Portable Practical Educational Preparation, Inc. (PPEP, 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:

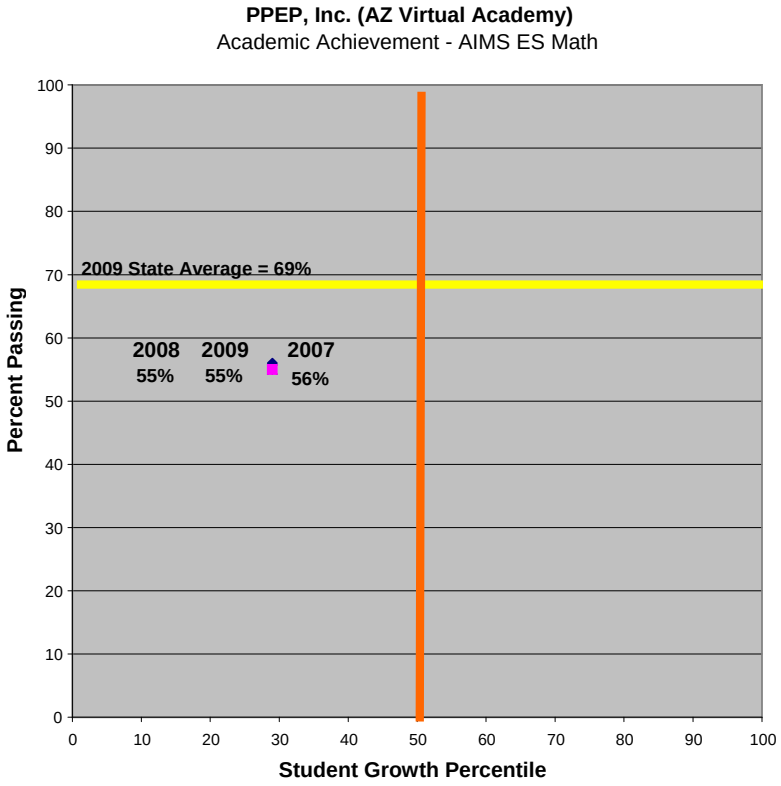
- Written application for renewal
- Student performance data
- Independent financial audits
- Five year interval summary reviews
- Site visit reports
- Monitoring reports

