AGENDA ITEM: NEW CHARTER APPLICATION – PATHWAYS IN EDUCATION - ARIZONA

Pathways in Education - Arizona submitted a complete new charter application package and Arizona Online Instruction application 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 2016-2017 application cycle.

REPORT SUMMARY

Applicant Name: Pathways in Education - Arizona

Authorized Representative Name: Jamie Donahue

Proposed School Name: Fifth Arrow Charter School

Proposed School Location: Central/East Phoenix bordered by Peoria Ave., State Route 51, I-17, and I-10

Mission Statement

The mission of PIE-AZ is to empower, inspire and connect with our students to help them graduate from high school and be prepared for post-secondary options. The school will provide a supportive environment where all stakeholders are successful.

Target Population

The target population site is Central/Eastern Phoenix in an area lacking high performing high schools. The area experiences a high level of crime and poverty, and the Phoenix area has a high number of dropouts and disconnected youth as compared to the national average. The target population is 78 percent Hispanic with 46 percent living at or below the poverty line. On average, over 80 percent of surrounding area high school students qualify for free and reduced priced lunch.

Student Count

Year	Grades Served	# of Students
1	9-12	250
2	9-12	600
3	9-12	900

School Calendar

Alternative, 900 logged hours, up to 240 instructional days

Target Start Date

July 5, 2016

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	73%	Yes	98%
Operational Plan Score ≥ 95% Meet standard?	Yes	97%	Yes	100%
Business Plan Score ≥ 95% Meet standard?	No	90%	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 Applicant submitted a 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 each Plan (Educational, Operational, Business).

The capacity interview adequately addressed the questions of the TRP. Panelists included founder and officer, Joan Hall, three board members, and representatives from Pathways Management Group (PMG). For a complete listing of attendees please see Evidence of Capacity (p.10). The TRP found no critical elements of capacity lacking with the application. The interview focused on the evidence of capacity to open and operate Fifth Arrow Charter School associated with the non-profit educational organization Pathways in Education-Arizona.

The Applicant sufficiently addressed the TRP's questions regarding the Educational Plan. The supervisor for curriculum development with PMG, Kristen Concepcion, addressed all of the Educational Plan questions posed by the TRP and provided detailed responses that left no concerns or questions. Responses to TRP questions regarding the utilization of benchmark and summative assessments allowed for a deeper understanding of the ways in which data is used to "gauge how (PMG) is doing with students meeting learning goals" (PIE-AZ Capacity Interview, 20:30, 23:10).

Operational Plan and Business Plan questions were addressed primarily by PMG employees providing sufficient detail regarding enrollment, staff evaluation, and the evaluation of Pathways in Education–Arizona. The TRP also used the capacity interview as an opportunity to address the performance of Pathways in Education–California Charter Schools. This was pertinent in allowing the TRP to understand how PMG approached using interventions and strategies to improve school performance. The Applicant provided sufficiently detailed responses regarding intervention strategies including student needs identification, assessment of resources, and the use of professional learning communities (PIE-AZ Capacity Interview, 01:06:05).

Qualitative Analysis Summary

The TRP recommends that the application for Pathways in Education – Arizona (PIE-AZ) be approved because the Applicant presents a clear and cohesive Educational, Operational, and Business Plan with a strong mission and vision and philosophy grounded in research. The Applicant provides a clear rationale for addressing the target population with locale specifics and in-depth, relevant data points. The individualized learning plans, methods of instruction and tutoring, and extensive wrap around supports provide evidence that the Applicant has given extensive consideration to the target population's needs.

The Applicant explains their approach by ensuring the PMG curriculum is aligned with the Arizona College and Career Ready Standards. Core content areas described by the Applicant consist of sufficient detail including advanced placement coursework. The Applicant provides well-detailed information regarding addressing the school's instructional framework, including attention to students with special needs and English language learners (ELLs). Solid instructional strategies are provided with detail and the Applicant well details the process and criteria for awarding course credit.

The Operational Plan meets the standard for approval with a complex yet well-structured approach to effective governance in partnership with a charter school management group (Pathways Management Group). The intention of PIE-AZ to contract with PMG, an education service provider (ESP), is well presented, clearly denoting the rationale for an ESP contract and description of the services provided by PMG. The alignment of the school leadership and PMG staffing structure is appropriate and meets the school's operational needs. The performance expectations align with the service agreement.

The Business Plan meets the standard for approval because it provides a satisfactory financial plan for the leasing and opening of the Fifth Arrow Charter School facility, acquisition of fixtures, and enrollment of students. A balanced three-year budget (Business Plan, C.5) reflects the requirements for implementing the school's academic and operational plans. Of particular note is the intention to end each year with a balance of eight to ten percent of revenue. The TRP perceives this as a strength allowing for contingency needs. A reasonable staffing model is presented and the recruitment and hiring process is detailed with a six-step pre-employment process noted by the TRP as a strength. An extensive onboarding process as well as professional development plans with multiple staff growth strategies are also described.

