AGENDA ITEM: NEW CHARTER APPLICATION – HAVASU PREPARATORY ACADEMY HIGH SCHOOL

Havasu Preparatory Academy High School 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 2014-2015 application cycle.

REPORT SUMMARY

Applicant Name: Havasu Preparatory Academy High School

Authorized Representative Names: Michele Kaye

Proposed School Name: Havasu Preparatory Academy High School

Proposed School Location: 900 North Havasu Drive in Lake Havasu City

Mission Statement

Havasu Preparatory Academy High School will provide an exemplary academic experience designed to engage and prepare every student for college success.

Target Population

The Applicant proposes to target students in Lake Havasu City, Arizona. The mission of the school is to provide a continued educational program from Havasu Preparatory Academy. It will serve families from the entire community of Lake Havasu City, which included three primary zip codes: 86403, 86404, and 86406. The narrative describes, "Havasu Preparatory Academy High School will target students in grades 9-12 who are seeking an alternative to the large size of traditional high schools in the described area or who are unsatisfied with their current school meeting their needs (academically or socially)."

Student Count

Year	Grades Served	# of Students
1	9-12	200
2	9-12	250
3	9-12	300

School Calendar
Standard, 180 instructional days

Target Start Date
August 11, 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		No	
		Percent Meets		Percent Meets
Educational Plan Score ≥ 95% Meet standard?	No	85%	Yes	98%
Operational Plan Score ≥ 95% Meet standard?	No	61%	Yes	100%
Business Plan Score ≥ 95% Meet standard?	No	84%	Yes	100%

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.

Six members of The Leona Group (TLG) staff, one of whom participated via Skype, attended the interview to represent Havasu Preparatory Academy High School (HPAHS).

The Applicant effectively addressed concerns in the Educational Plan related to class size and the effectiveness of the proposed teacher-student ratio with the target population. The Applicant articulated how the proposed teacher-student ratio of 1:25 and average class size of 30 will address the needs of the target population when implemented with the block-scheduling system. This block scheduling and same student-teacher ratio are consistently implemented at South Ridge High School, a college preparatory school managed by TLG, which has similar demographics to the Lake Havasu target population. South Ridge High School's A rating under the state's accountability system substantiates the Applicant's position that the proposed ratios and class sizes have had no adverse effect on student performance and, in fact, are an essential part of the school's success.

The Applicant provided detailed responses regarding the organization's capacity to operate a new college-preparatory high school in the context of TLG's current portfolio. TLG manages 17 high schools in Arizona, 14 of which are alternative high school programs. HPAHS would be one of four "non-alternative high schools" that TLG will manage in total within the next two years. In 2012, Eight of the 14 alternative high schools earned a B-Alt or higher rating under the state's accountability system, and two non-alternative high schools which have been in operation more than a year averaged a B-rating.

The Applicant presented the processes and systems TLG has implemented to support teaching and learning should students come to the school under-prepared to meet academic expectations. These systems and supports include, but are not limited to, placement in a support class, additional tutoring based on specific needs, and administrative assessments of instructional quality.

The TRP's questions about the organizational structure and staffing plans were also adequately addressed. The applicant explained that the part-time school leader reflected in the application package is actually a full-time position split between the middle school grades of the existing TLG-managed elementary school and the new high school. This position will have back office and academic support from TLG in order to manage both sites.

Qualitative Analysis Summary

The TRP recommends that the application for HPAHS be approved because the educational, operational, and business plans are independently strong and collectively are a viable template for a successful college preparatory high school. The Applicant's capacity and understanding of charter schools in general - and charter school organizational design, in particular - is evident throughout the application package. All aspects of each plan were discussed in detail in the written submissions and, as necessary, clarified during the in-person interview.

Data provided by the Applicant revealed that TLG's portfolio includes a significant number of schools that are not performing well in Arizona and in other parts of the country. Given the number of schools managed by TLG performing at a C grade or below across the country and their expansion plans (they have opened 12 schools across the country in the past two years), there is a general concern about the group's capacity to operate additional schools while working to improve and maintain high quality teaching and learning standards at their existing schools. However, the Applicant provided evidence of TLG's history, experience, and concrete successes with college preparatory high school programs in Arizona.

