Portable Practical Educational Preparation, 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:

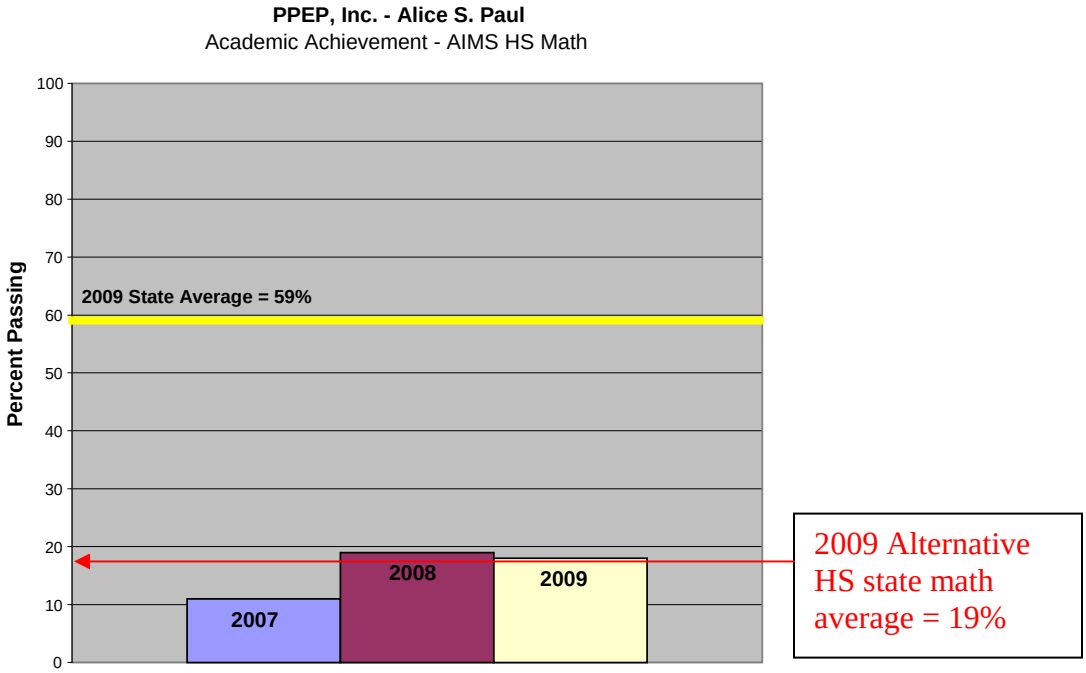
- Written application for renewal
- Student performance data
- Independent financial audits
- Five year interval summary reviews
- Site visit reports
- Monitoring reports

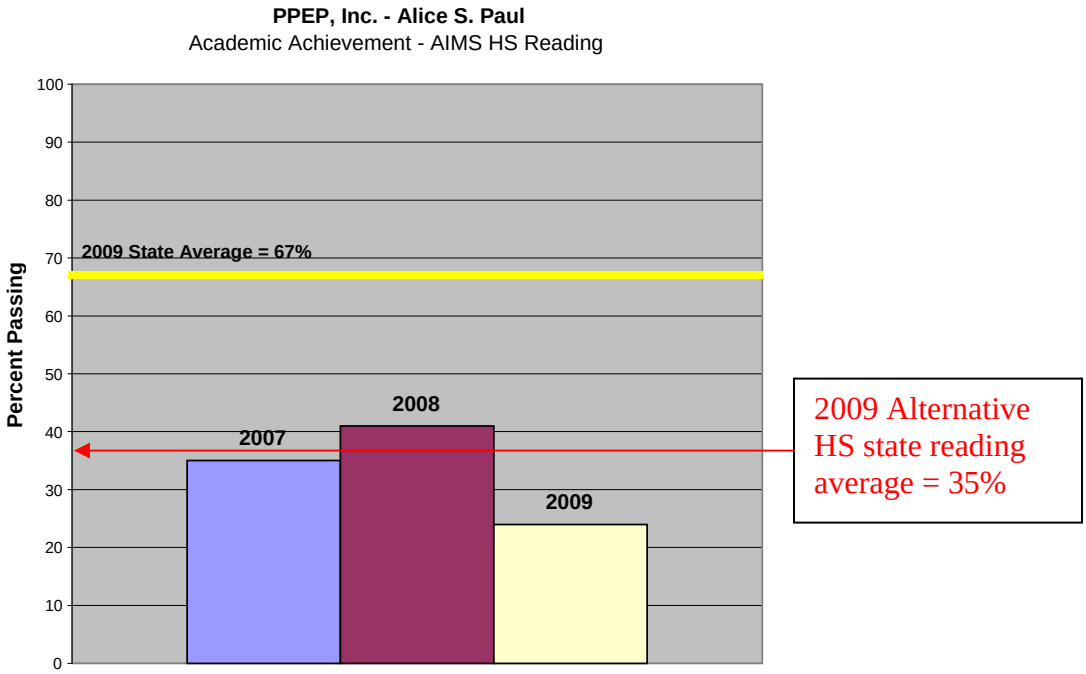
II. Profile

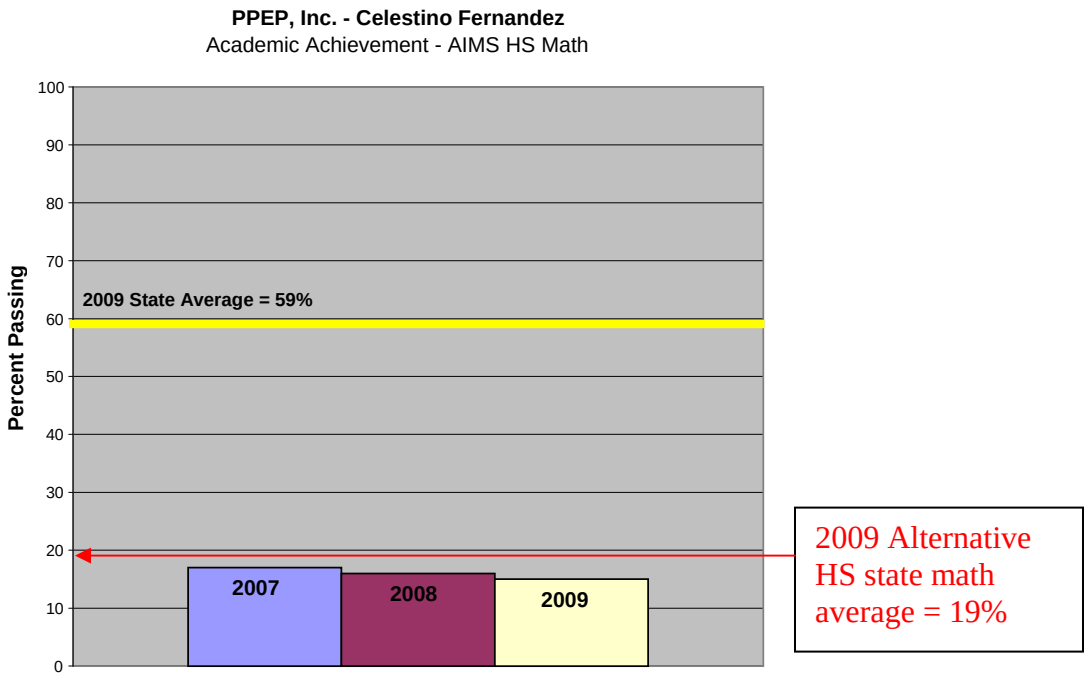
Portable Practical Educational Preparation, Inc. (PPEP, Inc.) was granted a charter by the ASBCS, effective on August 15, 1995. PPEP, Inc. is a non-profit corporation in good standing with the Arizona Corporation Commission. The charter representatives are John Arnold and Randy Kempton. The charter holder operates eleven alternative schools (Learning Centers) that serve grades 9-12: 'Lito' Pena, Alice S. Paul, Celestino Fernandez, Cesar Chavez, Colin L. Powell, John David Arnold, Jose Yepez, Manuel Borjorquez, Raul H. Castro, Robles Junction, and Victor Soltero. The schools are located throughout Arizona in Avondale, Bisbee, Casa Grande, Chandler, Douglas, Robles Junction, San Luis, Sierra Vista, Sommerton, and Tucson. The FY10 100th day ADM was 1137.398.