Start-Up budget assumptions (Business Plan, C.4, Start Up Budget Assumptions) and three-year budget assumptions (Business Plan, C.5, Three Year Budget Assumptions) provide adequate narrative supporting the expenses, including details regarding the repayment of the PMG start-up loan with full repayment provided by the close of year three.

A. EDUCATIONAL PLAN

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

Plan Summary for New Charter

The Applicant's mission is to "empower, inspire and connect with our students to help them graduate from high school and be prepared for post-secondary options." The educational philosophy provides details regarding the needs of the identified at-risk student population, a population that includes students who are "at-risk due to full time work requirements, who are homeless, who are in the foster care and/or criminal justice systems." The Applicant organizes the educational philosophy under four skill groups deemed "necessary to meaningfully contribute to society at large: initiative and self-direction; flexibility and adaptability; leadership and responsibility; productivity and accountability" (Educational Plan, A.1, p. 1).

Curriculum offerings include various levels of courses in English language arts, math, science (including lab sciences), social studies, physical education, health, fine art, world languages, career and college preparatory, and other required and elective subjects. The Applicant indicates that, "in order to match the individual student's level of prior knowledge and motivation, these rigorous courses are differentiated in various ways and presented in a language and format designed to be readily comprehensible to all learners" (Educational Plan, A.1, p.2). Courses are designed to provide structured learning and individualized support for students who may not readily experience successes as indicated by mandated testing.

Coursework is offered through a blended learning format, consisting of guided independent study, small group instruction, and online learning. This format scaffolds learning and includes frequent and layered assessments to allow each student to work at his or her own pace completing courses and meeting goals within a structured framework. The instructional model is designed to support students to continually improve their academic performance with increasing independence.

The school employs a combination of indirect and direct assessment and utilizes performance data to evaluate and inform instruction. The school uses formative and summative assessments, including the STAR assessment in conjunction with the State's AzMERIT test.

Academic Systems Plan

The Academic Systems Plan (ASP) for new Applicants is for the purpose of ensuring the school's essential systems are in place and appropriate for providing a quality education for each student it serves through the creation of a comprehensive, sufficiently detailed and implementable plan in the Areas of Curriculum, Assessment, Monitoring Instruction, and Professional Development. It is also intended to focus the school on meeting the Board's Academic Performance Expectations.

The Applicant submitted an ASP that met in all areas except for monitoring instruction. For more detailed information, see the 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 (-).

Grade	Math	Reading	Writing	Science
9	+	+	+	+
10	+	+	+	
11	+	+	+	
12	+	+	+	

Plan Summary for Arizona Online Instruction

The Arizona Online Instruction (AOI) Program Mission is to "provide a realistic and challenging online educational option to students and parents who are seeking or in need of alternative methods of satisfying promotion and/or graduation requirements outside the traditional brick and mortal school program" (AOI Application, Introduction, p.1). The educational philosophy is grounded in the belief that students have the "ability to reach unlimited opportunities" and are led by four guiding principles including "optimism, gratitude, grit and resilience" (AOI Application, Introduction, p.6). The target population will include "unmet academic and non-academic needs", and as such will be provided with a "comprehensive educational program including intensive individualized instruction, mentoring, differentiated instruction and multiple modalities" (AOI Application, Introduction, p.6).

Blended learning will be utilized with offsite online coursework as well as extended hours for students to receive assistance on campus. Online coursework is available in all required content areas in addition to world languages and a variety of electives. Courses are designed with scaffolding as well as "frequent and layered assessments" allowing students to work towards meeting the goals on their Individual Learning Plans which are monitored weekly (AOI Application, Introduction, p.7).

Coursework is offered through Edmentum's Plato Learning Environment, which includes standards-driven modules that can be enhanced by "complementing them with teacher-directed activities, supplementing online content and providing alternative online assignments" (AOI Application, Introduction, p.8). The flipped classroom model allows students to work at home with direct instruction activities and use classroom time to clarify concepts with a teacher. Students collaborate with peers to solve problems, and have the options to supplement their learning program with Guided Independent Study or Small Group Instruction. (AOI Application, Introduction, p.8) The PLATO model uses semester long courses with "discreet learning objectives" (AOI Application, Introduction, p.9). Modules include introductions, practice and applications and a demonstration of mastery before the next module is opened. The format includes pretests, posttests and end-of-semester tests to confirm mastery. For those needing assistance, tutorials and offline activities are embedded for extra practice. (AOI Application, Introduction, p.9-10). For more detailed information, see the full sections of the AOI application (presented in the application portfolio: G. AOI Application, a.-l).

The Arizona Online Instruction meets the standard for approval because it was rated as meeting 97.62% of the criteria. To pass, an applicant must have 95%. For more detailed information, see the AOI Final Rubric (presented in application portfolio: G. AOI Application, a.).

