



Charter Schools Institute
The State University of New York

Summary of Findings and Recommendations

*Application to establish the
Harlem Success Academy Charter School 5*

November 2, 2009

Executive Summary

At its meeting on September 15, 2009, the Board of Trustees of the State University of New York (the “SUNY Trustees”) approved the applications to establish the Harlem Success Academy Charter Schools 6 and 7. The Institute had also considered an application to establish the Harlem Success Academy Charter School 5 (the “School”) at the same time it reviewed the above-mentioned applications. However, in the final stages of the review process—which included an interview of the School's planning team by members of the Trustees’ Charter Schools Committee—there were some concerns about the strength and structure of the School’s proposed board. In response, the applicant increased the number of proposed board members for the School and re-configured the proposed committee structure of the board. With these initial concerns addressed, the Institute is now recommending the approval of the application to establish the Harlem Success Academy Charter School 5.

Harlem Success Academy Charter School 5 is the sixth proposed replication of the Harlem Success Academy Charter School, which is authorized by the New York State Board of Regents. Three other replication schools, Harlem Success Academy Charter Schools 2, 3 and 4, were approved by the SUNY Trustees in October of 2007 and opened in the fall of 2008. The recently approved Harlem Success Academy Charter Schools 6 and 7 will open in August of 2010. Harlem Success Academy Charter School 5 would also open in the fall of 2010, initially serving 180 students in Developmental Kindergarten, Kindergarten and first grades and growing to include 557 students in Developmental Kindergarten through fifth grades. The School’s mission would be to provide New York City elementary students, particularly those from economically disadvantaged neighborhoods, with the knowledge, skills, character, and disposition to meet and exceed New York State standards and give them the resources to lead and succeed in school, college, and life. The School would be managed by the not-for-profit Success Charter Network, which supports the original Harlem Success Academy Charter School and all of the SUNY authorized Harlem Success Academies.

Background and Description

The application to establish the Harlem Success Academy Charter School 5, to be located in Harlem, was submitted to the Institute on May 4, 2009 (along with the previously approved applications for the Harlem Success Academy Charter Schools 6 and 7). The Institute conducted a rigorous review of the application, including an extensive staff review as well as review by a panel of nationally renowned experts in the charter school arena. Pursuant to its review protocols, the Institute has met with the lead applicant and founding board members of the School and has required the applicant to revise, clarify and otherwise amend the application in numerous respects. In addition, representatives of the Trustees’ Charter Schools Committee have had an opportunity to question the lead applicant and the proposed board members (both initially and as updated) of the School, along with representatives of the proposed management organization.

The School would open with 180 Developmental Kindergarten, Kindergarten and first grade students and grow to include 557 students in Developmental Kindergarten through fifth grades. The founding team envisions a school focused on providing New York City elementary students, particularly those from economically-disadvantaged neighborhoods, with the knowledge, skills, character, and disposition to meet and exceed New York State performance standards and the necessary resources to lead and succeed in school, college, and life.

Harlem Success Academy Charter School 5 would implement a curriculum that includes the Success for All (SFA) Program for students in Developmental Kindergarten, Kindergarten and 1st grades. The SFA program is designed to serve at-risk students. It is currently in use at the original Harlem Success Academy Charter School and other charter schools around the country that serve students with similar demographic profiles. The program is an approved model in accordance with the No Child Left Behind federal legislation. SFA provides schools with research-based curriculum materials, extensive professional development in proven instructional strategies, assessment data-monitoring tools, and one-on-one tutoring for struggling students. The SFA program model also includes 100 minutes of uninterrupted, daily reading instruction. Beginning in 1st grade, students are grouped across classes and grades by reading ability level. Regrouping gives each teacher the opportunity to work intensively with students one reading level at a time. Cooperative learning is also embedded throughout the program.

The data from quarterly progress checks is used to design appropriate interventions, guide instruction, and move students into higher reading levels. Intensive tutoring is provided to address students' remedial needs. Tutors work one-on-one with students in need 4 to 5 times per week for 20 to 30 minutes. The tutor is not a high school volunteer, but a trained teacher or recent education school graduate who is qualified to teach students and has demonstrated past successes with individualized tutoring.

