



DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD

Charter and/or Charter Agreement Amendment Application

Part I: General Information

SUBMITTED BY: Bonnie Beste, Board Chair, Lee Montessori Public Charter Schools
SUBJECT: Charter Amendment Request for New Location

SUBMISSION DATE: February 28, 2020

SCHOOL BACKGROUND

Please address the following questions in their entirety. This information provides helpful background to the DC PCSB Board as it reviews these requests.

Overview of School Performance

1. Provide the following information about your Local Education Agency (LEA) by campus:

a) Campus name(s) and location(s)

- Not moving: Lee Montessori – Brookland, 3025 4th Street NE
- Relocating: Lee Montessori – East End, from 2501 Martin Luther King Ave SE to 2345 R Street SE

b) Year opened: 2014 (East End Campus opened in August 2019)

c) Grade levels served (Currently and at maturation of charter agreement, if applicable):

- Brookland: PK3-6
- East End: PK3 and PK4 in 2019-20, growing to PK3-6

d) Date that charter will be eligible for possible renewal: 2029

2. Performance indicators below that describe the school's current performance:

- Currently rated Tier 1, or met at least 2/3 of targets on the most recent PK-only PMF or Alternative Accountability Framework.
- 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, expiring in 2021.
- Academic performance of each campus:
 - Lee Montessori – Brookland: Tier 1 in SY2018-19
 - Lee Montessori – East End: Not applicable



PROPOSAL

Lee Montessori Public Charter Schools 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 _____, 20____.

Please provide details on the selected amendment(s) above and describe the requested change(s), including the school’s rationale for the proposed changes. Describe any planning that is already underway to prepare for the proposed amendment.

Lee Montessori’s East End campus opened in August 2019, serving 75 students. With a one-year lease at our facility within the Birney School, it has always been clear that we would need to identify a new facility for the 2020-21 school year. On January 27, 2020, we signed a five-year lease to occupy buildings at 2345 R Street SE.

How will the proposed amendment(s) support or enhance the school’s mission?

Obtaining a long-term facility is critical to serving students, and very important to the recruitment process.

While considering this amendment request, DC PCSB staff may review the school’s history of board actions, DC PCSB audits, community complaints, enrollment trends, and any relevant data used by DC PCSB to monitor equity in schools. Please describe any DC PCSB audits, notices of concern or other board actions issued against your school in the past 3 years. What was the outcome? Please explain what steps, if any, you’ve taken to address the concerns that prompted a DC PCSB audit, board action, or community complaint.

To our knowledge, the only issues addressed by the DCPCSB Board or staff were related to our five-year review and our application for an enrollment ceiling increase.

DC PCSB will review the school’s Financial Audit Reviews (FAR) and current financials to determine the fiscal health of the organization. If applicable, describe how the proposed amendment will impact the school’s finances. Explain any anticipated expenses for the proposed changes and how the school will finance them.

The cost of leasing the facility, plus additional costs of operating the building are in excess of the Facilities Allowance allocated by DC government. As such, we will be required to utilize general operating funds to support a portion of the related costs. This encroachment represents a relatively small share (average of 3.3% over the first five years) of our overall projected revenues over the next 5 years. As such, we are confident that the funds required to occupy and operate the building will not have a material impact on day-to-day operations.

	Year 1	Year 2	Year 3	Year 4	Year 5
Assumptions					
Estimated Enrollment	125	191	216	216	216
Facilities Allowance	\$3,408	\$3,483	\$3,560	\$3,638	\$3,718
Projected Expenditures					
Rent	\$525,000	\$725,000	\$820,160	\$863,182	\$900,000
Occupancy Costs	\$68,750	\$105,050	\$118,800	\$118,800	\$118,800
Total Costs	\$593,750	\$830,050	\$938,960	\$981,982	\$1,018,800
Projected Revenues					
UPSFF - Facilities Funding	\$426,046	\$665,321	\$768,957	\$785,874	\$803,164
Total Encroachment	\$167,704	\$164,729	\$170,003	\$196,108	\$215,636

Note: See Appendix 1 for full, 5-year Operating Budget.

