



Charter Schools Institute
The State University of New York

Summary of Findings and Recommendations

*Proposal to establish the
Bronx Success Academy Charter School 3*

September 14, 2010

Executive Summary

The Bronx Success Academy Charter School 3 (“Bronx Success Academy”) proposal was submitted to the Charter Schools Institute (the “Institute”) by lead applicant Eva Moskowitz on August 16, 2010 in response to the Institute’s Request for Proposals (“RFP”) that was released on behalf of the Board of Trustees of the State University of New York (the “SUNY Trustees”) on August 2, 2010.

Note that while SUNY may still award a small number of charters pursuant to its traditional application process, amendments to the New York Charter School Act (as amended, the “Act”) effective May 2010 made additional charters available but only through an RFP process. The Success Academy proposal represents one of the first proposals recommended by the Institute pursuant to the RFP process. The revisions to the law granted SUNY a total of 130 new charters to award, with specific limits per RFP cycle. The cycle that began August 2, 2010, can result in a maximum of 32 new charters by SUNY, per Education Law subdivision 2852(9).

Bronx Success Academy intends to occupy a site in New York City Community School District (“CSD”) 7 (Bronx) to be determined within space provided by the New York City Department of Education (the “NYCDOE”). Bronx Success Academy would open in September 2011 with 188 students in kindergarten and first grade and would grow to enroll 689 students in kindergarten through fifth grade by the end of the school’s initial charter term.

The school’s board of trustees plans to contract with Success Charter Network, Inc. (the “Success Charter Network”), a not-for-profit charter management organization, for comprehensive educational and management services. As a result, the school’s educational philosophy would entail implementing the instructional and organizational model developed by Success Charter Network. The Success Charter Network currently operates seven charter schools in New York City, six of which are authorized by the SUNY Trustees; five are located in Harlem and two in the Bronx.

The original Harlem Success Academy Charter School, upon which this and all other Success schools are modeled, was the top performing charter school in New York State (the “State”) on the most recent State exams. For those Success schools not yet serving grades for which there are State test results, the Success Charter Network has provided internal standardized assessment results correlated to success on State Testing Program examinations in English language arts and mathematics that suggest that all of the schools it manages are likely to achieve similar levels of success on State examinations as its model school.

Consistent with the May 2010 amendments to the Act, the Institute finds: 1) that the proposal for Bronx Success Academy rigorously demonstrates the criteria detailed in the Institute’s RFP, including the mandatory criteria set forth in Education Law subdivision 2852(9)(b)(i); 2) that the proposed school has conducted a thorough and meaningful public review process to solicit community input regarding the proposal in accordance with the requirements in the RFP, which are in conformity with Education Law subdivision 2852(9)(b)(ii); 3) the proposal is one that best satisfies the objectives contained within the RFP based on the content of the proposal and its supporting documentation, and is therefore qualified within the meaning of Education Law subdivision 2852(9-a)(d); and 4) the Institute has scored, ranked and granted priority to the proposal pursuant to Education Law subdivision 2852(9-a)(c), and there are enough charters to be issued by the SUNY Trustees pursuant to the August 2nd RFP to accommodate the proposal.

Based on the foregoing, the Institute makes the following recommendation.

The Institute recommends that the SUNY Trustees approve the charter proposal for the Bronx Success Academy Charter School 3.

Background and Description

The Institute conducted a rigorous review of the proposal, which included a legal and fiscal soundness review. Pursuant to its protocols and the RFP, the Institute has met with the applicant, the proposed board of trustees, and other members of the founding team. The Institute also conducted additional due diligence of the Success Charter Network, Inc. including a review of its fiscal and organizational capacity, and evidence of its ability to increase student achievement. In addition, SUNY Trustee Pedro Noguera had an opportunity to interview the lead applicant and founding board members.

The mission of Bronx Success Academy would be to “provide children in New York City with an exceptionally high quality education that gives them the knowledge, skills, character, and disposition to meet and exceed New York State standards and the resources to lead and succeed in school, college, and a competitive global economy.”

The key elements of the Bronx Success Academy are:

- focus on student achievement;
- research based and results driven curriculum;
- 100 minutes of daily reading instruction, 30 minutes of daily writing instruction, 80 minutes of daily mathematics, and daily exploratory-based science instruction totaling 4 and a half hours each week for each student;
- the effective use of student performance data to improve student learning;
- a longer school day and year;
- intensive intervention programs for struggling students and enrichment programs for high-performing students;
- school leaders with the power to lead;
- highly qualified, highly trained staff;
- strong school culture; and
- strong support for students with disabilities and English language learners.