Educational Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Educational Plan Score ≥ 95% Meet standard?	No	38 of 52	Yes	51 of 52
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	14		1	

Analysis of Educational Plan

The Educational Plan meets the standard for approval because it presents a well-designed Educational Plan that begins with a strong mission and vision and philosophy organized under four skill groups. The TRP found that this logical organizational approach dove-tailed well with the description of the instructional model and educational focus. The Applicant's educational philosophy and instructional model are grounded in research that utilizes the study, "The Costs and Benefits of Excellent Education for all America's Children" (Levin, Belfield, Muenning & Rouse, 2007). The seven key indicators of high-quality schools noted in this study are evident throughout the Applicant's educational philosophy and instructional model.

The Applicant provides a clear rationale for addressing the target population: "too many at-risk students in the Phoenix Union High School District are under-served, failing to graduate and therefore deprived of their full potential" (Educational Plan, A.1, p. 9). In Section A.2, Target Population, locale specifics are provided as well as in-depth, relevant data points supporting the need for Fifth Arrow Charter School to be available to serve the at-risk students in the area. The individualized learning plans, methods of instruction and tutoring, and extensive wrap around supports provide evidence the Applicant has given extensive consideration to the target population needs (Educational Plan, A.2, pp. 11-12).

The program of instruction (Educational Plan, A.3, p. 1) provides detail of alignment to the state standards. The Applicant explains the approach to ensure the PMG curriculum is aligned with the Arizona College and Career Ready Standards. The TRP noted the sensibility of the approach described as, "unwrapping the concepts and skills students must know to master a particular standard and develop optimism, grit, gratitude, and resilience, which together will lead to post-secondary success." Core content areas are described with sufficient detail including advanced placement coursework. The TRP concluded the curriculum was well-researched. The Applicant provides good detail addressing the school's instructional framework including attention to students with special needs and ELLs. Solid instructional strategies are provided with detail including guided independent study, small group instruction, online learning, and differentiated instruction.

PIE-AZ's graduation requirements are identical to the State of Arizona's graduation requirements. The Applicant well details the process and criteria for awarding course credit (Educational Plan, A.3.2, p.3). The TRP concurs with the Applicant's statement that, "in addition to meeting AZ's graduation requirements, Fifth Arrow's courses are designed to increase achievement and life choices for our at-risk student population" (Educational Plan, A.3.2, p.6).

B. OPERATIONAL PLAN

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

Plan Summary

Pathways in Education – Arizona, Inc. is a non-profit corporation, located in Phoenix, Arizona, that was created on April 10, 2015 for charitable and educational purposes with seven Directors: Jamie Donahue, John Hall Jr.,

John Hall, Joan Hall , Phillip Wilson, Stephanie Paschke, and Annemarie Comes (all members took office April 10, 2015). The corporate and governing board are one in the same for Pathways in Education-Arizona.

Fifth Arrow Charter School will be operated by the non-profit organization Pathways in Education– AZ ("PIE-AZ"). Fifth Arrow Charter School will be a member of the Pathways in Education network of public schools, all of which are managed by Pathways Management Group, a nonprofit, tax-exempt organization. PMG provides management services on a contractual basis to charter schools and has over 20 years of experience in providing educational, fiscal, and operational services to charter schools serving at-risk student populations.

The founders of PMG believe a partnership with a local organizing board provides the best model of oversight and a connection to the community. PIE-AZ is governed by Education in Motion (EIM), a nonprofit organization. In its role as sole member of PIE-AZ, EIM's focus is as follows:

- Appoint and remove the PIE-AZ's school board members
- Amend the bylaws of PIE-AZ

EIM is not involved in PIE-AZ's operations or educational policies pursuant to the sole member's and PIE-AZ's bylaws. PMG is also governed by a different sole member, Persistence and Positivity, Inc. (P&P), a nonprofit organization. In its role as sole member of PMG, P&P's focus is as follows:

- Appoint and remove PMG's board members
- Amend the bylaws of PMG

P&P is not involved in PMG's operations or policies pursuant to the sole member's and PMG's bylaws.

School Governing Body Member Type	Number	Name
Organization Principal(s)	3	Phillip Wilson, Stephanie Paschke, Annemarie Comes

Principal Background Information

Authorized Representative and Principal: *Jamie Donahue*
Confirmed Education History: Bachelor of Arts in Communications, University of Southern California, 1999
Confirmed Employment History: Pathways in Education, Executive Director, 2002 to present, 9 Dot HR, General Manager, 2012 to present.
Arizona FCC Expires: April 7, 2021
Current or Past Charter Affiliations[1]: None

Principal Name: *Phillip Wilson*
Confirmed Education History: Master of Education in Cross Cultural Studies, National University, 2000
Confirmed Employment History: Florence Unified School District, Student Transition Education Program Instructor, July 2010 - May 2013; STEP Up School, Dean of Students, June 2013 - June 2014; Washington School District, Fifth Grade Teacher, August 2014 to present.
Arizona FCC Expires: April 10, 2021
Current or Past Charter Affiliations[1]: STEP UP School

Principal Name: *Stephanie Paschke*
Confirmed Education History: No post-secondary education claimed
Confirmed Employment History: XS Salon and Spa, stylist, June 2007 - August 2011; Savante Salon, Owner, March 2011 to present.

