

Alliance Education Services

Due Diligence Report

Submitted to the NC Charter Schools Advisory Board

Agenda

- Introduction to Alliance Education Services
- AES Current Academic Performance
- AES Current Financial Performance

Introduction to Alliance Education Services

- **Justin Matthews (Chief Operations Officer)**

- Currently serves as Executive Director of Mountain Island Charter School
- Former principal at Imagine School at Northport

- **Jennifer Lucas (Chief Academic Officer)**

- Currently Managing Director of Voyager Academy
- Former principal at Imagine Schools North Manatee

- AES has opened, operated, and managed 7 public charter schools since 2013:

- Mallard Creek STEM (NC; opened 2016-2017 with Lucas and Matthews as Directors of Board)
- Voyager Academy* (NC; J. Lucas serves as Managing Director);
- Imagine Schools (FL- **closed**);
- Hillsborough Academy of Math (FL; J. Lucas served as Principal);
- Avant Garde Academy of Broward (FL; opened 2014-2015; J. Lucas serves as Manager);
- Avant Garde Academy of Broward K-8 (FL; opened 2015-2016; J. Lucas serves as Manager);
- Avant Garde Academy Westchase (FL; opened 2017-2018; J. Lucas serves as Manager)

Introduction to Alliance Education Services

CONCERN: An application submitted for Sarasota STEM Academy states that “Imagine Schools” was currently or previously operated by Jennifer Lucas, and that it is now “closed.”

Imagine Schools is a national charter school chain. Please describe AES’s (or Ms. Lucas’s involvement) with Imagine Schools, name the specific school to which the application is referring, and describe the reason(s) for closure.

CONCERN: AES previously provided assistance to Imagine St. Petersburg, which was closed for low academic and financial performance.

Please describe the assistance AES provided to Imagine St. Petersburg.

Introduction to Alliance Education Services

Sarasota STEM Academy applications states that “AES is headed by Jennifer Lucas, Justin Matthews, and Frank Bolanos.” (p. 129) The same application names him “Chief Compliance Officer.” However, Mr. Bolanos is not listed on the AES website as a consultant with AES.

A search on Alliance Education Services, Inc. lists Jennifer Lucas and Justin Matthews as Directors, but also lists Jonathan Simon, Victor K. Rebman, and Christy Bryans as Directors of the organization. These individuals are likely affiliated with Alliance Education of Florida, Inc., an entity related to Alliance Education Services, Inc.

CONCERN: Related to Alliance Education Services and Alliance Education of Florida.

What is the relationship between Alliance Education Services, Inc. and Alliance Education of Florida, Inc.? Are there any other individuals affiliated with AES whose names should be disclosed?

Introduction to Alliance Education Services

AES's website states that the organization offers "a variety of services, from an initial start up charter school application, to specific and targeted levels of support for current schools in need of professional expertise."

Public Charter Start Up services include:

- Initial demographics to determine community need and location of school
- Writing and submitting charter applications
- Negotiating with charter authorizers throughout review and approval process
- Applying for state, federal, and private charter school grants on behalf of applicants
- Facility procurement, design, financing, construction, and management
- Identification, financing, and implementation of furniture, fixtures, technology, educational resources, and equipment
- Marketing for new schools
- Governance training
- Hiring of all school personnel

Introduction to Alliance Education Services

Public Charter Start Up services, Cont'd

- Implementing education plan
- Human Resources and Budget support/training
- Oversight as requested by school governing board

Private School Conversion to Public Charter Services

- Initial consult with Board of Trustees
- Support plan to preserve culture of school while transitioning to public school requirements
- Support during charter application and approval process
- Review of policies/procedures to ensure compliance with public school requirements
- Review of school site as needed

Introduction to Alliance Education Services

Services for Existing Schools (Public and Private)

- Professional Development for staff, leadership, governing board
- Facilities procurement, renovation, design, financing, construction, and management
- Logistics support

Introduction to Alliance Education Services

Alliance Education Services was reported to have provided assistance to several schools (under the management of Newpoint Education Partners) that were in danger of closing for financial malfeasance. The founder of Newpoint was recently charged with criminal racketeering. Justin Matthews stated that Alliance was volunteering to draft a corrective action plan for one of the schools, Windsor Preparatory Academy, in the hopes of becoming the school's next manager.

CONCERN: Related to AES involvement with Newpoint Education Partners and/or related schools.

What is the relationship, if any, between AES and Newpoint? What was the nature of support, if any, provided to schools previously managed by Newpoint Education Partners? What was the outcome of this involvement?

Introduction to Alliance Education Services

AES provided application writing assistance services to two applicants in North Carolina- Clemmons STEM Academy (“CSA”) and Steele Creek STEM (“SCSA”) Academy

Clemmons STEM Academy’s application reads,

- “Portions of this application were taken from and modeled after the successful application of Mallard Creek STEM Academy with the express permission granted by that board to Clemmons STEM Academy. There is language and terminology that Alliance Education Services, Inc., a non-profit charter support and consulting firm, assisted with and may appear in other charter school applications. Upon successful approval of this application, any involvement by Alliance Education Services will conclude and the board at its sole discretion may elect to utilize Alliance Education Services or any other charter school consultant/firm to assist with the opening and successful operation of the school.”

