EduPreneurship, Inc.
Renewal Executive Summary Report

I. Sources of Evidence for this Document

A.R.S. 15-183.I states that "[a] charter school that elects to apply for renewal shall file an application for renewal…which shall include a detailed business plan for the charter school, a review of fiscal audits and academic performance data for the charter school and a review of the current contract between the sponsor and the charter school."

The Arizona State Board for Charter Schools (ASBCS) determined that renewal of a charter is based on affirmative evidence in three areas:

- Success of the academic program, including academic achievement
- Viability of the organization, including fiscal management and compliance
- Adherence to the terms of the charter, including contract and legal compliance

Evaluation of the charter holder's success in these three areas is based on a variety of information that will serve as sources of evidence in determining renewal. These sources include:

- Written application for renewal
- Student performance data
- Independent financial audits
- Five year interval summary reviews
- Site visit reports
- Monitoring reports

II. School Profile

EduPreneurship, Inc. was granted a charter by the ASBCS, effective on the first day of the operation of the school which was July 24, 1995. EduPreneurship, Inc. is a non-profit in good standing with the Arizona Corporation Commission. The charter representative is Deborah Salas. The school, EduPreneurship Student Center (ESC) Phoenix, is located at 7801 N. 27th Avenue in Phoenix, serves K-8, and had a FY10 ADM of 69.040.

Mission Statement:
EduPreneurship, Inc. is dedicated to providing children with an education that will enable them to be successful in the complex society of today. Creating a learning environment that is relevant, active and product oriented to ensure our children stay "turned on" and "tuned in" is essential to the educational process. We believe in practicing the precepts of a democratic society by students holding themselves accountable for their own actions thus preparing them to be good citizens. We promise our students: to reengage the disengaged, to revitalize the complacent, to stir the imagination, to spark critical thinking, to nurture a love of learning, to develop the citizen within, to dare to risk, to be an entrepreneur.

III. Academic Performance

Fiscal Year	AZ LEARNS	Adequate Yearly Progress (AYP)
2009	Performing	Yes
2008	Performing	Yes
2007	Performing Plus	Yes

Status Scores	2009	2008	2007
Reading	60	57	49
Math	53	68	38
% of students school-wide who passed AIMS.			

Student Growth Percentile (SGP)	2009	2008	2007
Reading	59	50	27
Math	56	59	47
% of students demonstrating typical growth compared to similar students.			

IV. Fiscal Compliance

The charter holder has timely submitted the annual audit. The fiscal year 2009 audit identified repeat weaknesses in internal controls relating to segregation of duties, which required the charter holder to submit a corrective action plan (CAP.) The charter holder submitted a satisfactory CAP. No repeat issues were identified.

EduPreneurship, Inc. has received exceptions from the Uniform System of Financial Records for Charter Schools and State procurement regulations.

V. Legal and Contractual Compliance

The charter holder has timely submitted the Annual Financial Report and Budget for the past five years. All Declarations were submitted to the Arizona Department of Education (ADE) in a timely manner. The Highly-Qualified Teacher report, updated on February 2, 2010, indicated six core teachers with zero being reported as non-highly qualified. Cycle 5 NCLB Compliance Monitoring took place in 2004-05 with no findings. Cycle 6 NCLB Compliance Monitoring

occurred in 2005-06 and Cycle 1 in 2006-07 with findings. In 2003-04 and 2007-08 compliance with the Individuals with Disabilities Education Act (IDEA) was determined by ADE Exceptional Student Services. In 2010 ADE Academic Achievement Division conducted on-site reviews of the Elementary and Secondary Education Act (ESEA) programs. No areas of concern were noted. A Five-Year Interval Review by ASBCS took place in 2006.

VI. Renewal Application

A. Education Plan

The Charter Holder was required to submit a Performance Management Plan in the academic section of the renewal application.

The introductory narrative for the Performance Management Plan describes the process the school community undertook for data examination and analysis. Data reviewed included results from AIMS and informal interviews and surveys. Student enrollment data was also analyzed. Based upon the data analysis, the school determined to focus the plan on continuing improvement efforts on enriching reading and math academic programs to include benchmark assessments and Response to Intervention (RTI).

Indicator: **Math**
Duration of the Plan: April, 2010 – June, 2014
Strategies:

Increase and enrich student math academic time on task.
Implement benchmark testing for all students.
Response to Intervention (RTI) for all students performing below grade level in Math.

