ARIZONA STATE BOARD FOR CHARTER SCHOOLS

NEW CHARTER APPLICATION RECOMMENDATION REPORT 2017

NOVEMBER 20, 2017

New Charter Application for the operation of

ARCHES Academy

Submitted by

ARCHES Academy

Report Summary

			Recommendation:	Deny	
Applicant Name:	ARCHES Academy				
Proposed School Name:	ARCHES Academy				
Grades Served Year 1:	K-8	Grades Served Year 2:	K-8	Grades Served Year 3:	K-8
Location:	Apache Junction				
Mission Statement:	Inspiring scholars by honoring the gifts within each.				

Section Scores

A substantively complete application package meets the following scoring requirements:

- No evaluation criteria receive a score of falls below the expectations; and
- No more than one evaluation area in each section is scored as approaching; and
- 95 percent of the evaluation areas in each plan (educational, operational, business) score at the meets level.

	Preliminary TRP Scores		Revised TRP Scores	
Any falls below the expectations ratings?	Yes		No	
More than one evaluation area in each section scored approaches?	Yes		Yes	
		Section Score		Section Score
Educational Plan Score ≥ 95%?	No	51%	No	84%
Operational Plan Score ≥ 95%?	No	35%	No	87%
Business Plan Score ≥ 95%?	No	32%	No	88%

In-Person Interview Summary

Two members of the Applicant team were present at the Capacity Interview – Mrs. Michelle Edwards and Mrs. Rachel Lautenschlager. Prior to the interview the TRP had concerns about the ungraded model and the interface with the state required Student Information System (SIS). The ungraded model proposes to allow students, as they master the content of one grade level and successfully complete the summative exams, to be promoted to the next grade level immediately. This promotion to a new grade level can occur at any time during the school year. The TRP also had concerns about the projected enrollment of 300 students in year 1, and the facility arrangements discussed in the application. These individuals were able to address each question asked by the TRP, but the degree of specificity needed to demonstrate the ability to open and operate a charter school was not present. The individuals spoke of lofty ideas of moving students throughout an ungraded curriculum as they mastered skills, but had yet to determine how the ungraded system would mesh with the SIS required by the Arizona Department of Education (ADE).

When discussing how students will realistically be moved from one grade to another mid-year, and have the grade level placements line up with the SIS the answer given by Mrs. Edwards was “that’s the trick”, (Capacity Interview 16:30) There was a general sense that the Applicant had their mind set on the manner in which

students would be educated using a mastery approach, and that the biggest challenge would be alignment with the state system. As evidenced by the answers provided in the Capacity Interview, given that the Applicant has admittedly not yet discussed this issue with the ADE indicates a lack of overall capacity and understanding that school issues are also state issues.

During the review of the written application it was discussed by the TRP that, based on the experience of the charter leaders on the review team, a projected enrollment of 300 students during year one would be extremely difficult to achieve. Overall enrollment during year one of any new charter school is difficult, at best, to project. The marketing plan outlined by the Applicant must be robust and executed in a timely fashion in order to attract 300 students the first year of operation. During the Capacity Interview a question was asked regarding how they intended to meet this targeted enrollment number. The answer provided indicated that even though they have not begun a marketing plan, everyone tells them they will have a waiting list. (Capacity Interview 52:35) Even though the charter school has received 20 intents to enroll within the week and half prior to the interview, this was not reassuring to the TRP that 300 students would be present on opening day.

When asked about the facilities that would be utilized Mrs. Edwards indicated that they have a very good working relationship with the developer and he knows that they will eventually build. (Capacity Interview 1:03:44) The application indicated a local church had offered to partner with the charter school to provide space for the first few years of operation, and then the developer would work with the Applicant to provide a new building. The TRP has concerns that the school will not increase enrollment as quickly as projected and the charter school will have difficulty paying back start-up funds provided by the developer.

While the members of the team demonstrated passion for their project, they lacked many skills that would be needed to make the project successful.