[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.*

Arizona FCC Expires: April 13, 2021
Current or Past Charter Affiliations[1]: None

Principal Name: *John C. Hall, Jr.*
Confirmed Education History: No post-secondary education claimed
Confirmed Employment History: Education Management Systems, Vice President, 2008 to present; Education Dynamics, Vice President, 2008 to present; All Tech Solutions, Vice President, 2008 to present; and Partners in Special Education, Vice President, 2008 to present.
Arizona FCC Expires: April 30, 2021
Current or Past Charter Affiliations[1]: None

Principal Name: *Annemarie Comes*
Confirmed Education History: Master of Education in School Counseling, University of Western Alabama, 2011
Confirmed Employment History: O'Roarke Elementary, School Counseling Internship, 2009 - 2010; Nevada Arts Academy, Visual Arts Teacher, July 2010 - June 2012; Eduprize Schools, Art Teacher/School Counselor, July 2013 - June 2014; Arizona State University, Consultant, November 2014 to present, Edkey Sequoia Pathfinder Academy at Eastmark, Art Teacher, July 2014 to present.
Arizona FCC Expires: April 8, 2021
Current or Past Charter Affiliations[1]: None

Principal Name: *Joan Hall*
Confirmed Education History: Bachelor of Arts in Social Science, University of California Los Angeles, 1966
Confirmed Employment History: Options for Youth, Co-Founder and President, 1987 to present; Opportunities for Learning, Co-Founder and Vice President, 1999 to present; Pathways in Education, Co-Founder and Vice President, 2002 to present; and Education Dynamics, Co-Founder and Vice President, 2002 to present.
Arizona FCC Expires: April 30, 2021
Current or Past Charter Affiliations[1]: Options for Youth, Opportunities for Learning, Pathways in Education

Principal Name: *John Hall, Sr.*
Confirmed Education History: Bachelor of Arts in History, California State University Northridge, 1967
Confirmed Employment History: Options for Youth, CEO, December 1988 to present, Opportunities for Learning, CEO and President, May 2001 to present, Education Dynamics, Inc., CEO, January 2002 to present; Pathways in Education, CEO, February 2002 to present.
Arizona FCC Expires: April 30, 2021
Current or Past Charter Affiliations[1]: Options for Youth, Opportunities for Learning, Pathways in Education

Education Service Provider

PIE-AZ intends to contract with an education service provider ("ESP") in order to benefit from additional school services available through ESPs. As the charter holder, PIE-AZ will contract with Pathways Management Group ("PMG"), a tax exempt California nonprofit public benefit corporation under I.R.C. § 501(c)(3).

PMG operates under Persistence and Positivity, Inc., an independent board of directors, with the authority to appoint and remove PMG board members (Operational Plan, B.1, Applicant Entity Narrative, p.2). Similarly, PIE-AZ operates under Education in Motion, a sole member with the authority to appoint and remove PIE-AZ board members (Operational Plan, B.1, Applicant Entity, Narrative, p.2). Education in Motion board members are identified on page 7 of Section B.1. The Application does not appear to disclose the board composition for Persistence and Positivity. The TRP received confirmation from the Arizona State Board for Charter School Staff that the proposed structure is legally permissible.

PMG will support many of the day-to-day operations, academic programming, human resources, and financial operations of PIE-AZ. Pursuant to the draft service agreement, PMG will be responsible for the following:

- Facilities identification, location, and acquisition of space for PIE-AZ learning sites;
- Purchase and installation of technology;
- Furnishing and maintenance of PIE-AZ learning sites;

- Procuring all necessary insurance, including personal and property damage insurance;
- Budgeting and required financial reporting on a monthly, quarterly, and annual basis;
- Providing an academically rigorous educational program specifically designed for PIE-AZ's target student population;
- Providing human resources services;
- Conducting staff recruitment and screening, and making hiring recommendations;
- Providing school administrative support, including facilities management;
- Providing accounting and bookkeeping services;
- Assisting with compliance matters, including with the Arizona State Board for Charter Schools and other state and federal agencies to which PIE-AZ is accountable;
- Arranging for independent academic assessments, as requested by the PIE-AZ Board of Directors; and
- Making audit arrangements

The Applicant reports PMG schools outperform schools in the surrounding areas serving similar student populations. (Operational Plan, B.3.1, Education Service Providers Narrative, p.1) Data provided includes PMG-managed Options for Youth-Burbank and Pathways in Education – Chicago, Illinois. The Applicant states, based on the California High School Exit Exam, that "schools in California using the PMG education model rank academically in the top 20 percent of schools serving a similar population (Operational Plan, B.3.1, Education Service Providers Narrative, p.1) Although a review of FY 2011 through FY 2013 state assessment performance shows the majority of PIE schools in California not meeting Adequate Yearly Progress, there are multiple examples of increasing ELA and math proficiency rates over time. PMG reports these schools experience only rare occurrences of student misbehavior with less than 2 percent suspension/expulsion rates; post drop out recovery rates of 80 percent; and high school graduation rates of 85 percent.

