AGENDA ITEM: Replication Application – Espiritu Community Development Corp.

Espiritu Community Development Corp. (EDCD) submitted a complete replication application on July 15, 2014. The corporate entity seeks a charter for a new entity, Marytown Academies (MA), to replicate NFL YET College Prep Academy (NFL YET) and to operate a school in Phoenix. The school will be named AIM Higher College Prep Academy (AIM) and will serve students in grades 7 through 12.

Replication Model School – NFL YET College Prep Academy **Grades Served –** 7-12

ACADEMICS

NFL YET, the Replication Model School, is eligible to replicate based on three years of academic performance meeting the Board's expectations, summarized in the table below:

Fiscal Year	Grades Served	Overall Rating
FY2013	7-12	81.25
FY2012	6-12	75.62
FY2011	7-12	B[1]

The FY 2014 letter grade of NFL YET College Prep Academy, as reported by the Arizona Department of Education is an A.

The Academic Dashboard of the Replication Model School is provided below:

NFL YET College Prep Academy

		2012 Traditional K-12 School (6-12)			2013 Traditional K-12 School (7 to 12)		
1. Growth		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
1a. SGP	Math	69	100	10	69	100	10
	Reading	63	75	10	68	100	10
1b. SGP Bottom 25%	Math	64	75	10	61	75	10
	Reading	65.5	75	10	78	100	10
2. Proficiency		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
2a. Percent Passing	Math	59 / 58.2	75	7.5	56.9 / 58.5	50	7.5
	Reading	68 / 76.9	50	7.5	72.2 / 78.2	50	7.5
2b. Composite School Comparison	Math	5.3	75	5	7	75	5
	Reading	-5.8	50	5	0.3	75	5
2c. Subgroup ELL	Math	44 / 45.2	50	2.5	28.6 / 43.6	50	2.5
	Reading	50 / 61.6	50	2.5	52.8 / 61.3	50	2.5
2c. Subgroup FRL	Math	59 / 47.8	75	2.5	56.9 / 49.3	75	2.5
	Reading	68 / 69.1	50	2.5	72.2 / 71.5	75	2.5
2c. Subgroup SPED	Math	19 / 13.9	75	2.5	5.9 / 13.3	50	2.5
	Reading	21 / 32.3	50	2.5	11.8 / 31.5	50	2.5
3. State Accountability		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
3a. State Accountability		B	75	5	A	100	5
4. Graduation		Measure	Points Assigned	Weight	Measure	Points Assigned	Weight
4a. Graduation		88	100	15	88	100	15
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		75.62		100	81.25		100

[1] Based on the transitional academic eligibility requirements for replication adopted by the Board, FY 2011 eligibility is indicated by a letter grade of A or B.

To establish eligibility, the 2014 A-F letter grades of Associated Schools were considered, as summarized in the following table. The 2013 Overall Ratings are provided for the Board's information:

Associated School	Charter Holder	2013 Overall Rating	2014 A-F Letter Grade
Reyes Maria Ruiz Leadership Academy	Espiritu Community Development Corp.	77.19	A

EDUCATIONAL PLAN

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

In the application, ECDC has affirmed that the Educational Plan of the new entity and school will be consistent with the Educational Plan of the existing entity and Replication Model School. Details can be found in section 9-1 of the application packet (presented in the application portfolio: b. Application Package/Section 09. Educational Plan).

Mission - The mission of AIM Higher College Prep Academy is to prepare students for success in university and to become international servant leaders who possess the ability to discern logical thoughts and influence others to change the world.