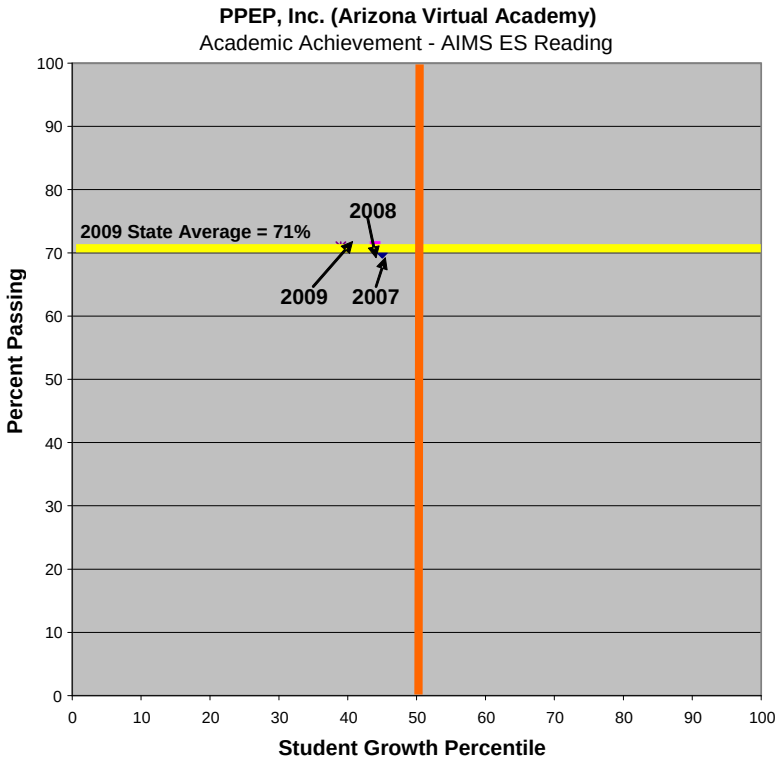
II. Profile

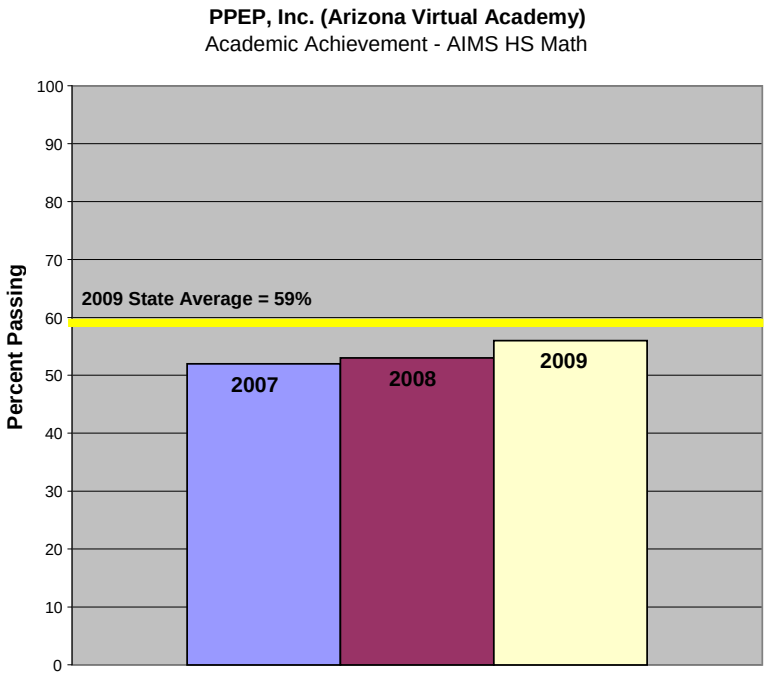
Portable Practical Educational Preparation, Inc. (PPEP, Inc.) was granted a charter by the ASBCS effective on June 12, 1995. With the approval of a Program of Instruction Amendment Request in July 2003, the charter was amended to reflect the revision of the charter holder's distance learning program to the Arizona Virtual Academy Program of PPEP TEC. This program operated as a separate site of the charter. In June 2005, the then TAPBI, now AOI, school transferred the site to its own contract through the Transfer Application Process. The effective date for the charter remained the same as the original charter. Portable Practical Educational Preparation, Inc. is a non-profit corporation in good standing with the Arizona Corporation Commission. The charter representative is Mary Gifford. The school, Arizona Virtual Academy, serves grades K-12, and had a FY09 100th day ADM of 3716.118. FY10 ADM data is not available from ADE at this time.

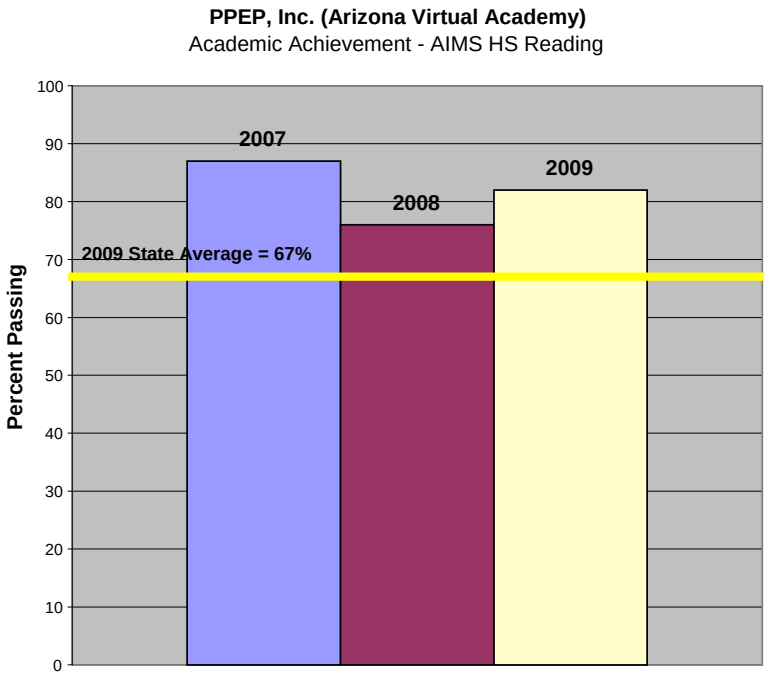
Mission Statement: (as revised by the charter holder in June 2007)
AZVA is a partnership of families and teachers that empowers students in a flexible learning environment with a challenging curriculum, regardless of geographic, financial, or demographic circumstance. We are a community of pioneering educators providing an innovative use of technology, helping to educate well-rounded, well-educated, and to create confident adults.