In making the recommendation for approval of HPAHS, in addition to the quality of each plan, the TRP considered TLG's success in Arizona schools with similar demographics and programmatic offerings relative to expected student outcomes. Specifically, the TRP reviewed how TLG's three non-alternative high schools performed as their demographics, programmatic offerings (college prep), and expected students outcomes (24 credits to graduate) are similar to those proposed for HPAHS. Notwithstanding the fact that TLG must improve their low performing schools in Arizona, the TRP believes that the group has the capacity to operate HPAHS based on its successful management of high schools with similar instructional focus and demographic make-up.

A. EDUCATIONAL PLAN

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

Plan Summary

HPAHS, under the management of TLG, proposes to provide a college-preparatory program for students in Lake Havasu City. HPAHS intends to provide students an academic experience based on a curricular framework that incorporates the Advancement Via Individual Determination (AVID) program into its classrooms and culture. HPAHS will organize its curriculum around the Common Core State Standards for math and language arts, the Arizona State Standards for science (and the Next Generation Science Standards to which the state is transitioning), and the Arizona State Standards for history, government, and economics, as well as the PARCC architecture.

HPAHS teachers will leverage key AVID strategies as core methods of instruction. Teachers will ensure that at least 50 percent of students' classroom time is spent engaging in peer-to-peer interaction, pursuing problem-based learning, responding to high-rigor questioning, and evaluating and analyzing the reasoning for their responses.

Benchmark and formative assessment data from Galileo will be used to drive instruction at the classroom level. Academic performance will also be measured through pre- and post-testing in content subject areas, PARCC and Stanford-10, and the Arizona English Language Leaner Assessment.

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 in all areas for both Reading and Math. Details can be found in the attached Scoring Rubric (presented in the application portfolio B: Scoring Results).

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 (-). Details can be found in the attached Scoring Rubric (presented in the application portfolio B: Scoring Results).

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	49 of 58	Yes	57 of 58
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	9		1	

Analysis of Educational Plan

The Educational Plan meets the criteria for approval because, in addition to being substantively complete, TLG operates successful college preparatory campuses in Arizona. The Applicant presented a written plan that met the threshold for approval and presented interview responses that affirmed the TRP's assessment that the educational model would be successful at HPAHS.

The proposed model is based on the successes of South Ridge, Desert Hill (a traditional high school in 2012 and currently is an alternative school since 2013), and Mission Heights Preparatory High Schools, TLG-managed schools that offer a college prep curriculum. This curriculum will be implemented at HPAHS and its delivery will be based on AVID strategies as core methods of instruction.

AVID is a college readiness system that requires teachers to spend at least 50 percent of classroom time focusing students on peer-to-peer interaction, problem-based learning, responding to high-rigor questioning, and ensuring that they process information and data in a logical manner. This system aligns with the school's mission and is supported by block scheduling, as well as rigorous course offerings including Advance Placement courses such as calculus and biology.

The Applicant adequately addressed questions about leadership staffing with respect to academic leadership, specifically, the ability of a part-time school leader to launch and manage a high-quality charter school. Given the extensive support provided by TLG's English Language Acquisition Department, chief operating officer (COO), chief financial officer, the vice president of human resources, the vice president of academic support services, and the chief information officer, the TRP determined that the part-time leadership role (sharing a leader with the middle school grades at the existing elementary school) fits with the overall organizational design.

The Applicant provided sufficient detail describing why and how proposed class sizes would support the target population. Specifically, the design of HPAHS' block schedule allows for wrap-around instruction, differentiation, and time for independent problem-based learning as required of the AVID college readiness system.

