Detailed Business Plan Section Checklist

Charter Holder: P.L.C. Charter Schools (Entity ID 6235)

Each Detailed Business Plan will be reviewed to determine if all of the required elements have been addressed:

Yes – Required element addressed.
No – Required element not addressed.
Not **A**pplicable – Required element not applicable to the charter holder.

Arizona State Board for Charter Schools (Board) staff will complete the Detailed Business Plan Section Checklist. The Checklist will be used by the Board in its consideration of the charter holder's request for charter renewal. " No" answers may adversely affect the Board's decision regarding a charter holder's request for charter renewal.

II b.1. CHARTER HOLDER'S ORGANIZATIONAL MEMBERSHIP				
Required Elements	**Yes**	**No**	**N/A**	**COMMENTS**
○ Evidence of the appropriate filings with either the Board, Arizona Corporation Commission or both submitted.	X			
II b.2. CHARTER HOLDER'S FINANCIAL SUSTAINABILITY PART A – RENEWAL BUDGET PLAN				
Required Elements	**Yes**	**No**	**N/A**	**COMMENTS**
○ Completed Renewal Budget Plan submitted.	X			
○ 4 years of financial information provided as required by the *Renewal Instructions* with fiscal years clearly identified.	X			

○ Renewal Budget Plan includes average daily membership (ADM) used in each fiscal year and the basis for projected ADM.		X		The Renewal Budget Plan did not include the ADM for fiscal year 2011. According to Arizona Department of Education (ADE) reports, the charter holder's fiscal year 2011 ADM was 1,069.463. The fiscal year 2012 ADM included in the Renewal Budget Plan is in line with ADE reports. The charter holder experienced an approximately 21% decrease in ADM from fiscal year 2011 to fiscal year 2012. During this period the charter holder decreased the number of sites that it was operating from three to one. For fiscal year 2013, the charter holder has built its projections based on ADM growth of approximately 27%. The Renewal Budget Plan assumptions and Financial Sustainability Narrative attribute the growth to expansion of the campus in fiscal year 2013. The narrative states, "A waiting list for all grades, particularly sixth through eighth, supports the decision to expand and will allow the upper and lower grades to have their own learning environment on campus." For fiscal year 2012, the Renewal Budget Plan includes $3,475 in the advertising/marketing line item. This line item increases to $4,000 for fiscal year 2013. The charter holder's current enrollment cap is 1,300. For more information about the charter holder's ADM history, please see the "Viability of the Organization" section of the Renewal Executive Summary.
○ Assumptions provided for key components of the Renewal Budget Plan, including the basis for all projected revenue line items used.		X		Assumptions were not provided for the Instructional Improvement Fund, Federal Funds/Grants, Extracurricular Tax Credits and Contribution and Donations line items.

○ Increases or decreases of 10% or more in the "total expenses" line item from year to year in the Renewal Budget Plan are explained in the "Assumptions/Notes" section.	X			
○ Each "Other" line item used is explained in the "Assumptions/Notes" section to specify what is included.	X			
○ For those required to submit the Academic Performance Section of the renewal application, the charter holder's previous two audits and the Renewal Budget Plan demonstrate the charter holder has the financial capacity to implement the "budget" as detailed in the Academic Performance Section.		X		The charter holder began implementing its performance management plan (PMP) in fiscal year 2012. In the first year, the PMP budget was $133,206. The budget will increase to $180,965 in the second year and drop slightly to $149,965 in the third year. It is not readily clear whether the charter holder has the financial capacity to implement its PMP. To the extent that the projected ADM is realized, then the charter holder could generate sufficient equalization to be able to implement the PMP.
○ Renewal Budget Plan is mathematically correct.	X			Taking into account rounding issues, the Renewal Budget Plan is mathematically correct.
II b.2. CHARTER HOLDER'S FINANCIAL SUSTAINABILITY PART B – FINANCIAL SUSTAINABILITY NARRATIVE				
Required Elements	**Yes**	**No**	**N/A**	**COMMENTS**
○ For those required to complete the renewal application's "Charter Holder's Financial Sustainability" section because at least one of the two previous audits identified a going concern or identified negative net assets or negative members'/stockholders' equity at year end, a narrative is provided.	X			
○ Narrative does not exceed one page in length.	X			While the charter holder submitted a cover page with its narrative, the narrative itself did not exceed one page in length.

○ Narrative explains the charter holder's current financial situation.	X			
○ Narrative includes the specific steps the charter holder has already taken to improve its financial situation and ensure the continued financial sustainability of the charter school(s).	X			
○ Evidence provided that supports each of the steps already taken by the charter holder to improve its financial situation and ensure the continued financial sustainability of the charter school(s).	X			
TOTAL (Sections II b.1, II b.2 Part A, and II b.2 Part B)	11	3	0	

Check one *(required)*:

☐ MEETS THE REQUIREMENTS (All applicable "Required Elements" received a "Yes".)

☒ DOES NOT MEET THE REQUIREMENTS (One or more applicable "Required Elements" received a "No".)

Board Staff Review Date: June 26, 2012