Introduction to Alliance Education Services

Clemmons STEM Academy's application states that the applicant did not compensate AES for their assistance writing the application. There appears to be no clause stipulating payment upon approval of the CSA application. Should the application be approved, "AES's involvement will conclude," and the Board may elect to utilize their services in the future.

CONCERN: Regarding compensation provided to AES.

Is there a contract outlining this agreement to provide services to CSA essentially free of charge? Is AES expecting their services to be contracted, should CSA's application be approved?

Introduction to Alliance Educational Services

Steele Creek STEM's application reads,

“The majority of this application's content was written by the board in their original successful application for Mallard Creek STEM Academy. To that end, this application is a replication in the spirit of that extremely successful school by its board. There is language and terminology that Alliance Education Services, Inc., a non-profit charter support and consulting firm, assisted with and which may appear in other charter school applications. Upon successful approval of this application, any involvement by Alliance Education Services will conclude and the board at its sole discretion may elect to utilize Alliance Education Services or any other charter consultant/firm to assist with the opening and successful operation of the school.”

Introduction to Alliance Education Services

Steele Creek STEM's applicant group provided no fees or monetary compensation to AES for their assistance in writing the application.

CONCERN: Often, applicant groups are asked to pay a fee to organizations providing assistance *if* their application is approved. It is unclear if AES is assisting charter applicants with no expectation of being compensated for their services, or if they are not charging applicants for assistance with writing the application, with the understanding that approved schools will contract with AES for future services.

Is not charging a fee for application assistance standard operating procedure for AES? Does AES expect a fee once schools are approved?

Introduction to Alliance Education Services

In November 2015, AES submitted an application for Avant Garde Academy Manatee that was denied.

In 2017, AES submitted charter applications for three new schools in Florida:

- Sarasota STEM Academy (Sarasota County),
- Avant Garde Academy (Duval County),
- Avant Garde Academy Manatee (Manatee County; resubmitted after being denied previous year)

According to the Sarasota STEM Academy application, "the school will pay the ESP a service provider fee of 8% of total revenues."

Current Academic Performance (NC) Alliance Education Services

Mallard Creek STEM Academy Student Performance Data								
	SPG*	SPG Score	Reading SPG	Reading SPG Score	Math SPG	Math SPG Score	EVAAS Growth Status	EVAAS Growth Score
2016-2017	C	62	C	68	C	59	NotMet	-3.72

Voyager Academy Student Performance Data								
	SPG*	SPG Score	Reading SPG	Reading SPG Score	Math SPG	Math SPG Score	EVAAS Growth Status	EVAAS Growth Score
2016-2017	B	80	B	79	B	70	Exceeded	4.84
2015-2016	B	77	B	76	B	72	Exceeded	2.74
2014-2015	B	71	B	72	C	69	Met	-0.97

*School Performance Grade

The grade designations are set on a 15 point scale as follows:

A = 85-100	B = 70-84	C = 55-69	D = 40-54	F = 39 or Less
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The School Performance Grades are based on student achievement (80%) and growth (20%).

Current Academic Performance (FL) Alliance Education Services

Avant Garde Academy of Broward Student Performance Data		
	School Grade	School Grade %
2016-2017	B	55
2015-2016	B	56
2014-2015	D	36

Avant Garde Academy of Broward K-8 Student Performance Data		
	School Grade	School Grade %
2016-2017	C	50
2015-2016	C	44
2014-2015	N/A	N/A

Florida school grades may include up to eleven components. There are four achievement components, four learning gains components, a middle school acceleration component, as well as components for graduation rate and high school acceleration. The number of points earned for each component is added together and divided by the total number of available points to determine the percentage of points earned.

The grade designations are set as follows:

A = 62% or greater	B = 54% - 61%	C = 41% - 53%	D = 32% - 40%	F = 31% or Less
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AES Financial Performance (NC)

According to AES records submitted to Sarasota County Schools, Voyager Academy (NC) posted a \$1.9MM unassigned fund balance in 2015.

(As previously mentioned, Jennifer Lucas is currently the Managing Director of Voyager Academy.)

Documentation attesting to the financial health of AES has not been provided.

AES Financial Performance (FL)

- Avant Garde Academy Westchase opened in 2016-2017, although the building has not been completed. Classes are being held in a nearby church until construction is complete.
- Fourteen contractors have filed liens against the school, claiming they are owed nearly \$1.5m for work done to complete the building. District officials contend they have paid out nearly \$404,000 for charter funding.
- **CONCERN:** Related to financial health of AES.
- What is the current state of finances for AES? Have all contractors been paid for services completed at AVA Westchase?