AGENDA ITEM: NEW CHARTER APPLICATION – LEMAN ACADEMY OF EXCELLENCE, INC.

Leman Academy of Excellence, Inc. submitted a complete new charter application package to serve grades K-8 for the Board's consideration. The application package meets the scoring requirements set by the Board for the 2015-2016 application cycle.

REPORT SUMMARY

Applicant Name: Leman Academy of Excellence, Inc.

Authorized Representative Name: Dennis O'Reilly

Proposed School Name: Leman Academy of Excellence

Proposed School Location: Northern Tucson metro area, in Marana or Oro Valley

Mission Statement

Leman Academy of Excellence offers a rigorous, classical education based on the traditions of Western culture where all disciplines are interrelated allowing scholars the ability to think independently and critically. We propose to partner with supportive parents, pursue excellence, provide a safe and challenging environment, and instill morals and values in order to produce tomorrow's leaders today.

Target Population

The Applicant is targeting Oro Valley and Marana, in the northern Tucson metropolitan area. These areas are served by the Amphitheater Unified School District and Marana Unified School District.

Student Count

Year	Grades Served	# of Students
1	K-6	412
2	K-7	593
3	K-8	775

School Calendar
Standard, 180 days

Target Start Date
August 4, 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		No	
		Percent Meets		Percent Meets
Educational Plan Score ≥ 95% Meet standard?	No	88%	Yes	97%
Operational Plan Score ≥ 95% Meet standard?	No	80%	Yes	100%
Business Plan Score ≥ 95% Meet standard?	No	62%	Yes	100%

The Technical Review Panel (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 capacity interview was attended by four board members, one of whom will transition to the school principal position if the application is approved.

The Applicant effectively addressed the TRP's questions about the business and operations plans. While some questions regarding the curriculum were not fully answered, TRP concerns were allayed by several facts: the Education Plan, in its entirety, met the threshold for recommendation; the school leader was forthcoming about gaps in his knowledge and his desire to fill those gaps; board members demonstrated additional capacity and appeared to be knowledgeable about the classical curriculum; and the group dynamic suggested that the school leadership will follow a distributed, collaborative model.

During the capacity interview, the TRP noted the Applicant's dual focus on the education program and on school culture and expectations for employees (interview, 54:40). While rigorous instruction is clearly the top priority, responses reinforced the application package's emphasis on moral and social development and the way in which this will be modeled for students by administrative and instructional staff.

During the capacity interview, the Applicant provided strong responses about their plans to provide remediation for students. Although the target population is not high risk, the responses demonstrated that school leaders have thought through how they will individualize instruction and support students who may enter the school with deficits (interview, 29:22). They are committed to working with students who need extra support and guidance.

The Applicant clearly demonstrated an appropriate depth of knowledge about the target area and population. The TRP entered the interview uncertain of the academic need for the proposed school in an area with several high-performing schools, but the proposed principal, in particular, demonstrated a clear and deep understanding of the unique elements of the classical program and how a focus on discipline, rhetoric, and leadership will provide a benefit to students without gaps in core academic areas.

Qualitative Analysis Summary

The TRP recommends that the application for Leman Academy of Excellence, Inc. (LAE) be approved because the plan presents a rigorous, high-quality school that will fill a specific need in the target community; the operations and business plans are detailed and support the school's mission and vision; and the Applicant is passionate and committed to the model and the benefits it will bring to students performing at all levels.

The Applicant adequately demonstrated that students in the Oro Valley do not currently have access to a classical education option and that there is significant community interest in their approach. The Applicant has engaged the target community and demonstrated to the TRP that sufficient demand exists to support the school. Additionally, the application package presents persuasive evidence that projected population growth in Oro Valley supports the development of new schools.

Expectations for employees, as reflected in the interview and in the job descriptions presented in the application package are detailed and not only contain specific job tasks, but also specify desired personal qualities that align with the school's mission and vision as a school of instructional rigor and positive social development. The budgets are conservative, and the school plans to maintain a positive fund balance in each year of operations. The Applicant has done significant research, which is included in the application package and shows likely costs and vendors for proposed contracted services.

