: Sierra Preparatory Academy is projected to be located in the vicinity of the Hwy 60 and Hwy 202 loop area in the East Valley. The 8-mile radius includes Gilbert, Mesa, Higley and Apache Junction. The Applicant indicated that the primary target is a church facility in Apache Junction, located at 3147 S. Mountain View Road.
Facilities Requirements:	Upon full enrollment the school facility will have a building area of approx. 14,000 SF with 14 classrooms for general instruction and special use (incl. Chemistry Lab Room, Physics Lab Room, Biology Room, and Resource Room), business offices, reception area, and assembly hall. During Year 1, the facility space need is approximately 8,000 SF, given the projected enrollment of 150 students and the grade levels served. Approximately 6,000 SF of additional classroom space will be needed thereafter to accommodate the program of instruction at full enrollment for the grade levels served.

Budget Summary

The Applicant has secured a loan from the Principals for start-up purposes. The secured funds, in the amount of $25,000 as stated by the Applicant, are available as confirmed by Wells Fargo Bank.

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

	Startup Period	Year 1	Year 2	Year 3
Projected Full Enrollment:	n/a	150	180	210
# Students Budget Based On:	n/a	150 (100%)	180 (100%)	210 (100%)
Total Revenue:	$25,000	$955,046	$1,165,723	$1,376,400
Total Expenditures:	$24,880	$944,910	$1,136,460	$1,248,766
Ending Balance:	$120	$10,256	$39,519	$167,153

During the start-up period, the school expects revenue of $25,000 provided by a loan from the founder and proposed Headmaster, which will be paid back beginning in Year 4. Expenses during this period are related to SAIS software, marketing, facility and office technology; there are no expenditures for personnel during the start-up period. The operational budget projects revenue based solely on State Funding (Equalization Assistance); the school intends to open with 150 students with revenue based on 100% enrollment. In all three years, the majority of expenditures are on personnel costs, with benefits rising from 13% to 15% of salaries by the third year. The budget narrative indicates that "Sierra Preparatory Academy will expend $90 per student for curriculum materials during Year 1, and $120 per student during any single school year thereafter." Facility costs remain below 16% of expenditures all three years. Sierra Preparatory Academy does not intend to offer transportation or food services. The proposed budget for Year 1 has an ending balance of $10,256, which rises to $167,153 in Year 3.

Business Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Business Plan Score ≥ 95% Meet standard?	No	25 of 31	Yes	30 of 31
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	6		1	

Analysis of Business Plan

The Business Plan meets the standard for approval because it provides a viable plan for facility acquisition and a balanced budget that reflects the requirements for implementing the school's academic and operational plans.

The Applicant has entered into an agreement with a firm to develop a facility and has identified a potential site. The application package included a letter of intent that states

> "Facility Development & Holdings, LLC and/or one of its fully-owned subsidiaries will locate and purchase a property in the East Valley of the Metro Phoenix area and lease it to Sierra Preparatory Academy… Sierra Preparatory Academy shall lease the school facility provided by Facility Development & Holdings, LLC for a 15-year lease term. The exact rent amounts and purchase price shall be agreed on a cost plus basis and in consideration of the actual cost structure associated with the acquisition and improvements of the property… Sierra Preparatory Academy shall not be required to provide any capital for the acquisition of the property…"

In addition, the Applicant has provided a facility plan that would support the school design, including the fostering of a small school community.