Program of Instruction

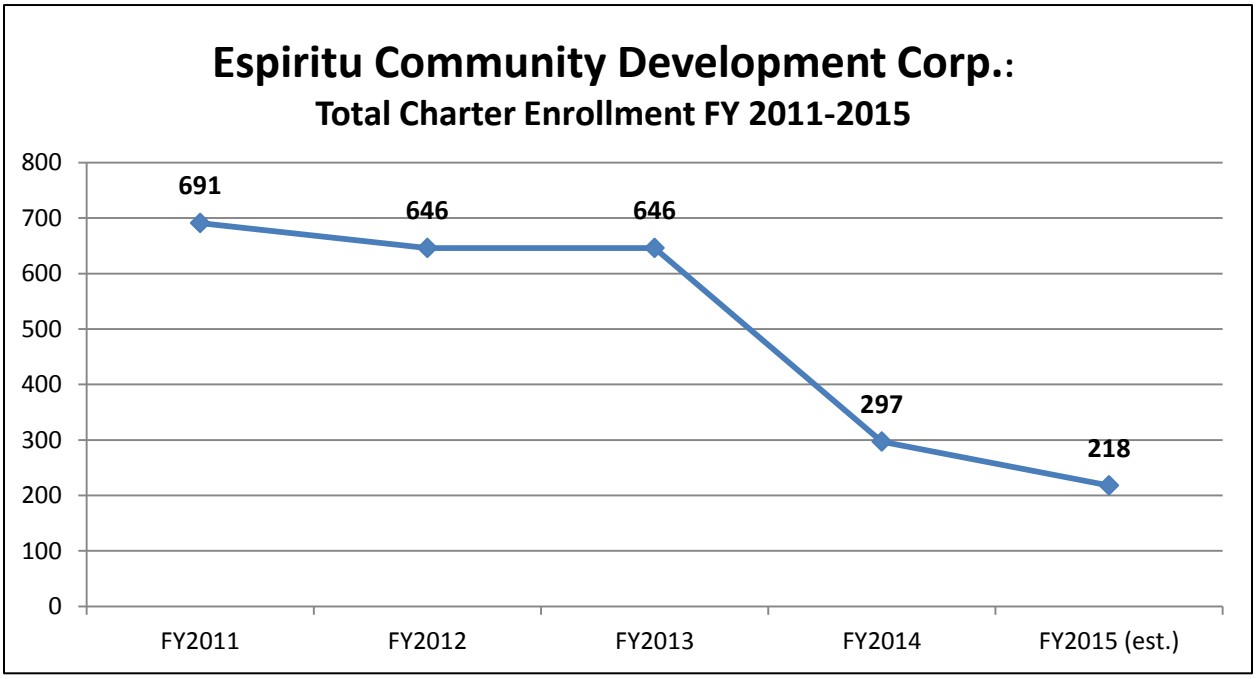
NFL YET teaches the state standards within a scope and sequence, organized by grade and subject, with curriculum mapping and quarterly pacing guides. NFL YET uses the Classical Education Model to deliver the core standards. The school provides instruction in four core areas: math/science, language arts, history/social studies, and electives in the Classics. At the beginning of the year, teachers assess student mastery of the standards in order to create an individual learning plan (ILP). The ILP is created based on data analysis to address the academic needs of each classroom and each student. School Leadership works with each classroom teacher to develop and align the ILPs within the framework of the Classical Education Model. The ILPs then guide teachers as a map for classroom instruction and also help determine if a more individualized intervention is needed to meet the student's specific need. NFL YET instructional practices include the following: independent practice, collaborative learning using "I Do, We Do, You Do" approaches, and the Response to Intervention model. Details can be found in section 9-2 of the application packet (presented in the application portfolio: b. Application Package/Section 09. Educational Plan)

The narrative identifies the program implemented at NFL YET has yielded increases over the past three years in math and reading. The increase is attributed to the programs, teachers, and the level of dedication the school exhibits. Details can be found in section 9-3 of the application packet (presented in the application portfolio: b. Application Package/Section 09. Educational Plan).

