



Charter Schools Institute
The State University of New York

Summary of Findings and Recommendations

*Proposal to establish:
Manhattan Charter School II*

June 5, 2011

Executive Summary

The proposal to establish the Manhattan Charter School II (“Manhattan II”) was submitted to the Charter Schools Institute (the “Institute”) by lead applicants Paul O’Neill, Esq., Stephanie Mauterstock and Genie DePolo on February 28, 2011 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 January 3, 2011.

Manhattan II would strive to have its students “achieve high academic levels in the four core academic subject areas” with an added focus on music. The proposed school intends to occupy facility space provided by the New York City Department of Education (“NYCDOE”) in New York City Community School District (“CSD”) 1 (Manhattan) with contingency plans to locate in private leased space if public space is not available. The school would open in the fall of 2012 with 96 students in Kindergarten and 1st grade and would add one grade each year thereafter through the initial charter period. Manhattan II would reach its enrollment capacity of 274 students in Kindergarten through 5th grade in the final year of the initial charter period.

Manhattan II would replicate the successful model of the Manhattan Charter School, which is authorized by the New York City Schools Chancellor, based on the model set forth below. Student performance data from Manhattan Charter School is also provided below.

Consistent with the May 2010 amendments to the New York Charter Schools Act (the “Act”), the Institute finds: 1) that the proposal for the Manhattan II 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 thorough and meaningful public review processes to solicit community input regarding the proposal in accordance with the requirements in the RFP, which conform 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 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 January 2011 RFP to accommodate the proposal and all other RFP applicants that the Institute is recommending for approval.

Based on the foregoing:

The Institute recommends that the SUNY Trustees approve the charter proposal for the Manhattan Charter School II.

Background and Description

While SUNY may still award a small number of charters pursuant to its traditional application process, amendments to the Act made additional charters to form new education corporations available only through an RFP process. The Institute received 25 total proposals to create new charter schools in response to the RFP it issued on January 3, 2011. The current review cycle could legally result in a maximum of 63 new charters approved by the SUNY Trustees, per Education Law subdivision 2852(9), 30 of which reflect charters that were available but not awarded in response to the August 2010 RFP. Two of the current 25 proposals were submitted in response to the expedited timeline provided for in the January 2011 RFP and subsequently approved, leaving 61 possible charters to be approved.

The Institute conducted a rigorous evaluation of the Manhattan II proposal including academic, fiscal and legal soundness reviews. In addition, the Institute had the proposal reviewed and evaluated by an external panel of education experts based on the criteria set forth in the RFP. Pursuant to its protocols, the Institute has met with the applicant, the proposed board of trustees, which will oversee the school, and other members of the founding team. In addition, members of SUNY Trustees' Education, College Readiness and Success Committee had an opportunity to interview the lead applicant and members of the founding board.

The mission of Manhattan II would be to “prepare its students to achieve high academic levels in the four core academic subject areas and music, to communicate effectively in verbal, mathematical and musical languages, and to apply critical thinking processes and ethical standards to learning, living and problem solving.”

The founders would implement the following key design elements in pursuit of the school's mission:

- a rigorous academic curriculum aligned with New York State Learning Standards and music instruction to every student every day;
- an educational program delivered in an ethics-centered environment that requires and rewards honesty, integrity, trust and respect, and reflects the diversities of New York City;
- an instructional focus on inquiry and experiential learning;
- extended school day and year;
- a robust Response to Intervention process to guide the services to at-risk students;
- small school size;
- a focus on teacher quality and effectiveness as the key to student achievement; and
- an organizational design that targets resources toward the instructional program and permits the principal to focus exclusively on teaching and learning.

The proposed goals of Manhattan II would be to teach students how to learn and love doing it, how to cultivate their curious minds for the rest of their lives, and how to develop a solid foundation on which to base wise choices and build meaningful lives.