Finally, the Applicant has proposed an academically rigorous, high-quality program that will develop student strengths and skills in areas such as rhetoric, leadership, and responsibility. All Applicant team members present in the interview spoke passionately and knowledgeably about the school model and the specific school plan,

were familiar with the target population, and will be strong advocates for the school. These elements, together with the strengths of the written application package, lead the TRP to recommend approval of this application.

A. EDUCATIONAL PLAN

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

Plan Summary

Leman Academy of Excellence, Inc., proposes to open Leman Academy of Excellence, an elementary and eventually middle school that offers "Classical education based on the traditions of Western culture where all disciplines are interrelated allowing scholars the ability to think independently and critically." The school plans to open with grades K-6 and add a grade each year, ultimately growing to serve grades K-8. The school will have a Classical educational program with a Charlotte Mason influence and a strong curricular focus on the academic foundation of grammar, history, and mathematics. History will be the "core of the curriculum in grades 4-8" and materials will include "living biographies" and primary sources (A.3, p.2).

LAE plans to base their program on the classical concept of the trivium, consisting of the developmental stages of grammar, logic, and rhetoric (A.3, p.4). K-5 learners will begin in the "grammar" stage, in which foundational skills and knowledge are taught, proceeding to the "logic" stage in sixth grade, where abstract thought is introduced. Grades seven and eight are the "rhetoric" developmental stage in which maturing students are trained to build on earlier learning by synthesizing and expressing themselves through writing and speech.

The school plans to use Houghton Mifflin Harcourt, informational texts, Sitton Spelling, and Shurley English for ELA instruction. Saxon Math is the planned program for all math instruction. Science will be taught through "hands-on experience and observation" in grades K-6, and Science Fusion is the planned science curriculum for grades seven and eight. All students will receive Spanish instruction in grades K-2 and Latin instruction in grades 3-8. Staff will align all curricula to state standards. Instructional practices will include direct instruction, discovery learning, and the Socratic Method, as well as the Charlotte Mason strategies of making copybooks, living books, narration, and nature study. On average, the student teacher ratio will be 19:1, but the distribution of assistant teachers will be greater in the younger classrooms (A.2, p.14).

Teachers will develop standards-aligned formative and summative assessments, and students will be assessed through Galileo and other assessments designed by Assessment Technology, Inc. (ATI). The school will use DIBELS to assess literacy skills in grades K-6, and will participate in all required state testing.

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-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	70 of 79	Yes	77 of 79
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	9		2	

Analysis of Educational Plan

The Educational Plan meets the criteria for approval because it presents a viable program of instruction addressing the educational needs of the target population. In particular, the program of instruction and the interview responses both indicated that the Applicant has a thorough understanding of the importance of teaching and learning and a model based on both research and experience.

Although the Applicant plans to locate LAE in an area with existing A- and B-rated schools, the application package demonstrates a clear need for the school in several ways (A.2, p.2). First, the Applicant provided evidence of engagement with the community through roundtable meetings and confirmed community interest in their approach. Second, the application package presents persuasive evidence that projected population growth in Oro Valley and Marana supports the development of new schools in the area. Finally, the Applicant has proposed a program that will develop student strengths and skills in areas such as rhetoric, leadership, and responsibility.

The Applicant's plan to use a variety of instructional approaches connected by the common threads of literacy, history, and foreign-language instruction (Spanish in early grades and Latin in later grades), allows infusion of a classical approach while maintaining alignment with standards in all core areas. In particular, the use of Charlotte Mason methods (i.e. making copybooks, living books, narration, and nature study) allows students to learn by doing and should establish a strong connection between teacher and student, allowing for greater differentiation and development of student skills (A.3, p.4). The relatively low teacher-to-student ratio reinforces personal connection, relationships, and individual support. The applicant presented a compelling case for the importance of Latin instruction, not only as a conveyer of a culture of rigor and discipline, but as a means of strengthening English language skills (A.1, p.3). Beginning with Spanish in the primary years will allow students to smoothly transition to the Latin language as they grow and develop.