ANNUAL BENCHMARK TARGETS:

CURRENT STATE	Year 1	Year 2	Year 3	Year 4	Target For This Plan
Arizona State average for % of students that Pass (Meets and Exceeds) the Math portion of the AIMS is: Grade State ESC 3 73 33 4 74 36 5 72 88 6 68 75 7 73 50 8 63 63	Grade 3 will improve 10%. Grade 4 will improve 10%. Grade 5 is currently above the state average that meets and/or exceeds the state standards and will improve by 3%. Grade 6 is currently above the state average that meets and/or	Grade 3 will improve 10%. Grade 4 will improve 10%. Grade 5 is currently above the state average that meets and/or exceeds the state standards and will improve by 3%. Grade 6 is currently above the state average that meets and/or	Grade 3 will improve 10%. Grade 4 will improve 10%. Grade 5 is currently above the state average that meets and/or exceeds the state standards and will improve by 3%. Grade 6 is currently above the state average that meets and/or	Grade 3 will improve 10%. Grade 4 will improve 10%. Grade 5 is currently above the state average that meets and/or exceeds the state standards and will improve by 3%. Grade 6 is currently above the state average that meets and/or	Will meet or exceed the current statewide average of AIMS.

	exceeds the state standards and will improve by 3%. Grade 7 will improve 6%. Grade 8 will improve 5%.	exceeds the state standards and will improve by 3%. Grade 7 will improve 6%. Grade 8 will improve 5%.	exceeds the state standards and will improve by 3%. Grade 7 will improve 6%. Grade 8 will improve 5%.	exceeds the state standards and will improve by 3%. Grade 7 will improve 6%. Grade 8 will improve 5%.	

Indicator: **Reading**
Duration of the Plan: April, 2010 – June, 2014
Strategies:

Professional development that supports effective implementation of Reading.
Implement benchmark testing for all students.
Implement Response to Intervention (RTI) Model for all students performing below grade level in Reading.

ANNUAL BENCHMARK TARGETS:

CURRENT STATE	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Target For This Plan**
Arizona State average for % of students that Pass (Meets and Exceeds) the Reading portion of the AIMS is: Grade State ESC 3 72 22 4 72 55 5 74 76 6 70 100 7 73 63 8 69 63	Grade 3 will improve 13%. Grade 4 will improve 5%. Grade 5 is currently above the state average that meets and/or exceeds the state standards and will improve by 3%. Grade 6 will continue to meet or exceed the state average by 3%. Grade 7 will improve 5%. Grade 8 will improve 5%.	Grade 3 will improve 13%. Grade 4 will improve 5%. Grade 5 is currently above the state average that meets and/or exceeds the state standards and will improve by 3%. Grade 6 will continue to meet or exceed the state average by 3%. Grade 7 will improve 5%. Grade 8 will improve 5%.	Grade 3 will improve 13%. Grade 4 will improve 5%. Grade 5 is currently above the state average that meets and/or exceeds the state standards and will improve by 3%. Grade 6 will continue to meet or exceed the state average by 3%. Grade 7 will improve 5%. Grade 8 will improve 5%.	Grade 3 will improve 13%. Grade 4 will improve 5%. Grade 5 is currently above the state average that meets and/or exceeds the state standards and will improve by 3%. Grade 6 will continue to meet or exceed the state average by 3%. Grade 7 will improve 5% Grade 8 will improve 5%.	Will meet or exceed the current statewide average of AIMS.

In the Performance Management Plan EduPreneurship scored 30 points out of a possible 40 points. One hundred percent of the sections scored at Meets or Exceeds level.

B. Detailed Business Plan

Organization

The applicant provided an organizational chart that depicts the relationship of the corporation to the head of schools for the charter holder. No narrative to accompany the chart was provided.

Sustainability

Fiscal Viability

EduPreneurship, Inc. has used the same basic accounting procedures, which comply with generally accepted accounting principles. Day to day fiscal decision-making is left to the head of school, who reports to the board on a regular basis. The board reviews monthly financials at each meeting and reviews/approves budgets and audits annually.