Operational Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Operational Plan Score ≥ 95% Meet standard?	Yes	30 of 31	Yes	31 of 31
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 of the Applicant's complex yet well-structured approach to effective governance in partnership with a charter school management group (Pathways Management Group). A schematic provides a clear presentation of the organizational relationships of EIM to PIE-AZ and of P&P to PMG (Section B.1, Applicant Entity Narrative, p.2).

The rationale for founding Fifth Arrow Charter School is best expressed by founders John and Joan Hall desire to address a "need to establish a charter school that will serve young men and women who are on the edges of our educational system" (Operational Plan, B.1, Applicant Entity Narrative, p.1.). This statement is well-supported by the school design the Applicant presents. Officer and governing board responsibilities are well presented. The Applicant clearly indicates that "PIE-AZ's Board of Directors (have) ultimate governance responsibility for Fifth Arrow Charter School, and as such will act on all matters of school policy" (Operational Plan, B.3, p.1).

The organizational structures for years one through three are clear and demonstrate the intent for sufficient staffing as the school increases in enrollment. The School's leadership structure includes a director of instruction, principal, and lead teacher. This division of leadership was perceived by the TRP as critical given the structure of the Educational Plan and the intent to grow enrollment from 250 students on a single site in year one to 900 students with three sites in year three.

As noted in the Plan Summary above, PIE-AZ intends to contract with PMG, an ESP. The Applicant provides excellent detail that clearly denotes the rationale for an ESP contract and description of the services provided by PMG (Operational Plan, B.3.1, ESP Service Agreement). The performance expectations outlined were found by the TRP to clearly align with the service agreement. In addition to the PMG contract, PIE-AZ intends to contract for information technology, special education and legal services, as well as student experiential learning and college tours. The Applicant provides detail regarding services, rationale, and cost. All costs are incorporated in the three-year budget.

C. BUSINESS PLAN

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

Plan Summary

Education Service Provider

PIE-AZ intends to contract with an ESP in order to benefit from additional school services available through ESPs. PIE-AZ will contract with Pathways Management Group ("PMG"), a tax exempt California Nonprofit Public Benefit Corporation under I.R.C. §501(c)(3) in order to accomplish its ambitious student achievement goals and to ensure the school operates efficiently, and complies with all applicable laws in its business and financial operations. In consideration of the PMG services to be provided, PMG will be paid the following amounts by PIE-AZ for its yearly operations:

Year One (July 1, 2016 to June 30, 2017): $60,687.00

Year Two (July 1, 2017 to June 30, 2018): $65,429.00

Year Three: (July 1, 2019 to June 30, 2019): $548,143.00

In total, the fees explained above amount to 3.8 percent of the year one expenditures, 1.8 percent of year two and 10 percent of year three.

Facility Information

Proposed School Name:	Fifth Arrow Charter School
Proposed Locations:	Unconfirmed locations: PIE-AZ will be located within the Central East Phoenix communities with high numbers of the target population. PMG has identified four potential sites available for lease that are within the 85016 and 85019 zip codes which will accommodate PIE-AZ's target population. • 4221 N. 16th Street Phoenix, Arizona, 85016 • 3049-3131 E. Indian School Road. Phoenix, Arizona 85016 • 2434 -2446 E. Thomas Road, Phoenix, Arizona, 85016
Facilities Requirements:	The facility will need to accommodate 300 occupants at one time, configured into three classrooms, one administrative office, a computer lab, an open student work space, a conference space, a student meeting space, a kitchen area, a science lab and restroom facilities. The total square footage needed ranges between 7,000 and 9,000 square feet. The facility will be secured in January of 2016 with final inspections happening in June before school begins in July.

Budget Summary

The Applicant has secured several loans in the amount of $15,000, $50,000 and $600,000 from Pathways Management Group for start-up purposes. The secured funds in the amount of $665,000, are available as confirmed by their financial institution.

During the start-up period, $600,000 in revenue has been acquired from a loan with Pathways Management Group (PMG) (Business Plan, C.4, Start Up Budget Assumptions, p.1) for salaries for a principal, clerical staff, and teachers. In addition, expenses during this period are also related to multiple start-up areas including benefits, insurance, materials, software, supplies, and marketing. The operational budget projects revenue based on state funding with $35,272 carryover of start-up funding; the school intends to open with 300 students. In the three-year operational budget assumptions the Applicant notes, "State equalization funding is based on target enrollment for grades 9-12 for the first three years of operation. Year one is based on 250 students or 83.33 percent of the goal, which provided a conservative budget projection for yearly revenue" (Business Plan, C.5, Three Year Budget Assumptions, p. 1). In all three years, the majority of expenditures are on personnel, facility lease and improvement, and student material costs. Benefits are projected annually at 10 percent of salaries. The proposed budget for year one has an ending balance of $167,998 (10 percent of revenue), however by year three the ending balance grows to $461,676 (8 percent of revenue).