Mission Statement (as provided in the contract):
The mission of PPEP Tec High School is to provide quality educational services to students, ages fifteen through twenty-one in grades 9 through 12 who are at risk of becoming permanent dropouts of our public educational system. Fulfilling this mission will also provide students with the knowledge and skills necessary to obtain employment or continue their education in post-secondary institutions.

III. Academic Performance






PPEP, Inc. - Celestino Fernandez
Academic Achievement - AIMS HS Math
Percent Passing
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2009 State Average = 59%
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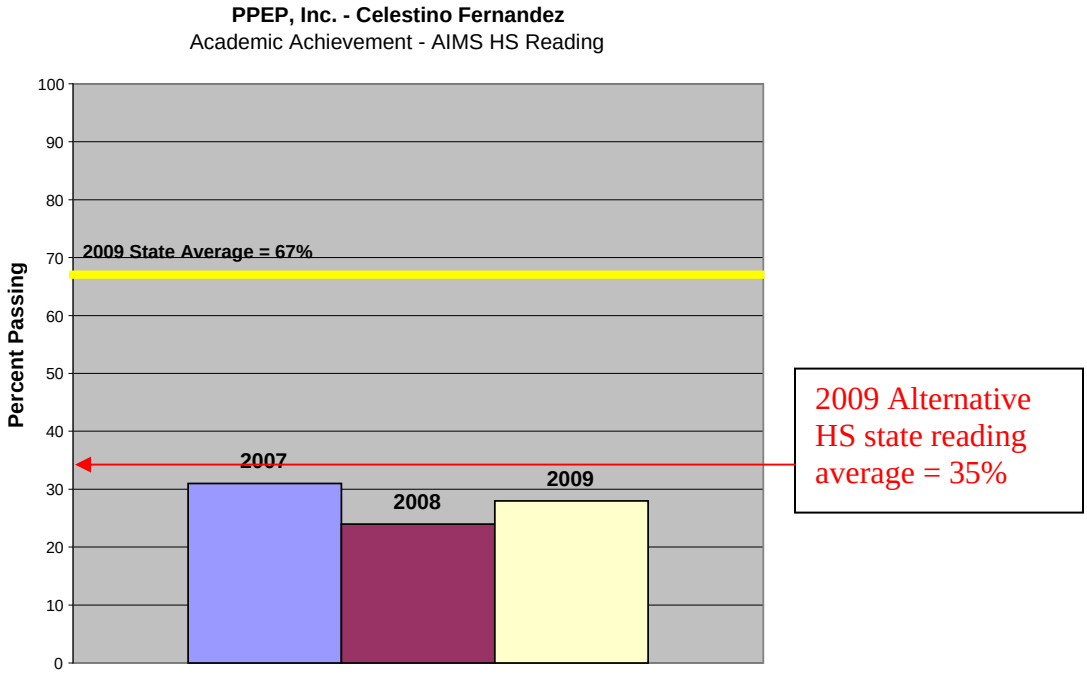
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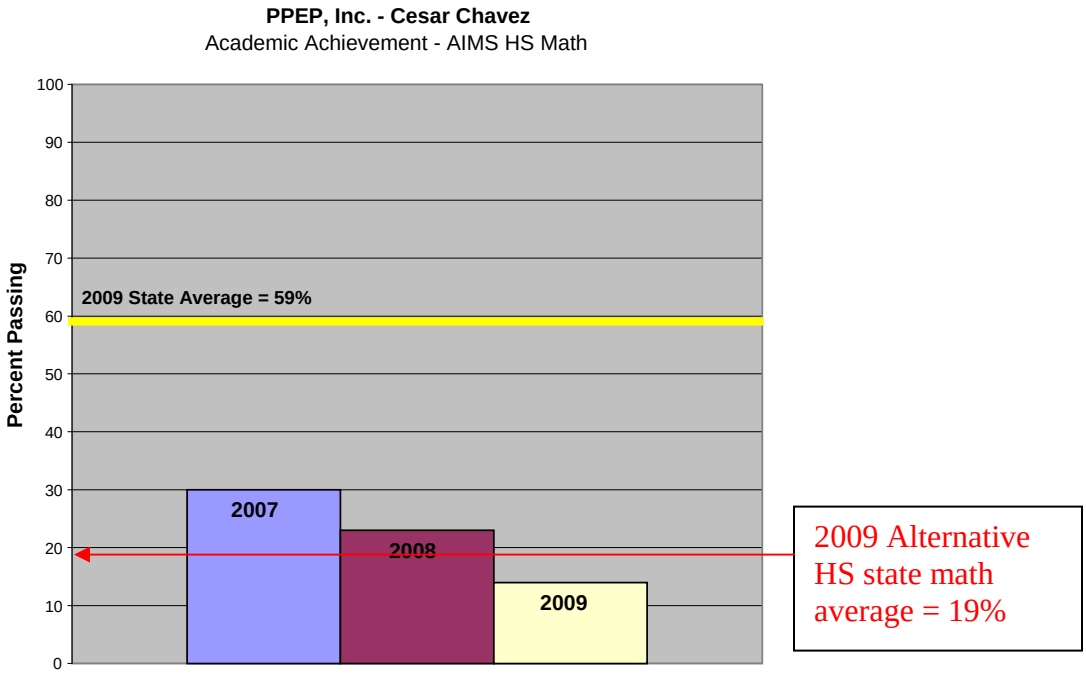
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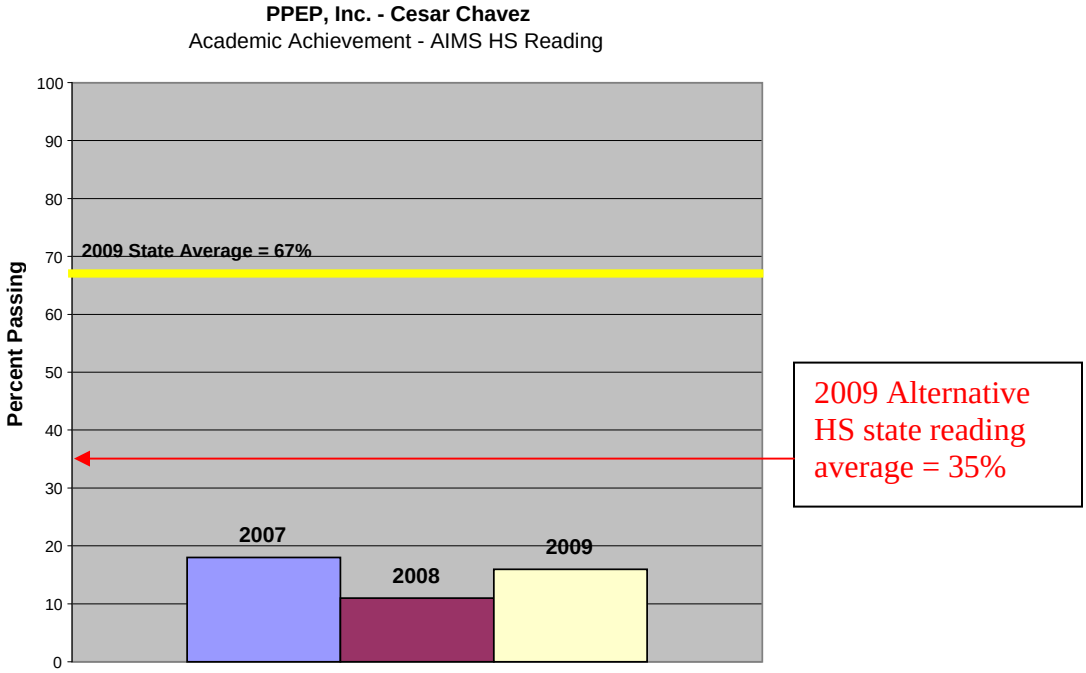
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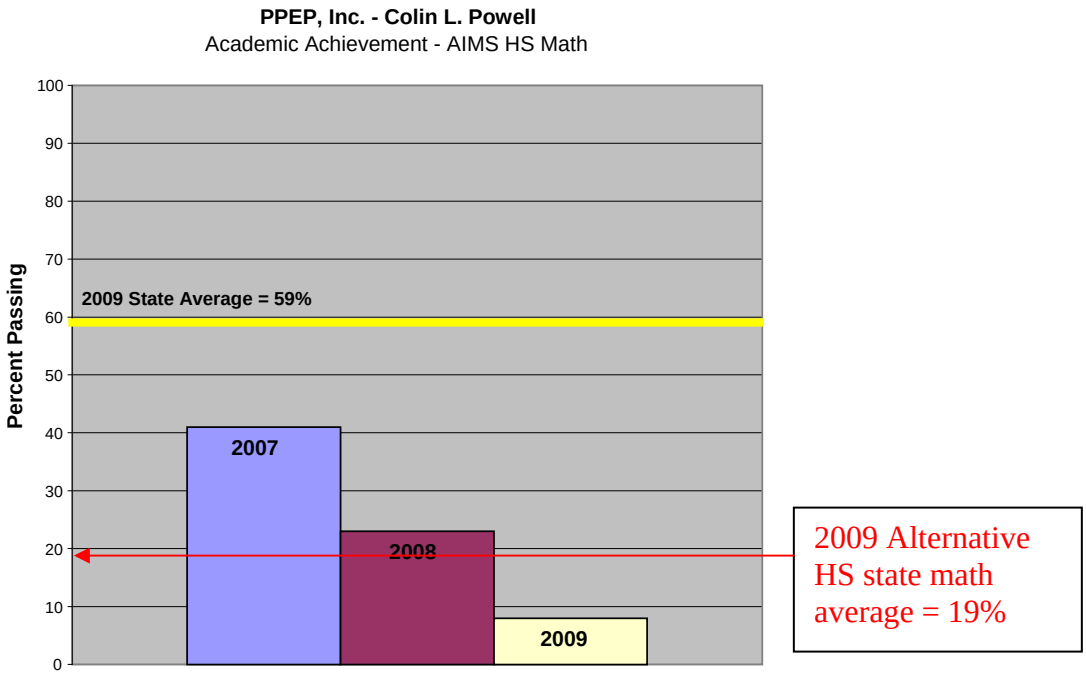
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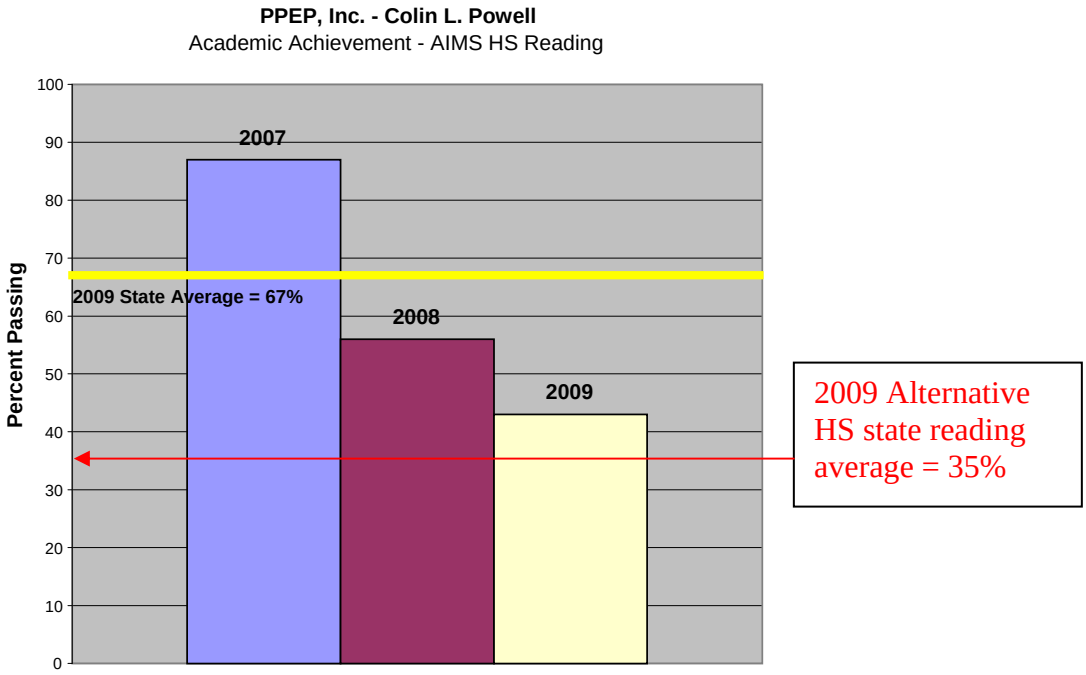
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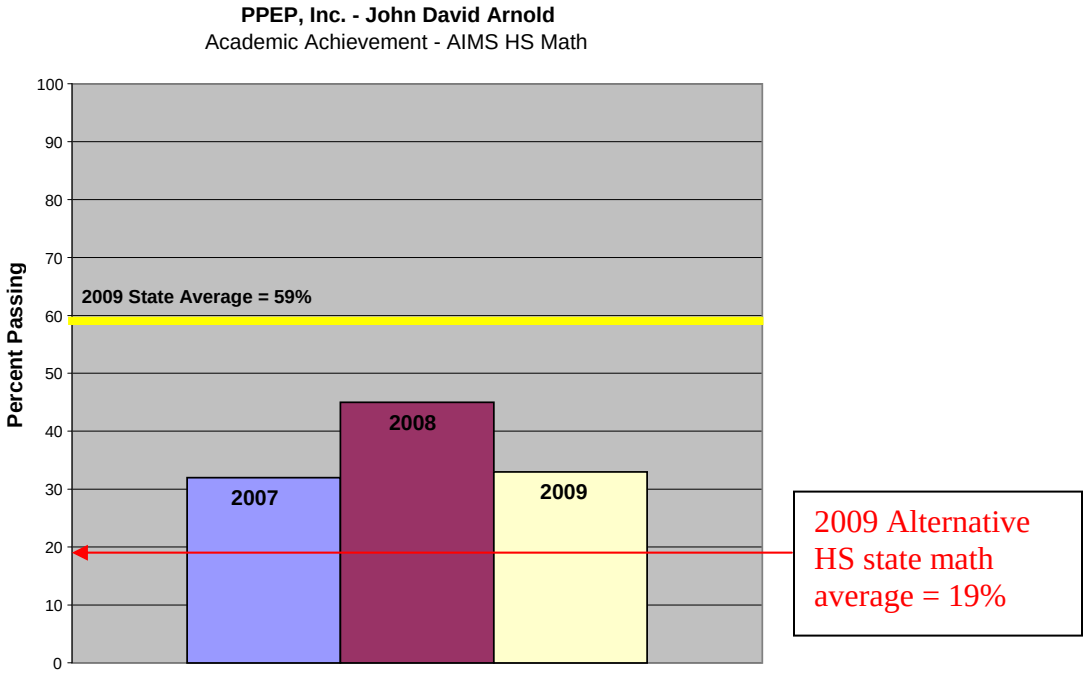
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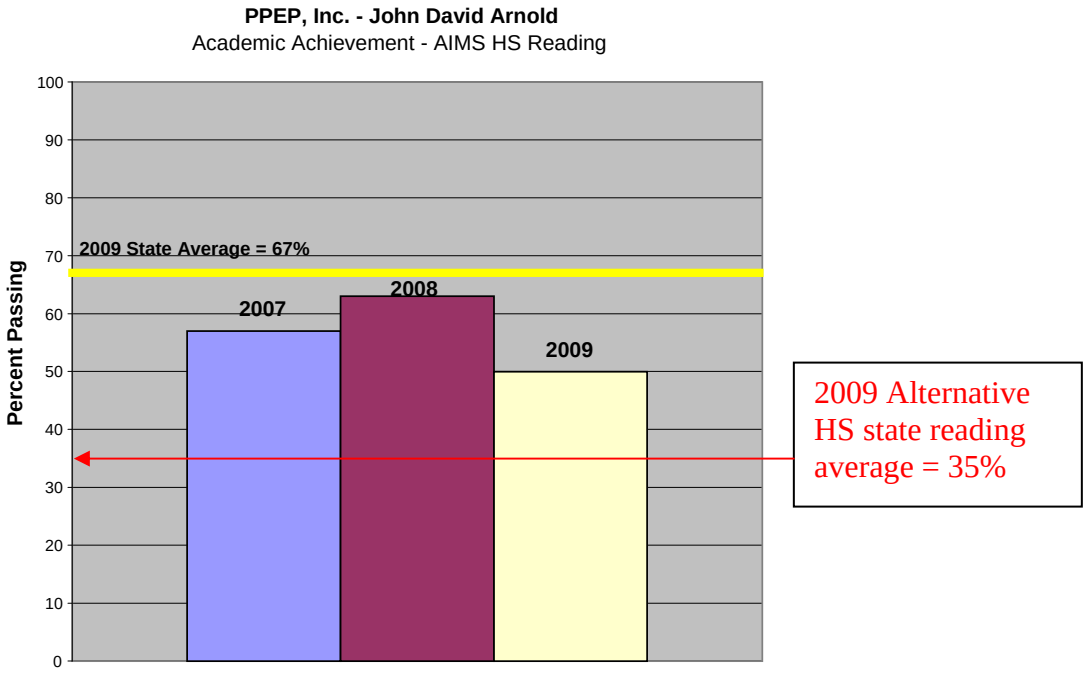