How has the school informed its external stakeholders (e.g. local ANC commissioners, neighbors) and internal stakeholders (e.g. staff, parents) of the proposed amendment(s)? Please attach any written communication (e.g., meeting minutes). Describe any notable support for or opposition to the proposed amendment(s). If concerns have been brought to your attention, how do you plan to address them? [EXCLUDES the following amendments: Governance, Goals, Mission, Curriculum, Graduation Requirements and Competency-Based Learning Credits. If not applicable, write N/A.]

Lee Montessori PCS notified Commissioner Prestwood and Commissioner Thompson of 8A03 as well as Ward 8 Council Member Trayon White's office (Wendy Glenn) on January 27, 2020 (see Appendix 2). Lee Montessori has also met with Boone Elementary School's Principal, Carolyn Jackson-King, in hopes of collaborating on topics such as professional development and generally being good neighbors. Lee Montessori also reached out to Randle Highlands Elementary School, and we hope to find time to meet and introduce ourselves. Lee Montessori has also canvassed the neighborhood surrounding the R St. SE location and provided contact information to both ANC's should their constituents have any questions. Contact information was provided for our Chief of Staff and Director of Equity & Family Engagement. Lee Montessori will open the building for community meetings prior to the opening of school in August, allowing the community to tour the space. A drop off/pick up plan will also be provided to surrounding neighbors- knowing that traffic is often an area of concern when new schools move into a community. Finally, we have requested that ANC 8A03 add us to their April meeting agenda.

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

Thursday, February 27, 2020. See Appendix 3 for minutes.

Section C1. New Campus Location or Additional Facility

1. Please check the reason below that best describes your proposed change.

Entire campus or school is relocating from current location to a new location.

2. List all the facilities and addresses the school currently operates, along with the new facility(ies) the LEA plans to operate if approved. Include the campus(es) located in each facility, highlighting any changes from what is currently written in the school's charter agreement.

a. Not moving: Lee Montessori – Brookland, 3025 4th Street NE

b. Relocating: Lee Montessori – East End, from 2501 Martin Luther King Ave SE to 2345 R Street NE

3. Information on New Facility

a. **Is the proposed new facility a property that you plan to purchase or lease?**

5-Year Lease

b. **How many square feet is this space?**

23,978

c. **Which grade level(s) will be at this location?**

2020-21: PK3 – Kindergarten, growing to PK3-6

d. **If you have already purchased or leased the property, provide specific dates of when the property was acquired.**

Lease takes effect on 7/1/2020

4. If the school is planning to move a current campus into a new location, please answer the following:

a. **How will the change in location impact students who currently attend this campus, and how will you ensure that students will re-enroll?**

We do not anticipate a significant impact on re-enrollment. Already, the majority of our families do not live in the immediate neighborhood and utilize cars to travel to the school. Given this, we anticipate that the move will not significantly impact many of our families.

b. **Given that students are expected to move; how will you support families that need transportation?**

Several families will have a difficult time with the relocation, given our current facility's location (i.e., for families that live in the immediate neighborhood but do not have access to a car) and its proximity to the Anacostia Metro station. With this in mind, we intend to work with our entire parent community to support carpools and other means of ensuring that the location of our new facility does not create major issues for any of our families.

5. Describe the neighborhood of the proposed location (e.g. residential, commercial, metro-accessibility). What value will you bring to this community? In your response, list traditional and public charter schools in close proximity to the new location, identifying schools that serve the same grade span as you will serve at full capacity at this location. Describe how the academic performance, demographics, and mission of your school compare to these schools.

Our new facility is located in the Fairlawn neighborhood within Ward 8. It is a lovely, tree-lined residential community. As it relates to community engagement, we are, first of all, committed to ensuring that our impact in the neighborhood is minimal – we want our program to be nothing but a positive for the community. The location is ideal for that – the block has no houses opposite the building, allowing for pickup and dropoff lines that will not impact residents. Further, there is ample parking – a small lot and street parking – for staff, families, and visitors. We are confident that neighbors will only feel our presence during events and activities where they are engaged.