The members of the board of trustees of Manhattan Charter School seek to open a new school to be able to serve more students with the model developed at the original school, which was only able to admit 13% of applicants who applied for Fall 2011 admission (notably, of the non-sibling students admitted, 100% were residents of CSD 1). Serving a population that is 98% minority, 78% eligible for free or reduced price lunch, and 14% identified as special education, Manhattan Charter School reflects the diversity of the district, is building a record of closing the achievement gap and seeks to expand to serve more students. Manhattan Charter School has consistently performed better than its district of location and similar schools statewide on both the state English Language Arts (“ELA”) and math exams, which is illustrated below by the tables that provide student performance data for the last three years.

Manhattan Charter School 2009-10							
Subject	Testing Grades	School Percent Proficient	District Percent Proficient	Time Adjusted Percent Proficient ¹	Percent Free Lunch	Effect Size ²	Percentile
ELA	3-5	59.4	47.8	82.4	56	0.78	58
Math	3-5	69.3	60.2	95.6	56	0.88	62

In 2009-10, the most recent year for which data is available, with 59.4 percent of its students performing at or above proficiency on the ELA exam and 69.3 percent of its students performing at or above proficiency on the math exam, the school outperformed the district of location by 11.6 and 9.1 percentage points in ELA and math, respectively. With 56 percent of its students eligible for the federal free lunch program, Manhattan Charter School performed higher than expected to a medium degree when compared to similar schools statewide in ELA, demonstrating an Effect Size of 0.78. On the math exam, the school performed higher than expected to a large degree compared to similar school statewide, demonstrating an Effect Size of 0.88.

Manhattan Charter School 2008-09						
Subject	Testing Grades	School Percent Proficient	District Percent Proficient	Percent Free Lunch	Effect Size	Percentile
ELA	3-4	91.2	70	55.3	1.61	87.5
Math	3-4	98.2	87.6	55.3	1.08	92.5

In 2008-09, with 91.2 percent of its students performing at or above proficiency on the ELA exam and 98.2 percent of its students performing at or above proficiency on the math exam, the school outperformed the district of location by 21.2 and 10.6 percentage points in ELA and math, respectively. With 55.3 percent of its students eligible for the federal free lunch program, Manhattan Charter School performed higher than expected to a large degree when compared to similar schools statewide in ELA, demonstrating an Effect Size of 1.61. On the math exam, the school also performed higher than expected to a large degree, demonstrating an Effect Size of 1.08.

¹ In 2009-10, the State Education Department (SED) raised its achievement standard, by increasing the scaled score cut off for proficiency or Level 3 performance on the English language arts and mathematics exams. In order to maintain a consistent standard for determining meeting the absolute and growth measures, the Institute requested that the school report 2009-10 results on these measures using a 650 scaled score cut-off, as SED had used a 650 cut-off in the previous few years. SED then refined the cut score for its own NCLB accountability system. While following the same principle of maintaining year-to-year consistency in cut scores, the state has also taken into account when the two exams were administered in 2010 compared to previous years. As the exams were administered later in the year, students had more learning opportunities prior to the exam. As such, SED set the cut scores slightly higher than 650 in each grade. For the purpose of evaluating the goals' three absolute and growth measures, the Institute has adapted SED's "time-adjusted" cut-offs. In developing the performance summaries for 2009-10, the "time-adjusted" cut offs are used where possible (the absolute and growth measures), while the previously released cut offs are used for all other measures.

² Effect Size is a statistical measure calculated by dividing the difference between the actual and predicted outcome by the standard deviation. It reflects the difference between a school's attained and expected performance in each tested grade, relative to other schools with similar free-lunch statistics and tested grades. (The Effect Size for all grades is weighted by the number of students tested in each grade.) The school's overall performance rating is based on the following Effect Size ranges: Above 0.79 - Higher than expected to a large degree; 0.50 to 0.79 - Higher than expected to a medium degree; 0.30 to 0.49 - Higher than expected to a small degree; 0.01 to 0.29 - Slightly higher than expected; -0.29 to -0.01 - Slightly lower than expected; -0.30 to -0.49 - Lower than expected to a small degree; -0.50 to -0.79 - Lower than expected to a medium degree; Below -0.79 - Lower than expected to a large degree.