The school would operate on both an extended school year and extended school day. The first day of the 2011-2012 school year would be on or around August 17, 2011 and the last day will be on or around June 20, 2012; subsequent years would follow a similar ten-month calendar. Breakfast would

be served from 7:15 a.m. to 7:45a.m. and instruction would start promptly at 7:45 a.m. The school day would conclude at 4:00 p.m. for kindergarten, 4:30 p.m. for grades 1-4 and 5:30 p.m. for grade 5. As noted above, the school's board would contract with Success Charter Network, a non-profit charter management organization that would provide a wide range of educational and administrative services to the school, including: school start-up, financial, recruitment, and public relations services; curriculum development and monitoring; school leadership training; professional development; enrollment management; information technology; comprehensive school evaluation and external affairs. In return, the Success Charter Network would receive a fee from the school based on a flat-rate per student enrolled in the school. The precise fee is to be determined through negotiations between the school's board of trustees and the Success Charter Network, though a draft term sheet between the parties anticipates that it will be approximately \$1,244 per student, or just shy of ten percent of the NYCDOE's per pupil expenditure. (As with all management contracts, the Institute will review the contract pursuant to the charter and on behalf of the SUNY Trustees).

The proposed curriculum follows Success Charter Network's program that embraces whole-child education. Because of the extended school year and school day, the school model is able to offer a variety of subjects including the Success Charter Network developed THINK Literacy, TERC Investigation math, discovery based Science program, project based social studies and geography programs, fine arts, chess, sports, and a variety of other programs including music, yoga, ballroom dancing, and theater. Every eight weeks students would be formally assessed using the Fountas and Pinnell reading assessment. The results would be immediately reviewed and utilized by teachers to create action plans for all students. In addition to its academic curriculum, the school intends to teach a set of core values to its students, including Agency, Curiosity, Try and Try, Integrity, Others, and No Shortcuts (ACTION). The goal is to ensure that graduates are not only intellectual individuals, but also good citizens.

Using a modified Response to Intervention system, students' learning needs would be assessed and students placed into or graduated out of Tier I (in-class differentiation), Tier II (pullout and push-ins with a Special Education teacher), or Tier III (special education services in accordance with federal law and the district Committee on Special Education). Strategies and specific goals would be set for each of the eight weeks in the aforementioned assessment cycle. The school's admissions policy would provide an at-risk school design factor to applicants that are deemed English Language Learners (ELLs).

Each year, teachers would receive approximately 400 hours of quality professional development, beginning with an intensive 4 week program before school starts and would continue every Wednesday for 3 hours throughout the school year, to also include 8 professional development days. In addition, teachers would be given opportunities to observe excellent teachers at other schools (both inside and outside of the Success Charter Network), visit other high-performing schools, and attend workshops designed to master effective teaching techniques. Teachers and school leaders would also be sent to outside conferences, such as the Teachers' College Conferences, the National Council of Math Conference, the National Science Teacher Association Conference, the DMI Math Conference, and the Understanding by Design Conference.

The school would have a principal focused solely on teaching and learning and a business manager focused on the operational and financial aspects of the school. A student achievement coordinator would assist the principal in special education and test administration, while an operations manager would focus on facilities and supply management. A community relations coordinator would focus

on parent involvement and communication. In subsequent years, the school leadership team would expand to include an assistant principal, dean of students, and testing coordinator.

The Bronx Success Academy by-laws indicate that school board would consist of five members. The proposed initial members of the board of trustees are set forth below.

1. **Richard Barrera** (Proposed Co-Chairperson) – Partner and Portfolio Manager at Redwood Capital Management; formerly Partner and Co-Portfolio Manager at Glenview Capital Management and Vice-President of Groupe Arnault.
2. **Samuel Martini** (Proposed Co-Chairperson) – Senior Analyst at Cobalt Capital Management; Treasurer of the NYC Chapter Alzheimer’s Association Board of Directors; formerly Investment Banking Associate at Deutsche Bank Alex Brown.
3. **Michael Pollack** – President of Pollack Holdings and Adjunct Professor at the NYU Stern School; formerly President of the SCA Charitable Foundation..
4. **Sarah Marchesi** – Teacher of Social Studies and Language Arts at the Augusta Lewis Troup School; formerly Student Teacher of Seniors Civics at Hillhouse Regional High School, Yale Urban Teaching Program and Staff Attorney for The Bronx Defenders/Neighborhood Defender System of Harlem.
5. **Elrin Pena** – New Account Specialist in Private Wealth Management for Deutsche Bank; formerly DerivServ Operations Specialist at DTCC, New Accounts Specialist at Fortis Bank, and Licensed Sales Associate at ERA Top Service Realty, Inc.