At the same time, we are committed to having a positive impact on the local community. This starts with a desire to serve children and families from the immediate vicinity. The school is in close proximity to Boone Elementary School, a 3-Star school with a focus on Blended Learning and Restorative Practices. Given the differences in our respective programs, along with our track record of recruiting students across multiple neighborhoods and wards, we do not anticipate that the presence of our school will have a material impact on enrollment at Boone, and Lee Montessori staff have reached out to DCPS staff, including school leadership at Boone, to ensure that we have a positive working relationship in the coming months and years.

We hope to work with the local community to provide a direct benefit to them. Beyond simply serving children from the neighborhood, we hope to host community events, ANC meetings, and other activities. However, all of this work will be in conjunction with and based on the needs and interests of community members, as we identify by meeting directly with members of the community.

	Neighborhood School (Boone ES)	Lee Montessori East End
Total Enrollment	430	130 in SY20-21, growing to 400
Demographics	96% African American, 3% Hispanic/Latino	67% African American, 28% White, 5% Multi-Racial
English Language Learners	0%	0%
Economically Disadvantaged	100%	32%
Special Education	10%	12%
In-Boundary	34%	4% (est.)
Academic Performance	Three (3) STARS	TBD (4 Stars at Brookland Campus)

6. Describe how you have engaged your school's community in the decision to relocate, expand, or divide into this new location. Submit documentation of your communications with your staff and families regarding this new location. Please explain any potential concerns raised by the school's internal community, including students, teachers, etc.

Given that there was never any doubt about whether to move or not, the Lee Montessori – East End community was repeatedly told that we would likely not remain at the Birney School for School Year 2020-21. Given that we (a) explored numerous options across Southeast DC and (b) did not want to give families a sense of “bait and switch,” we only notified them of the facility following the full execution of the lease. This communication (see Appendix 4) went out on January 27th.

7. Describe all community outreach that has been done in the local community of the new school location. Submit documentation of communications with nearby principals, neighbors, ANC representatives, Councilmembers, and others, notifying them of your plans.
See Part 1(6)

8. Will there be newly-created slots for additional students? If so, discuss student recruitment efforts in the new school community.

We anticipate opening 70 new seats in School Year 2020-21. This includes 55 openings in PK-3 and 15 in grades PK4 and Kindergarten. This figure assumes that (a) a relatively small percentage of families choose to attend another school and (b) we grow from 3 to 5 classrooms. Recruitment, similar to last year, has included visits to local metro stops, churches, and going door-to-door at houses in the immediate neighborhood. Last year, we had the double-impact of (a) not having a facility until late in the recruitment process and (b) not having an existing classroom for many local families to visit. As a result, we fell short of our enrollment target, filling only 75 of 88 seats. This year, as we anticipated, applications are up by 80%, as of February 23rd. Given that we have to recruit fewer students than last year, we do not anticipate any challenges to fully enrolling in School Year 20-21.

9. What is the occupancy maximum at the new location? If the maximum occupancy load for staff and students is less than the total number of staff and students who will occupy the facility at any point in the future, please explain how you will address this issue.

At approximately 23,000 square feet, with 12 classrooms, we anticipate being able to enroll approximately 216 students. This is significantly fewer than our long-term enrollment plan (400 students) for Lee Montessori – East End. Given this, combined with our continued commitment to serving approximately 400 students, we are pursuing three potential strategies:

- a. Use R Street for Elementary Classrooms. We believe a model that would be extremely attractive to families would be to identify approximately three additional facilities of approximately 6,000SF each where, at each facility, we can enroll two Primary (PK3-K) classrooms, one infant classroom (3-18 months) and one toddler classroom (18-36 months). The site at R Street would then only serve students in grades 1-6.
- b. Increase Capacity of R Street Facility. While the facility currently meets the maximum building-to-lot occupancy rate for the current zoning designation, a significant portion of this square footage is included in the remaining standalone house that can be demolished or upgraded to provide additional space. There are thus three options for the facility:

- i. *Maximize current square footage to increase to 270 students:* Increasing the size of the building by approximately 1,600 square feet would allow for two additional classrooms / 54 students.
 - ii. *Increase Maximum Occupancy to increase to 378 students.* The next level up of “Maximum Percent of Lot Occupancy” for public schools is 75%. This would allow us to add an additional approximately 6,400 square feet for 6 additional classrooms (162 students).
 - iii. *Obtain a variance to exceed maximum lot occupancy to increase to 400 students.* Adding on to the lot to allow for full-enrollment would require Lot Occupancy of approximately 93%.
- c. **Decrease Enrollment Plan.** Given our commitment to expand the availability of high-quality, public Montessori seats East of the Anacostia River, we do not wish to reduce our enrollment plans but, if neither of the first two strategies proves possible, it is possible to serve approximately 216 students at the R Street facility.

10. In addition to providing a 5-year Operating Budget, please answer the following questions regarding the financial impact of the proposed new location:

- a. **How much does the proposed new facility cost, and how many students will be served at the new site?**
- i. Costs are outlined in Part 1(4)
 - ii. Students served at the new site:¹

	2020-21	2021-22	2022-23	2023-24	2024-25
PK3	55	70	80	75	66
PK4	42	61	69	70	70
K	28	40	48	51	60
1	0	20	34	41	43
2	0	0	22	29	35
3	0	0	0	19	25
4	0	0	0	0	16
5	0	0	0	0	0
6	0	0	0	0	0
TOTAL	125	191	253	285	315

- b. **What is the school’s per-pupil cost, and how does this compare with its per-pupil allowance?**

For the next Fiscal Year (2020-21), we anticipate revenues of approximately \$23,892, compared to expenditures of approximately \$24,101. This yields a 0.9% surplus, which we anticipate growing in future years.

- c. **If you plan to operate multiple facilities, in addition to the proposed new location, what is the LEA’s total facilities cost (e.g. lease, plus mortgage)? How does this expense compare with your per-pupil allowance?**

¹ Assumes implementation of plans from previous question (9).

Overall, we anticipate total occupancy expenditures at \$1,550,060, compared to revenue from the per pupil facilities allowance, projected to be \$1,284,873.

d. What additional sources of funding do you plan to use to pay for this new facility?

Costs related to occupying and operating the new facility will be paid for using General Operating funds. In addition, while not required for next year, we are also seeking OSSE and private sources of funding that would allow us to perform minimal renovations this summer (estimated at approximately \$100,000, paid back over five years, commencing in FY22). If funds are not acquired, minimal changes to classroom structures would allow us to fully utilize the space as-is, without changing enrollment projections.

e. If applicable, what contingencies do you have in place in case the new location enrolls fewer students than anticipated?

As with all schools, the vast majority of Lee Montessori's expenditures (estimated at approximately 64% in FY21) are staffing-related. As such, any shortfalls in enrollment will come with a proportionate reduction in force. This requires difficult decisions, such as the ones we made in the current school year, where we were compelled to shutter one classroom and distribute students to remaining classrooms. However, this is a last resort, and we do not anticipate enrollment shortfalls.

f. What are the terms of the occupancy and how does this drive financial obligation?

We have entered into a 5-year, triple-net lease, obligating Lee Montessori to make the rent payments described in Part 1(4), in addition to operational costs, estimated at \$5.50 per square foot. However, Lee Montessori has the option of subleasing space within the building that would lower our overall obligations.

g. What will be the cost per student under best case assumptions and how does this compare with the facilities allowance and the school's budget?

For School Year 2020-21, we anticipate the facility will cost approximately \$4,380 per student, compared to a projected facilities revenues of \$3,633.

h. If the school does not meet its enrollment projection, how will the LEA cover the facility expense and/or service its related debt?

See Section C1(10)(e).

i. If per-pupil expense exceeds the UPSFF facilities allotment, what impact will the encroachment have on the school's academic program?