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

	Startup Period	Year 1	Year 2	Year 3
Projected Full Enrollment:		300	600	900
# Students Budget Based On:		250	600	900
Total Revenue:	$600,000.00	$1,742,147.00	$3,822,286.00	$5,778,962.00
Total Expenditures:	$564,728.00	$1,574,149.00	$3,524,756.00	$5,317,286.00
Ending Balance:	$35,272.00	$167,998.00	$297,530.00	$461,676.00

Business Plan Findings

	Preliminary TRP Scores		Revised TRP Scores	
Business Plan Score ≥ 95% Meet standard?	No	27 of 30	Yes	30 of 30
Number of "Falls Below" ratings	0		0	
Number of "Approaches" ratings	3		0	

Analysis of Business Plan

The Business Plan meets the standard for approval because it provides a satisfactory financial plan for the leasing and opening of the Fifth Arrow Charter School facility, acquisition of fixtures, and enrollment of students. A balanced three-year budget (Business Plan, C.5, Three Year Operational Budget) reflects the requirements for implementing the school's academic and operational plans. Of particular note is the intention to end each year with a balance of eight to ten percent of revenue. This is perceived as a strength allowing for contingency needs.

The plan demonstrates the Applicant's understanding of facility needs with clear description of the priorities sought in a leased building (Business Plan, C.1, Facilities Acquisition Narrative). PMG has identified four possible sites within the target population area. Sufficient site descriptions, as well as a timeframe for securing a facility and associated costs, are provided.

The Applicant provides a detailed advertising and promotion plan (Business Plan, C.2, p.1) that engages in three primary outreach activities: community college and nonprofit partnerships; public and social media

advertisement; and establishing a local presence in the community. This is articulated by the Applicant as an immersion plan. The TRP deems this to be strategic. The Applicant clearly invested extensive time in the development of the marketing plan providing detailed material costs and price quotes (Business Plan, C.2, pp.3-19).

The Applicant presents a reasonable staffing model that details the recruitment and hiring process with a six-step pre-employment process which the TRP noted as a strength. (Business Plan, C.3) Descriptions of an extensive onboarding process and professional development plans with multiple staff growth strategies support the Applicant's statement that PMG intends to "provide comprehensive professional development to PIE-AZ staff to ensure that students are always the beneficiaries of sound, effective instruction and support."

As noted above, start-up budget assumptions (Business Plan, C.4, Start Up Budget Assumptions) and three-year budget assumptions (Business Plan, C.5, Three Year Operational Budget Assumptions) provide adequate narrative supporting the expenses. Section C.5 details repayment of the PMG start-up loan with full repayment provided by the close of year three.

EVIDENCE OF CAPACITY

Applicant Summary

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

Name	Role	Attended Interview?
Joan Hall	Charter Principal / Founder / Officer	Yes
John Hall, Sr.	Charter Principal	No
John Hall, Jr.	Charter Principal	No
Phillip Wilson	Charter Principal / Board Member	Yes
Annemarie Comes	Charter Principal / Board Member	Yes
Stephanie Paschke	Charter Principal / Board Member	No
Jamie Donahue	Authorized Representative/Charter Principal	No
Jessica Ray	Assistant Superintendent for Pathways Management Group	Yes
Erika Robertson	General Manager Prep for Success	Yes
Kristen Concepcion	Curriculum Supervisor for Pathways Management Group	Yes
Barbara Duncan	Assistant Superintendent of Charter Development / Acquiring Resources	Yes
Christie Hurst-Crumpton	Director of Online Education	Yes
Jacob Kim	Deputy General Council for Pathways Management Group / Nonprofit Status	Yes
Jill Wells	Director of Charter Development	Yes
Jonathon Morse	Oversee Accountability for Pathways Management Group	Yes
Liz Baskerville	Chief Financial Officer	Yes
Greg Marrero	Supervisor of School Implementation Pathways Management Group	Yes

Analysis of Applicant Capacity

The TRP finds the Applicant has a range of knowledge, skills, and experience needed to open and operate a high-quality school.

The Applicant presented sufficient detail during the capacity interview regarding the Pathways in Education - Arizona Education Plan and the Academic Systems Plan. In particular, the Applicant spoke directly to instructional strategies to ensure students at-risk of dropping out of high school will experience success. In addition, the Applicant referenced the additional supports provided to special education students and ELLs. The strategy of having online coursework primarily completed while on site at the school facility is presented by the Applicant as a way of providing additional supports as needed. During the course of the interview the Applicant stated their instructional approach is carried out utilizing, "an assets based approach instead of looking at what (students') failures have been."

The capacity interview allowed the Applicant an opportunity to expand on the extensive professional development plan presented in the Application. (Business Plan, C.3, Personnel) The Applicant describes their professional development as crucial in supporting new teachers, as well as teachers who are highly qualified but need assistance with how to meet specific student needs. (PIE-AZ Capacity Interview, 39:34)

The TRP used the capacity interview as an opportunity to address the performance of Pathways in Education–California Charter Schools. This allowed the TRP to understand how PMG approached using interventions and strategies to improve school performance. The Applicant provided sufficient information detailing intervention strategies including student needs identification, assessment of resources, and the use of professional learning communities. (PIE-AZ Capacity Interview, 36:15)

The capacity interview confirmed the TRP's evaluation of the application package as meeting the standards for approval. The 16 individuals in attendance at the capacity interview were clearly dedicated to the school as described and to the target population of at-risk students. The alignment in philosophy, school design, and implementation amongst PIE-AZ and PMG was evident

ADDITIONAL BACKGROUND INFORMATION

Additional data is included below to provide information related to the Applicant's principals' experience, qualifications, and current and prior charter compliance as an indicator of the Applicant's ability to implement a charter or operate a charter school.

