

ALABAMA PUBLIC CHARTER SCHOOL COMMISSION

CHARTER SCHOOL APPLICATION RECOMMENDATION REPORT 2018

National Association of Charter School Authorizers

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New Charter School Application for

LEAD Academy

Submitted by

LEAD Education Foundation

Evaluation Team

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INTRODUCTION

Following the passage of the Alabama School Choice and Student Opportunity Act (Act 2015-3) in March 2015, Governor Bentley created the Alabama Public Charter School Commission (Commission). The mission of the eleven-member Commission is to authorize high-quality public charter schools in accordance with the powers expressly conferred on the commission in the act. To that end, the Commission executed a rigorous, high-quality process during 2018 to solicit and evaluate charter school proposals.

Focus on Quality

The 2018 Request for Proposals and the resulting evaluation process are rigorous and demanding. The process is meant to ensure that approved charter school operators possess the capacity to implement a school model that is likely to dramatically increase student outcomes. Successful applicants will demonstrate high levels of expertise and capacity in the areas of curriculum and instruction, school finance, educational and operational leadership, and non-profit governance, as well as high expectations for excellence in student achievement and professional standards. An application that merits a recommendation for approval will present a clear, realistic picture of how the school expects to operate; be detailed in how this school will raise student achievement; and inspire confidence in the applicant's capacity to successfully implement the proposed academic and operational plans.

Evaluation Process

For the 2018 RFP cycle, the Commission partnered with the National Association of Charter School Authorizers (NACSA) to manage the application process and to provide independent, merit-based recommendations regarding whether to approve or deny each proposal. NACSA assembled an independent evaluation team that included both national and local expertise related to charter school start-up and operation. This report from the evaluation team is a culmination of the following stages of review:

PROPOSAL EVALUATION

The evaluation team conducted individual and group assessment of the merits of the proposal based on the complete written submission.

CAPACITY INTERVIEW

After reviewing the application and discussing the findings of their individual reviews, the evaluation team conducted an in-person interview to assess the team's overall capacity to implement the proposal as written in the application.

CONSENSUS JUDGMENT

Following the capacity interview, the evaluation team came to consensus regarding whether to recommend the proposal for approval or denial. The duty of the evaluation team is to recommend approval or denial of each application based on its merits against Commission-approved evaluation criteria. The authority and responsibility to decide whether to approve or deny each application rests with the members of the Commission.

Report Contents

This evaluation report includes the following:

PROPOSAL OVERVIEW

Basic information about the proposed school as presented in the application.

RECOMMENDATION

An overall judgment regarding whether the proposal meets the criteria for approval.

EVALUATION

Analysis of the proposal based on three primary areas of plan development and the capacity of the applicant team to execute the plan as presented:

Educational Program Design and Capacity: curriculum and instructional design; student performance standards; high school graduation requirements and post-secondary readiness; school calendar and schedule; school culture; supplemental programming; special populations and at-risk students; student recruitment and enrollment; student discipline; parent and community involvement; and educational program capacity.

Operations Plan and Capacity: legal status and governing documents; organization charts; governing board; advisory bodies; staff structure; staffing plans, hiring, management and evaluation; professional development; performance management; facilities; start-up and ongoing operations; and operations capacity.

Financial Plan and Capacity: start-up and five year budgets; cash flow projections; revenue and expenditure assumptions; financial policies and controls; and financial management capacity.

RATINGS CHARACTERISTICS

Evaluation teams assess each application against the published evaluation criteria. In general, the following definitions guide evaluator ratings:

Meets the Standard

The response reflects a thorough understanding of key issues. It addresses the topic with specific and accurate information that shows thorough preparation; presents a clear, realistic picture of how the school expects to operate; and inspires confidence in the applicant's capacity to carry out the plan effectively.

Partially Meets the Standard

The response meets the criteria in some respects, but lacks detail and/or requires additional information in one or more areas.

Does Not Meet the Standard

The response is wholly undeveloped or significantly incomplete; demonstrates lack of preparation; is unsuited to the mission of the authorizer or otherwise raises substantial concerns about the viability of the plan or the applicant's ability to carry it out.