Given relatively minimal (est. 3.3%) encroachment on general operating funds, we do not anticipate any impact on our academic program.

j. What impact will the additional cost have on the school's risk profile?

We do not anticipate the additional cost having a significant impact on our risk profile.

k. If applicable: If the school is in a network and is planned to be smaller than other campuses and smaller than the school's long-term financials had planned: What impact does this have on the network's financials? Is this a cause for concern?

For the duration of the lease, we anticipate the facility will have a minimal impact on our overall operations. However, the lease includes a purchase option and, assuming



that the facility meets our needs, our current expectation is that, in December 2021, we will take steps to purchase the building in time for the 2021-22 school year. We are confident that this would significantly reduce the cost of the building.

11. Please complete the table below based on the proposed enrollment assumptions and anticipated occupancy costs.

See Part 1(4). For Enrollment Assumptions, see Appendix 5.

Appendix 1: 5-Year Projected Budget

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Per Pupil Charter Payments	\$2,663,876	\$4,524,890	\$6,044,222	\$6,934,603	\$7,907,399
Federal Entitlements	\$81,155	\$135,831	\$189,025	\$227,527	\$254,203
Income from Grants and Donations	\$110,080	\$105,248	\$103,183	\$96,096	\$93,741
Activity Fees	\$157,625	\$246,872	\$286,165	\$293,319	\$300,652
Other Income					
TOTAL REVENUES	\$3,012,736	\$5,012,841	\$6,622,595	\$7,551,546	\$8,555,995
Expenses					
Personnel Salaries and Benefits	\$1,501,528	\$2,780,822	\$3,724,922	\$4,492,369	\$4,931,448
Direct Student Costs	\$390,794	\$503,275	\$515,411	\$554,597	\$599,835
Occupancy	\$593,750	\$639,049	\$932,240	\$1,057,733	\$1,821,408
Office Expenses	\$135,747	\$150,517	\$159,279	\$181,126	\$187,193
General Expenses	\$364,797	\$501,642	\$516,842	\$516,695	\$518,312
TOTAL EXPENSES	\$2,986,616	\$4,575,305	\$5,848,694	\$6,802,520	\$8,058,196
Surplus/ (Deficit)	\$26,119	\$437,536	\$773,901	\$749,025	\$497,799

Appendix 2: Email to Advisory Neighborhood Commission, Ward 8 Council Office

Dominique Fortune <dominique@leemontessorf.org> Jan 27, 2020, 11:59 AM ☆ ↩ ⋮
to BA03, SA04, wglenn ↵

Good Morning Mr. Thompson and Mr. Prestwood,
I hope this email finds you well. I'm reaching out on behalf of Lee Montessor PCS, we're currently in Ward 8 @ the Birney building, co-locating with Excel Academy on MILK Ave.

We hope to have a lease signed for the Eagle R St SE property (2345 R St SE), and wanted to reach out to you ASAP as the PCSB released a document stating a lease was signed. Unfortunately, the lease has not yet been signed, but in case it happens by COB today, I wanted to reach out immediately.

Ms. Glenn, with the Councilmembers office was kind enough to provide a contact number for Mr. Prestwood as there is not a number listed for Mr. Thompson and I wanted to touch base via phone prior to email. I left a voicemail with Mr. Prestwood. We'd like to open the building up for community meetings, ANC meetings, voting etc- and I'd like to discuss that as well as having you join us at our current campus for a visit.

Please let me know a good time to connect, and I look forward to meeting with you both soon. I've cc'd Ms. Glenn (because I referenced her) and so the Councilmembers office is looped in. Please feel free to call or email me directly at any point today- after hours is also OK.