The Applicant provides a balanced budget that does not rely on any uncommitted funds, though it makes a number of assumptions that must be realized in order to remain viable, which is not uncommon in a start-up

organization. For example, the plan requires a loan from the founder in the start-up period that would not begin to be repaid until Year 4. Moreover, the start-up budget does not include any expenses for personnel; the Applicant expects the founders to donate their work in the start-up period with the proposed Headmaster not free from his current employment until after May 2014. This raises concerns about the ability of the Corporation to open this school on time should something unexpected prevent the founders' participation, though the principals in the in-person interview did speak strongly about their commitment to the project. Similarly, the revenue stream is based solely on state per pupil funding and assumes full enrollment; should enrollment be lower than expected, the Year 1 budget has no cushion. When asked about this possibility during the in-person interview, the Applicant speculated that the school could cut salary or facility costs, which could be difficult depending on economies of scale. Finally, the application package makes assumptions regarding special education costs, which could vary depending on enrollment patterns. The application package does, however, provide a rationale for these assumptions, basing them on a similar school, Tempe Preparatory Academy.

EVIDENCE OF CAPACITY

Applicant Summary

The table below lists the participants in the In-Person Interview:

Name	Role	Attended Interview?
Edward Denny	Corporate Principal, Headmaster	Yes
Yuliya Yatsyshina	Corporate Principal, Office/Business Manager	Yes
Hugh Hallman	Proposed Board of Directors	Yes
Ron Bergez	Proposed Board of Directors	Yes
Darryl Orletsky	Proposed Board of Directors	Yes

Analysis of Applicant Capacity

The TRP finds that the Applicant has a range of knowledge, skills and experience needed to open and operate a high quality school, but has some concerns about the leadership capacity to implement the program as described with limited resources.

The proposed Board of Directors has considerable experience with both governance and management of liberal arts charter schools, including members who have school leadership, teaching and political expertise. The application package correctly states that its members "possess the necessary education, knowledge, experience and critical skills to govern and operate a charter school." However, while the proposed Headmaster has many years of experience teaching in liberal arts schools, he has limited management experience. He served on the faculty at Tempe Preparatory Academy (TPA) as the Humanities Department Chair and Director of the Senior Thesis program and also "developed TPA's curricula for Chemistry, U.S. Humane Letters, and Senior Thesis as well as the TPA Style Guide to improve the writing curriculum." He is currently on the faculty at Great Hearts' Chandler Preparatory Academy teaching 9th grade Humane Letters, American Literature and History. He does have some experience with instructional leadership, having led professional development activities at TPA and "assisting in the training and evaluation of chemistry teachers at the Great Hearts Academies network of liberal arts academies."

As noted earlier, the school intends to have a lean staff with most administrators taking on some teaching responsibilities. The Applicant acknowledged the burden on teachers, but also views this approach as critical to building the professional community in a liberal arts school and noted in the interview the challenge of "taking

care of teachers" to prevent burn-out and attrition. This approach will require skilled educators who can balance the demands of both management and instruction; the Applicant specifically noted in the interview that the school in start-up "can't handle ten new teachers." This is based on the Applicant's experience with Tempe Preparatory Academy and Great Heart schools. However, the budget provided in the application package assumes teachers will have an average salary of $37,000, raising concerns about the capacity of the school to attract the desired "range of experience" described in the interview.

Finally, creation of this school depends on the commitment and contributions of the founding team, a married couple that intends to loan the school funds in the start-up period and work for the school without salary until student enrollment generates revenue. The interview convinced the TRP that the founders are passionate and dedicated to this school, and its small size will lend itself to the effectiveness of the distributed management approach. Nevertheless, should something happen to the founders to prevent their participation in school start-up, there is little in the plan to suggest the school would be able to open as planned. That said, the school does benefit from close ties to existing schools and board members who have the relevant expertise to move this school forward.

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 Grandview Associates, Inc. to establish Sierra Preparatory Academy charter school to serve grades 6-12.

Option 2: The Board may deny the application package. The following language is provided for consideration: Based upon a review of the contents of the portfolio provided for this Applicant and the information provided by the representatives of the Applicant during consideration, and given it is within the sole discretion of the Board to approve or deny a charter, I move to reject the application package and deny the request for a charter of Grandview Associates, Inc. to establish a charter school for the reason(s) that its application failed to meet the requirements of Title 15, Chapter 1, Article 8 due to: (specific statement made by the Applicant during Board consideration).