III. Academic Performance









Fiscal Year	AZ LEARNS	Adequate Yearly Progress (AYP)
2009	Performing	Yes
2008	Performing	No
2007	Performing (ES) Performing Plus (HS)	Yes

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.
- The Highly-Qualified Teacher report, updated on February 2, 2010 indicated 167 core teachers were highly-qualified.
- Cycle 6 No Child Left Behind (NCLB) Compliance Monitoring in 2005-06 identified noncompliance findings. In 2007-08 Cycle 2 compliance was determined by ADE. In 2010 ADE Academic Achievement Division conducted an on-site review and found no areas of concern or non-compliance.
- In 2008 ADE Exceptional Student Services determined the school was in compliance with the Individuals with Disabilities Education Act (IDEA).

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, course completion, mastery levels, and staffing. Assessment data was broken down into proficiency levels and subgroups. Based upon the data analysis, the school determined to focus the plan on staffing, intervention, monitoring student progress, professional development, and graduation rates.

Indicator: **Math**
Duration of the Plan: July 1, 2010 to June 30, 2014

Strategies:

- Reconfiguration of staff and reorganization of instructional time in the area of Mathematics.
- Provide academically struggling students continuous access to grade-level material with appropriate support.
- Improve ongoing procedures to assess present levels of academic performance in Mathematics.
- Improve teacher quality through aligned, coherent professional development for Mathematics instruction.

ANNUAL BENCHMARK TARGETS: Passing Rate Percentages.

CURRENT STATE	Year 1	Year 2	Year 3	Year 4	Target For This Plan
2009*	2010	2011	2012	2013	2014
All Students: 55.2%	All Students: 60.2%	All Students: 65.2%	All Students: 70.2%	All Students: 75.2%	All Students: 75.2%
Hispanic: 50.5%	Hispanic: 55.5%	Hispanic: 60.5%	Hispanic: 65.5%	Hispanic: 70.5%	Hispanic: 70.5%
Low Income: 45.1%	Low Income: 50.1%	Low Income: 55.1%	Low Income: 60.1%	Low Income: 65.1%	Low Income: 65.1%
SpEd: 26.3%	SpEd: 31.3%	SpEd: 36.3%	SpEd: 41.3%	SpEd: 46.3%	SpEd: 46.3%

*Note: The applicant's stated percent proficient differs from the ASBCS data presented in Section III Academic Performance because ASBCS data separates Elementary and High School data.

Indicator: **Reading**

Duration of the Plan: July 1, 2010 to June 30, 2014

Strategies:

- Reconfiguration of staff and reorganization of instructional time in the area of Reading.
- Provide academically struggling students continuous access to grade-level material appropriate support in reading.
- Improve ongoing procedures to assess present levels of academic performance in Reading.
- Improve teacher quality through aligned, coherent professional development for Reading instruction.

ANNUAL BENCHMARK TARGETS: Passing Rate Percentages.

CURRENT STATE	Year 1	Year 2	Year 3	Year 4	Target For This Plan
2009*	2010	2011	2012	2013	2014
All Students: 71.7%	All Students: 76.7%	All Students: 81.7%	All Students: 86.7%	All Students: 91.7%	All Students: 91.7%
Hispanic: 69.8%	Hispanic: 74.8%	Hispanic: 79.8%	Hispanic: 84.8%	Hispanic: 89.8%	Hispanic: 89.8%
Low Income: 70.0%	Low Income: 75%	Low Income: 80%	Low Income: 85%	Low Income: 90%	Low Income: 90%
SpEd: 37.1%	SpEd: 42.1%	SpEd: 47.1%	SpEd: 52.1%	SpEd: 57.1%	SpEd: 57.1%

*Note: The applicant's stated percent proficient differs from the ASBCS data presented in Section III Academic Performance because ASBCS data separates Elementary and High School data.

Indicator: **Career and College Readiness**

Duration of the Plan: July 1, 2010 to June 30, 2014
Strategies:

- Implement student academic responsibility and Success Team (StARS) Program for At-Risk High School Students.
- Use of new curriculum and supplemental programs to help students earn HS credit and reach graduation.
- 8th Grade transition program to better prepare students for High School requirements.