For students in 2nd through 5th grades, the School will use a balanced literacy approach using Teachers College Reading and Writing Workshop as its basis. According to the application to create Harlem Success Academy 5, for schools using the Teachers College program over a number of years, student performance results reflect a significant percentage of students performing at or above proficiency on the state English language arts assessment. The balanced literacy program includes several components: a reading workshop (50 minutes) that includes a mini-lesson followed by students reading independently, individual or small group teacher-student conferences and assessment of student progress; an interactive read-aloud that focuses on specific reading skills; shared reading where the teacher reads with the students; independent reading where all students are reading; guided reading in small groups; word study; a writing workshop (45 minutes) that includes a mini-lesson followed by independent student writing; and an interactive writing/grammar segment where students and teachers compose writing together.

The School founders have planned to provide at least 185 instructional days. The proposed daily schedule includes time for "learning labs," during which students in need of remedial instruction will receive individualized or small group instruction in math and literacy from qualified teachers; high achieving students will experience opportunities for further enrichment (including advanced science and math projects and reading material, field studies in the neighborhood, and logic puzzles). The School would staff each classroom with a lead teacher who typically has at least three years of classroom teaching experience, is certified in New York State and has earned a master's degree. The School would also employ assistant teachers, who have less classroom experience and are shared between grade level teachers. The assistant teachers would provide push-in small group and individual instruction where necessary.

The lead applicant, Eva Moskowitz, along with the proposed trustees, have chosen a managerial structure that includes a Principal who is responsible for managing all school personnel, including all teachers, who would report directly to the Success Charter Network. The structure would also include a School Leadership Resident (funded directly by the Success Charter Network as a leader-in-training for another network school), an Operations Manager, and a Dean of Students. The

Principal would be recommended to the School's board of trustees by the Success Charter Network, and employment renewal would be contingent upon approval of both the Success Charter Network and the School's board of trustees.

The applicant intends to contract with Success Charter Network, Inc., a non-profit charter management organization, to 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 will receive a fee from the School based on a flat-rate fee per student enrolled. 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 10% of the New York City Department of Education'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 applicant has found individuals to serve on the proposed School board whose backgrounds and expertise reflect a variety of talents and skills. Based on conversations with these proposed trustees, they appear to clearly understand the roles and responsibilities of a board of trustees and have the ability to ensure the appropriate and effective operation of the proposed charter school including providing appropriate oversight over the School's Principal and leadership team. The School's board of trustees has made clear its ability to oversee and hold accountable the Success Charter Network including negotiating the services contract with Success Charter Network and overseeing its implementation. The proposed initial members of the School's board of trustees are set forth below.

1. *Gideon Stein* (proposed chairperson of board and chair of development committee) – Partner with Argyle Holdings L.L.C, a real estate development company. Serves on the Board of Directors of the Moriah Fund and the International Council and Investment Committee of the New Israel Fund, created a program in Netanya (Northern Israel) to target underperforming schools; operational, governance, fundraising and education reform experience.
2. *Penny Abeywardena* – Commitment Development Senior Manager for the Clinton Global Initiative, former Director of Strategic Relations for Drum Major Institute. .
3. *Ryan Alexander* – Partner with Argyle Holdings L.L.C., previously an analyst of information technology companies.
4. *Jay Bryant* – Managing Director for Institutional Investment Advisory. Has previously worked for the Deutsche Bank in the CDO Group and for Merrill Lynch for ten years.
5. *Evan Claar* (proposed chair of the finance committee) – Portfolio Manager, CBI Capital L.L.C., Claar Bros., Inc. (jewelry wholesaler/manufacture); investment management services experience.
6. *Mark Cooper* – Partner and Portfolio Manager with Omega Advisors, an investment partnership. Served as an adjunct professor of Finance and Economics for the Columbia Business School. Previously worked at Pequot Capital Management and J.P. Morgan as a portfolio manager and proprietary trader.
7. *Chris Duda* – Vice President at Goldman Sachs, served as Finance Director for the Democratic Senatorial Campaign Committee, Democratic National Committee and the

Clinton/Gore Presidential Campaign, White House Office of Health Care Reform Policy, serves on the board of SEED (Solutions for Economic Empowerment & Dignity), and advisory board of MicroVest; private wealth management.