Manhattan Charter School: 2007-08						
Subject	Testing Grades	School Percent Proficient	District Percent Proficient	Percent Free Lunch	Effect Size	Percentile
ELA	3	100.0	61.3	50.9	2.64	99
Math	3	100.0	87.1	50.9	1.25	99

In 2007-08, with 100 percent of its students performing at or above proficiency on the ELA and math exams, the school outperformed the district of location by 38.7 and 12.9 percentage points in ELA and math, respectively. With 50.9 percent of its students eligible for the federal free lunch program, Manhattan Charter School performed higher than expected to a large degree when compared to similar schools statewide in ELA, demonstrating an Effect Size of 2.64. On the math exam, the school also performed higher than expected to a large degree, demonstrating an Effect Size of 1.25.

Daily literacy instruction at the proposed school would encompass reading, writing, spelling, grammar, vocabulary, phonics, phonological awareness, and word study. Regarding mathematics instruction, students would read, write and discuss mathematics. Science instruction would emphasize scientific inquiry and student investigation of scientific concepts. Humanities instruction will encompass the ten thematic strands of social studies, as defined by the National Council for the Social Studies: Culture; Time, Continuity, and Change; People, Places, and Environments; Individual Development and Identity; Individuals, Groups, and Institutions; Power, Authority, and Governance; Production, Distribution, and Consumption; Science, Technology, and Society; Global Connections; and Civic Ideals and Practices.

Music will be considered the “fifth core discipline” at Manhattan II. All students would receive music instruction each day from highly-trained music teachers. Music instruction at MCSII will be provided through a comprehensive program that develops the whole child musician. The music program has been designed to reinforce, develop, and enhance all areas of learning including reasoning, information processing, memory, and other cognitive skills. Other enrichment instruction would include French, art, and physical education, all beginning in Kindergarten when the school is at scale, and health education for upper grades.

The proposed school would implement a co-leadership model between a principal and business director. All instructional staff would report to the principal and all administrative staff to the business director. In addition to the principal, teachers would have the dedicated support of instructional coaches who will be experts in their grade levels. The principal of Manhattan II will report to the chief academic officer / principal of Manhattan Charter School, who would report to the education committee of the school board. The business director of Manhattan II would report to the chief operating officer / business director of the Manhattan Charter School, who would report to the finance committee of the school board.

The Manhattan II by-laws indicate that school board would consist of not less than 5 voting members, and not more than 13. The proposed initial members of the board of trustees are the same individuals who serve on the board of trustees of the Manhattan Charter School and are set forth below.

1. **Paul O’Neill** – Education attorney; President and Founder of Tugboat Educational Services; formerly General Counsel, Charter Schools Institute of SUNY.

2. **Ira Greenberg** – Founding member of the board of trustees of Manhattan Charter School; Certified Public Accountant; Managing Director, Northwinds Advisors.
3. **Joy Elaine Daley** – Former teacher and principal; currently oversees a network of NYC public school leaders.
4. **Jessica Aronin** – Campaign Director, Baruch College; formerly Director of Development, East Harlem School.
5. **Benjamin Breen** – Australian-born violinist who has toured in Australia, Europe, the U.S. and Japan; studied at the Juilliard School and under the tutelage of violinist Harry Shub.
6. **Tom Allwood** – Seventeen years of experience in production and technology management for the translation divisions of three international financial communication companies; adjunct lecturer at Columbia University, his alma matter.
7. **Jim Ford** – Independent education and strategic planning consultant, clients include the New York City Charter School Center; formerly Charter School Programs Director and Lead Underwriter, Raza Development Fund; experience as a Finance Director, business and financial management consultant, and board member of various local and national non-profit social services and advocacy organizations.

The proposed school seeks to be located in public school space in CSD 1 and will work with the NYCDOE to find space that will allow the proposed school to fulfill its mission. Manhattan II has also extensively reviewed private facility options in District 1 in the event that public space is not available and has presented a viable plan in that likelihood. 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, and, pursuant to the Act, would have to hold a hearing on behalf of the SUNY Trustees prior to the school occupying district school space.