ANNUAL BENCHMARK TARGETS: College and Career Readiness (graduation rates)

CURRENT STATE	Year 1	Year 2	Year 3	Year 4	Target For This Plan
2009 AZVA's first graduating class was May 2009. Our graduation rate for 2009 was 23%. Our goal for 2010 is to increase this rate.	2010 Improve Graduation Rates by 12% to reach 35%.	2011 Improve Graduation Rates by 12% to reach 47%.	2012 Improve Graduation Rates by 12% to reach 59%.	2013 Improve Graduation Rates by 12% to reach 71%.	2014 Improve Graduation Rates by 12% to reach 71%.

In the Performance Management Plan Portable Practical Educational Preparation, Inc. scored 29 points out of a possible 40 points. Ninety percent of the sections scored at Meets or Exceeds level.

B. Detailed Business Plan

Organization

Arizona Virtual Academy is divided into six departments for reporting purposes: Title I, Special Education, High School General Education, K-8 General Education, Business and Operations Support, and Administration. The reporting structure is similar for most departments. The application package provides additional information on staff within the six departments, their responsibilities, and to whom they report. The narrative submitted also includes a reporting structure and communication between Arizona Virtual Academy and K12, provider of corporate services, as well as a listing of services provided by K12, including educational products, administrative services, and technology services. The application package includes an organizational chart that depicts the relationship of the various departments in the organization.

Sustainability

Fiscal Viability

Arizona Virtual Academy has implemented financial policies and procedures. The charter holder's "Sustainability" section details these policies and procedures. Budgets are prepared annually, based on estimates of revenues and expenses. Actual expenditures are compared to

budgeted amounts on a monthly basis. The Business Manager provides monthly budget reports to the Head of School and school administrators. Monthly reports are submitted to PPEP, Inc. and the Arizona Virtual Academy's governing body. Based on the policies and procedures provided in the narrative, the Business Manager and Head of School are responsible for approving all expense reimbursements and requests for purchases.

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 Arizona Virtual Academy. In fiscal year 2009, the school's expenses exceeded revenues by approximately $117,560, which, according to the Notes/Assumptions, was due to a one-time accounting change with the curriculum provider. For fiscal years 2010 through 2012, the Budget Plan indicates that the school's ending net assets will increase. The decline in ADM between fiscal years 2009 and 2010 is attributed to legislative changes. According to the charter holder, although the school has more students in fiscal year 2010 than in fiscal year 2009, its ADM actually decreased due to changes in funding legislation and the ADM limiting factor. For fiscal years 2011 and 2012, the school projects a 5% increase in ADM.[1]

Strength and Stability of the Governing Body

The original governing body for Arizona Virtual Academy was responsible for developing a vision and mission for the school. The governing body also established the organizational structure, working relationships and expectations between the groups of people responsible for the success of the Arizona Virtual Academy. According to the applicant, the governing body remains one of the strongest components of AZVA's organization. The original governing body was intact for most of the duration of the charter.

The application package provides information on governing body members and their areas of expertise. The applicant states that governing body recruitment is an ongoing activity at AZVA. Prospective governing body members are encouraged to talk with current and outgoing members regarding work load and expectations. The governing body meets quarterly and as needed with meetings scheduled around critical decisions and legal obligations.

Arizona Virtual Academy Governing Body members:

Ann Robinett – President
The Honorable Tom Simplot
Dr. Celestino Fernandez

[1] Since the charter holder had a performance management plan (PMP), a month-by-month projection was also required. PPEP, Inc./Arizona Virtual Academy's renewal application did not include this required component. In the Budget Plan, Arizona Virtual Academy includes all instructional expenses in the "Instructional: Performance Management Plan" section. The school's PMP indicates that all expenses associated with the PMP's implementation are covered through existing staff and tools. Additionally, in the application's "Sustainability" narrative states, "As part of the transition from a Targeted Assistance to a School Wide Title I program, Arizona Virtual Academy is totally restructuring the school using existing staff and tools. Under the new structure, all staff and related expenses will be part of the PMP. Because of the virtual nature of our school, we are able to completely restructure without incurring any incremental expense. The only staff increase would be due to growth but because of the restructure, all new staff will also be participating in the PMP."

Dr. Mark Duplissis
Christopher Smith

The governing body reviews school data at each meeting. The members receive school updates throughout the year. The governing body reviews the Consolidated Plan which includes detailed information on school performance. The governing body receives a detailed report on student achievement about 30 days after student-level AIMS scores are released. School leaders disaggregate test data and report on special populations, such as Title I, SPED and ELL. School leaders also provide governing body members with detailed information on high school metrics (course passing rates, decile reports, withdrawal rates, etc.) and teacher performance metrics. Governing body members approve the specific teacher metrics that will be collected and analyzed each year. Teacher metrics are divided into appropriate groupings: K-8 regular education, special education, high school content-specific teachers, high school counselors, high school advisors and Title I.