8. *Kevin Eng* – Founding and managing partner of Columbus Hill Capital Management, L.P., an investment management firm. Previously worked as a managing director at Duquesne Capital Management and as a Principal at Appaloosa Management.
9. *Donna Kennedy* (proposed chair of the talent committee) – Founding member, Executive Director and Head of School of the Gillen Brewer School, master’s degree in special education with an emphasis on learning disabilities, education reform experience.
10. *Neal Meltzer* – Neal Meltzer Fine Art, Inc. (founded art dealership and advisory service that assists clients in buying and selling 20th century works), Christie’s, Manson and Woods (fine art auction house).
11. *Nik Mittal* (proposed chair of the audit committee) – Managing Director of JANA Partners, Senior Analyst at Harbert Management Corp., Senior Investment Advisor at 123 Jum, COO of Internet Stock news, Donaldson, Lufkin & Jenrette, Asia 21 Young Leader, Ashoka Support Network, Visiting neighbors, New York State Bar.
12. *Sam Silverstein* –M.D., Professor of Medicine at Columbia University, College of Physicians and Surgeons, Columbia University Senate Executive Committee, Founder and Director of Columbia University’s Summer Research Program for Science Teachers.
13. *Mary Ann Stein* – President of the Moriah Fund, Wellesley College, George Washington University Law Center, serves on the boards of the Fund for Global Human Rights, Americans for Peace Now, and the New Israel Fund, D.C. Judicial Nominations Commission, public assistance, child welfare.
14. *Dan Weisberg* (proposed chair of the instructional accountability committee) – Vice President and General Counsel of The New Teacher Project. Previously served as Chief Executive of Labor Policy and Implementation for the New York City Department of Education (“NYCDOE”).
15. One seat held by a parent representative (of a student enrolled at the school).

The proposed School board and the Success Charter Network are working with the NYCDOE to determine which existing public school building in Community School Districts 3, 4 or 5 would be most effective for the proposed School. The application to establish the Harlem Success Academy Charter School 5 includes a letter from the NYCDOE indicating its commitment to identifying public school space for the School, if approved.

The fiscal impact of the School on its district of residence, the New York City School District, will be negligible and is summarized below.

| Number of Students | Per Pupil Aid | Total Dollars to Charter School from NYCDOE | Total Budget for NYCDOE (in billions) | % of Total Budget |
|---------------------------------------|----------------------|--|---|--------------------------|
| 184 (2010-11 School Year - year 1) | \$12,443 | \$2,537,753 | 17.3 | 0.015% |
| 561 (2014-15 School Year - year 5) | \$14,557 | \$8,498,244 | 19.9 | 0.043% |

The calculations conservatively assume that there will be a modest (4%) increase in per pupil aid over the life of the proposed charter school starting in 2011-2012, with 2010-2011 remaining flat in relation to 2009-2010. The Institute's calculations do not account for federal Title I funds or any federal or state grants that may be provided by the district and received by the School. However, the School has provided budget calculations accounting for federal Title I funds, grant revenue, or other funds provided by the district and to be received by the School in its application. It should be noted that a determination of whether per pupil aid will be provided for the students in Developmental Kindergarten has not yet been made. Therefore the determination of the fiscal soundness of the proposed charter school is based on the assumption that those funds will be provided. If ultimately it is decided they will not, the applicant is prepared to fund the Developmental Kindergarten through other means, or the Institute may revisit the fiscal viability of that program and request appropriate changes.

The applicant made an assessment that the fiscal and educational impact of the proposed school on nonpublic schools in the same geographic area would be negligible.

The Institute has notified the NYCDOE as well as private schools in the geographic area of the proposed school and as of the date of this report has received no comment from these entities. (Copies of the notification letters are on file in the Albany office of the Institute.)

