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January 23, 2007



Dear [REDACTED],

Thank you for the opportunity to submit a proposal for continued support from [REDACTED]. [REDACTED]'s commitment to reforming the educational system in Los Angeles through a strong investment in the charter school movement is already making an indelible impact. Thousands of students who were once anonymous faces in oversized classrooms are now receiving the personalized education they deserve. They are supported by a committed faculty that is not afraid to set high expectations for them, and ensure that they have the necessary tools to reach and exceed those expectations.

With the early support of partners like [REDACTED], the Alliance for College-Ready Public Schools (the Alliance) is emerging as a true leader in this endeavor. In just three years, we have opened six public charter high schools and one middle school, all in resource-poor communities where the schools are both severely overcrowded and underperforming.

Our first school, only in its third year of operation, already ranks among the top ten high schools in LAUSD. Students at all of our schools have also shown marked improvement in all areas of instruction, and scored significantly higher than neighboring schools on the California Academic Performance Index (API) and Content Standards Tests (Attachment A). We are also in line with the early achievement of schools run by other charter organizations (Attachment B).

Just as we expect each of our students to continue to reach for better results and set higher goals, we demand the same for ourselves on the organizational and school levels. To that end, you will see in the abstract below and throughout the enclosed business plan that we are working to grow not only the number of schools and students served, but also the effectiveness with which we are reaching those students.

We hope that [REDACTED] will continue to partner with us and the 10,000 students and families who will be the ultimate beneficiaries of the Alliance's growth over the next four years.

**Plans for Expansion**

The first Alliance charter school opened in the fall of 2004. Three new Alliance schools opened each year in the fall of 2005 and 2006. In order to ensure the effectiveness of the organization and each school, we plan to continue to scale-up at the rate of three new schools per year through the 2009-10 school year, after which time we will begin expanding at the rate of four new schools per year. By the fall semester of 2010, the Alliance will be operating 15 high-performing charter high schools and 5 high-performing charter middle schools.

Each high school will begin with a 9<sup>th</sup> grade class, and add a new group of 9<sup>th</sup> graders each year until they reach full capacity serving grades 9-12 in their fourth year of operation. Middle schools will begin with a 6<sup>th</sup> grade class and reach full capacity serving grades 6-8 in their third year of operation. This allows each school to establish efficient operations and, most importantly, a strong school culture that will grow as their student population grows. It will also ensure that the Alliance has the capacity to meet the staffing and facilities challenges faced by all charter schools in the Los Angeles area.

The Alliance has been uniquely successful in acquiring facilities for its schools, including a 25-year Proposition 39 Lease Agreement for a permanent charter site on LAUSD property and a 40-year land lease with California State University Los Angeles (CSULA). The 25-year lease agreement is the first of its kind in the history of LAUSD where Prop 39 allocations are usually limited to renewable annual agreements if established at all. The CSULA lease agreement provides not only a permanent charter school site but also a unique early college experience for students and helps to bridge the gap between teacher training institutions and classroom practice. These are huge accomplishments that set the stage for far reaching access for charter schools to acquire long-term agreements for unused district properties or university spaces that are too small for traditional high schools. Such long-term agreements open the door for investors to finance charter school facilities on district or university owned land.

Once they are at full capacity, the 20 Alliance schools that will be in operation by 2010 will provide permanent seats for more than 10,000 students in some of LA's most vulnerable neighborhoods. In fact, the communities that are home to all current and future Alliance schools show the greatest need for change and choice within the educational system -- South and East Los Angeles and the Southeast Cities of Los Angeles. The local schools in these low-income urban areas are severely overcrowded; identified as Title I Program Improvement Schools/NCLB low-performing schools; and have graduation and college-going rates significantly below the state average.

### **Early Test Results Show Promise**

Our first school, Gertz-Ressler High School, reached an Academic Performance Index (API) score of 766 in 2006, achieving the third highest growth rate among LAUSD high schools. It is also currently ranked among the top ten high schools in LAUSD.

Two other Alliance high schools and one middle school also posted 2006 API and CST results. When compared to the neighboring schools from which their new students came, all Alliance schools outperformed neighboring target community schools on the API and had a significantly higher percentage of students scoring at proficient and advanced levels in English and math. Full comparison charts of Alliance schools and neighboring schools can be found on the attached charts.

We feel strongly that given the number of schools that we have opened in a short time, and the neighborhoods from which our students come, the Alliance is in line to not only continually improve results, but to outrank both non-charter and charter schools throughout LAUSD.

### **Improving Instruction and Accelerating Student Performance**

Nationally, schools are struggling to improve performance in math, particularly at the secondary level in Algebra and Geometry, gate-keepers for successful entry into college. Though Alliance schools outperformed neighboring schools in target communities in math and in English language arts, our first year performance is far from our goal of proficient or advanced performance for all of our students.

While we acknowledge that students coming from seriously overcrowded and underperforming schools need time to adjust to a more rigorous and personalized learning environment, we are not taking a "wait and see" approach to improving performance.