Charter Principal Affiliations
Principal Name: Phillip Wilson
Current Affiliation(s): None
Past Affiliation(s) of Note: STEP UP School
Comments: Phillip Wilson served as the Dean of Students for STEP UP School in Mesa from 2013-2014. The academic performance of the school affiliated with Phillip Wilson is summarized, with dashboard presented below:

- STEP UP School (opened 7/24/2012):
    - 2014 – Overal Rating 41.88 (Does Not Meet), C
    - 2013 – Overall Rating 56.25 (Does Not Meet), C

STEP UP School

		2013 Small Elementary School (K to 6)			2014 Traditional Elementary School (K to 7)		
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1a. SGP	Math	52	75	25	25.5	25	25
	Reading	46	50	25	47	50	25
1b. SGP Bottom 25%	Math	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
2a. Percent Passing	Math	47.6 / 49.6	50	11.25	36.8 / 64.8	25	7.5
	Reading	71.4 / 72.4	50	11.25	78.9 / 79.7	50	7.5
2b. Composite School Comparison	Math	-2.7	50	11.25	-18.8	25	7.5
	Reading	-1	50	11.25	6.8	75	7.5
2c. Subgroup ELL	Math	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0
2c. Subgroup FRL	Math	NR	0	0	38.9 / 54.7	25	7.5
	Reading	NR	0	0	77.8 / 72.2	75	7.5
2c. Subgroup SPED	Math	NR	0	0	NR	0	0
	Reading	NR	0	0	NR	0	0
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
3a. State Accountability		C	50	5	C	50	5
Overall Rating		Overall Rating			Overall Rating		
Scoring for Overall Rating 89 or higher: Exceeds Standard <89, but > or = to 63: Meets Standard <63, but > or = to 39: Does Not Meet Standard Less than 39: Falls Far Below Standard		56.25		100	41.88		100

As the Dean of Students, Phillip was in charge of discipline, crisis intervention, AIMS testing coordination, teacher evaluation, professional development and data driven decision making. He also worked as an instructor in a 3rd/4th grade combination class and as the site ELL coordinator.

Academic Performance of Associated Schools

As part of the due diligence process, staff reviewed the academic performance of Pathways in Education (PIE). Pathways in Education sponsors 12 high schools in California, as well as several newly opened schools in Illinois, Louisiana and Tennessee. Data for the newly opened schools is not yet available to compare historical performance. The education model utilized by Pathways has been in operation in California since 1987, operating under the brands Opportunities for Learning (OFL) and Options for Youth (OFY). The schools in California use a blended model, combining small group instruction and independent study into instruction, as well as flexible schedules, experiential programs, college tours, workshops and cultural immersion trips. For consideration of this application, staff has included the academic data of the associated schools within the PIE network.