Vacant – Non-voting, ex officio seat reserved for a parent member.

The proposed board and the Success Charter Network are working with NYCDOE to determine which existing public school building in CSD 7 would be most effective for the proposed charter school. It is the understanding of the applicant group that a public school space will be provided should the application be approved. Any NYCDOE space would have to be approved through the new provisions of the Education Law related to the co-location of charter schools. In addition, the Institute reserves the right to review and approve all facilities.

The fiscal impact of Bronx Success Academy on the district of residence, the New York City School District, is summarized below.

| Number of Students | Per Pupil Aid Rate Assumed | Per Pupil Aid Revenue Only | Total Budget for New York City (in billions) | (%) of Total NYC Ed. Budget |
|---------------------------------------|-----------------------------------|-----------------------------------|---|------------------------------------|
| 188 (2011-12 school year – year 1) | \$13,527 | \$2,543,076 | \$18.447 | 0.014% |
| 689 (2015-16 school year – year 5) | \$15,225 | \$10,489,858 | \$19.403 | 0.054% |

The calculations above assume that there will be an annual increase in per-pupil aid of three percent in each year of the charter period. The NYCDOE yearly budget figures were accessed from the latest, May 2010, Financial Status Report (FSR) published on the NYCDOE website. No information was available for 2015-16 so no increase in spending was assumed for that year. Using the moderately aggressive assumptions for per-pupil aid and revenue and the district's four-year operational budgeting assumptions, along with the fundamentally conservative assumption for year five of the proposed charter period, illustrates the maximum fiscal impact of the proposed school on the district.

It should be noted that the NYCDOE estimate used by the Institute in conducting its analysis is subject to unpredictable increases and decreases in any given year given the nature of per-pupil funding for the district. While the school has included in its application estimated calculations accounting for special education revenue, federal Title I funds, other federal grants and/or funds provided by the district and to be received by the school, the Institute's calculations and analysis do not account for these sources of potential revenue.

The Institute finds that the fiscal impact of the proposed school on both the New York City School District and nonpublic schools in the same geographic area would be minimal.

The Institute has notified the school district as well as public and private schools in the same geographic area of the proposed school and, as of the date of this report, has received no comments from these entities.

The applicant has conducted public outreach, in conformity with a thorough and meaningful public review process prescribed by the SUNY Trustees in the RFP, to solicit community input regarding the proposed school (Ed. Law §2852(9-a)(b)(ii)). The applicant conducted a public meeting which was broadly noticed and advertised in local papers to solicit such community feedback regarding the proposed school and considered that feedback in the development of the proposal.

The Institute's RFP also contained minimum eligibility and preference criteria to reflect the requirements of Education Law subdivision 2852(9-a). The proposal met the eligibility requirements, as evidenced by the following:

- The proposal was complete and met basic criteria ranging from on-time submission of the proposal to having responses that are legible, complete, coherent and in response to the question(s) asked;
- The proposal met the standard for describing a quality educational program and provided sufficient evidence that the proposed school is likely to operate in an educationally and fiscally sound manner, to improve student learning and achievement and materially further the purposes set out in Education Law subdivision 2850(2) *as well as* demonstrated a rigorous commitment to student achievement;
- The proposal included a viable plan to meet the enrollment and retention targets to be established by the SUNY Trustees for students with disabilities, students who are English language learners, and students who are eligible to participate in the federal free and reduced-price lunch program (as detailed in Request No. 3c); and
- As set forth above, the proposal included a plan for public outreach that conforms to the

process prescribed by the SUNY Trustees for the purpose of soliciting community input regarding the proposed school.