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 PPEP board's role, as it applies to the charter, is to provide a board member for the AZVA governing body; ratify the AZVA governing body members; receive and review quarterly financial statements from the school; adopt and maintain policies and procedures for PPEP's corporate human resources, finance, reviewing and adopting the annual budget, and ensuring yearly audit compliance; and appoint, remove, replace and supervise all PPEP's officers and any of PPEP's employees, in compliance with PPEP's Human Resource Manual.

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, an overlapping reporting system of checks and balances ensures programmatic and corporate compliance. The PPEP board monitors academic performance of the Arizona Virtual Academy by:

- Delegating a member of the PPEP board to sit on the AZVA governing body
- Receiving quarterly presentations, including data on student and school performance, from AZVA at the PPEP board meetings
- Reviewing quarterly updates from AZVA
- Reviewing annual student achievement data, school report card data and internal academic measurements with AZVA leadership

- Participating in AZVA teacher professional development sessions

According to the applicant, in keeping with the purpose, goals, and vision of the organization, the charter holder unequivocally acts in providing sustainable support for the charter program.

Succession Plan

Charter Holder: The Bylaws of the charter holder include replacement/succession procedures for vacancies. There are several ways to nominate someone to the Board of Directors. The Bylaws outline procedures for filling vacancies for the Board of Directors, committees, officers, and CEO.

Instructional Leadership: Arizona Virtual Academy leadership has undergone formal succession planning training since January 2010. A professional trainer has developed customized tools for AZVA and provided two training sessions. The succession planning includes several steps. Formal succession planning preparation through a talent review, identification of mission-critical positions as well as possible employees to fill those positions, and individual meetings to discuss career and educational goals is the initial step. Implementation of the succession plan with a focus on grooming for mission-critical position is the next step. Ongoing training and development, rewards for development and performance, recruitment and training of new teachers and administrators as well as teacher advancement and succession complete the succession plan.

Teachers within AZVA can become lead or master teachers within their content areas, programs or grade levels. The school maintains one leader teacher per ten teachers, and one master teacher per three lead teachers. All current lead and master teachers have been promoted from within the teaching ranks.

Facilities Plan

Arizona Virtual Academy does not have a school facility at this time. All students and most staff work virtually from their homes.

AZVA does rent an office suite for administrative purposes. This facility is located at 99 East Virginia, Suite 200, Phoenix, AZ 85004. The administrative office is leased from Space 99, LLC. The lease is a 62 month lease in effect until July 31, 2013. AZVA's administrative office is 3911 square feet of usable area and contains two conference rooms, a reception area, a copy room, a server/technology room, and open space with file cabinets housing student records and desk cubicles for office staff.

A receptionist and three registrars, K-8, HS, and Special Education, a related services coordinator, attendance clerk, Title I Clerk/McKinney Vento Coordinator, and office manager all work in the office ensuring records are complete and requests are filled in a timely manner. Student records are maintained at the site. The administrative office is also a meeting place for members of the administrative team to work and collaborate. During testing, all AIMS materials are stored and locked in a large conference room, and dispersed to and collected from the various

testing sites by site leads under the guidance and oversight of a Testing Coordinator. Finally, the server and extra computers and printers are kept and locked in the technology room.

AZVA must locate facilities around the state for AIMS testing four times yearly. The Testing and Research Coordinator and Community Relations Coordinator work together to locate safe, secure sites to use for testing. Prior to renting or using a site, an AZVA staff member inspects the proposed site to ensure it can accommodate the right amount of students, is easily accessible, safe and secure, and an environment conducive to testing.

AZVA has begun to investigate establishing a few hybrid sites in the future, including a site in Rock Point, AZ on the Navajo reservation. This site has housed the Navajo Evangelical Mission School, which will be dissolving at the end of this school year. AZVA will be inspecting the site and gathering information about the facility including its zoning, fire code, building materials, space, access, etc. If the facility meets public school requirements, AZVA may lease the facility and use it as a hybrid site for up to 75 Navajo students and 6 teachers/paraprofessionals. Any additional hybrid site will be carefully considered, inspected, and approved before leasing any facility or setting up any hybrids for students.

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. operating Arizona Virtual Academy.