B. OPERATIONAL PLAN

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

Plan Summary

Havasu Preparatory Academy Public Charter Elementary School is a non-profit corporation, located in Phoenix, Arizona, that was created in July 2008 for the purpose of creating and operating charter schools.
HPAHS' Board of Directors or the "Academy Board" will hold the school's charter and will delegate management of the school to TLG. Initially, the Board of Directors of the Academy will also function as the Governing Body.

The interim Governing Body of the Academy will be comprised of Dr. William Coats (Chief Executive Officer), an experienced educator and businessperson in the community, and Michele Kaye, an experienced charter

management COO. The Governing Body of the Academy will eventually be comprised of between three and five persons appointed by the Member(s) of the Academy and will be separate from the Board of Directors of the corporation. HPAHS' leadership team will manage daily operations of the school with assistance from teams of educational specialists, financial experts, human resource personnel, and IT specialists under the umbrella of TLG.

Regarding the responsibilities of the two boards, the narrative states that the corporate board is responsible for governance issues and will govern according to the submitted bylaws, overseeing Academy mission, policy, financial and academic oversight, legal and regulatory compliance, strategic planning, accountability to the public, and oversight of the CMO. The school governing body's powers are limited to policy decisions regarding overall policies of the charter school.

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

School Governing Body Member Type	Number	Name
Charter Organization	2	Michele Kaye, William Coats
Community	3	TBD

Education Service Provider

The governing board for HPAHS selected The Leona Group (TLG) to provide academic, financial, and human resources services. TLG will be contractually obligated to provide management and operational services to HPAHS consistent with the charter contract and applicable law and regulations. These services include:

- Financial Management – assist HPAHS with developing and maintaining a fiscally sound budget. All financial recordkeeping, including purchasing and receiving services and accounts receivable and payable, will be provided by TLG.
- Human Resources - work with the school leader with all personnel matters including recruitment, hiring, contracted services, employee improvement plans, terminations, payroll, and benefit plan enrollment.
- Instruction - support the school leader with services such as developing, implementing, and assessing school-wide plans to address academic deficits. The school leader will also receive assistance in developing and facilitating professional development activities.

Principal Background Information

Authorized Representative and Principal: *Michele Kaye*
Confirmed Education History: Master of Education in Educational Leadership, Northern Arizona University, 2004
Confirmed Employment History: Chief Operating Officer, The Leona Group LLC, 2000-present
Arizona FCC Expires: 3/2/2017
Current or Past Charter Affiliations[1]: South Ridge High School, Mission Heights Preparatory High School, Glenview College Prep High School, 13 alternative high schools, 1 alternative school serving 7-12 grades, and 9 elementary schools (See Additional Background Information)

Principal: *William Coats*
Confirmed Education History: Doctor of Philosophy in Education, University of Michigan, 1966
Confirmed Employment History: Founder and CEO, The Leona Group LLC, 1996-present
Arizona FCC Expires: 6/2/2018

[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.*

Current or Past Charter Affiliations[1]: South Ridge High School, Mission Heights Preparatory High School, Glenview College Prep High School, 13 alternative high schools, 1 alternative school serving 7-12 grades, and 9 elementary schools (See Additional Background Information)

Operational Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Operational Plan Score ≥ 95% Meet standard?	No	17 of 28	Yes	28 of 28
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	11		0	

Analysis of Operational Plan

The Operational Plan meets the criteria for approval because its key components are sound and aligned to the Educational and Business plans. The application package and interview discussions indicate that the Applicant has a good understanding of community needs and has the capacity to fill them by collaborating with TLG to implement a rigorous educational plan that is support by viable operational plans and budgets.

TLG will provide extensive and intensive support to HPAHS' instructional and operational services. The application package and interview responses were consistent and detailed, outlining which TLG staff or departments would support and/or manage areas such as professional development, curriculum and assessment, grants and financial management, and student accountability systems. For example, the data director will work directly with the office managers and the school leader to ensure compliance with Student Automated Information System reporting requirements. In addition, TLG's test coordinator will work with and train HPAHS' test coordinators to ensure compliance with all state level testing requirements. The special education and English Language Learner directors, along with their support staff of two, will work with site-level coordinators and the school leader to ensure that the staff is trained on the nuances of teaching high needs subgroups.

