

Part I: General Information

SUBMITTED BY: Terry Golden, Board Chair

SUBJECT: Charter Amendment Request for Enrollment Ceiling Increase

SUBMISSION DATE: January 29, 2016

SCHOOL BACKGROUND

Overview of School Performance

1. Provide the following information about your Local Education Agency (LEA) by campus:
 - a. Campus name(s) and location(s): Hamilton Campus (KIPP College Preparatory), Benning Campus (LEAP, Promise and KEY Academies), Douglass Campus (Discover, Heights and AIM Academies), Shaw Campus (GROW, Lead and WILL Academies), Webb Campus (Connect, Spring and Northeast Academies) and Smilow Campus (Arts and Technology, Quest and Valor Academies)
 - b. Year opened: 2001
 - c. Grade levels served (Currently and at maturation of charter agreement, if applicable): Prek3-12
 - d. Date that charter will be eligible for possible renewal: currently in the renewal process

2. Please select the performance indicators below that describe the school's current performance: (Mark all that apply)
 - √ Currently rated Tier 1, or met at least 2/3 targets on the most recent Accountability Plan, ED, or Adult PMF.
 - √ School is not currently under corrective action.
 - √ Has historically met enrollment projections w/in 80% of target.
 - √ School has been in operation for 3+ years.
 - √ School is currently accredited. Expires 2019

PROPOSAL

KIPP DC submits to the DC Public Charter School Board this application to amend its charter agreement by changing the item(s) selected above. If approved, this amendment will be effective on July 1, 2016.

1. Please describe the requested change (provide detail on the selection above). Please describe any planning that is already underway for the proposed change(s).

KIPP DC is planning to open new grades at three of our existing schools (Spring, Northeast and Valor Academies) and to expand the size of our high school classes. Over the past several years, we have made many investments to ensure we are able to accommodate these students including the renovation of our Smilow Campus (to be complete in summer of 2016) and the completion of a new campus for KIPP College Preparatory. Additional administrative support has been secured where needed to support this growth and schools are currently in the process of recruiting teachers for these classrooms. Current students are prepared to matriculate into these new grades.

2. How will the amendment(s) selected above support or enhance the school's mission?

The proposed increases will create more seats thereby increasing the number of students for whom KIPP DC can help develop the knowledge, skills and character necessary to become thoughtful, influential, and successful citizens in the competitive world.

3. Why did your school's board approved the proposed amendment(s)? Please attach minutes from the meeting and vote results.

This request was discussed as part of KIPP DC's budgetary process during the May 20, 2015 board meeting. These minutes were previously submitted in accordance with PCSB's compliance requirements, but a copy has been attached for your convenience (Attachment 1).

4. How has the school informed its external stakeholders (e.g. ANC commissioners, neighbors) and internal stakeholders (e.g. staff, parents) of the proposed amendment(s)? Please attach any communications (e.g., meeting minutes). Please describe any notable support for or opposition to the proposed amendment(s).

The proposed increases were part of the original ANC notifications and school design plans. There were no concerns raised at ANC, staff, or parent meetings.

Section F. Charter Agreement Amendment-Enrollment Ceiling Increase

1. Explain the school's rationale for proposing to increase its student enrollment.

KIPP DC is adding grades at existing schools over the next several years. Spring Academy will be adding a third and fourth grade in 2016-2017. Northeast Academy will be adding an eighth grade and Valor Academy will be adding a seventh grade. With the completion of our new high school campus and the increased number of eighth grade students graduating from a KIPP middle school, we anticipate growth in our high school class sizes as well.

2. PCSB will review the school's enrollment trends over the past 3-5 years. What patterns are we likely to find? Is there any context you can provide to explain your current enrollment patterns?
 - a. We will look at the school's enrollment ceiling(s), certificate of occupancy, waitlist/vacant seats, and re-enrollment rates by grade and subgroup.
 - b. We will review lost instructional-time due to out-of-school suspensions, expulsions, and mid-year withdrawals. We will also look at re-enrollment trends for students with infractions.