The Applicant appeared committed to the classical approach, generally, and to the LAE mission, specifically. A few of the curriculum samples provided in the application package, and corresponding responses provided in the interview lacked the precision and detail present in other parts of the application package (interview, 43:00).

However, these concerns were allayed by the experience and commitment of the Applicant and by the strength of other parts of the academic plan.

B. OPERATIONAL PLAN

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

Plan Summary

Leman Academy of Excellence, Inc. is a non-profit corporation, located in Tucson, which was created on May 19, 2014 for the purpose of operating one or more public charter schools with four founding Directors: Dennis O'Reilly, Lynne Houlton, Joseph Higgins, and Kevin Leman.

The school's governing body and the corporate board are the same and were established in May of 2014 for the express purpose of founding and governing LAE. The board's responsibilities are to promote the school's mission and vision; to plan strategically for the school's future; to monitor program effectiveness; to provide financial oversight; to hire, support, and evaluate the principal; to network in the school community; and to create committees to facilitate the board's work.

Named board positions are chairman, secretary, and executive director. Mr. O'Reilly currently serves as the board's executive director, but will transition to school principal if the application is approved. There will be one non-voting board member assigned from the board's parent committee.

The board plans to implement standing committees including executive, finance, marketing & development, fundraising, and parents, as well as ad hoc committees such as human resources, academics, facilities, discipline, and board development.

The board plans to add capacity as it grows and has designated the following priority areas for new members: education/teaching, education administration, fundraising, marketing, promotion, public relations, finance/accounting, business development, community connections, legal, and grant writing (B.2, p. 4).

The day-to-day management of the school will be delegated to the principal, who will be hired by and will report directly to the board. The principal will be supported by an assistant principal, a director of instruction, and a business manager. The school will hire a registrar and clerical support, but many operational functions will be contracted services. It is the principal's responsibility to manage all contracts, including accounting and auditing, information technology, janitorial, legal, payroll, marketing, and special education. The applicant package contains information on each of these services and lists possible providers.

School Governing Body Member Type	Number	Name
Organization Principal(s)	4	Lynne Houlton, Kevin Leman, Dennis O'Reilly, Joseph Higgins

Principal Background Information

Authorized Representative and Principal: *Dennis O'Reilly*
Confirmed Education History: Master of Arts in Education, Chapman University, 2003
Confirmed Employment History: Head of Schools, K-12 and Assistant Principal; Catalina Foothills Church Schools, August 2009-June 2014; Principal, Desert Christian Schools, June 2000-June 2009
Arizona FCC Expires: April 2, 2019
Current or Past Charter Affiliations[1]: None

[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.*

Principal Name: *Joseph Higgins*
Confirmed Education History: Bachelor of Arts in Political Science, University of Arizona, 1995
Confirmed Employment History: Chief Operating Officer, Quality of Life Medical Group, November 2008-present
Arizona FCC Expires: May 13, 2020
Current or Past Charter Affiliations[1]: None

Principal Name: *Lynne Houlton*
Confirmed Education History: Bachelor of Arts in Elementary Education, Whitworth College, 1979
Confirmed Employment History: Teacher and Substitute Teacher, Cornerstone Christian Academy, August 2011-August 2013
Arizona FCC Expires: October 30, 2018
Current or Past Charter Affiliations[1]: None

Principal Name: *Kevin Leman*
Confirmed Education History: Doctor of Education in Counseling and Guidance, University of Arizona, 1974
Confirmed Employment History: President, KAL Enterprises, Inc., November 2007-present
Arizona FCC Expires: May 13, 2020
Current or Past Charter Affiliations[1]: None

Operational Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Operational Plan Score ≥ 95% Meet standard?	No	20 of 25	Yes	25 of 25
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	5		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 presents a detailed picture of all contracted services.