Evidence of adequate community support to ensure that the proposed charter school would meet its enrollment projections included letters, wait list figures for the currently operating Harlem Success Academy Charter Schools, and numerous petitions. More specifically, the application includes letters from community based organizations (such as the I Have a Dream Foundation, The Children's Aid Society, Tech Saturdays in Harlem, the President of Hunter College, The Council of Urban Professionals, The Armory Foundation, the Police Athletic League, Inc., and Harlem Heritage Tours), as well as from other educators such as the Superintendent of the Archdiocese of New York, the principal of the Mt. Carmel-Holy Rosary School, and the executive director of the DREAM Charter School (authorized by the New York City Schools Chancellor). In addition, Assemblyman Adam Clayton Powell, IV provided a letter of support for the proposed charter school. Finally, over 500 individuals in the Harlem community signed petitions to express their interest in the creation of additional Harlem Success Academy Charter Schools. Additional evidence of community interest and support is reflected by the 3,600 applications received by the currently operating Harlem Success Academy Charter Schools to fill 475 seats in the 2009-10 school year.

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 its application meets the requirements of Article 56 of the Education Law (as amended) and all 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, health services, Freedom of Information Law (FOIL), and the Open Meetings Law;
 - 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 for the school 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 it to reach its anticipated enrollment; and
 - the inclusion of a description of planned programmatic and independent fiscal audits, with the fiscal audits occurring at least annually.
3. Granting the application is likely to improve student learning and achievement and materially further the purposes of the Charter Schools Act (as amended). This finding is reflected by (among other things):
- the inclusion of a curriculum 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;

- the articulation of strategies to amend and differentiate instruction where assessment data indicates such need;
- the staffing of classes with two adults, including high-quality teachers, to allow for more concentrated, focused and differentiated instruction;
- the inclusion of significant opportunities for professional development of the school’s instructional staff throughout the year;
- daily extended blocks of time scheduled for literacy and mathematics;
- the inclusion of “learning labs” as part of the school’s daily schedule to provide remediation in mathematics and literacy, as well as enrichment opportunities for students as appropriate;
- an organizational structure that supports the principal in functioning as a true instructional leader; and
- a commitment to providing an educational program focused on outcomes, not inputs.

Conclusion and Recommendations

Based on its review and findings, the Charter Schools Institute recommends that the Board of Trustees of the State University of New York approve the application for the Harlem Success Academy Charter School 5 to open in Harlem in August of 2010.

Harlem Success Academy Charter School 5

Basic Identification Information

| | |
|----------------------|---|
| Lead Applicant: | Eva Moskowitz |
| Management Co.: | Success Charter Network, Inc. |
| Other Partners: | None |
| Location (District): | Harlem (Manhattan)/NYC DOE CSD 3, 4 or 5/Region 10 |
| Student Pop./Grades: | 180 Dev K – 1st grade students; expanding to 557 students grades Dev K –5th grade |
| Opening Date: | August 2010 |

School District of Proposed Location Profile

| New York City School District 5 | | | |
|---|--------------------|-------------|--------------------|
| Enrollment (2007-08): | | 13,228 | |
| Percent (2007-08): | | 2% | |
| White: | | 59% | |
| African-American: | | 37% | |
| Hispanic: | | 2% | |
| Asian, Other: | | | |
| Percent Participating in Federal Lunch Program (2007-08): | | 78% | |
| Percent Proficient on State Exams (2008-09) | | | |
| English Language Arts | | Mathematics | |
| Grade | Percent Proficient | Grade | Percent Proficient |
| 3 | 56.0 | 3 | 81.6 |
| 4 | 53.5 | 4 | 68.6 |
| 5 | 62.8 | 5 | 75.5 |
| 6 | 71.3 | 6 | 72.7 |
| 7 | 64.9 | 7 | 73.8 |
| 8 | 45.6 | 8 | 60.8 |

Source: demographic data is from the New York State Accountability and Overview Report 2007-08; test data are from the 2008-09 results released on the State Education Department website.