TRP Qualitative Analysis Summary

The TRP recommends that the revised application package for ARCHES Academy be denied. The Applicant lacks the capacity to operate a charter school and failed to submit a substantively complete application. The resumes provided by the Applicant indicate a general lack of school leadership experiences from any of the team members. Additionally, the Applicant did not present a well thought out marketing plan that included a sufficient timeframe for the charter school to attract 300 students. The Applicant describes a cutting-edge system of ungraded students working on the specific skills needed to master their grade and move on to the next grade level. While this is indeed progressive, very little thought was given to the actual implementation of that approach working within the constraints of the Arizona Department of Education ("ADE"). The fact that the Applicant, specifically Mrs. Edwards, has worked on this "idea" for 5 years and has no knowledge of how this educational model would align with the given systems at the state level demonstrates a general lack of leadership capacity.

The educational plan presents a mastery level approach to skill acquisition for all students (Educational Plan A.3.1: Mastery and Promotion, pages 1-2). Students will be screened upon enrollment to determine the proper placement within the grade level bands. Using an assessment system that will monitor student's progress five times per year and provide formative and summative assessments to drive instructional decisions and to determine mastery of skills and promotion to the next grade level, the charter school will be a constantly evolving unit that has students changing placement at any time during the school year. As stated above, this model will be difficult to administer within the set requirements of the ADE for tracking of students throughout the grade levels and administration of the AzMERIT exam.

The operational plan as presented in the revised application package provides roles and responsibilities for each member of the board and an explanation of the qualifications each member will bring to the operation. It is clearly stated that the Corporate Board and the Governing Board will be the same entity. While the board members have experience working in the education field, both public, private and charter schools, they collectively have little or no experience working with school budgets, facility development, oversight of day to day school business, and general school leadership tasks. As described in Section B.1 Applicant Entity pages 6 – 8, the board members have school experience from teaching to working with special populations to operating a program within a specific school, but they lack leadership capacity. Because of the lack of leadership experiences the TRP found the Applicant to lack the ability to oversee the operational and financial components of the charter school. While Mrs. Edwards has achieved her Masters in Ed Leadership, she has not had any actual experience in the role of principal. The Applicant did indicate that a back office provider would be contracted to help with the business management services such as payroll, accounts payable and receivable, budget preparation and reporting, tax accountability and grant procurement and management, but there is not a strength of knowledge regarding these procedures within the team. (Operational Plan B.3.2: Contracted Services, page 1) This lack of experience and knowledge could be problematic in the future operations of the school.

The business plan provides a description of the facility needed for the proposed charter school, whether using the existing church facility or the new build option by the developer. The marketing plan does not appear robust enough to meet the target student population of 300 students in year one. While a variety of marketing strategies will be used including social media/word of mouth, print advertising/direct mail and community and enrollment events, the TRP finds these methods will not be sufficient to meet the targeted enrollment due to the fact that the plan as presented is yet to be implemented and does not contain robust activities to attract families to the new school. (Capacity Interview 53:45) Additionally, the Applicant indicated during the Capacity Interview (53:00) that they have talked to many people in the community along with the city leadership and the response has been positive. However, this does not represent people that will actually enroll their students in the charter school. The TRP found the source of start-up money to be problematic due to the fact that money is provided by the developer, but the charter school may not have sufficient enrollment to warrant a new building for several years making payback of the funds difficult. The Capacity Interview did not alleviate the concern.

Educational Plan

	Preliminary TRP Scores				Revised TRP Scores			
Educational Plan Score ≥ 95%?	No	25	Of	49	No	41	Of	49
Number of "Falls Below" ratings	1				0			
Number of "Approaches" ratings	23				8			

Plan Summary

ARCHES Academy will use a mastery learning approach to instruct children in grades K – 8, a successful program utilized by Boy Scouts of America, where individual students are able to work at their own pace to master skills before moving on to the next level of the program. In much the same way, the Applicant will use the philosophy of "Inspiring scholars by honoring the gifts within each" to implement a self-paced curriculum where students will be placed upon entry according to testing results and interviews with families.