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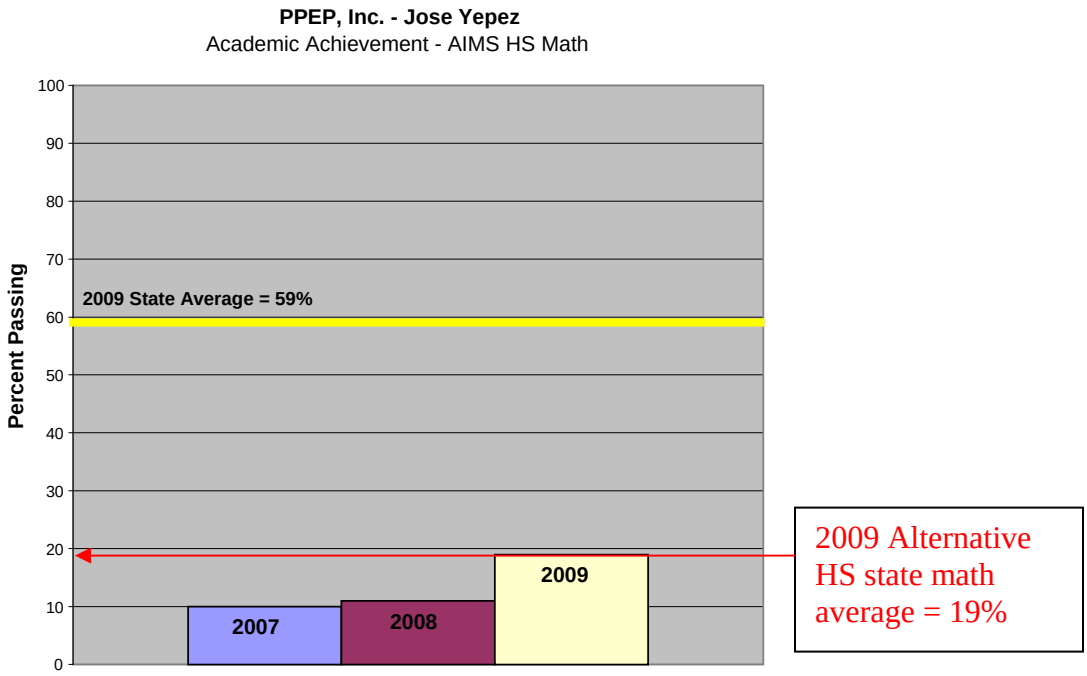
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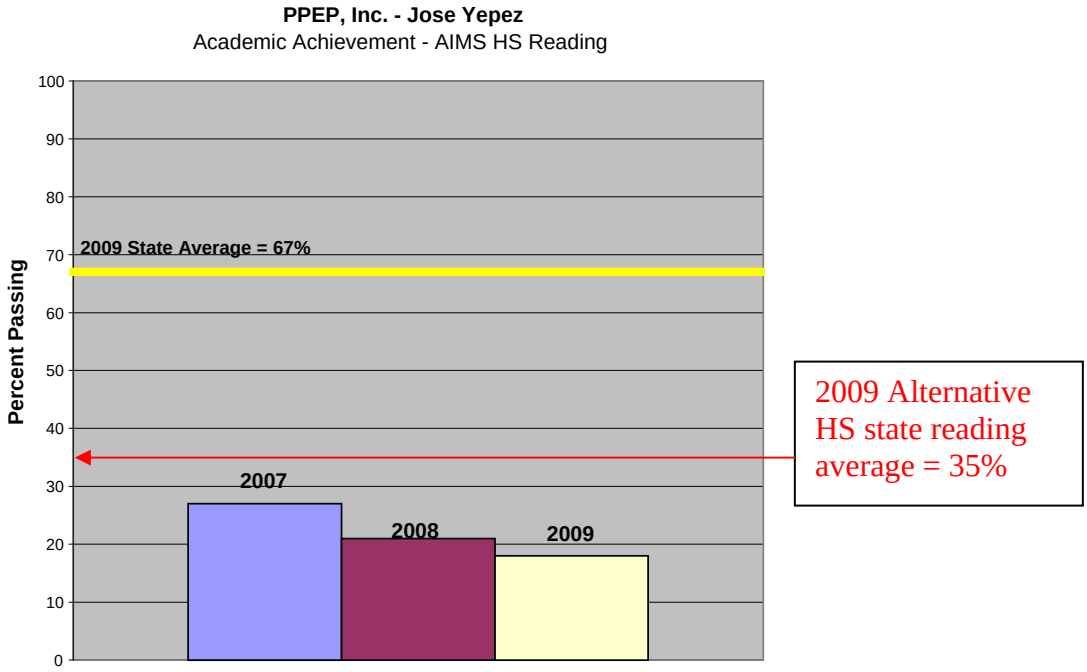
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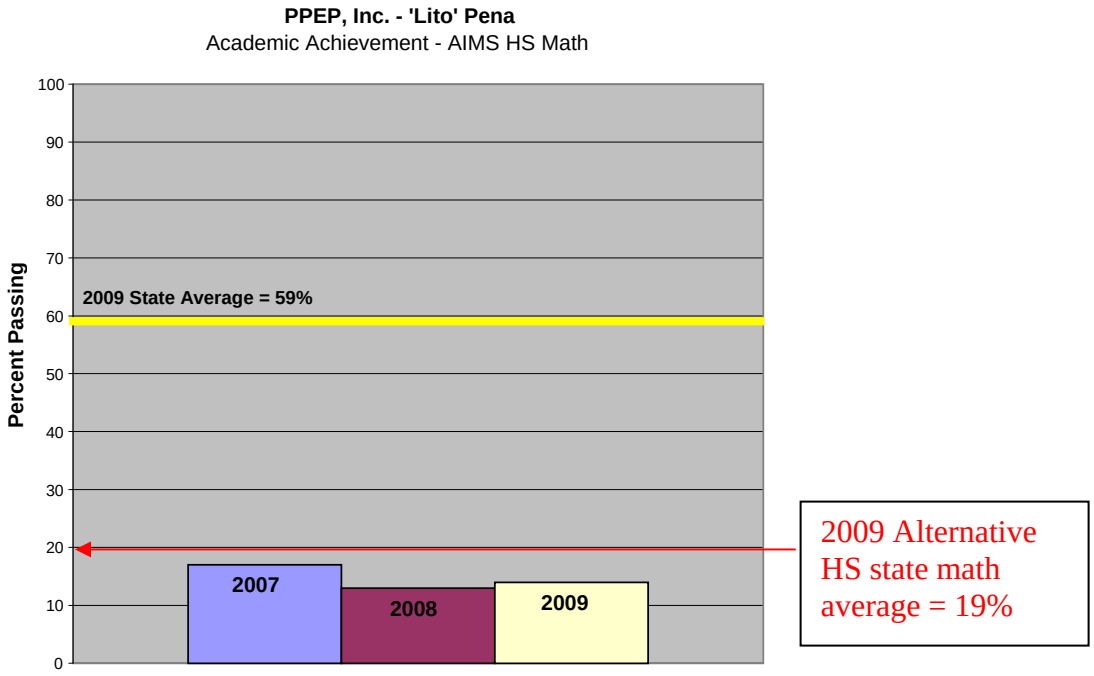
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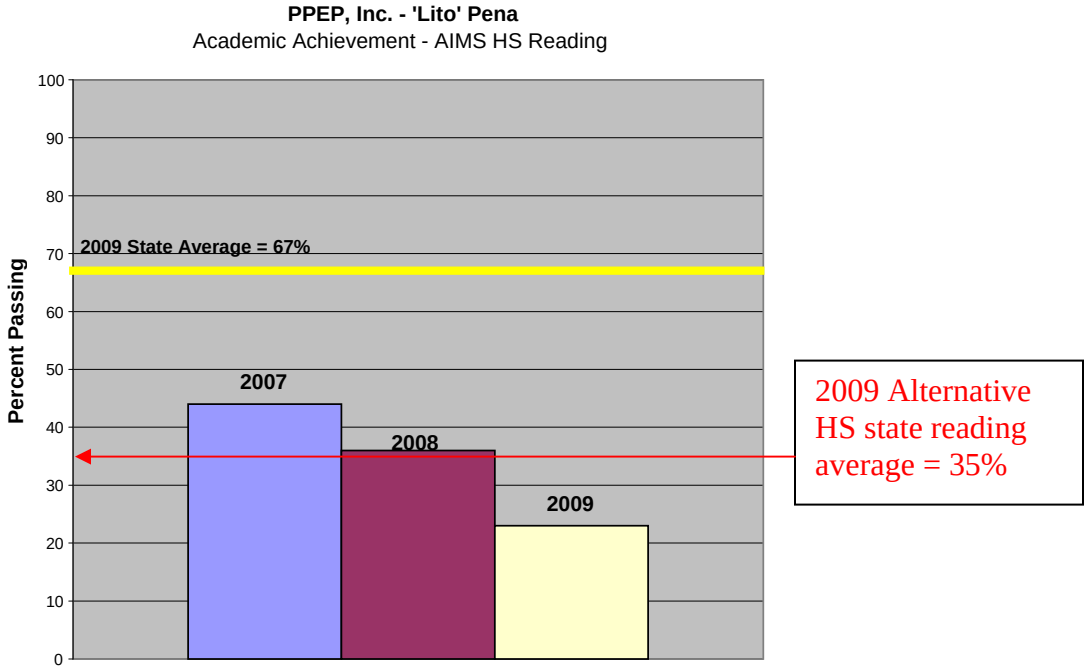
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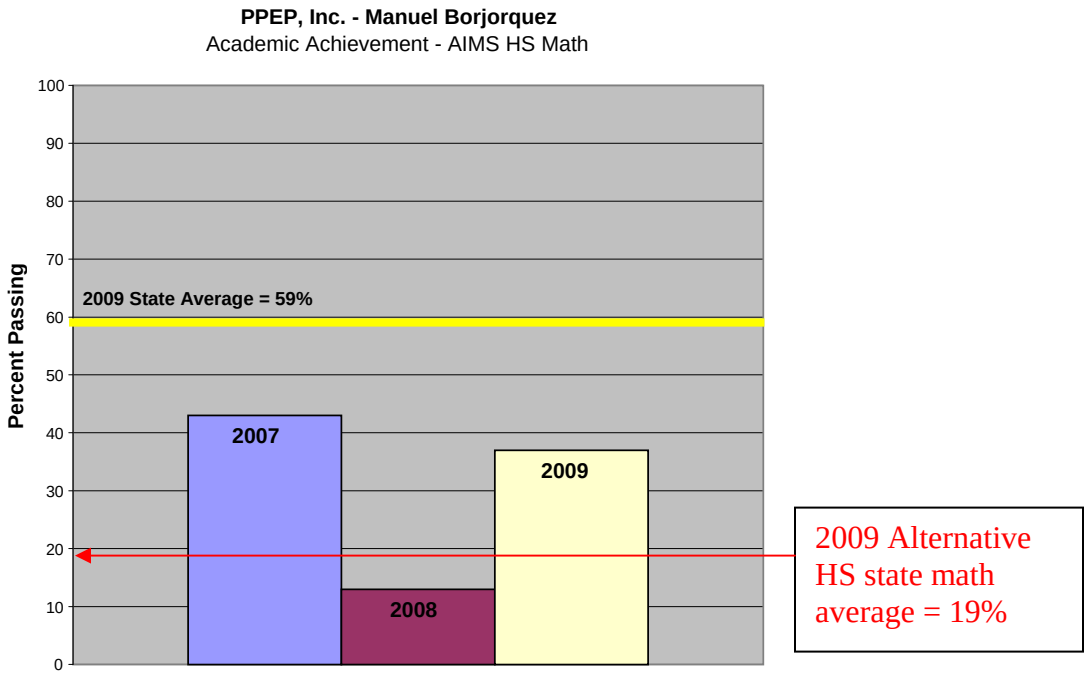
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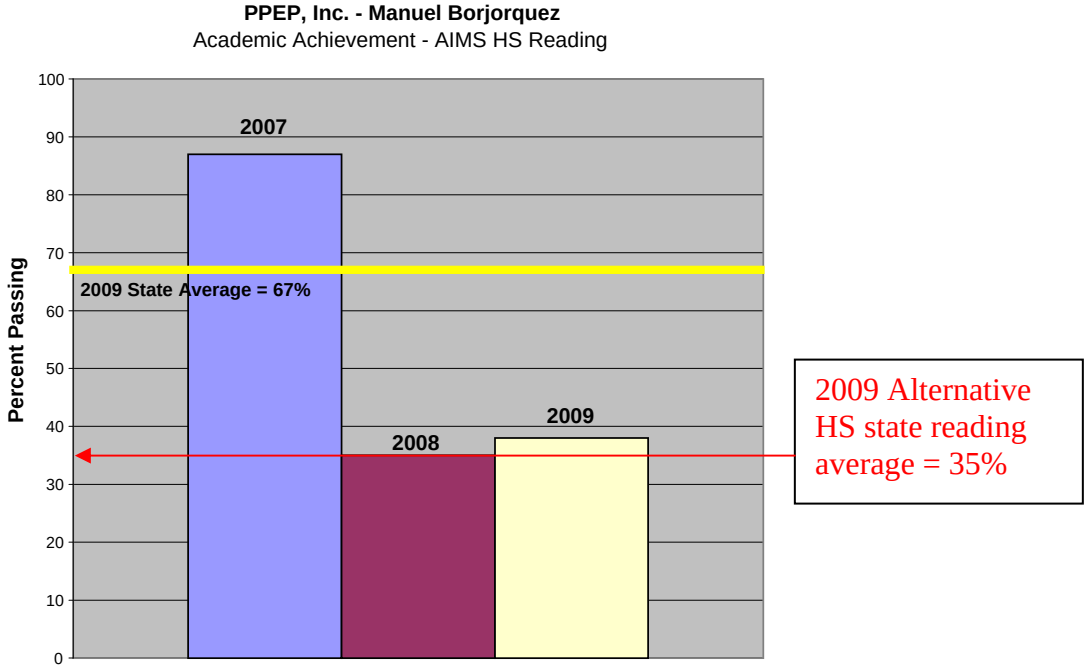