The description of board composition and responsibilities is clearly presented. The proposed board duties—promotion of school mission and vision in the community, strategic planning, effectiveness monitoring, evaluation of school leader, and financial oversight—clearly create an environment in which the board remains separate from administrative functions and remains appropriately focused on policy and oversight. The plan to expand board capacity by recruiting additional members with critical skills indicates strong long-term strategic planning.

The detailed description of board committees provided in the application package indicates a working board that is collaborative and strategic. The applicant emphasizes the strong role that the parent committee will play in fostering parent involvement. The inclusion of a parent committee representative as a non-voting member of the board is further evidence of this commitment to parent involvement.

The application package describes school leadership positions in detail, and the requirements for these positions are grounded in the classical education philosophy. The application package defines core classical values. The proposed principal, Dennis O'Reilly, has relevant experience in classical education and the Charlotte Mason method. Although he was unable to answer all curriculum-related questions raised during the interview, he attempted to do so and readily admitted that he will normally rely on support in areas where he presently lacks demonstrable capacity. Other Applicant team members present during the capacity interview are able to offer

the additional support. Interview responses and the submitted application package clearly evince a distributed leadership approach, under which Mr. O'Reilly should be successful.

The description of proposed contracted services includes not only detailed descriptions of each task broken down into constituent elements, but also estimated costs and identified vendors. It is clear from the narrative that the Applicant has thoroughly researched these services, which gave reviewers confidence that the Applicant understands the importance of close estimation and detailed, concrete planning.

C. BUSINESS PLAN

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

Plan Summary

The Applicant recognizes that their enrollment target for year 1 is aggressive, and the marketing plan is segmented by the age of the students, and leverages Dr. Leman's fame due to his bestselling books, speaking engagements, and media appearances (C.2, pp. 1-3). To recruit Kindergarten and 1st grade students, LAE will establish relationships with day care and preschool programs. For older students, LAE will use direct mail, online and social media advertising, and will reach out to local real estate agents, major employers, and community organizations such as the Northwest YMCA, the Chamber of Commerce, and churches and synagogues. They will also purchase radio and television advertising on targeted outlets (C.2, p. 2).

The staffing plan of LAE includes, in year 1, 14 teachers, three administrative personnel, and 2.5 non-instructional personnel to serve 412 students in grades K-6. Kindergarten will have 4 sections of half-day classes taught by two teachers. The staff will grow to 27 instructional and 3.5 non-instructional staff serving 593 in grades K through 7 in year 2, and 39.5 instructional and 4 non-instructional staff serving 775 in grades K through 8 in year 3. The applicant has described viable and adequate plans to recruit, hire, and train personnel, and presents a compensation package that includes a health and dental plan (C.3, p. 5)

Facility Information

Proposed School Name:	Leman Academy of Excellence
Proposed Location:	Unconfirmed location: 4 possible locations in Oro Valley or Marana 1. Tangerine Road and La Canada Road in Oro Valley 2. 7987 W. Tangerine Road near I-10 in Marana 3. Oracle Road and Vistoso Commercial Loop in Oro Valley 4. Cortaro Road and Silverbell Road in Marana
Facilities Requirements:	The facility will consist of 35,000 to 40,000 square feet with, in Year 3, 30 classrooms, rooms for art, music, and P.E., offices, an auditorium, conference room, cafeteria, and space for 78 special education students.

Budget Summary

The Applicant has secured a loan from Canyon Design and Build for start-up purposes. The secured funds, in the amount of $155,000 as stated by the Applicant, are available as confirmed by BMO Harris Bank.

During the start-up period, the school anticipates receiving a $155,000 loan from Canyon Design and Building, which will be repaid over a 60-month term beginning in year four at five percent simple interest. Expenses during this period are related to employee salaries, insurance, marketing, curriculum-related expenses, legal, and information technology costs. The operational budget projects revenue based solely on equalization assistance; revenue estimates are based on between 89 – 90 percent enrollment, with a projected 412 students in year one and budgeted revenue for 368 students. Salaries increase five percent in years two and three, and less in subsequent years. Curriculum costs, which are $92,426 in year one ($13,000 is budgeted to start-up),

reduce to $15,628 by year three. The budget maintains a positive fund balance each year, growing to $191,317 by the end of year two and reducing to $24,730 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	412	593	775
# Students Budget Based On:	N/A	368 (89.23%)	533 (89.88%)	698 (90.06%)
Total Revenue:	$155,000	$2,051,480	$3,030,255	$3,873,376
Total Expenditures:	$154,573	$1,967,691	$2,838,938	$3,848,647
Ending Balance:	$476	$83,789	$191,317	$24,730