The target population is students in grades K – 8 living in the Apache Junction area of the East Valley, where at least 70% of the student population qualify for free or reduced lunch. According to Mrs. Edwards in the capacity interview, the mainstay of their educational model is "filling the gaps". (Capacity Interview, 28:27) The TRP had concerns over the projection of a 15% increase in AzMERIT proficiency in year one, as compared to the target population. When asked about this increase the Applicant indicated that the schools where the students currently attend do not address the learning gaps making it difficult for students to master content. (Capacity Interview, 28:27)

Using a traditional school calendar of 180 instructional days, students will attend school five days per week with a shortened schedule on Friday to accommodate for staff meetings, data analysis and professional development. Students will be provided with time on Fridays for both Response to Intervention and Enrichment programs to ensure all students are receiving the scaffolding and supports needed as well as academic challenge. (Educational Plan A.4: School Calendar and Weekly Schedule, page 2)

Each student will be assessed upon enrollment to determine at what level they should be placed within the grade level bands. Each student will then work on their Student Passport, an individual curriculum that includes all standards the student will need to master at 80% prior to moving on to the next grade level. Time is set aside during the school calendar for continued testing as students progress through the curriculum, as well as time for progress monitoring which will be given 5 times each year using ATI/Galileo.

Analysis

The educational plan approaches the criteria for approval because the Applicant did not demonstrate the capacity to align the school educational model with the mechanisms in place at the Arizona Department of Education (ADE) relative to student grade level placement and promotion within a given school year. The mastery learning approach outlined in the application is well researched and is a proven method to meet the academic needs of students. However, the method of promoting students to the next grade level at any time during the school year is problematic for the state requirements of reporting student enrollment through the Student Information System (SIS). Even more problematic is the fact that the Applicant has not discussed this issue with ADE. During the capacity interview, Mrs. Edwards stated that this would be the biggest challenge – aligning the method with the state level reporting mechanism. It was also stated that it would take understanding and teamwork with the state to make their program viable. (Capacity Interview 16:30) Upon further discussion during the Capacity Interview, when asked which AzMERIT exam a student would take if they began the school year in one grade level and promoted to the next grade level in December, Mrs. Edwards indicated this was the "biggest hiccup" – AzMERIT. (Capacity Interview 17:15) There was a firm

belief that students would be fine to take whatever level of AzMERIT exam the state indicated they should take, because the standards at the school were higher than the standards for passing AzMERIT. (Capacity Interview, 19:50).

The rationale for utilizing this curriculum with the target population was lacking specificity. The fact that the students have learning gaps is realistic, but the Applicant did not sufficiently address how the chosen curriculum outside of the mastery learning approach, would benefit the target population. Student passports developed by the Board of Directors will provide specific information regarding standards that students must meet for each subject/grade to successfully complete a grade level and be eligible to sit for the summative assessment. (Educational Plan A.2: Target Population pages, 2-4)

Each student will be tested upon entry and placed in a grade band level based on results of this test and a family interview that takes into account the social and emotional levels of the student. Student passports will be developed for each individual student that indicate the list of standards that must be mastered at 80% for the students to be ready to take the comprehensive exam for that grade band. Students are placed together in groups for instruction based on their testing results and are then allowed to work within their student passports to master specific skills not yet mastered by the student. This instructional method may be difficult to administer considering the targeted enrollment figure of 300 students in year one.

The Applicant has excitement and passion for their proposed program of instruction. Instructional strategies and methods are included that would benefit any group of children. (Educational Plan A.3: Program of Instruction, pages 2-6) However, there is not capacity to bring all of these components together to create a successful program. The Applicant's inability to realize that the differences in the model should be discussed with ADE to ensure the two systems could work together is representative of the Applicant's lack of capacity to fully implement the program.

Operational Plan

	Preliminary TRP Scores				Revised TRP Scores			
Operational Plan Score ≥ 95%?	No	8	of	23	No	20	of	23
Number of "Falls Below" ratings	2				0			
Number of "Approaches" ratings	13				3			

Plan Summary

The corporate board and the school governing body will be the same entity. The board will be the policy making body for the school that will oversee and monitor the start-up and continued operations of the charter school. (Operational Plan B.2: School Governing Body, page 1) The organizational structure presents a principal, which answers to the Board of Directors as head of the school, and a business manager and dean of students reporting to the principal. These positions may be left vacant during the first few years due to enrollment. Outside services will be utilized for back office support, special education, food services, professional development and operations and maintenance.