PROPOSAL OVERVIEW

Applicant Name:

LEAD Education Foundation

Proposed School Name:

LEAD Academy

Mission:

The mission of LEAD Academy is to provide innovative programs designed to spark curiosity, maximize learning potential, continuously improve student achievement by empowering them with 21st century skills.

Proposed Location:

Montgomery County Public Schools

Enrollment Projections:

<i>Academic Year</i>	<i>Planned # Students</i>	<i>Maximum # Students</i>	<i>Grades Served</i>
2018-19	360	360	K-5
2019-20	504	504	K-6
2020-21	696	696	K-9
2021-22	888	888	K-10
2022-23	1,032	1,032	K-11
At Capacity	1,248	1,248	K-12

EXECUTIVE SUMMARY

Recommendation:

LEAD Academy

DENY

Summary Analysis:

The LEAD Education Foundation's proposal does not meet the standard for approval.

The Educational Program Design & Capacity section partially meets the standard for approval because the applicants failed to present a clear and comprehensive education program plan. The plan for serving special populations and creating school culture also lacked detail.

The Operations Plan & Capacity section partially meets the standard for approval because the current iteration of the governing board lacks professional K-12 education experience and the proposal does not clearly delineate the roles, responsibilities, lines of authority, and reporting obligations between the governing board, staff, and the education service provider (ESP).

The Financial Plan & Capacity section partially meets the standard for approval because a number of line items in the proposed budget do not appear reasonable and the proposed loan from American Charter Development (ACD) raises concerns about cost and conflict of interest.

The Alabama Public Charter School Commission's 2018 Application did not require evidence of success in the ESP's, Unity School Services, current schools or the ESP contract, which are critical pieces of evidence to consider in order to determine the viability of LEAD Academy's success in Alabama. If the application is approved, the evaluation team recommends that the Commission (1) obtain detailed and current academic, operational, and financial performance information; and (2) review the contract between the governing board and Unity School Services to ensure alignment with the application.

Summary of Section Ratings:

Opening and maintaining a successful, high-performing charter school depends on having a complete, coherent plan and identifying highly capable individuals to execute that plan. It is not an endeavor for which strengths in some areas can compensate for material weaknesses in others. *Therefore, in order to receive a recommendation for approval, the application must Meet the Standard in all areas.*

EDUCATION PROGRAM DESIGN & CAPACITY

Partially Meets the Standard

OPERATIONS PLAN & CAPACITY

Partially Meets the Standard

FINANCIAL PLAN & CAPACITY

Partially Meets the Standard

EDUCATIONAL PROGRAM DESIGN & CAPACITY

RATING:

LEAD Academy

Partially Meets the Standard

Plan Summary:

The applicant, LEAD Academy, proposes a grade K-5 (growing to grades K-12) STREAMS-focused school (Science, Technology, Reading, Engineering, Mathematics, Social and Emotional Learning) in Montgomery. The name LEAD stands for Learn, Engage, Achieve, Develop, and reflects a focus on developing the whole child.

The applicant proposes to use a variety of instructional strategies, with a particular focus on cooperative learning and project based learning. The school has a focus on data-driven instruction and continuous improvement and the NWEA MAP assessments will be used to track student progress. The daily schedule includes flexible time that allows for struggling students to receive extra support in Math or English Language Arts (ELA). In addition to the state graduation standards, the school would require community service hours.

The board intends to partner with Unity School Services as the Education Service Provider (ESP).

Analysis:

The Educational Program Design & Capacity section partially meets the standard for approval because the applicants failed to present a clear and comprehensive education program plan, and the plan for serving special populations and creating school culture lacked detail.