Table 1.1

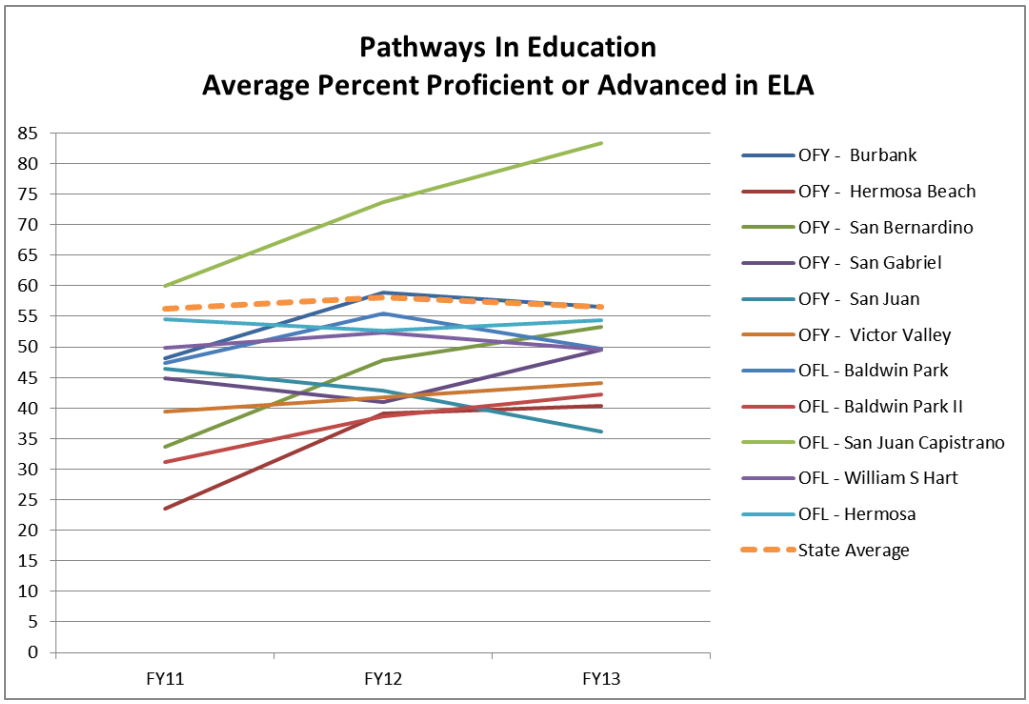
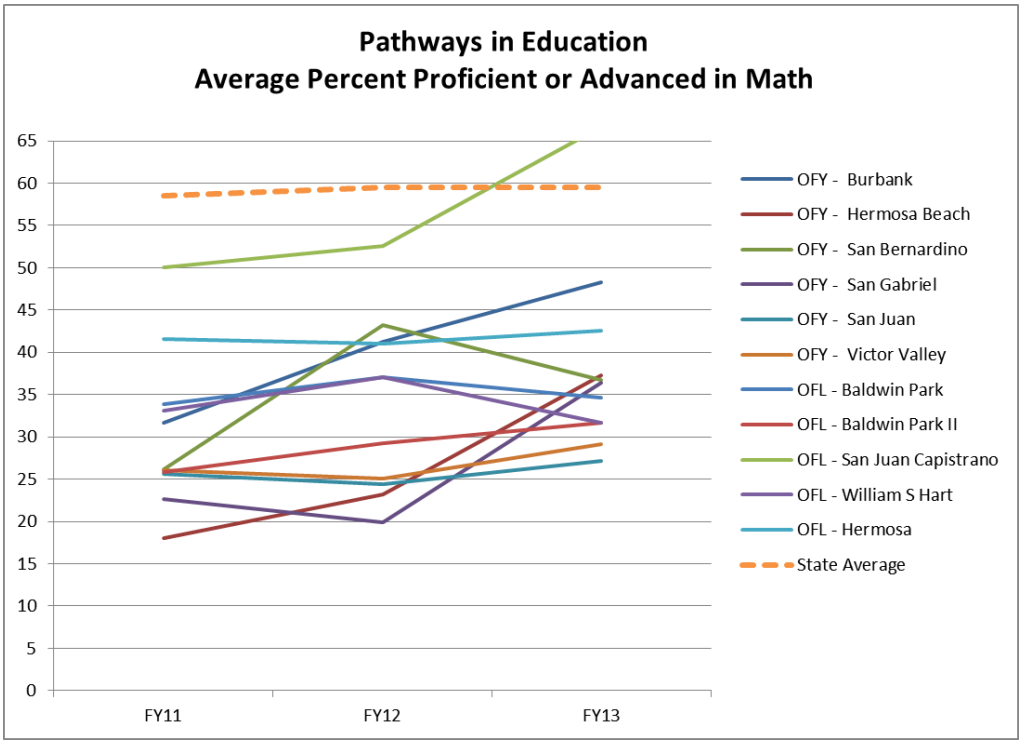


Table 1.2



While California established the Alternative Schools Accountability Model (ASAM) in 1999, the schools represented in the data table below are not measured using the ASAM. The data compiled in the tables above illustrates the percent of students that measured at the proficiency level in ELA and Math, as compared to the state average of traditional and alternative schools alike. Table 1.1 illustrates that eight out of eleven schools are demonstrating improvement in proficiency in ELA between 2011 and 2013, while Table 1.2 illustrates that ten out of eleven schools are demonstrating improvement in proficiency in Math during the same time.

BOARD OPTIONS

New Charter Application

Option 1: The Board may approve the application package and the charter. The following language is provided 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, I move to approve the application package and grant a charter to Pathways in Education - Arizona to operate Fifth Arrow Charter School charter school to serve grades 9-12 in their first year of operation, and to open an additional charter school in their second and third years of operations to serve grades 9-12.

Option 2: The Board may deny the charter. 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, I move to deny Pathways in Education - Arizona's request for a charter for the reason(s) that:

- ❑ The Applicant is not sufficiently qualified to operate a charter school based on (insert the facts that form the basis for determination [i.e., background/fingerprint/credit report of the specific Officers, Members, Directors, or Partners]).
- ❑ The Applicant is not sufficiently qualified to operate a charter school based on the (insert the facts from the financial, operational and/or academic performance of associated schools or affiliated schools that form the basis for the decision).

Arizona Online Instruction Program of Instruction Amendment (*for consideration if the charter is granted*)

Option 1: The Board may approve the request. The following language is provided for consideration: I move, based on the information contained in the Board materials and presented today, to approve the request of Pathways in Education – Arizona to operate its charter school site as an Arizona online instruction school on a probationary status under A.R.S. § 15-808.

Option 2: The Board may deny the request. The following language is provided for consideration: I move to deny the request of Pathways in Education – Arizona to operate its charter school site as an Arizona online instruction school.