The Applicant provided evidence that its proposed management company, TLG, has the organizational capacity to provide support in all areas of a school's daily operations. While TLG's academic performance across grade levels served is mixed, its organizational capacities have led to high academic achievement (A and B ratings) in two of three non-alternative, college prep high schools that are similar to the proposed HPAHS in 2012. The third school, which received a C rating under the state's accountability system, received a four-star "Community Rating" based on teacher quality, principal leadership, and parental involvement, as reported on Great Schools' website. The TRP believes that the Applicant and TLG have the organizational capacity to operate HPAHS based on the track record of the other two college prep high schools.

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: Havasu Preparatory Academy High School

Proposed Location:	Confirmed location: 900 North Havasu Drive in Lake Havasu City, Arizona
Facility necessary to implement the program of instruction:	HPAHS will need at least 12 classrooms and a cafeteria. A front reception area with at least three office areas to accommodate a school leader/curriculum coach, special education services and a small meeting area for parent and/or student meetings is also required. Desired classroom size is 700 square feet and office size is 100 square feet. 200 square feet is needed for a teacher work area and 800 square feet is needed for student eating area. In total, HPAHS will acquire 12,000 square feet on the second floor of the proposed location.

Budget Summary

The Applicant has secured a loan for $350,000 for start-up purposes, which is scheduled to be repaid in two installments of $200,000, one in year two and one in year three. The secured fund, in the amount of $350,000 as stated by the Applicant, was confirmed by the financial institution.

The start-up funds will be used for a four-month marketing and advertising campaign, purchase of curriculum and resources materials, internal assessment software from ATI (Galileo), and MediaNet Solutions (IEP-Pro) software for housing and updating student Individual Education Plan files and supporting documents. Additionally, the loan will fund the purchase of student technology equipment including 68 Google Chrome books, interactive projectors, and desktop computers. The operational budgets are based on projected state funding at 85 percent full enrollment figures in year one, 95 percent in year two and 100 percent in year three.

	Startup Period	Year 1	Year 2	Year 3
Projected Enrollment:	N/A	200	250	300
# Students Budget Based On:	N/A	170 (85%)	238 (95%)	300 (100%)
Total Revenue:	$350,000	$1,300,862	$1,777,472	$2,181,071
Total Expenditures:	$320,197	$1,268,909	$1,773,764	$2,101,094
Ending Balance:	$29,802	$31,953	$3,707	$79,976

Business Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Business Plan Score ≥ 95% Meet standard?	No	26 of 31	Yes	31 of 31
Number of “Falls Below” ratings	0		0	
Number of “Approaches” ratings	5		0	

Analysis of Business Plan

The Business Plan meets the criteria for approval because it is viable and supports the Educational and Operational Plans. It includes a viable option for housing HPAHS in an existing facility in which a TLG-managed elementary school is already located. Additionally, the budgets maintain a positive ending balance in all years.

The start-up and three-year operational budgets demonstrate the Applicant's understanding of instructional and operational needs when opening a new school. For example, to ensure a smooth school opening, HPAHS will assume a secured loan for $350,000 to purchase basic, but essential, curriculum and resource materials needed

to operate a high school. These and other line items directly support HPAHS' plans for standards-based benchmark testing, utilization of technology, and methods of instruction as outlined in the application package.

To ensure quality staff at HPAHS, TLG offers a wide range of benefits and compensation. All full-time employees are eligible for the following benefits: full medical, dental, and vision for the employee and his/ her dependents; 401 K matching program; disability benefits; vacation/ personal time off and benefits; salary and bonus package; and professional development and training. TLG does not use a salary scale but rather a merit-based compensation system. All employees are eligible for merit-based increases on an annual basis. Historically, employees receive increases on the average year ranging from six percent to 12 percent.