For those proposals, such as Bronx Success Academy, that met the eligibility criteria, the Institute's evaluation continued with a review of the eleven Preference Criteria contained in the RFP for which the proposal can earn credit as described in the RFP's Scoring Rubric. The purpose of the Scoring Rubric was to prioritize proposals in the event that the number of proposals meeting the SUNY Trustees' requirements exceeded the maximum number of charters to be issued in 2010. In the event of a tie for the last charter both proposals will be rejected unless one applicant agreed to withdraw his or her proposal for consideration in a subsequent RFP. The preference criteria, which in addition to eligibility criteria and the overall high standards established by the SUNY Trustees, included the demonstration of the following in compliance with Education Law subdivisions 2852(9-a)(c)(i)-(viii):

- increasing student achievement and decreasing student achievement gaps in reading/language arts and mathematics;
- increasing high school graduation rates and focusing on serving specific high school student populations including, but not limited to, students at risk of not obtaining a high school diploma, re-enrolled high school drop-outs, and students with academic skills below grade level;
- focusing on the academic achievement of middle school students and preparing them for a successful transition to high school;
- utilizing high-quality assessments designed to measure a student's knowledge, understanding of, and ability to apply, critical concepts through the use of a variety of item types and formats;
- increasing the acquisition, adoption, and use of local instructional improvement systems that provide teachers, principals, and administrators with the information and resources they need to inform and improve their instructional practices, decision-making, and overall effectiveness;
- partnering with low performing public schools in the area to share best educational practices and innovations;
- demonstrating the management and leadership techniques necessary to overcome initial start-up problems to establish a thriving, financially viable charter school; and
- demonstrating the support of the school district in which the proposed charter school will be located and the intent to establish an ongoing relationship with such school district.

Two of the eight proposals submitted to the Institute, including the proposal to establish the Bronx Success Academy, met the eligibility criteria and were therefore assessed a score using the rubric contained in the RFP. The proposal earned a score of 9 preference points out of a possible total of 27. Based on the score and the other information and findings set forth herein, the Institute is recommending that the SUNY Trustees approve 2 proposals (including the Success Academy

proposal) of the 32 permitted by the Act for this cycle, which does not exceed the statutory limit in Education Law subdivision 2852(9-a)(a).

Findings

Based on the comprehensive review of the application, discussion with national experts and interviews of the applicant and the proposed board of trustees, the Institute makes the following findings.

1. The charter school described in the application meets the requirements of Article 56 of the Education Law (as amended) and other applicable laws, rules, and regulations as reflected in (among other things):
 - the inclusion of appropriate policies and procedures for the provision of services and programs for students with disabilities and English language learners;
 - the required policies for addressing the issues related to student discipline, complaints, personnel matters and health services;
 - an admissions policy that complies with the Act, federal law and the U.S. Constitution;
 - the inclusion of the proposed by-laws for the operation of the school's board of trustees; and
 - the inclusion of an analysis of the projected fiscal and programmatic impact on surrounding public and private schools.

2. The applicant has demonstrated the ability to operate the school in an educationally and fiscally sound matter as reflected in (among other things):
 - the provision of an educational program that meets or exceeds the State performance standards;
 - the articulation of a culture of self-evaluation and accountability at both the administrative and board level;
 - the student achievement goals articulated by the applicant;
 - an appropriate roster of educational personnel;
 - a sound mission statement;
 - a comprehensive assessment plan;
 - the provision of sound start-up, first-year, and five-year budget plans;

- a plan to acquire comprehensive general liability insurance to include any vehicles, employees, and property;
 - evidence of adequate community support for, and interest in, the charter school sufficient to allow the school to reach its anticipated enrollment;
 - the inclusion of descriptions of programmatic and independent fiscal audits, with fiscal audits occurring at least, annually;
 - the inclusion of a school calendar and school day schedule that provide at least as much instruction time during a school year as required of other public schools; and
 - the inclusion of methods and strategies for serving students with disabilities in compliance with all federal laws and regulations.
3. Granting the application is likely to: 1) improve student learning and achievement; and 2) materially further the purposes of the Act. This finding is reflected by (among other things):
- the inclusion of a curriculum crosswalk document that specifies how the proposed curriculum will ensure that students will meet or exceed the performance standards of the Board of Regents;
 - a comprehensive plan to assess student achievement through the use of State tests, externally-verifiable standardized tests and other diagnostic assessments;
 - an extended school year and school day;
 - an instructional program design based on the success of an identical program in place at existing charter schools managed by Success Charter Network;
 - robust programs to meet the needs of students at risk of academic failure, students with disabilities, and English language learners;
 - an intensive focus on literacy and mathematics, with 100 minutes of daily reading instruction, 30 minutes of daily writing instruction, and 80 minutes of daily mathematics instruction for each student;
 - the inclusion of significant opportunities for professional development of the school's instructional staff prior the start of each school year and throughout the year;
 - a commitment to providing an educational program focused on outcomes, not inputs; and
 - an organizational structure that supports the ability of the principal to focus exclusively on improving teaching and student learning.