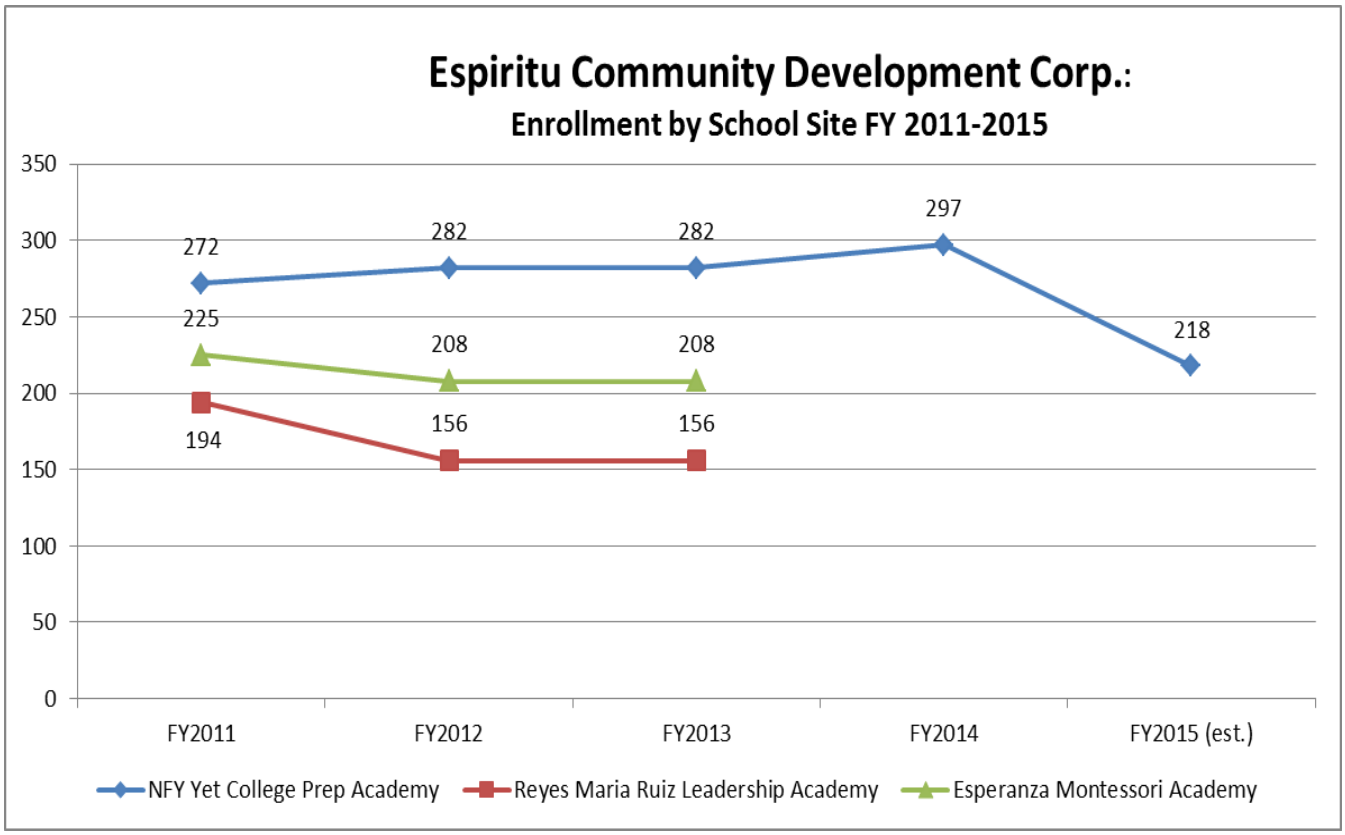
Target Population

ECDC has affirmed that the target population of the new school may be similar to the population of the Replication Model School. Currently, NFL has 297 students enrolled and the demographics of the student population is represented by Hispanic – 92.93%, Black – 4.24%, American Indian – 1.77%, and White – 1.056. 88% of the student population qualifies for Free and Reduced Lunch, 13% are classified as ELL, and 9% are in a Special Education program. In the application, ECDC has determined that the target population includes students in the Central Phoenix area, between 16th Street and 40th Street and Jefferson Street to Thomas Road. The demographics of the population is represented by Hispanic-60.31%, White-24.52%, Black-8.85%, American Indian-2.98%, Asian-1.49%, Pacific Islander-.22%, and other-1.63%. There are currently no schools, elementary and high school, with an "A" rating within the target area for the school site. There are currently only two "B" rated schools that serve seventh and eighth grades. Details can be found in section 7-2 of the application packet (presented in the application portfolio: b. Application Package/Section 07. Target Population and Enrollment of New School).

Enrollment History – Prior to 2013, the ECDC charter operated 3 schools. In 2013, Esperanza Montessori Academy closed and Reyes Maria Ruiz Leadership Academy transferred to a new charter. The tables below summarize enrollment in the last five years, based on ADE 100th day ADM for the charter as a whole and for each school. FY 2015 enrollment is based on estimated counts. The enrollment cap is 1234:



(Data provided by Arizona Department of Education)



(Data provided by Arizona Department of Education)

Enrollment Policies – In the application, ECDC has affirmed that enrollment policies of the new school will be consistent with the enrollment policies of the Replication Model School. On January 1, 2015, AIM will announce the open enrollment period for the 2015-2016 school year, which ends on March 31, 2015. If there are more enrollment packets for a specific grade than openings, a lottery will be held. Details can be found in section 7-5 of the application packet (presented in the application portfolio: b. Application Package/ Section 07. Target Population and Enrollment of New School).