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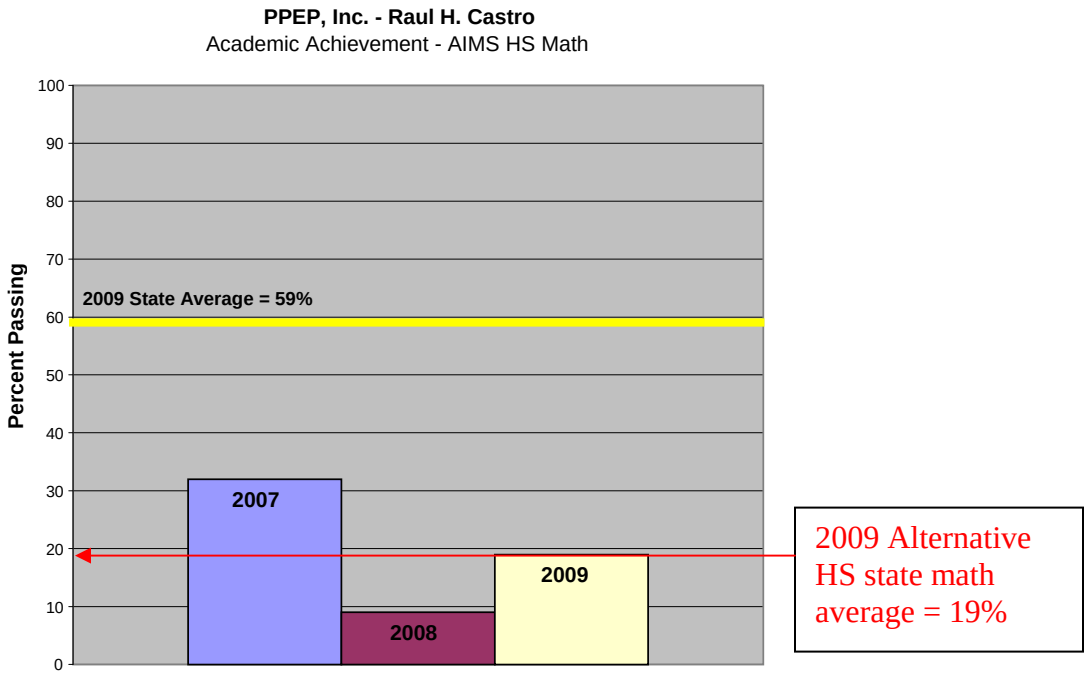
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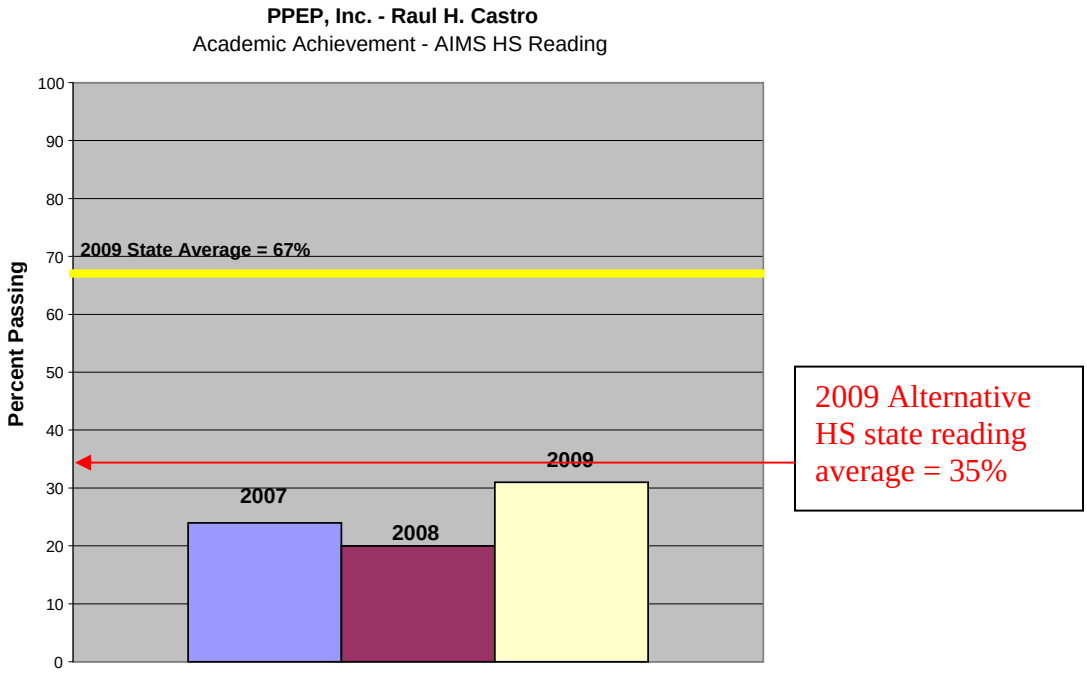
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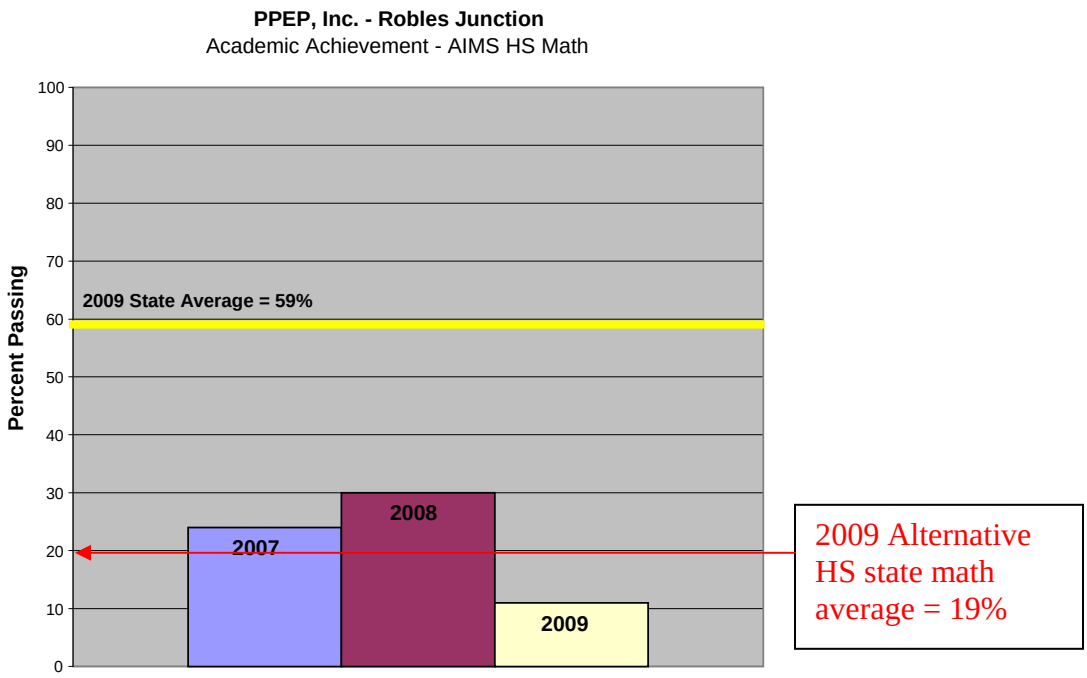
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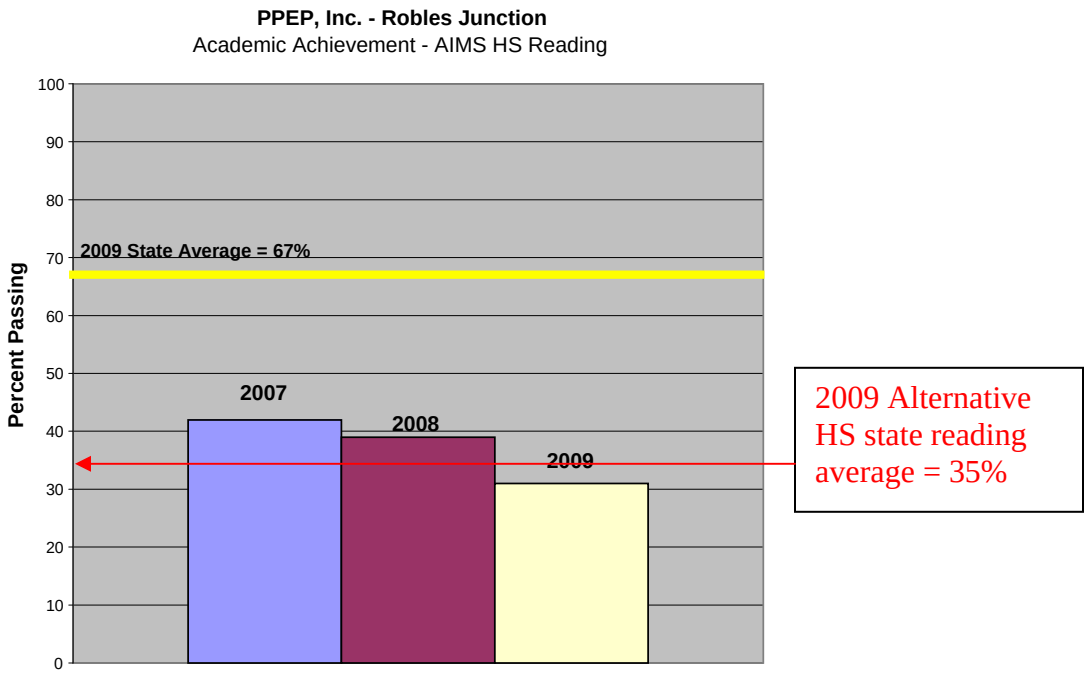
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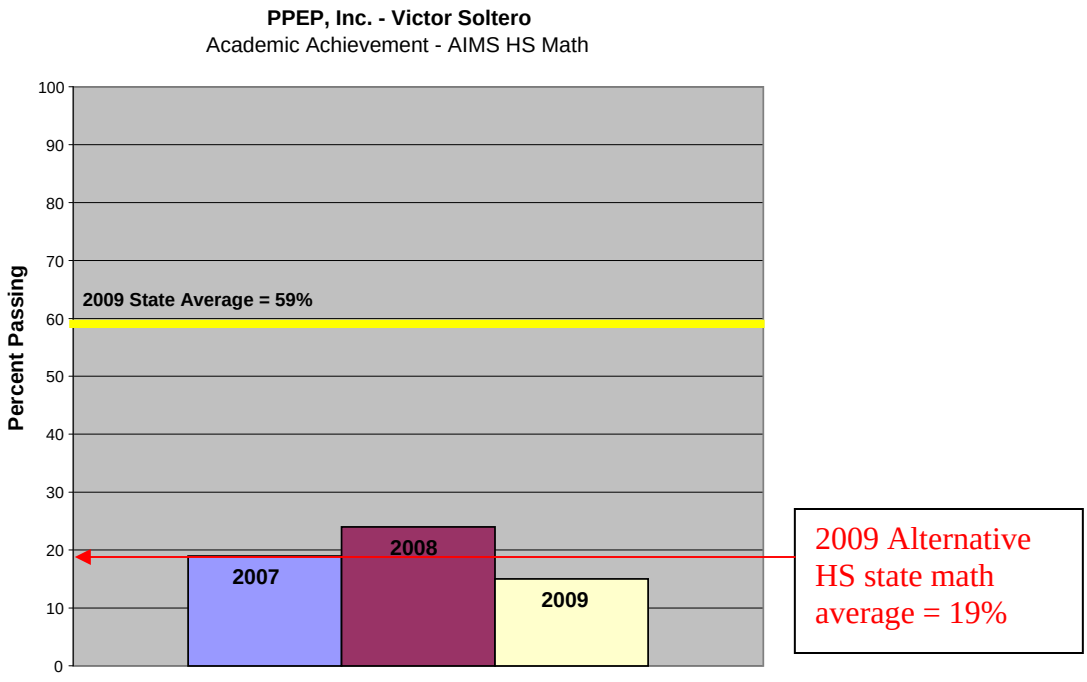
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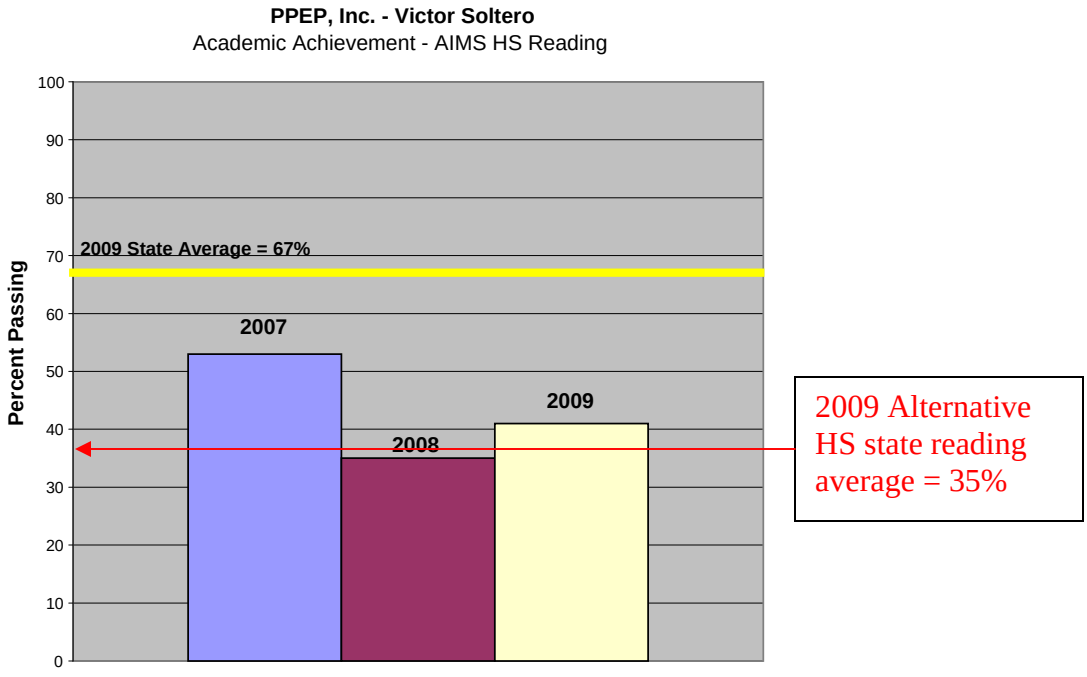
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Fiscal Year	AZ LEARNS	Adequate Yearly Progress (AYP)
2009	All schools "Performing"	Yes Jose Yepez, 'Lito' Pena No Alice S. Paul, Celestino Fernandez, Cesar Chavez, Colin L. Powell, John David Arnold, Manuel Borjorquez, Raul H. Castro, Robles Junction, Victor Soltero
2008	All schools "Performing"	Yes Alice S. Paul, Celestino Fernandez, Cesar Chavez, Colin L. Powell, John David Arnold, Jose Yepez, 'Lito' Pena, Manuel Borjorquez, Raul H. Castro, Robles Junction No Victor Soltero
2007	All schools "Performing"	Yes John David Arnold, Manuel Borjorquez, Raul H. Castro, Robles Junction No Alice S. Paul, Celestino Fernandez, Cesar Chavez, Colin L. Powell, Jose Yepez, 'Lito' Pena, Victor Soltero