Appendix 3: Minutes from February 27 Board Meeting



Board Meeting Minutes

February 27, 2020

Present:

Board Members

- Chair: Bonnie Beste
- Vice Chair: Eric Bethel
- Treasurer: Lorraine Madala
- Whitney Donaldson, Parent
- Brian McClure, Parent
- Christine Platt
- Marimba Johnson-Bright

Staff

- Chris Pencikowski, Executive Director
- Dominique Fortune, Chief of Staff
- Megan Hubbard, Head of School -- Brookland Campus

1. Approved: Motion to Seek Amendment to PCSB, Motion by Chair, Seconded by Mr. McClure. Unanimous vote.
2. Review form for 990
 - a. Confirmed board has reviewed and can submit
3. Approved: Appoint Rob Pulciani as Board Member: Motion by Chair, Second by Treasurer. Unanimous vote.
4. Review of Minutes from January Meeting
5. Executive Director Updates Updates
 - a. Incident at AMI refresher regarding Lee staff and ongoing issues between AMI and Lee Montessori staff.
 - i. Description of relationship between AMI and Lee Montessori (Lee is highly regarded in the AMI community)
 - ii. Ms. Platt and Ms. Donaldson will support communication to staff and students
 - iii. Communication about AMI to families and to AMI directly

Appendix 4: Email from Alex Brown, Head of School at Lee Montessori – East End, to all East End families



Chris Pencikowski <chris@leemontessori.org>

Lease Signed!!!

1 message

Alex <alex@leemontessori.org>
Reply-To: Alex <mailto:alex@leemontessori.org>
To: Chris <Chris@leemontessori.org>

Mon, Jan 27, 2020 at 2:03 PM

On behalf of the entire Lee Montessori - East End Family, I am pleased to give you an update on a question that many of you have been asking:

Question: Where's the new building?

Answer: Lee Montessori East End
2345 R. St. SE.
Washington DC. 20020

As you aware, our team had been diligently working towards finding and securing our next home. Today, we are beyond excited that goal has become a reality.

This is what you need to know now.

- **Great Neighborhood!** The building is located inside the quiet, beautiful, and residential Fairlawn community. There is a bus-stop at the corner and others within walking distance. Plus there's plenty of street parking available. We have already begun reaching out to our future neighbors and local representatives (e.g., ANC, councilmembers, community, Fairlawn Citizen's Association) to ensure that we are supportive and respectful of the entire community.
- **Ground Floor Access to Outdoor Space.** The ground floor has immediate access for children to play, garden, and explore in the front and rear of the building.
- **Some Details Remain.** The space is brand new and has never been occupied. However, we may still need to make some minor renovations to accommodate our needs and model - either in the short- or long-term. Also, we have signed a 5-year lease for the property, with an option to buy it at any time during that period. This gives us an opportunity to ensure that the physical space and the neighborhood are a good long term fit for us -- and vice versa. We're confident that the space will satisfy our long-term growth through 6th grade, as well as the infant-toddler programming that many of you know we're desperate to get started.
- **Community Outreach is Important!** As members of the Lee Montessori - East End community, we hope that you can support us as we present this move to the Public Charter School Board and the local community. We are aware that some community members had concerns about the project, but we are confident that they will be happy with us as neighbors.

- **We're Desperate to Show Off the Space!** We will immediately begin working with the current owner (Eagle Academy PCS) to develop a timeline for when we can begin giving tours, open-houses, and orientations inside the space.

That's all I have for now, but please do not hesitate to email with additional questions.

Also, please be on the lookout for additional details as they arise. I will communicate early and often - and ensure that you are looped in for every major step of the process.

Lastly, if you haven't already done so, please encourage your friends with PK3, PK4, and Kindergarten children to apply at www.myschooldc.org!

Appendix 5: Enrollment Matrix

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
PK3	50	55	70	80	75	66	66	66	66
PK4	25	42	61	69	70	70	70	70	70
K	0	28	40	48	51	60	60	60	60
1	0	0	20	34	41	43	51	51	51
2	0	0	0	22	29	35	37	43	43
3	0	0	0	0	19	25	30	31	37
4	0	0	0	0	0	16	21	26	26
5	0	0	0	0	0	0	14	18	22
6	0	0	0	0	0	0	0	12	15
TOTAL	76	125	191	253	285	315	349	377	390