KIPP DC's preliminary audited enrollment for the 2015-2016 school year is 5197; the current approved enrollment ceiling is 5,597 for 2016-2017. KIPP DC's overall re-enrollment rate is 89% of eligible students. KIPP DC's current waitlist exceeds 3,000 students. KIPP DC remains committed to keeping our schools safe and providing a safe learning environment for all of our students. We continue to work closely with our students, families, and staff to quickly and effectively address the critical safety issues that impact student learning. While our discipline rates will vary from year to year for reasons that are often hard to anticipate, we remain focused in our commitment to minimizing disruptions and maximizing opportunities for our students to succeed.

3. PCSB will review the school's academic history by looking at the following: 1) All PMF and Accountability Plan results for the past three years, 2) The school's most recent charter review and any Qualitative Site Review (QSR) reports, and 3) Progress towards meeting goals as documents in your annual reports. What patterns are we likely to find? Is there any context you can provide to explain your academic history. Please include any additional information PCSB should review when considering your school's academic history.

KIPP DC's application for 15-year renewal was recently approved by the PCSB Board on November 16, 2015. This assessment included the results of QSRs conducted during the 2014-15 school year, a review of how KIPP DC campuses met the school's goals and academic achievement expectations, and PMF results. PCSB found that KIPP DC had met 9 of its 10 goals. Additionally, each KIPP DC campus eligible for PMF tiering received Tier

I status from 2011-14. Throughout its 15-year history, KIPP DC has maintained a strong academic achievement record and has consistently exceeded district averages.

4. PCSB will review the school's Financial Audit Reviews (FAR) and current financials to determine the fiscal health of the organization. How will the proposed amendment impact the school's finances? What are the anticipated expenses, and how will the school finance its own growth?

KIPP DC has a strong history of outstanding financial management and stability. Our 2016-17 budget is very preliminary at this point, a sample five-year operating budget is attached to this document (Attachment 2). Over the past several years KIPP DC has made many investments (e.g., new buildings, renovations to existing spaces, technology, and infrastructure) that will allow our schools to serve these new students. Additional variable expenses incurred as a result of growth will be within the per pupil funding allocated to KIPP DC.

5. Will the proposed enrollment ceiling increase cause the school to exceed the maximum occupancy load detailed on the school's certificate of occupancy? If so, when and how will the school address this?

The Certificates of Occupancy at all campuses allows for the proposed enrollment increase.

6. Please include a completed enrollment matrix with your charter amendment application.

Please see Enrollment Matrix attached as Attachment 3.

Attachment 1
May 20, 2015 Board Meeting Minutes

KIPP DC Board of Trustees Meeting Minutes

Wednesday May 20 2015

3:00-5:30PM, KIPP DC Headquarters

Board Members: John Duff, Terry Golden, Tonya McLaughlin, Heimy Salgado, Susan Schaeffler, Alan Wurtzel

Via Phone: Hudson LaForce, Carol Ludwig, Kim Smith

Quorum Present: Yes

KIPP DC: Amanda Borden, Tom Clark, Justin Ellis, Allison Fansler, Kate Finley, Ed Han, Megan Hawkins, Jane Hoffman, Irene Holtzman, Stephanie Kapsis, Lindsay Kelly, Kevin Mehm, Alexander Shawe, Tevera Stith, Susan Toth

Board Business – Allison Fansler, President and COO

Fansler called the meeting to order. Introductions were made. The agenda was presented. Minutes from the previous Board Meeting were reviewed and presented to the Board for approval.

- Schaeffler moved to approve the minutes.
- Golden seconded the motion.
- Approved unanimously.

Discipline Committee Report – Holtzman stated that since the last Board Meeting, the KIPP DC Discipline Committee has heard six appeals of disciplinary decisions made at the school level.

Finance Committee Report – Hoffman summarized that the Finance Committee has continued to provide ongoing review of KIPP DC's Hamilton and Blaine Campus site development and financing strategies.

Development Report – Clark explained that in FY16, KIPP DC's Development Team plans to raise over \$4.34 Million for the following funds and discussed what is in the pipeline:

- \$1.34M to close out the KIPP DC College Prep Growth Campaign
- \$1.25M for the Fund for College Completion
- \$300K for the Capital Teaching Residency & Talent Development
- \$1.45M to fund our future growth and improvement plans

Appointment of Auditors – John Duff, Board Member

Duff stated that the Finance Committee recommends that the Board of Directors appoint McGladrey LLP to serve as independent auditors and to provide tax services to KIPP DC for FY15.