4. The proposed charter school would meet or exceed enrollment and retention targets, as prescribed by the SUNY Trustees, of students with disabilities, English language learners, and students who are eligible applicants for the federal free and reduced price lunch program as required by Education Law subdivision 2852(9-a)(b)(i).

The data upon which to base the enrollment and retention targets mandated by the amendments to the Act was not available at the time the statute mandated the RFP be issued. As a result, the Institute developed internal evaluation criteria regarding the enrollment and retention of each class of student referenced in the amendments to the Act such that the Institute could make the determination that the applicant would meet or exceed the enrollment and retention targets when developed. During the first year of the charter term, SUNY will develop such targets, and shall ensure “(1) that such enrollment targets are comparable to the enrollment figures of such categories of students attending the public schools within the school district, or in a city school district in a city having a population of one million or more inhabitants, the community school district, in which the proposed charter school would be located; and (2) that such retention targets are comparable to the rate of retention of such categories of students attending the public schools within the school district, or in a city school district in a city having a population of one million or more inhabitants, the community school district, in which the proposed charter school would be located.” The Institute will conduct separate analyses for setting enrollment and retention targets, respectively. The former analysis will be based on the demographic and classification characteristics of cohorts of students first entering the school; the latter analysis will be based on the characteristics of cohorts of students leaving the school. The comparison will be to an individual school or schools within the district that are representative of the districts’ relevant sub-populations. During each year in the charter period, the same methodology will be applied to each charter school to determine if it has met its district-based target. Based on the foregoing, the Institute finds that the proposal has rigorously demonstrated that the proposed charter school would meet or exceed enrollment and retention targets, to be prescribed by SUNY during the first year of the charter in accordance with the amendments to the Act.

5. As described above, the applicant has conducted public outreach, in conformity with a thorough and meaningful public review process prescribed by the SUNY Trustees, to solicit community input regarding the proposed charter school and to address comments received from the impacted community concerning the educational and programmatic needs of students in conformity with Education Law subdivision 2852(9-a)(b)(ii).
6. As described above, the Institute has determined that the proposal rigorously demonstrates the criteria and best satisfies the objectives contained within the RFP, and, therefore, is a “qualified application” within the meaning of Education Law subdivision 2852(9-a)(d) that should be submitted to the Board of Regents for approval.

Conclusion and Recommendations

Based on its review and findings, the Institute recommends that the SUNY Trustees approve the proposal for the Bronx Success Academy Charter School 3 to open in the Bronx in August of 2011.

Bronx Success Academy Charter School 3

Basic Identification Information

| | |
|----------------------|--|
| Lead Applicant(s): | Eva Moskowitz |
| Management Co.: | Success Charter Network, Inc. |
| Other Partners: | None |
| Location (District): | New York City Community School District 7 |
| Student Pop./Grades: | Opening with 188 students in kindergarten and 1 st grades; growing to 685 students in kindergarten through 5 th grades |
| Opening Date: | August 2011 |

School District of Proposed Location Profile

| New York City School District 7 | | | |
|--|--------------------|-----------------------|--------------------|
| Enrollment (2008-09): | | 18,550 | |
| Percent (2008-09): | | | |
| White: | | 1 | |
| African-American: | | 29 | |
| Hispanic: | | 69 | |
| Asian, Other: | | 1 | |
| Percent Qualifying for Free or Reduced Priced Lunch (2008-09): | | 89 | |
| English Language Arts (2009-10) | | Mathematics (2009-10) | |
| Grade | Percent Proficient | Grade | Percent Proficient |
| 3 | 30.5 | 3 | 36.2 |
| 4 | 26.6 | 4 | 36.6 |
| 5 | 26.1 | 5 | 40.8 |
| 6 | 16.5 | 6 | 34.3 |
| 7 | 17.0 | 7 | 36.8 |
| 8 | 22.2 | 8 | 25.9 |

Source: demographic data are from the New York State Accountability and Overview Report 2008-09; test data are from the 2009-10 results released on the New York City Department of Education's website.