The budgets not only include adequate funding for staff and facilities; there are strategies and timelines in place to market the school. The Applicant estimates start-up costs associated with marketing HPAHS to be $10,000. In the three subsequent years, $25,000 will be used each year to drive marketing that supports the growth of the school. The informal marketing plan will commence the day the charter application receives approval. The formal marketing plan will begin in January 2014 for the upcoming school year, with color front page strip ads in the *Havasu News*, student t-shirts, flyers, and brochures.

EVIDENCE OF CAPACITY

Applicant Summary

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

Name	Role	Attended Interview?
Dr. William Coats	Corporate Principal, CEO of The Leona Group	No
Michele Kaye	Corporate Principal, COO of The Leona Group	Yes
Mary Berg	VP of Academic Support Services, The Leona Group	Yes
Emily Britton	Director of Quality Schools Initiative, The Leona Group	Yes
Kristen Kelly	Chief of Staff, The Leona Group	Yes
Scott Shelley	Budget Manager, The Leona Group	Yes

Analysis of Applicant Capacity

The TRP finds that the Applicant has the range of knowledge, skills, and experience needed to implement the Educational, Operational, and Business Plans as presented in the application package and as articulated in the interview. The Applicant was represented at the interview by the principals and other staff from TLG. All present had established history with TLG, having served as teachers, lead administrators, business managers, or instructional coaches before reaching their current leadership roles. Collectively, they provided responses to questions that demonstrated specific areas of expertise and how their skill sets would be used to execute the plan for HPAHS with fidelity.

The corporate board will delegate all aspects of the proposed school's management and operations to TLG. In compliance with Arizona charter law, the current and interim Corporate Board and Governing Body of HPAHS is comprised of two TLG executives: Dr. William Coats, an experienced educator, and Michele Kaye, an experienced charter management COO. Ms. Kaye holds a master’s degree in educational leadership from

Northern Arizona University. She has over ten years of school administrative experience in the charter school arena. Additionally, she was previously director of curriculum and instruction for TLG and has been its COO for over five years. In the interview, it was explained that Ms. Kaye works full-time in Arizona, spending "at least three weeks a month" overseeing schools. Dr. Coats, founder and CEO of TLG, holds a doctoral degree in research design and data analysis and has over thirty years of experience in business management. He is a former school superintendent, having served four urban districts. Dr. Coats currently oversees TLG's portfolio of 72 charter schools in six states.

To ensure that HPAHS performs well academically, TLG's management team will use their extensive backgrounds in English Language Learners programs, special services, curricular guidance, and instructional technology to support, monitor, and evaluate the school's academic performance. Further, to ensure HPAHS' operational and financial viability, TLG will use staff expertise to support, monitor, and evaluate data, staff performance, technology, state and federal compliance, and operational budgets.

While the Applicant acknowledged that some schools under its management have struggled academically, their capacity to implement HPAHS' application is evident, based upon the Applicant's depth and breadth of knowledge and experience. Additionally, the TRP considers the relatively high performance of college prep high schools that TLG manages in Arizona as a proof point for this program. HPAHS' success will depend upon allocation of adequate resources and support from their experienced staff and central management and commitment to replicating key design elements employed at their most successful college prep high school, South Ridge.

ADDITIONAL BACKGROUND INFORMATION

The following information was the result of the due diligence process conducted by Board staff, and was not considered by the TRP in its analysis of the application package or Applicant capacity.

Academic Performance of Associated Schools

The Leona Group is the CMO for a variety of charter schools currently operating in Arizona. For Board consideration of this application, staff has provided academic performance data for 2 of the 3 schools serving grades 9-12 (the third high school is in its first year of operation). The academic performance data for alternative high schools and elementary schools operated by The Leona Group is presented following table 1.

Table 1: College Preparatory High Schools (See Appendix A for each school's academic dashboard)

School Name	Opened	Grades Served	2012 Overall Rating	2013 Overall Rating
Glenview College Prep HS	2013	9-12	See below	See below
Mission Heights Preparatory HS	2011	9-12	68.38 (Meets)	63.97 (Meets)
South Ridge High School	2006	9-12	86.88 (Meets)	81.88 (Meets)

Glenview College Preparatory High School is in its first year of operation and ASBCS staff conducted a first year site visit on November 5, 2013. The site visit indicated the school was in compliance with the 1st year site visit requirements and no issues were noted. Further details on the findings can be found in site visit letter in Appendix E.