Business Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Operational Plan Score ≥ 95% Meet standard?	No	18 of 29	Yes	29 of 29
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	11		0	

Analysis of Business Plan

The Business Plan meets the standard for approval because it provides a detailed plan for facility acquisition 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 acquisitions plan presented is detailed and provides options which are located in the proposed target area. The application package contains a timeline for securing the school facility and a description of the proposed school layout. The Applicant has already entered into detailed discussions with an architect, a real estate broker, and a loan officer, and the facilities plan is supported by findings from all three parties. During the interview, the Applicant stated that they are moving forward with option 4, at the intersection of Cortaro Road and Silverbell Road in Marana (interview, 27:40).

The proposed start-up activities will be funded through a $155,000 secured loan, which will be repaid at five percent simple interest beginning in year four. This funding allows LAE to hire the school leader, Mr. O'Reilly, immediately upon approval of the charter, and other key personnel two months before the first day of school. Teachers will be paid for attending an eight-day orientation seminar related to Classical education. Many other key expenditures are made during the start-up period, including the supplies and curriculum required for pre-planning. This approach gives 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 is conservative and establishes a reserve that increases for each year of operation. Revenue is calculated at between 89-90 percent for each year of operation, allowing a margin for attrition and establishing a hedge against low enrollment. The school will have a positive fund balance for each year of operations.

The secured start-up funding and generally conservative approach to budgeting evinced in the application package were underscored by applicant responses provided in the interview. The Applicant seemed engaged and knowledgeable about the program and operations details, particularly the proposed board chair, who has considerable business experience, serves on several boards, and is on the board of the Arizona Small Business Association.

EVIDENCE OF CAPACITY

Applicant Summary

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

Name	Role	Attended Interview?
Dennis O'Reilly	Authorized Representative/Corporate Principal; Board Executive Director	Yes
Joe Higgins	Corporate Principal; Board Member	Yes
Lynn Houghton	Corporate Principal; Board Member	Yes
Dr. Kevin Leman	Corporate Principal; Board Member	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 team members listed in the application package and participating in the interview not only displayed a passion for and engagement in the proposed plan, but also appear to have relevant and significant experience that points to significant capacity.

Dennis O'Reilly and Lynne Houghton, both founding board members (O'Reilly will transition to principal if the charter is approved) were able to speak passionately in the interview about classical education, and both have experience working in schools with similar programs. Though O'Reilly could not answer every curriculum-related question asked in the interview, he is clearly comfortable researching and was forthcoming about his willingness to continue educating himself to fill any gaps and to turn to experts when necessary. Houghton was clearly comfortable discussing the benefits of the plan and gave reviewers confidence that the board will have the capacity to engage around the school model when required.

Joe Higgins, currently a founding board member who will become board president if the charter is approved, also appeared to be comfortable discussing the Classical model and will provide strong business support as a businessman, member of several local boards, and board member of the Arizona Small Business Association. Though his experience, like Mr. O'Reilly's, has primarily been in private schools, his responses to operations questions showed that he will be able to provide a strong business perspective on the Leman board.

Although Mr. Leman did not answer technical questions during the interview, he did talk passionately about his vision for the school, and his own story should provide strong inspiration, particularly for students who need guidance and support to reach their goals. His story of overcoming difficult odds and achieving advanced degrees despite numerous obstacles make him an ideal spokesman for the school and increase the likelihood that parents and other potential school stakeholders will support the project.

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 Leman Academy of Excellence, Inc. to establish Leman Academy of Excellence charter school to serve grades K through 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

Leman Academy of Excellence, 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).