Proposed Growth Plan for Proposed School

Fiscal Year	Grades Served	Projected Full Enrollment
2016	7-8	150
2017	7-9	225
2018	7-10	300

OPERATIONAL PLAN

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

ECDC is an Arizona non-profit corporation that was incorporated on January 18, 1994. ECDC currently holds two charters, which each operate a school site in Phoenix.
In the application, ECDC has affirmed that the organizational structure and governance structure of the replication charter will be consistent with the organizational and governance structure of the existing charter. The corporate board for MA will also act as the school governing body for AIM.

Charter Holder Entity for Replication Charter
The replication charter will be held by MA, which is a new entity. MA is a non-profit corporation that was incorporated on October 30, 2013 for the purpose of operating a charter school, with five Directors: Adrian Ruiz, Armando Ruiz, Bertha Gutierrez, Frances Castillo, and Monica Rivera (presented in the application portfolio: b. Application Package/Section 01-06).

BUSINESS PLAN

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

Site Information

Proposed School Name:	AIM Higher College Prep Academy
Proposed Location:	Intersection of 32nd Street and McDowell Road in Phoenix
Proposed Facility:	The facility will consist of 13 classrooms, a multipurpose room, science lab, and office space, totaling 47,000+ sq. ft.

Financial Performance of Applicant
The charter holder did not meet the Board's financial performance expectations based on the fiscal year 2013 audit. The following table includes the charter holder's financial data and financial performance for the last three audited fiscal years.

Espiritu Community Development Corp.

Financial Data				
	2013	2012	2011	
Statement of Financial Position				2010
Cash	$1,769,834	$1,784,668	$1,589,839	$1,355,392
Unrestricted Cash	$455,189	$471,586	$324,384	
Other Liquidity	-			
Total Assets	$9,890,480	$10,213,147	$10,517,780	
Total Liabilities	$8,007,733	$8,189,982	$8,256,029	
Current Portion of Long-Term Debt & Capital Leases	$122,087	$116,623	$143,867	
Net Assets	$1,882,747	$2,023,165	$2,261,751	
Statement of Activities				
Revenue	$5,682,500	$5,494,497	$5,732,782	
Expenses	$5,822,918	$5,733,083	$5,756,079	
Net Income	($140,418)	($238,586)	($23,297)	
Change in Net Assets	($140,418)	($238,586)	($23,297)	
Financial Statements or Notes				
Depreciation & Amortization Expense	$398,686	$405,480	$491,628	
Interest Expense	$479,405	$484,287	$491,326	
Lease Expense	$718,000	$718,000	$718,000	

Financial Performance				
	2013	2012	2011	3-yr Cumulative
Near-Term Indicators				
Going Concern	No	No	No	N/A
Unrestricted Days Liquidity*	28.53	30.02	20.57	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Net Income	($140,418)	($238,586)	($23,297)	N/A
Cash Flow	($14,834)	$194,829	$234,447	$414,442
Fixed Charge Coverage Ratio	1.10	1.04	1.24	N/A

* For fiscal years 2011 and 2012, the field reflects the charter holder's performance under the financial framework's previous "Unrestricted Days Cash" measure.

The charter holder was required to submit a financial performance response based on the fiscal year 2013 audit. Details can be found in section 11 of the application packet (presented in the application portfolio: b. Application Package/Section 11. Financial Plan).
Staff's evaluation of the financial performance response resulted in two "Acceptable" and one "Not Acceptable" determinations (presented in the application portfolio: c: Financial Performance Evaluation).

BOARD OPTIONS

Option 1: The Board may approve the replication application package. Staff recommends the following language for consideration: I move, based on the information contained in the Board materials and presented today, that the Board approve the replication application and grant the replication charter to Marytown Academies to establish AIM Higher College Prep Academy charter school to serve grades 7-12.

Option 2: The Board may deny the replication application. The following language is provided for consideration: I move, based on the information contained in the Board materials and presented today, that the Board deny the request for the replication charter of Espiritu Community Development Corp to establish a charter school for the reason:

- (list the specific reasons the Board may have found during its consideration).