IV. Fiscal Compliance

As detailed in the Audit and Fiscal Compliance section of the *Renewal Summary Review*:

- The charter holder has timely submitted its annual audit.
- No issues were identified which required a corrective action plan.
- No repeat issues were identified.

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

V. Legal and Contractual Compliance

For the previous five fiscal years –

- The charter holder has timely submitted the Annual Financial Report.
- The charter holder has timely submitted the Budget.
- All Declarations of Curricular and Instructional Alignment were submitted to the Arizona Department of Education (ADE) in a timely manner.
- Unable to confirm with ADE the Highly-Qualified Teacher report data. ADE sent the charter holder a noncompliance letter in the fall of 2009 for not updating the HQT report on time.
- No Child Left Behind (NCLB) Compliance Monitoring for Cycle 5 (2005) and Cycle 6 (2005-06) met compliance. Cycle 1 (2006-07) identified noncompliance items.

- In 2004 ADE Exceptional Student Services determined the school was not in compliance with the Individuals with Disabilities Education Act (IDEA) and required a corrective action plan.

VI. Renewal Application

A. Education Plan

Performance management plans are intended to assist schools in addressing academic performance deficiencies with a plan that clearly articulates the academic achievement area in need of improvement, the tools intended to measure improvement, and the degree of improvement to be achieved.

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 state assessments and changing demographics. Based upon the data analysis, the school determined to focus the plan on instruction, assessment, and intervention.

Indicator: **Math**
Duration of the Plan: August 2010 to May 2015
Strategies:

Direct instruction to replace self-paced model for Math
Students testing into Basic Math will also be enrolled in Algebra I concurrently
Response to Intervention (RTI) and benchmark testing
Collaboration of curriculum teams
Process for change (When Things Aren't Working)

ANNUAL BENCHMARK TARGETS:

CURRENT STATE	Year 1 2010-11	Year 2 2011-12	Year 3 2012-13	Year 4 2013-14	Year 5 2014-15
PTHS Math scores for percent passing is currently 18% district-wide. By the school year 2014-2015, PPEP TEC will meet or exceed the state-wide average for percent passing AIMS.	PTHS will increase the AIMS Math test scores by 8.2% to 26.2% in the 2010-2011 school year.	PTHS will increase the AIMS Math test scores by 8.2% to 34.4% in the 2011 – 2012 school year.	PTHS will increase the AIMS Math test scores by 8.2% to 42.6% in the 2012-2013 school year.	PTHS will increase the AIMS Math test scores by 8.2% to 50.8% in the 2013 – 2014 school year.	PTHS will increase the AIMS Math test scores by 8.2% to 59% in the 2014 – 2015 school year to will meet or exceed the state-wide average for percent passing.
Target for this plan: By the school year 2014-2015, PPEP TEC will meet or exceed the state-wide average for percent passing AIMS.					

The charter holder submitted eleven individual Performance Management plans, one for each school under PTHS. Each school Performance Management Plan aligns with the indicators and strategies used in PTHS plan. The *Current State* and *Yearly Targets* in each school plan may

differ from the PTHS plan. However, all final targets for each school plan are in alignment with the PTHS plan's final target for 2014-15.