The applicant mentions a long list of research-based educational programs, activities, and strategies (including, but not limited to, blended learning, project based learning (PBL,) Collaborative for Academic, Social, and Emotional Learning (CASEL), summer internships, exchange programs, etc.) without clearly describing how they all fit together or how there will be time in the daily student schedule for all of the different programs. STREAMS360 is presented as a framework for the various elements of the education program, but in the proposal and capacity interview the applicants did not provide a robust description of this framework. Similarly, social and emotional learning (SEL) is described as a priority, but scant details are provided about a proposed curriculum and the weekly schedule provides only 30 minutes for SEL. Additionally, no specific ELA or Math curriculum were identified and the applicants were unable to articulate during the capacity interview a clear plan or process for choosing one.

While the proposal presents evidence that the applicant group has a solid understanding of the rules, regulations, and laws that apply to special populations, the proposal does not contain some key components of a comprehensive plan for servicing students of special populations. For instance, the application does not describe evidence-based instructional strategies for students with special needs. Additionally, the special education referral process described in the proposal speaks about informing parents about their student's strength and weaknesses, but does not speak about receiving parent input.

Although the applicants present a general vision for creating a warm and positive school culture, there is no coherent plan for creating it from the first day of school, or for enculturating students who enter the school mid-year. For example, the proposal identifies a number of strategies such as building strong relationships and teaching social skills, but does not provide detail on the structures that are needed to implement it.

The school's proposed science, technology, and math focus are a strong match for the region's aerospace industry and could provide ample opportunities for rich partnerships in these areas.

OPERATIONS PLAN & CAPACITY

LEAD Academy

RATING:

Partially Meets the Standard

Plan Summary:

The governing board is comprised of four members with varied backgrounds and skill sets, including business and finance, higher education, and non-profit management and advocacy. The board intends to add a parent member once the school is enrolled. The board is proposing a partnership with Unity School Services, a new ESP led by the founder and former CEO of Harmony Schools, a large charter management organization (CMO) that operates schools in Texas and several other states.

The school leader has not been identified. The applicants have identified a facility near downtown Montgomery and would partner with a developer, American Charter Development (ACD) to purchase and rehab the space and lease to the school with the intention of buying the building in three to five years.

Analysis:

The Operations Plan & Capacity section partially meets the standard for approval. The current iteration of the governing board lacks professional K-12 education experience and the proposal does not clearly delineate the roles, responsibilities, lines of authority, and reporting obligations between the governing board, staff, and the ESP. Additionally, the applicants were unable to provide details about the terms of the agreement with American Charter Development (ACD) to purchase the facility, which makes it difficult to determine long-term financial viability.

The proposal does not provide a strong recruitment plan for additional skill sets. Though one board member has served on the Montgomery County School Board, no board members have the critical experience of leading, teaching, or working in a K-12 school setting. The current board only includes four members. When asked about their priorities for recruiting additional capacity, the board only identified adding a parent member when the school is operational.

The roles and responsibilities of Unity School Services, the proposed ESP, vis-a-vis the board are not clearly delineated. For example, the relationship between the principal (and later the executive director), the ESP, and the board is not described in any detail. Additionally, the proposal does not describe how the board will monitor performance and hold the ESP accountable for results.

The applicant did not provide adequate details about the proposed facility agreement. American Charter Development (ACD) is proposing to purchase the facility, build it out to make it suitable for a school, and then lease it to the school with the intention that the school would purchase the building in three to five years. No details were provided in the proposal about the purchase price for ACD, how much the build out will cost, or the terms of the buy-out. The board was unable to adequately answer these questions during the interview. Without this information, it is impossible to determine the financial viability of the transaction.

In both the proposal and capacity interview, the board demonstrated a strong understanding of nonprofit governance. The governance structures such as board committees, on-boarding, and training are described in robust detail. The roster of current board members is an impressive list of accomplished citizens with long track records of public and non-profit service.

FINANCIAL PLAN & CAPACITY

LEAD Academy

RATING:

Partially Meets the Standard

Plan Summary:

The proposal includes a five-year budget and narrative that describes major revenue and expenditure assumptions. The applicant projects \$2,616,464 in revenue and \$2,511,397 in expenditures in their first year of operation. For the fifth year of operation, the revenue projections are \$7,487,482 with expenditures of \$7,429,000. The management fee for Unity School Services as the ESP fluctuates between 11 and 12 percent of revenue, at \$310,929 in the first year, and \$830,080 in the fifth year.