Table 2: Alternative Secondary Schools (See Appendix A for each school's academic dashboard)

School Name	Opened	Grades Served	2012 Overall Rating	2013 Overall Rating
Alta Vista HS	2003	9-12	83.12 (Meets)	85.42 (Meets)

Apache Trail HS	2002	9-12	87.5 (Meets)	74.38 (Meets)
Crestview College Prep HS	2002	7-12	80.62 (Meets)	78.33 (Meets)
Desert Hills HS	1997	9-12	63.12 (Meets-Trad)	78.12 (Meets-Alts)
El Dorado HS	1997	9-12	81.88 (Meets)	72.5 (Meets)
Estrella HS	1997	9-12	79.17 (Meets)	72.29 (Meets)
Maya HS	1997	9-12	60.42 (DNM)	58.75 (DNM)
Peoria Accelerated HS	2002	9-12	73.96 (Meets)	71.88 (Meets)
Quest HS	1997	9-12	63.75 (Meets)	65 (Meets)
Skyview HS	1997	9-12	85.62 (Meets)	77.5 (Meets)
South Pointe HS	2003	9-12	70.62 (Meets)	69.58 (Meets)
Summit HS	1997	9-12	58.75 (DNM)	54.38 (DNM)
Sun Valley HS	2002	9-12	68.54 (Meets)	66.04 (Meets)
West Phoenix HS	2002	9-12	68.75 (Meets)	63.12 (Meets)

Table 3: Schools offering grades K-8 (See Appendix B for each school's academic dashboard)

School Name	Opened	Grades Served	2012 Overall Rating	2013 Overall Rating
Advance U	2013	K-6	See below	See below
Discover U	2013	K-6	See below	See below
Gilbert Arts Academy	2008	K-6	60.62 (DNM)	65 (Meets)
Havasu Preparatory Academy	2011	K-8	49.38 (DNM)	48.12 (DNM)
Liberty Arts Academy	2008	K-8	67.19 (Meets)	60.62 (DNM)
South Pointe Elementary	2000	K-5	61.25 (DNM)	72.5 (Meets)
South Pointe JHS	2001	6-8	69.79 (Meets)	72.71 (Meets)
Vista Grove Preparatory Academy ES	2008	K-6	45.62 (DNM)	53.75 (DNM)
Vista Grove Preparatory Academy MS	2002	7-8	35.62 (FFB)	54.38 (DNM)

Two elementary schools operated by the CMO opened in 2013, and do not have academic performance data yet. Staff conducted first year site visits of these schools in the fall of 2013:

- A first year site visit to Advance U was conducted on September 24, 2013 and closed out on November 4, 2013. No issues related to academic performance were noted. See Appendix E for the initial site visit letter.
- A first year site visit to Discover U was conducted on September 17, 2013 and issues were noted regarding the implementation of standard-aligned instruction in mixed-grade classrooms. On December 9, the charter holder submitted additional requested information that addressed the issues and the site visit was closed out on December 17. See Appendix E for the initial site visit letter.

Operational and Financial Performance of Associated Schools

Operational

Audits for fiscal years 2012 and 2013 were reviewed for the following charter holders listed below that contract with The Leona Group, LLC as the CMO. For 19 charter holders, no issues were identified that required follow-up to the Board :

- American Charter Schools Foundation d.b.a. Alta Vista High School
- American Charter Schools Foundation d.b.a. Apache Trail High School
- American Charter Schools Foundation d.b.a. Crestview College Preparatory High School
- American Charter Schools Foundation d.b.a. Desert Hills High School
- American Charter Schools Foundation d.b.a. Estrella High School
- American Charter Schools Foundation d.b.a. Peoria Accelerated High School
- American Charter Schools Foundation d.b.a. South Pointe High School
- American Charter Schools Foundation d.b.a. South Ridge High School

