



Charter Schools Institute
The State University of New York

Summary of Findings and Recommendations

Application to establish the Innovate Manhattan Charter School

November 5, 2010

Executive Summary

The application for the Innovate Manhattan Charter School (“Innovate Manhattan”) was submitted to the Charter Schools Institute (the “Institute”) by lead applicant Claudia Hindo on May 3, 2010 under the name “KED Manhattan Charter School.” The school would be located in New York City Community School District (“CSD”) 2 (Manhattan), though a specific facility has not yet been identified. Innovate Manhattan would open in September of 2011 with 132 students in 6th and 7th grades. Each grade would be comprised of three classes of approximately 22 students each. The school would add 8th grade in its second year of operation at which point it would reach its full enrollment of 198 students. New students would be accepted at the beginning of each year and during the year to replace students lost through attrition. The school would offer 181 days of instruction and the school day would run from 9:00 a.m. to 4:00 p.m. The mission of Innovate Manhattan would be “to cultivate in our students the unity of knowledge, skills, and personal development that constitute the empowered individual ... by offering our sixth through eighth graders a coherent model for personalized education that is based on individualized coaching, goals, and accountability combined with state-of-the-art learning technology and the international exchange of ideas and experiences.”

Innovate Manhattan Charter School proposes to contract with Kunskapsskolan Education AB (“Kunskapsskolan”), a for-profit Swedish education management organization, to provide management services including the following: the Kunskapsskolan educational program (including curriculum and access to an online Learning Portal), staff recruiting services, technology assistance, professional development, grant management, marketing, facilities support, and access to an international network of educators and schools. During the term of the school’s initial charter, Kunskapsskolan would waive payment of any fees associated with the above services, though Innovate Manhattan could contract for additional services at cost. Thereafter, the school would pay a fee to be negotiated with Kunskapsskolan that would not exceed 10% of per pupil funding. (As with all management contracts, the Charter Schools Institute (the “Institute”) would review any contract with Kunskapsskolan pursuant to the charter and on behalf of the Board of Trustees of the State University of New York (the “SUNY Trustees”). As the name “KED” is associated with Kunskapsskolan, the Institute requested that the applicant change the name of the school so that the name would be in compliance with Education Law subdivision 2851(2)(k), which prohibits the name or identification of a for-profit business from being part of charter school name. If approved, this charter would be issued from the remaining charters allocated to SUNY pursuant to Education Law subdivision 2852(9)(a), which 1) do not have to be issued through a request for proposals process, and 2) may be operated by a for-profit management entity.

The Institute recommends that the SUNY Trustees approve the charter application for the Innovate Manhattan Charter School.

Background and Description

The Institute conducted a rigorous review of the application including an extensive staff review as well as a review by a panel of nationally renowned experts in fields such as education (charter and traditional schools), school administration, charter and traditional school policy, finance, and curriculum. The application has also been subject to a fiscal and legal soundness review conducted by the Institute’s school finance expert and legal staff, respectively. Pursuant to its review protocols, the Institute has met with the applicant and the other members of the founding team. In addition, the

Institute has required the applicant to revise, clarify and otherwise amend the applications as needed. The Institute conducted additional due diligence with respect to the proposed management organization, Kunskapsskolan Education AB, including, but not limited to, extensive fiscal and legal document review, a review of the effectiveness of educational services provided by Kunskapsskolan, and an interview with the organization's leadership. In addition, member(s) of the SUNY Trustees' Education, College Readiness and Success Committee had an opportunity to question the lead applicant, founding board members, and a representative of Kunskapsskolan.

The key elements of the Innovate Manhattan Charter School include the following:

- a focus on personalized learning with teachers acting as both content experts and personal coaches, meeting with students on a regular basis to develop and implement individual study plans;
- a constructivist approach to curriculum with subjects divided into "step" or "theme" courses aligned with New York State standards with minimum "floors" that students are required to achieve at each grade level to be successful on the New York State examinations;
- the use of an online learning portal as a communications tool and source of curriculum resources;
- innovative scheduling and multiple teaching formats;
- data-driven instruction;
- standards based grading as opposed to the traditional letter grading system; and
- increased parental involvement and communication.

The school would provide students with at least three hours of instruction per week for English language arts, mathematics, science, and social studies in 6th through 8th grades. Student schedules would rotate on a six-day cycle and would vary based on student need and individual study plans. Students would also receive instruction in physical education and health and participate in theme based arts education focused on Manhattan's rich indoor and outdoor art.

The founding team appears to understand the importance of strong teachers and a head of school well versed in the unique academic program that the school proposes to implement. As a result, the head of school would be sent to Sweden prior to the opening of the school to observe school leaders who follow the Kunskapsskolan model and receive ongoing support and training from Kunskapsskolan during the school's start-up phase. Teachers would also receive professional development to support their facility with the model and would have ongoing access to teachers at Kunskapsskolan schools through the online learning portal. In addition to the head of school, whose primary responsibility would be the facilitation and implementation of the pedagogical program, the school's organizational structure would include a coordinator, who would provide operations support to allow the head of school to concentrate on teaching and learning. The coordinator would also oversee an operations manager, who would contract with the school's management organization, which may be a third party provider, to manage accounting, payroll, human resources, and other necessary business related functions.

The Innovate Manhattan Charter School by-laws indicate that board membership can range from five to ten members. The proposed initial members of the board of trustees are set forth below.