For fiscal year 2008 and fiscal year 2009, the independent certified public accountant issued an unqualified (or "clean") opinion on EduPreneurship's financial statements. In each fiscal year, the charter holder ended the year with positive net assets. However, for fiscal year 2009, expenditures exceeded revenues by approximately $107,000. The renewal application's "Sustainability" narrative describes transitions that have occurred between fiscal years 2007 and 2010. For fiscal year 2009, the board expected a significant reduction in revenues due to reduced enrollment and increased expenses due to planned purchases to enrich the academic program. According to the application, since the organization had cash assets in excess of the negative cash flow for fiscal year 2009, there was a conscious decision to weather the financial consequences instead of disrupting the program and school climate by laying off staff. The application's "Sustainability" narrative also describes steps being taken to increase enrollment. The Budget Plan submitted as part of the renewal application indicates that while expenditures are expected to exceed revenues in the first two years of the three-year period, the charter holder will end each fiscal year with positive net assets. According to the assumptions provided, state equalization assistance for fiscal years 2011 and 2012 is based on information from the Governor's office. The application also identifies contingencies should the "worst case scenario" for state funding occur.

Strength and Stability of the Governing Body

Strength and Stability of the Corporate Board

The corporate board of EduPreneurship, Inc. and the governing board of EduPreneurship Student Center are the same. The corporate/governing board includes six members:

Deborah Salas-President	Carol Sammans-Vice President & School Founder
Kathy Shelton-Member	Denise Wainwright-Parent Member
Gary Salas-Member	Marty Condos-Member

The application includes the current process for board member recruitment, selection and development, but states that this process is being revised. Each member of the board must

establish that he or she possesses experience and qualifications to further the board's commitment to the educational purposes of the corporation and the mission of the charter school, along with other educational, managerial and fundraising skills. For more information on the members' backgrounds, please see the Strength and Stability of the Governing Board section of the application.

The board has final authority and responsibility for the charter. It is responsible for compliance and fiscal management and sets the overall vision, direction, and philosophy of the charter. Specific board responsibilities include: setting school policy, adopting the annual budget and annual financial report, reviewing annually the performance, salary and benefits of key personnel, and reviewing academic data and monitoring academic progress.

The governing board discusses the students' academic achievement four times a year at each board meeting. EduPreneurship has an informal process at the board meeting to look at data and set a goal. The Professional Learning Community (PLC) team meets weekly to discuss the academic data, which are analyzed and documented with suggestions and/or strategies given to teachers to make any needed adjustments to teacher curriculum. The data are reviewed by the head of school and brought to the board. The board reviews the data and sets a goal for the end of the year.

Succession Plan

Charter Holder: About four years ago, the charter holder began a process to ensure a successful transition that included retirement of the founders and original board members. The founders used these years to search for qualified and willing board members and for a charter leader. New board positions received governing board training last year and the Head of School has been mentored by the founders for several years. She is currently responsible for all day to day operations at the charter.

To ease the transition, one of the original founders remains on the board and offers continuity and knowledge while mentoring Head of School, teachers and new board members. The other founder offers consulting, training and mentoring to the Head of School and Office Manager. During the past three years, the Head of School and office manager have developed the expertise that allows them to work more independently. In the future the founders will move to the Honorary Advisory Council and will provide advice to the ESC Corporate/Governing Board when needed. When necessary, the current board will seek future key board members with experience in public education, charter law, marketing and finances.

Instructional Leadership: According to the application, the school's small professional learning community works to build a productive, energetic, highly effective instructional team as well as leadership capacity. The Head of School facilitates the team and trains team members for leadership duties. In case of an unexpected event, the intent is to have a team member prepared to assume the leadership role. If that is not a viable option, the Board will ask one of its own members with public education experience to fill the void until a replacement can be found in the charter community at large.

Facilities Plan

The charter leases approximately 7500 square feet of space in the education building at a neighborhood church. The lease runs through the end of FY2011 and will be renegotiated at that time. The applicant does not anticipate any problems with lease renewal.

Leased space includes five classrooms, a computer lab, a library, two administrative offices, a teacher break room, a large curriculum workroom, several storage rooms, four restrooms and a large meeting area with kitchen. There is also a safe, fully enclosed playground.

VII. Staff Recommendation

Based upon the information in the application, academic performance over the charter term, fiscal compliance, and legal and contractual compliance, I move to approve the renewal application and grant a renewal contract for EduPreneurship, Inc.