- Duff moved to approve the auditors.
- Ludwig seconded the motion.
- Approved unanimously.

Management Report – Allison Fansler, President and COO, and Susan Schaeffler, Founder and CEO

Fansler discussed metrics of strategic plan, growth model, next steps and upcoming events.

Schaeffler discussed academic capacity / depth and announces the new staff and organization chart that KIPP DC will follow going forward.

Overall goal is to improve quality across the board.

FY16 Budget – Allison Fansler, President and COO, KIPP DC

Fansler discussed three key strategies for the FY16 Budget Proposal:

1. Trimmed consistently underspent budget categories.
2. Made substantive cuts in non-essentials, such as external professional development opportunities, staff events, and
3. Passed along a portion of health care costs to employees.

Reviewed the key pressures, establishing targets/rationale, investment areas / opportunities, capital plans, key risks, impact of growth and thoughts on banking/treasury.

Detailed projections of the budget need approval:

- Duff moved to approve the budget.
- Wurtzel seconded motion.
- Approved unanimously.

College Acceptance Report – Tevera Stith, Director of KIPP Through College

Stith stated the guiding principles for all students: *Promise, Match, Persist, and Finish!*

PROMISE – Begin serving students in MS and continue supporting alumni through college.

MATCH – High School matriculation.

PERSIST – Helping students continue to make it through college.

FINISH – Celebrating College graduates!

Closing Remarks – COO and Chairman of the Board

Fansler adjourned the meeting and stated we will gather the board again in a few months.

Golden thanked everyone and then lead the Executive Session with all board members who are not a part of KIPP DC.

Attachment 2
5-Year Operating Budget

DRAFT
FOR PLANNING PURPOSES **ONLY**

KIPP DC

Five-Year Estimated Budget Worksheet

	SY2016-17	SY2017-18	SY2018-19	SY2019-20	SY2020-21
REVENUES					
Per Pupil Charter Payments	102,144,269	108,189,960	112,612,425	116,523,534	119,002,923
Federal Revenue	11,624,599	10,307,955	10,717,926	11,014,377	11,196,240
Private Revenue	8,001,647	6,022,513	5,168,262	4,451,518	3,852,832
TOTAL REVENUES	\$121,770,514	\$124,520,428	\$128,498,613	\$131,989,429	\$134,051,995
EXPENSES					
Personnel Salaries and Benefits	73,779,082	77,019,332	80,167,375	83,762,712	86,789,384
Direct Student Costs	13,735,063	14,369,078	14,667,511	15,115,006	15,402,588
Occupancy	13,974,587	14,151,706	14,019,375	14,028,791	14,093,354
Office Expenses	3,977,245	4,079,409	4,150,874	4,229,499	4,318,854
General Expenses	12,579,662	12,616,040	12,754,642	12,895,802	13,058,291
TOTAL EXPENSES	\$118,045,640	\$122,235,565	\$125,759,777	\$130,031,810	\$133,662,472

Attachment 3
Enrollment Matrix

Enrollment Projections

	SY2015-16	SY2016-17	SY2017-18	SY2018-19	SY2019-20	SY2020-21
Pre-School	510	535	535	535	535	535
Pre-K	515	539	562	562	562	562
Kinder	521	533	559	559	559	559
1st Grade	511	554	555	555	555	555
2nd Grade	505	551	551	551	551	551
3rd Grade	393	506	531	531	531	531
4th Grade	388	427	496	521	521	521
5th Grade	404	462	472	472	472	472
6th Grade	372	422	422	422	422	422
7th Grade	339	398	425	425	425	425
8th Grade	238	348	399	426	426	426
9th Grade	195	260	275	295	315	310
10th Grade	126	180	235	250	260	270
11th Grade	99	120	160	215	230	235
12th Grade	85	90	100	140	195	210
Total Enrollment	5201	5925	6277	6459	6559	6584
Projected % - SPED	13%	13%	13%	13%	13%	13%
Projected % - ELL	1%	1%	1%	1%	1%	1%
# Campuses	16	16	16	16	16	16