The fiscal impact of the Manhattan Charter School II 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
96 (2011-12 school year – year 1)	\$13,527	\$1,298,592	\$19.007	0.007%
274 (2015-16 school year – year 5)	\$14,781	\$4,049,994	\$20.704	0.020%

The calculations above assume there will be no annual increase in per-pupil aid in years 1 and 2 (2012-13, 2013-14) and a three percent increase each year thereafter for the remainder of the charter period (2014-15 thru 2016-17). The NYCDOE yearly budget figures were accessed from the latest, December 2010, Financial Status Report (FSR) published on the NYCDOE website. No information was available for 2015-16 and 2016-17 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 assumptions for years

four and five of the proposed charter period, illustrates a 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 proposal 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 the New York City School District, public charter 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. On May 26, 2011, the Institute received positive comments from the NYC Schools Chancellor as follows: "This proposal is a replication of an existing NYC-DOE authorizer high performing charter school. Chancellor Dennis Walcott recommends this charter application to support the children of New York City."

The applicant has conducted public outreach, in conformity with a thorough and meaningful public review process prescribed in the RFP, to solicit community input regarding the proposed school (Ed. Law §2852(9-a)(b)(ii)).

The 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 the following basic criteria:
 - submitted by the appropriate deadline;
 - was complete, i.e., include a Transmittal Sheet, Proposal Summary and responses to all RFP requests;
 - individual responses adequately addressed each specific request; and
 - the proposal was coherent.
- 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 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. 24).
- The proposal provided evidence of public outreach that conforms to the process prescribed by the SUNY Trustees for the purpose of soliciting and incorporating community input regarding the proposed charter school.

As the Manhattan II proposal met the eligibility criteria, the Institute's evaluation continued with a full review of the proposal, a review of the application by an external panel of education experts, an

interview of the founding team and proposed board of trustees, and requests for clarification and or amendments to the proposal. The review process then continued with an evaluation of the proposal in relation to the eleven Preference Criteria contained in the RFP for which proposals 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 2011. 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.

While the Institute received a total of 25 proposals in response to its January 2011 RFP, only 14 have been recommended for approval including two in March 2011, which were approved by the SUNY Trustees. All of the 14 proposals recommended for approval met the eligibility criteria and were therefore assessed a score using the rubric contained in the RFP. The proposal for the Manhattan Charter School II earned a score of 31 preference points out of a possible total of 64. Based on this score and the other information and findings set forth herein, the Institute recommends that the SUNY Trustees approve the proposal to establish the Manhattan Charter School II, which would not exceed the statutory limit in Education Law subdivision 2852(9-a)(a).

Findings

Based on the comprehensive review of the proposal and interviews of the applicant and the proposed board of trustees, the Institute makes the following findings.

1. The charter school described in each proposal 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 proposal 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 framework 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;
 - robust opportunities for enrichment, including daily music instruction for all students, French language instruction, art and physical education;
 - robust programs to meet the needs of students at risk of academic failure;
 - 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, particularly with respect to teacher effectiveness; and
 - an organizational structure with an explicit focus on instructional leadership to improve 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 proposals have rigorously demonstrated that the proposed charter schools would meet or exceed enrollment and retention targets, to be prescribed by SUNY during the first year of each charter in accordance with the amendments to the Act.

5. The applicant has conducted public outreach for the school, 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. 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 to establish the Manhattan Charter School II to open in Manhattan in September of 2012.

Manhattan Charter School II

Basic Identification Information

Lead Applicant(s):	Paul O’Neill, Stephanie Mauterstock and Genie DePolo
Management Co.:	None
Other Partners:	None
Location (District):	New York City Community School District 1
Student Pop./Grades:	Opening with 96 students in K - 1 st grade; growing to 274 students K - 5 th grade
Opening Date:	September 2012

School District of Proposed Location Profile

New York City School District 1			
Enrollment (2009-10):		11,585	
Percent (2009-10):			
African-American:		18	
Hispanic:		45	
Asian, White, Other:		27	
Percent Qualifying for Free or Reduced Priced Lunch (2009-010):		68	
English Language Arts (2009-10)		Mathematics (2009-10)	
Grade	Percent Proficient	Grade	Percent Proficient
3	51	3	60
4	47	4	62
5	46	5	59
6	44	6	58
7	49	7	61
8	43	8	46

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