Indicator: **Reading**
Duration of the Plan: August 2010 to May 2015
Strategies:

- Direct instruction to replace self-paced model for Reading
- Implement *Fast ForWord*® for students who are reading below grade level (3+ Years Below)
- Implement Response to Intervention and benchmark testing
- Improve curriculum through collaboration of curriculum teams
- Create a process for change (When Things Aren't Working)

ANNUAL BENCHMARK TARGETS:

CURRENT STATE	Year 1 2010-11	Year 2 2011-12	Year 3 2012-13	Year 4 2013-14	Year 5 2014-15
PTHS is currently at 31% for students passing the AIMS Reading. By the school year 2014-2015, PPEP TEC will meet or exceed the state-wide average for percent passing AIMS.	PTHS will increase the AIMS Reading test scores by 7.2%, to 38.2% in 2010-2011 school year.	PTHS will increase the AIMS Reading test scores by 7.2% to 45.4% in the 2011-2012 school year.	PTHS will increase the AIMS Reading test scores by 7.2% to 52.6% in the 2012-13 school year.	PTHS will increase the AIMS Reading test scores by 7.2% to 59.8% in the 2013-14 school year.	PTHS will increase the AIMS Reading test scores by 7.2% to 67% in the 2014-2015 school year.
Target for this plan: By the school year 2014-2015, PPEP TEC will meet or exceed the state-wide average for percent passing AIMS.					

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In the Performance Management Plan, Portable Practical Educational Preparation, Inc. scored 27 points out of a possible 40 points. Seventy percent of the sections scored at Meets or Exceeds level.

B. Detailed Business Plan

Organization

The charter holder for PPEP TEC High School (PTHS), Portable Practical Educational Preparation (PPEP Inc.), was founded in 1967, dedicated to the improvement of rural economic life in Arizona. According to the application package, the PPEP, Inc. CEO and the PTHS governing board ensure that the flow of information is communicated to the school district.

Appointed by the Board of Directors, the CEO is responsible for carrying out the directives and policies of the Board of Directors.

The organizational chart conveys the immediate reporting structure for the district which is headed by the superintendent, followed by key personnel comprising the PTHS Management Team. The superintendent is responsible for the overall operation and oversight of the school district and the management team. The PTHS Management Team is comprised of key personnel designated by title as Directors and the School Psychologist, representing Special Education. Each of the management team members is responsible for oversight of one or more programs in the district. A Management Team member's responsibility is determined by district and program purpose.

The PTHS Superintendent and the PTHS Governing Board have a relationship with the charter holder with interagency resources and support systems provided to the schools. The application package includes a description of key personnel duties for the charter holder and school district. The application package also includes an organizational chart for the charter holder and for the school district to more fully explain the relationship within and between the two entities.

Sustainability

Fiscal Viability

PPEP, Inc. has developed a Financial Policies and Procedures Manual. PPEP-TEC High School (PTHS) receives support services through PPEP, Inc. For example, the Department of Finance provides fiscal support, financial accountability and accounting needs. The PTHS Superintendent is a member of the charter holder's management team. The monthly management team meetings include, among other items, the review of financial and programmatic reports, benefits packages and property decisions. Recommendations to the board of directors are formulated at this level to include recommendations made by the PTHS Superintendent that effect the operations of the district and schools. Fiscal decision-making is centralized. The Chief Financial Officer ensures fiscal accountability through corporate oversight of all programs. All programs have a budget and all program directors receive a monthly financial statement. The fiscal decision-makers are the management team in conjunction with the program directors. (For more information, please see the application's "Sustainability" section.)

The application includes detailed information regarding efforts of the PPEP Planning Department to secure contract renewals and creation new partnerships related to fundraising, including some related to PTHS. Additionally, the application addresses philanthropic support PTHS has received from the community.

For fiscal year 2008 and fiscal year 2009, the independent certified public accountant issued an unqualified (or "clean") opinion on Portable Practical Educational Preparation's financial statements. In each fiscal year, the charter holder ended the year with positive net assets. The Budget Plan submitted as part of the renewal application is for PTHS and indicates that the school's ending net assets will increase between fiscal years 2010 and 2012. The fiscal year 2011 projection is based on no increase from fiscal year 2010's ADM. The school projects an ADM increase of 10 for fiscal year 2012. Even though no assumptions/notes were included, it appears

that the Budget Plan's state equalization assistance amount for fiscal year 2011 reflects known cuts to charter school funding. [1]

Strength and Stability of the Governing Body

The PPEP TEC High School (PTHS) Governing Board is comprised of five members. Each member is a representative of one of the corporations of PPEP Inc., the charter holder. Three of the five PTHS Governing Board members have been affiliated with the charter holder since 1967 and have been members of the PTHS Governing Board since the inception of the charter, PTHS. The PTHS board members have educational and professional experience. The application package includes background information on each of the governing board members as well as areas of expertise.

PTHS Governing Board members:

Gertha Brown-Hurd - President
Don Pearson – Vice President
Hector Sanchez – Secretary
Maria Chavez – Member
Dr. Celestino Fernandez - Member

Strength and Stability of the Corporate Board

As filed with the Corporation Commission, the entity that holds the charter is Portable Practical Educational Preparation Incorporated (PPEP Inc.). The application package states that "As an entity of PPEP Inc., the charter benefits from an extensive corporate support network. From Human Resources, Finance, Student Support Services, through Transportation and Insurance, the charter benefits from a corporate foundation sustained over thirty years."

PPEP Inc. Board of Directors members:

Hector Sanchez - President
Veronica Boone - Vice President
Gertha Brown-Heard - Secretary
Maria Chavez - Treasurer
Members at Large:
Clarence E. Boykins
Jacinto Cruz
Jose Yepez
Miguel Zazueta

According to the applicant, school academic performance and all other aspects of school business are reported to and monitored by the charter holder, minimally sixteen times per year. Regardless of the business occurring at the session, members review all financial and programmatic reports. Members make administrative decisions on a corporate level and on any other matters related to PPEP Inc. which include monitoring the school's academic performance.

[1] In reviewing the month-by-month projection for fiscal year 2011, please note that under the State's new payment schedule, charter holders will not receive a July 2010 state equalization assistance payment, but will receive two payments in June 2011.

Succession Plan

Charter Holder: The Bylaws of the charter holder provide replacement/succession procedures for the Board of Directors. Though not stated in the Bylaws, the organization does have a succession plan in place for the following positions: Superintendent, PTHS Management Team, and Lead Teachers.

Instructional Leadership:

The application package contains extensive information on hiring practices including a procedure for ensuring compliance materials are verified before hire. The applicant includes information regarding ongoing professional development including work with The Principal's Office to conduct intensive professional development. A teacher incentive pay policy is beginning for the 2010-2011 school year, including performance pay.

Facilities Plan

PPEP TEC High School presently operates 11 charter schools. All current locations are listed in the table below.

Rent/Own	School Name	AKA	Sq Footage	Street Address	City	State	Zip
Rent	Lito Pena L.C.	AV	4,800	725 N. Central Ave	Avondale	AZ	85323
Own	Manuel Bojorquez L.C.	BI	4,917	203 Bisbee Road	Bisbee	AZ	85603
Rent	Alice S. Paul L.C.	CG	2,460	218 & 220 E Florence Blvd	Casa Grande	AZ	85122
Own	Raul H. Castro L.C.	DO	4,087	530 12th Street	Douglas	AZ	85607
Rent	Cesar Chavez L.C.	SL	5,970	1233 N. Main Street	San Luis	AZ	85349
Rent	Robles Junction L.C.	RJ	5,400	10451 S. Sasabe Rd.	Tucson	AZ	85736
Rent	Colin L. Powell L.C.	SV	6,080	4116 Avenida Cochise	Sierra Vista	AZ	85635
Own	Jose Yepez L.C.	SO	4,600	115 N. Columbia Avenue	Somerton	AZ	85350
Own	Celestino Fernandez L.C.	BH	16,705	1840 E. Benson Highway	Tucson	AZ	85713
Rent	John David Arnold L.C.	NW	4,958	4140 W. Ina Road	Tucson	AZ	85741
Own	Victor Soltero L.C.	GL	7,825	8677 E. Golf Links Road	Tucson	AZ	85730

In terms of future expansion, PPEP, Inc. has purchased two additional properties with plans to move the Alice S. Paul and Jose Yepez Learning Centers for the 2011-2012 school year. The properties are located at:

Rent/Own	School Name	AKA	Sq Footage	Street Address	City	State	Zip

Own	Alice S. Paul L.C.	CG	5,000	1102 Jimmie Kerr	Casa Grande	AZ	85222
Own	Jose Yepez L.C.	SO	6,000	201 N. Bingham Ave.	Somerton	AZ	85350

There are no further plans for expansion for any other schools at this time.

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 Portable Practical Educational Preparation, Inc.