In response to our 2006 academic performance results, we have involved principals and teachers in defining systemic changes in Alliance schools to improve student outcomes in math and in English language arts:

- The most significant predictor of student performance is instruction provided by highly qualified teachers who not only know their subject well but are also well trained in classroom instruction. To recruit highly qualified, well-trained math and English teachers in Alliance schools, we have added a contract with the New Teacher Project to our sources of highly qualified teachers and will initiate teacher recruitment in January with the goal of filling new positions and vacancies by May.
- To accelerate learning and improve performance of students entering Alliance schools after years of neglect and poor instruction, Alliance schools will initiate diagnostic assessments in math and English language arts at the beginning of each year. The diagnostic data will be used to develop and implement individual learning plans for students performing far below proficiency levels to accelerate learning in math and English languages arts. All students will participate in rigorous college-prep A-G course work. Students performing below and far below proficiency will be provided significantly increased instructional time and even greater individual attention through after-school tutoring and Saturday supplemental instruction in reduced class sizes at 15:1.
- Alliance schools will implement Carnegie Math Cognitive Tutor software program to provide additional support specifically in Algebra and Geometry where differentiated individual student attention is needed to address significant gaps that exist in student development of mathematical concepts. Carnegie Cognitive Math Tutor will be used in grade 9 and 10 math acceleration courses, after-school and Saturday supplemental instruction for students performing below proficient levels.
- We will continue to implement and work to strengthen our core best practices and beliefs in math and English language arts instruction. We will improve the consistency and quality of instruction across Alliance schools by expanding our practice of classroom walk-throughs in all Alliance schools to build our community of shared best practices among teachers and administrators.
- Through our university partnerships with the UCLA School Management Program, Loyola Marymount University, University of California, and California State University Los Angeles, we will expand Alliance teacher training and the engagement of university students in our math tutoring after school and Saturday programs. Professional development for our math teachers will be expanded to include three university-led core elements: monthly professional development at school sites; individual teacher coaching in classrooms; and four Saturday math seminars bringing all math teachers and principals together.

### **Performance Metrics for Alliance Schools**

To further improve instruction, the Alliance is working to meet the increasing need for a differentiated base and performance incentive compensation program for teachers, principals, and school administrative and office staff. Our current system consists of a small bonus to teachers and administrators based solely on State Testing and Reporting (STAR) results and some principal discretion. The key to any incentive plan is the linkage between individual performance, plan measurements, and outcomes that support the organization's objectives. While STAR and API are important annual measurements, more meaningful and real-time measurements to improve performance are preferable. To ensure the effective development and implementation of this system, the Alliance is working with a consultant who provides measurement and change management experience, and who will enhance the important dialog between teachers and staff. We plan to fully implement the first phase of this plan in the 2007-2008 school year.

Consistent metrics on which we collect data and measure performance across all Alliance schools and the home office are bold and rigorous and will be linked to performance incentives and consequences for all staff.

### **Mission Metrics for Alliance Schools**

1. **-Academic Achievement:** Each year, schools will meet annual API growth targets. By completion of the third year in operation, schools will score 700 or higher annually on API.
2. **-Academic Achievement:** Each year, schools increase the percent of students performing at proficient to advanced levels on California Standards Tests by at least 10%.
3. **-Achievement Gap:** In English/language arts and mathematics, school-wide and CMO-wide average proficiency rates for schools open three or more years are higher than the statewide average proficiency rates for the state's highest-performing sub-group.
4. **-Graduation Rate:** 90% of the students continuously enrolled as 9th graders graduate within four years. 90% of students continuously enrolled as 6<sup>th</sup> grades culminate middle school in 3 years.
5. **-College-Attendance:** 90% of the high school graduates attend two- or four-year colleges.
6. **-College-Readiness:** Less than 15% of high school graduates attending college are enrolled in remedial (i.e. non-credit bearing) courses in English or math. **High School Readiness:** 80% of middle school students culminate ready for high school (passed Algebra ready for geometry).

### **Enabling Metrics for Alliance Schools**

7. **Instructional Quality:** Classrooms consistently reflect rigorous standards-based instruction.
8. **Attendance:** The average daily student attendance of all schools will be at least 95%.
9. **Enrollment:** The average enrollment of all schools will be at least 95% of the budgeted number of students by count date.
10. **Satisfaction:** At each school, parents will rate the school, on average, at least 4.0 out of a 5.0 point scale on a parent satisfaction survey. 90% of the parents will return the surveys.
11. **Parent Engagement:** The average rate of attendance at scheduled parent conferences will be at least 75%.
12. **Parent Engagement:** 80% of parents complete at least 40 volunteer hours annually.

### **Expanding Organizational Capacity**

The Alliance corporate office is structured to not only establish new schools, but to also provide ongoing support for our existing schools, so that they can perform as efficiently and effectively as possible. This includes facility and operations support, recruiting faculty and staff, providing high-quality professional development, collecting and disseminating effective small school practices, engaging parents and community, providing hands-on support to principals, and so much more.

Our goal has been to provide these services while keeping the organization as lean and light on administrative overhead as possible. While we remain committed to these goals, increasing both the number of schools and the performance of existing schools will require additional corporate staff.

