B.3.1 EDUCATIONAL SERVICE PROVIDERS

Overview

As explained earlier, Hirsch Academy: A Challenge Foundation Academy will be part of a nationwide network of charter schools that is supported by the Challenge Foundation and TeamCFA. Hirsch Academy: CFA has embraced the TeamCFA model school concept and is excited to join the other Arizona TeamCFA schools, Pioneer Preparatory School: A Challenge Foundation Academy and Ridgeline Academy: A Challenge Foundation Academy.

The Challenge Foundation and TeamCFA have agreed to lend their name, financial start-up and operating support to Hirsch Academy: CFA. While TeamCFA does not meet the definition of an Education Service Provider (ESP) and is neither an Education Management Organization nor a Charter Management Organization, and receives no transfers of state equalization funding from Hirsch Academy: CFA, TeamCFA does provide several services of both types of ESPs free of charge to schools that choose to become part of TeamCFA's nationwide network of charter schools.

TeamCFA will provide the initial marketing and legal work required for Hirsch Academy: CFA. After the charter application has been approved, TeamCFA will continue to provide marketing materials and community development assistance free of charge. However, the school will be required to absorb any costs associated with legal services starting in the first year of Hirsch Academy: CFA operation. The proposed budget will include the costs that are associated with services that are not covered by either the Challenge Foundation or TeamCFA.

Expectations of TeamCFA

The following services are provided to all schools that are members of the TeamCFA network. These also serve as Hirsch Academy: CFA's expectations of TeamCFA.

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 contains a 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 community themes and landmarks to develop school colors, logo and mascot.

- Create current school stationery system. Includes; 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 current school website to a new fully hosted customizable school website.
- Training on how to use the site and collaborate with others.
- Access to leaders and teachers from all the schools within the TeamCFA network.

Development and Implementation of Academic Curriculum:

- Discount on Core Knowledge materials (15%) and training (10%) as provided through the CKF.
- 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.
- Provide Academic and Accountability Protocols as well as school policies.
- Provide access to employee, student and parent handbooks.

Implementation of Governance Best Practices:

- Assist in building a local board to include two members from the TeamCFA board or TeamCFA board member representatives.
- 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 school reduce costs through economies of scale.

<u>Three Year $300,000 Forgivable Loan</u>

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 Hirsch Academy: CFA. 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.

The loan is earmarked by TeamCFA to pay for the following:

Year One:

- Core Knowledge Training and CK Site Visits: $20,000
- Core Knowledge Resources Grades K-8: $20,000
- NWEA: $10,000
- Technology Support: $30,000
- Additional Instructional Materials: $15,000
- Core Knowledge Conference: $5,000

Year Two:

- Core Knowledge Training and CK Site Visits: $15,000
- Core Knowledge Resources Grades K-8: $15,000
- Additional Instructional Materials: $35,000
- NWEA: $10,000
- Technology Support: $20,000
- Core Knowledge Conference: $5,000

Year Three:

- Core Knowledge Training and CK Staff site visits: $20,000
- Core Knowledge Resources K-8: $15,000
- NWEA: $10,000
- Technology Support: $20,000
- Additional Instructional Materials: $30,000
- Core Knowledge Conference: $5,000

A letter from TeamCFA outlining the forgivable loan agreement and stipulations is attached to the application.

It is the intent of TeamCFA to put into place a plan for continuous improvement. To assist Hirsch Academy: CFA with operational and educational programming, a process for reporting progress will be developed collaboratively between the Hirsch Academy: CFA Board and TeamCFA. A performance matrix developed by the TeamCFA Committees will be used as a guide. The matrix sets in place the standards by which to follow. An annual report will be made by the TeamCFA Board Reps, sitting as a minority position on the Hirsch Academy: CFA Board, to the related TeamCFA Committees. The

reporting process will provide TeamCFA an opportunity to offer feedback to Hirsch Academy: CFA towards continuous improvement.

Evaluation of TeamCFA Performance

Annually, the Hirsch Academy: CFA 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 in which TeamCFA is to support Hirsch Academy: CFA are deemed to be unsatisfactorily met or have not been met, the Board of Hirsch Academy: CFA shall notify TeamCFA in writing within 30 days of this finding. The Board shall request a response from TeamCFA regarding the specific expectation.

Based upon TeamCFA's response, the Hirsch Academy: CFA Board will determine whether or not to pursue a continued affiliation with TeamCFA.