1. **Claudia Hindo** (Lead Applicant) – Research Assistant for the National Center for the Restructuring of Education, Schools, and Teaching (NCREST) at Columbia University.
2. **Hashim-T.O. Bello** – Founder of Bell Curves LLC and formerly an Associate at Schulte Roth & Zabel, LLP. Member of the founding group and current board member for Equality Charter School (not authorized by SUNY).
3. **Eleanor A. Guardino** – Project Manager at Thor Equities, LLC (commercial real estate) and formerly Assistant Vice President of Marketing and Finance at CEBIZ, a management consulting firm.
4. **Henry E. Gooss** – Senior Advisor at Investor AB and formerly Managing Director and Chief Investment Officer for Chase Manhattan Bank (and predecessors). Chairman of the board of the Swedish-American Chamber of Commerce and of the William T. Grant Foundation and Director, Treasurer, and Chairman of the Investment and Finance Committees for Goodwill Industries of Greater New York and New Jersey.
5. **Christina Grant** – Managing Director for New Site Development at Teach for America New York City. Formerly Deputy Director of the Office of Charter Schools at the New York City Department of Education (“NYCDOE”). Board member of the Teaching Firms of America Charter School (not authorized by SUNY).
6. **Vacant** – Seat reserved for the head of school as an ex-officio, non-voting member.
7. **Vacant** – Seat reserved for the PTSO President as an ex-officio, non-voting member.

The founding team is in discussion with the NYCDOE and received a letter acknowledging that they would be a welcome addition, pending availability of facility space. The NYCDOE has indicated that the school may be able to reside in the Tweed Courthouse if the school is approved. The founding group recognizes that it may not be able to acquire public space and would use Kunskapsskolan’s services to locate an appropriate private facility if necessary.

The fiscal impact of Innovate Manhattan Charter School 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
132 (2011-12 school year – year 1)	\$13,527	\$1,785,564	\$18.447	0.010%
198 (2015-16 school year – year 5)	\$15,225	\$3,014,550	\$19.403	0.016%

The calculations assume that there will be an annual increase in per-pupil aid of three percent in each year of the proposed 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 charter period, illustrates the maximum 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 programmatic and 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 New York City Schools Chancellor as well as public and private schools in the same geographic area of the proposed school and, at the time of printing this document, has received no comment from these entities. The Institute has received negative comments in a letter from Community Education Council 2 ("CEC 2") including two resolutions opposing any for-profit charter school management and any co-location of charter schools in CSD 2. The letter and resolutions are available on the Institute's website at: www.newyorkcharters.org. The Institute received one letter from the non-profit Class Size Matters expressing opposition to the proposed school based on its: 1) board and potential conflicts; 2) program; 3) proposed location; 4) community support; and 5) use of online learning. It should be noted that the concerns highlighted in this letter were examined during the Institute's RFA process and otherwise and found not to be an issue. As of the date of this report, the Institute has received four petition letters via email asking the SUNY Trustees not to approve any more charter schools that would be co-located, in addition to a number of letters previously received by the Institute. These letters are part of an ongoing email campaign and do not reference any proposed charter school specifically. The Institute also received two email messages in support of the proposed charter school from parents of students in CSD 2.

The applicant has demonstrated community interest in and support of the proposed school through the submission of letters from community members interested in attending the school a large number of petitions to illustrate community support for the establishment of the school. Furthermore, the founding team has demonstrated a commitment to garnering community support through the hiring of a part-time community outreach liaison for the start-up phase of the school.

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 pursuant to Education Law section 2852(2). No findings pursuant to Education Law subdivision 2852(9-a) are needed because this application is not being issued pursuant to that subdivision. It would be one of the seven remaining charters to be issued under subdivision 2852(9) that had still not been issued when the May 2010 amendments to the Charter Schools Act were

passed. For that reason a for-profit entity such as Kunskapsskolan may operate the proposed school and the application was not identified through a request for proposals process.

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, health services, Freedom of Information Law (FOIL), and the Open Meetings Law;
 - an admissions policy that complies with the Charter Schools 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; and

- the inclusion of descriptions of programmatic and independent fiscal audits, with fiscal audits occurring at least annually.
3. Granting the application 1) is likely to improve student learning and achievement and materially further the purposes of the Charter Schools Act (as amended), and 2) would have a significant educational benefit to the students expected to attend the proposed charter school. 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 resulting in individual study plans for each student;
 - increased learning opportunities for all students through a highly personalized educational program;
 - the use of innovative teaching methods through multiple and flexible teaching formats and use of time;
 - effective strategies to support the needs of students at-risk for academic failure;
 - the inclusion of significant opportunities for professional development of the school's instructional staff throughout the year; and
 - a commitment to providing an educational program focused on academic outcomes.

Conclusion and Recommendations

Based on its review and findings, the Charter Schools Institute recommends that the SUNY Board of Trustees approve the application for the Innovate Manhattan Charter School to open in Manhattan in the fall of 2011.

Innovate Manhattan Charter School

Basic Identification Information

Lead Applicant(s):	Claudia Hindo
Management Co.:	Kunskapsskolan Education AB
Other Partners:	None
Location (District):	New York City Community School District 2
Student Pop./Grades:	Opening with 132 students in 6 th and 7 th grades; growing to 198 students in 6 th through 8 th grades.
Opening Date:	September 2011

School District of Proposed Location Profile

New York City School District 2			
Enrollment (2008-09):		59740	
Percent (2008-09):			
White:		19	
African-American:		21	
Hispanic:		37	
Asian, Other:		22	
Percent Qualifying for Free or Reduced Priced Lunch (2008-09):		62	
English Language Arts (2009-10)		Mathematics (2009-10)	
Grade	Percent Proficient	Grade	Percent Proficient
3	70.0	3	79.7
4	70.3	4	82.1
5	72.4	5	82.4
6	63.0	6	74.3
7	65.3	7	74.8
8	58.2	8	70.0

Source: demographic data is 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.