Analysis

The operational plan approaches the criteria for approval because of a lack of capacity on the part of the governing body to operate a charter school. The founding members of the board, while somewhat experienced in education, lack any experience in school governance, business operations and overall school management. During the Capacity Interview, both Mrs. Edwards and Mrs. Lautenschlager were asked what expertise they brought to the table. While excited about the proposed model, neither individual described any relevant experience outside of the classroom that would prepare them to take on a management role in this charter school. (Capacity Interview, 35:46) It should be noted that only two members of the founding board were present for the interview

The proposed plan as presented in the application is organized and includes the components that are necessary to operate a charter school. The organizational chart is well designed with one school leader and other administrative positions that will support the operational workload. Duties and responsibilities as outlined in the application are appropriate for each position. Qualifications listed for each administrative position (Operational Plan B.3: Management & Operation, page 2-4) indicate that individuals will be considered that lack both leadership experience and experience working in a charter school environment. According to the application, a minimum amount of educational experience is required for the Administrative position - 5 years in an elementary education setting. There is no mention of charter school experience in the qualifications. (Operational Plan B.3: Management & Operation, page 2) This lack of specific charter school experience does not prepare the leadership of the new charter school for success in this environment.

Outside vendors will be used for back office support, special education, food services, professional development and operations and maintenance. These services are very typically outsourced for fledgling charter schools as it is difficult to find individuals to meet all of these specific needs that are willing to work only a few hours a week in support of the school. The areas of support will be overseen by the Business Manager according to the organizational chart on page 1 of Operational Plan B.3: Management and Operation. Based on the qualifications described the application, this position is not required to have any charter school experience. An overall lack of experience and knowledge will make it difficult to oversee the specific contracted services within the operational plan.

Business Plan

	Preliminary TRP Scores				Revised TRP Scores			
Business Plan Score ≥ 95%?	No	11	of	34	No	30	of	34
Number of "Falls Below" ratings	0				0			
Number of "Approaches" ratings	23				4			

Plan Summary

Proposed Location:

Option1: 1130 E Broadway Ave, Apache Junction (church property)

Option 2: Desert Chapel United Methodist Church, 462 N. Palo Verde Dr., Apache Junction

Option 3: A new build located on a yet determined piece of property in conjunction with American Charter Development

Facilities Requirements:

Facility requirements include 14 classrooms housing up to 25 students each, a library, multipurpose room and sufficient office space. Approximately 25,000-32,000 square feet of space is needed. This design will house the projected enrollment for the first three years of operation.

Budget Summary

	Startup Period	Year 1	Year 2	Year 3
Projected Enrollment:	0	325	350	375
Total Revenue:	65,000.00	1,915,871.00	2,141,882.00	2,223,575.00
Total Expenditures:	58,780.00	1,839,838.00	2,051,559.00	2,076,823.00
Ending Balance:	6,220.00	76,033.00	92,323.00	146,752.00

The business plan includes several different options for facilities located within the target area. The timeframe coincides with the approval of the charter application. Beginning in January 2018 the Applicant hopes that a new build will begin in partnership with American Charter Development making it possible to occupy the facility in June 2018. Discussion is ongoing with the Desert Chapel United Methodist Church for suitable facilities until the time when a new building can be built. Additionally, an existing church building could be used for a remodeling project, if a new build is not feasible at the time. American Charter Development will work with the Applicant to renovate this building for educational occupancy.

A small amount of enrollment growth is indicated in year 2 and 3, 50 additional students in year 2 and 25 in year 3. The initial enrollment projected is 325 students of which the Applicant indicates they expect to have at least 92.31% of those students (300) enrolled and have based the budget figures on that percentage

A four-pronged approach to recruitment of staff is in place; attendance at employment events and fairs, networking, advertising and building relationships with teacher-education programs. Qualifications for proposed teaching staff are outlined in the Business Plan C.3: Personnel, page 1.

For the start-up period the Applicant indicates that American Charter Development will be the source of a $65,000 loan once the charter is approved. This money will be rolled into the costs of a renovation or new

build, depending on the specific circumstances.

Analysis

The business plan approached the criteria for approval because of concerns regarding the plan for acquiring facilities, the outlined marketing plan as it relates to the projected enrollment, and the projected enrollment as it relates to the Operational Budget. The Applicant is under the impression that once the charter application is approved, the developer will work to identify a viable property and construct a building by June 2018. The TRP expressed concern over the arrangement with the developer as the entity that will provide the start-up money. The Applicant assured the TRP that they had a very good working relationship with this group and because Mrs. Edwards knew some of the family members, there was a level of trust between the Applicant and the developer. (Capacity Interview 1:03:44) Mrs. Edwards also stated during the capacity interview that she was not sure that a new build would be completed by July and they would look at new construction once the school is full and enrollment makes it feasible to build. Mrs. Edwards discussed the fact that the identified church had set aside land that the charter school could use to place portables on for use during the first year of operation. (Capacity Interview 1:01:20) The lack of understanding as to which facility would actually be feasible or probable for first year occupancy, both financially and time wise, raises concerns as to the capacity of the team to operate a charter school.