We are currently recruiting highly qualified individuals to fill the following positions by June 2007: Chief Academic Officer, Director of Assessment and Data Analysis and Director of Professional Development. These positions are key to instructional and operational quality regardless of plans for future expansion. Positions that are key to growth expansion include: Director of New School Development, Director of New Facilities Project Management, Director of Special Education and Compliance, Director of College Counseling, and Controller.

When fully staffed, the Alliance corporate office staff ratio to the number of schools will be 1:1. The ratio of home office staff to all school staff at full enrollment capacity will be approximately 20:600 or 3%. Despite repeated attempts, we were unable to determine the breakdown of LAUSD school staff vs corporate staff and therefore cannot provide an accurate comparison.

Our financial system will be upgraded from QuickBooks to ACCPAC or Great Plains financial management software for greater efficiency and to build our operations management capacity as we grow. We are researching the effectiveness of both programs recommended by our auditors and other charter management organizations. We will reach our decision and implement the best software to meet our needs within resources available.

With our current staff, and the addition of these valuable members and tools, we are confident that we can adequately support the aggressive plans for expansion and enhancement that are outlined here and within the enclosed business plan.

### **Cost of Expansion and Accelerating Quality**

Support for the scale-up of the seven current Alliance schools and the opening and operation of the 13 new schools planned will require approximately \$35,775,000 dollars over the next four and a half years (remainder of 2006-07 through 2010-11). Of this, \$5,726,500 has already been received or committed, leaving an additional \$30,048,601 to be raised. This includes:

Corporate Services and Operations	\$ 1,325,100
School Operations	\$ 7,923,500
School Facilities/Construction	\$20,800,000

Full details with regard to the budget and fundraising needs can be found in the enclosed business plan and corresponding attachments.

In terms of annual cost per student, the full 2006-07 cost to educate students in Alliance schools is \$10,394. In comparison, according to LAUSD "*Finger Tip Facts*", the total school district budget is \$11.198 billion. Assuming this includes the full cost of educating all students, the per student cost is approximately \$15,806.

It is important to note that each school becomes financially self-sufficient in the implementation of the core program on standard state and federal school revenue in its third year of operation, and the Alliance corporate office will be fully sustained by a 7% fee for services provided to its schools within the next three years.

### **Request for Continued Support from [REDACTED]**

The Alliance respectfully requests a grant of [REDACTED] from [REDACTED] over the next four years to support corporate and school operations and facilities. This would provide tremendous support towards expansion as well as significant leverage for raising the additional funds required.

We share [REDACTED]'s commitment to high-quality, measurable results, and would only expect this contribution to be paid out as new schools open successfully and current schools perform to the targeted objectives.

### **Anticipated Support from Other Sources**

The Alliance Board of Directors will commit to matching your \$10 million grant, and one of our founding Directors has already pledged \$1 million toward that match. Additional efforts are underway to garner support from new partners and to enhance the level of support from current partners.

Potential sources for new funding include, but are not limited to:

- [REDACTED] - \$300,000-\$400,000 for professional development
- [REDACTED] - \$500,000 for professional development
- [REDACTED] - \$2 million for capital costs

Potential sources for continued and/or expanding funding include, but are not limited to:

- [REDACTED] - \$400,000-\$500,000 for capital costs
- [REDACTED] - \$500,000 for capital costs
- [REDACTED] - \$100,000 for general operating costs
- [REDACTED] – open to approach after NewSchools Venture Fund support expires in 2009
- [REDACTED] - \$1 million for capital costs
- [REDACTED] - \$100,000 for general operating costs
- [REDACTED] – approximately \$2.5 million for school operations
- [REDACTED] – \$5 million over five years for capital and some general operating support

In addition, we will be applying for implementation grants from the California Public Charter Schools Grant Program. Potential funding for each of the 13 new schools is \$400,000, for a total of \$5.2 million.

### **Summary**

The early success that has been achieved by the Alliance and our students would not have been possible without committed supporters like [REDACTED]. The same will be true as we move forward with plans to expand our network of high performing charter schools while strengthening the Alliance schools that are already serving some of LA's most vulnerable students.

While there will be inevitable challenges as we move forward with implementing our plans, our resolve is strengthened each time we see one of our students look forward with renewed hope. Fourteen year-old Antonia, an Alliance student, said recently, *"I used to have no idea what my future would look like. After one year at College-Ready, I have goals. I'm not only going to be the first in my family to go to college. I'm going to be the first to graduate from college."*

Antonia's hope for the future is one we share for all of our current and future students. We have the plan in place to achieve that goal, and we hope that [REDACTED] will continue to invest in us, and in them, as we move forward.

I welcome the opportunity to talk with you more about the Alliance's progress and plans, and can be reached at any time at (213) 943-4933 or via email at [jburton@laalliance.org](mailto:jburton@laalliance.org).

Thank you again for this opportunity, and for all that you have already done in support of the Alliance.

Sincerely,

Judy Ivie Burton  
President and CEO

Attachments

cc: Richard Riordan, Chairman, Alliance Board of Directors