Analysis:

The Financial Plan & Capacity section partially meets the standard for approval because a number of line items in the proposed budget do not appear reasonable and the proposed loan from American Charter Development raises concerns about cost and conflict of interest.

The budget contains a number of questionable assumptions and may not be sound. For example, there is no business manager or English Language Learner (ELL) teacher budgeted for the first year of operation and no plan is presented for how the functions of those positions will be covered in the first year. Similarly, the budget provides for only one special education teacher in years one through five, while the staffing chart provides different information. The proposal estimates the school will serve a 10-15 percent SPED population, which would be 36 students in year one, escalating to over 100 students in year five. This number of students is far too many for the capacity of one teacher. Additionally, the costs for staff development and substitute teachers increase slightly from year one to year five, but the numbers of teachers will more than triple over that span of time.

The applicant does not present adequate information to determine the financial viability of the facilities plan as presented in the budget. The budget contains a \$200,000 loan from American Charter Development, the proposed landlord for the school. The terms of the loan were not provided, but calculating from the debt service in the budget (a total of \$43,300 over five years) it appears that ACD is charging 21.65 percent interest, a figure that is well-above market rates. A large loan from a potential vendor also raises significant concerns about a conflict of interest.

The proposal contains a reasonable assurance that the operator will develop sound systems, policies, and processes for financial planning and accounting. The applicant clearly describes the principles and internal controls that will be used to manage the school's finances, and their plans should ensure transparency and financial compliance.

EVALUATOR BIOGRAPHIES

Evaluator's Name

Justin Testerman

Justin Testerman is an education professional with over 20 years of experience creating high-quality education opportunities for at-risk youth. Most recently, Justin co-founded and led Project Renaissance, a nonprofit focused on doubling the number of Nashville children in high-quality schools. He also served as the Chief Operating Officer of the Tennessee Charter School Center, the state's charter support organization. Prior to coming to Nashville, Testerman served as the Director of Education Programs for Volunteers of America of Minnesota where he started the nation's first nonprofit charter school authorizing program, which authorizes 17 schools and has been recognized nationally for its work. In this role Testerman was also responsible for the operation of three contract alternative high schools for the Minneapolis school district and an adult basic education program. Testerman began his career in education as a middle school teacher in Newark, New Jersey through the Teach for America program.

Evaluator's Name

Anthony Oliver

Anthony Oliver is currently an assistant principal in the Jefferson County School System in Birmingham, Alabama. Most recently, Anthony served as executive director at Breakthrough Birmingham, an education non-profit dedicated to providing high-quality academic programming to underserved students and preparing the next generation of teachers. Anthony has also served as a high-school mathematics teacher and coach, and has worked as a principal intern at Newton North High School where he worked to create access to challenging academic curriculum for African American students and students from low socioeconomic classes. Anthony holds a B.A. in mathematics from the Virginia Military Institute, an M.A.E. in secondary education - mathematics curriculum and instruction from the University of Alabama at Birmingham, and an Ed.M in school leadership from the Harvard Graduate School of Education.

Evaluator's Name

Dr. Iris Palazesi

Dr. Palazesi is an independent education consultant specializing in the areas of charter school applications, grant applications, and educational research. She has worked successfully with clients to secure over \$21M in grant awards and over eighty approved charter school applications. Dr. Palazesi served on the board of directors of a high-performing charter school in Tallahassee, Florida for nine years, including four years as board chair. Dr. Palazesi has also worked for the Florida Department of Education as a Program Specialist for Gifted Students, Supervisor of Exceptional Student Education Services, and Interim Administrator for Title I. Prior to moving to Florida, Dr. Palazesi was a university professor at Ball State University in Muncie, IN and Thomas College in Thomasville, GA. Dr. Palazesi earned her B.A. in Elementary Education from the University of Illinois; her Master's degree in Gifted Education from Northeastern Illinois University in Chicago; and her Doctoral degree from the University of Illinois.