The marketing plan as presented relies heavily on word of mouth/social media, direct mailing and a presence at community events. The application states that an enrollment kick-off event will be held in January 2018. It is expected that by this time, the enrollment target of 75% capacity will be met. If that does not occur, postcards will be mailed to the neighbors who live in the area the school is located. According to the application timeframe for facilities acquisition, (Business Plan C.1: Facilities Acquisition, page 4) the new build will not begin until January 2018 if that is the alternative decided upon by the Applicant. It will not be possible to identify the neighborhood in which the school will be located in time to mail postcards to the neighborhood surrounding the school. This lack of clarity surrounding the process of acquiring the facilities as discussed in the Capacity Interview (1:01:20) and the less than robust marketing plan that the Applicant has yet to implement, does not represent capacity on the part of the Applicant to operate a charter school.

As part of their strategy for teacher recruitment, the Applicant intends to find individuals that are first and foremost aligned to their philosophy of education. These individuals will be hired and offered training in the specific programs the charter school program offers to the students. Additionally, the staff will be trained in the mastery approach to education so that the program of instruction will be understood and supported by all teachers. A four-pronged approach to recruitment of staff is in place; attendance at employment events and fairs, networking, advertising and building relationships with teacher-education programs. These methods indicate a good start to the process of identifying qualified teachers that will meet the specific selection criteria of the Applicant which is outlined in the Business Plan C.3: Personnel, page 1.

The start-up and operational budgets are based on a first year enrollment of 300 students. The marketing plan does not appear to be robust enough to attract that many students during year one. The lack of ability to attract a large number the first year will definitely affect the enrollment in years 2 and 3. Outside of this, the budgets include the components necessary to operate a charter school. Sufficient funds have been dedicated to instruction as well as the operational side of the business. Additionally, the Applicant indicates that if sufficient enrollment is not achieved, the budget can be revised to reflect the actual number of

students. Mrs. Edwards indicated during the capacity interview that the model is flexible and the school can function with far fewer students. (Capacity Interview, 52:35) The TRP also inquired as to the lowest enrollment number possible to open the charter school and Mrs. Edwards indicated that they could handle having as few as 125 but could not imagine having that few students. (Capacity Interview 1:07:16)

There is a high level of concern from the TRP as to the ability to secure the initial enrollment figure of 300 in year one, but the Applicant is confident based on information provided during the capacity interview, that people are “hungry for this charter”. (Capacity Interview, 52:35)

Evidence of Capacity

Applicant Summary

Name	Role	Attended Interview?
Jessica Droppo	Charter Principal	No
Michelle Edwards	Authorized Representative, Charter Principal, School Principal	Yes
Rachel Lautenschlager	Charter Principal	Yes
Jessica Richardson	Charter Principal	No

Analysis

The members of the team that attended the Capacity Interview expressed great passion for the charter application. It was noted in the application that founder, Mrs. Edwards, has been working on this charter school for 5 years. Much research has been done that supports the concept of mastery learning and how this method is being investigated and used in 22 states. While admitting that it is a difficult model to implement, there was enthusiasm for this attempt.

The Applicant lacks the capacity to operate a charter school based on the failure to discuss with the Arizona Department of Education the ungraded academic model and the model's alignment to the Student Information System. The Applicant has an overall lack of leadership experiences and actual charter school experiences within the board members. The marketing plan is less than robust to begin year one of operation with 300 students and the facilities plan is less than clear and concise in presentation.

The closing statement in the Capacity Interview demonstrates this lack of capacity to operate a charter school. Mrs. Edwards indicated they believe in the model. They know the model will work and they know they can work it. "We are going to make it happen. Our skills and experiences may be lacking but we are committed to bringing in those who will work with us to achieve whatever it needs to be" (Capacity Interview, 1:25:23)