- American Charter Schools Foundation d.b.a. Sun Valley High School
- American Charter Schools Foundation d.b.a. West Phoenix High School
- Kaizen Education Foundation d.b.a. Gilbert Arts Academy
- Kaizen Education Foundation d.b.a. Havasu Preparatory Academy
- Kaizen Education Foundation d.b.a. Liberty Arts Academy
- Kaizen Education Foundation d.b.a. Maya High School
- Kaizen Education Foundation d.b.a. Skyview High School
- Kaizen Education Foundation d.b.a. South Pointe Elementary School
- Kaizen Education Foundation d.b.a. Summit High School
- Kaizen Education Foundation d.b.a. Vista Grove Preparatory Academy Elementary School
- Kaizen Education Foundation d.b.a. Vista Grove Preparatory Academy Middle School

Audits for fiscal years 2012 and 2013 were reviewed for the following charter holders listed below that contract with The Leona Group, LLC as the CMO. For 4 charter holders, issues were identified in either the fiscal year 2012 audit, fiscal year 2013 audit or both that required follow-up to the Board:

- Kaizen Education Foundation d.b.a. El Dorado High School – In 2012, no issues were identified that required follow-up to the Board. In 2013, an audit corrective action plan has been requested and is due by January 27, 2014.
- Kaizen Education Foundation d.b.a. Mission Heights Preparatory High School – In 2012, an audit corrective action plan was reviewed and closed out. In 2013, no issues were identified that required follow-up to the Board.
- Kaizen Education Foundation d.b.a. South Pointe Junior High School (2012 and 2013) – In 2012, an audit corrective action plan was reviewed and closed out. In 2013, the audit identified a similar issue to the one that was identified in 2012. An audit corrective action plan has been requested and is due by January 27, 2014.
- Kaizen Education Foundation d.b.a. Tempe Accelerated High School [school name in ASBCS Online is Quest High School] – In 2012, an audit corrective action plan was reviewed and closed out. In 2013, no issues were identified that required follow-up to the Board.

Financial Performance

Based on the fiscal year 2013 audit, the following charter holders meet the Board's financial performance expectations (the table in Appendix C includes each charter holder's financial data and financial performance for the last three audited fiscal years):

- Kaizen Education Foundation d.b.a. El Dorado High School
- Kaizen Education Foundation d.b.a. Gilbert Arts Academy
- Kaizen Education Foundation d.b.a. Havasu Preparatory Academy
- Kaizen Education Foundation d.b.a. Skyview High School
- Kaizen Education Foundation d.b.a. South Pointe Junior High School
- Kaizen Education Foundation d.b.a. Summit High School
- Kaizen Education Foundation d.b.a. Tempe Accelerated High School [school name in ASBCS Online is Quest High School]
- Kaizen Education Foundation d.b.a. Vista Grove Preparatory Academy Middle School

Based on the fiscal year 2013 audit, American Charter Schools Foundation does not meet the Board's financial performance expectations. The table in Appendix D includes the charter holder's financial data and financial performance for the last three audited fiscal years and reflects the 10 charter contracts the Board has with the American Charter Schools Foundation.)

Based on the fiscal year 2013 audit, the following charter holders do not meet the Board's financial performance expectations (the table in Appendix D includes each charter holder's financial data and financial performance for the last three audited fiscal years):

- Kaizen Education Foundation d.b.a. Liberty Arts Academy
- Kaizen Education Foundation d.b.a. Maya High School
- Kaizen Education Foundation d.b.a. Mission Heights Preparatory High School
- Kaizen Education Foundation d.b.a. South Pointe Elementary School
- Kaizen Education Foundation d.b.a. Vista Grove Preparatory Academy Elementary School

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 Havasu Preparatory Academy High School to establish Havasu Preparatory Academy High School charter school to serve grades 9-12.

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 Havasu Preparatory Academy High School 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).