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Deborah Hoover
The Burton D. Morgan Foundation
P.O. Box 1500
Akron, OH 44309

Dear Deborah,

Enclosed you will find a proposal to The Burton D. Morgan Foundation, for a grant in the amount of \$100,000 for the start-up and operation of Entrepreneurship Preparatory School.

We are so pleased to be invited to submit this proposal, and we're glad you were able to join us at the Union Club to learn about the vision for this school through that presentation. Please let us know if we can offer any more information. We are very hopeful for a partnership with The Burton D. Morgan Foundation.

Sincerely,

John Zitzner
Co-Founder

Marshall Emerson III
Co-Founder & Head of School

Head of School

Marshall Emerson III

Board of Directors

Rev. Felix Carrion
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History and Need

In mid-2002, a nonprofit known as E CITY (Entrepreneurship: Connecting, Inspiring and Teaching Youth), began teaching a unique, after-school entrepreneurship program to Cleveland youth. Its staff and volunteers quickly saw that the lifestyle, mindset and opportunities of the entrepreneur were very captivating to many urban students. Often, these were students who were not otherwise engaged with their academic experience, and were at risk of dropping out of school entirely. Entrepreneurship proved to be a “hook” that prompted these students to take a new interest in school and helped them see that academic achievement really does open doors to a productive life.

The curriculum that E CITY was using was actually created as a drop-out prevention tool by the National Foundation for Teaching Entrepreneurship (NFTE) in New York City. The NFTE curriculum is now 18 years old, is taught in 14 countries, has received several awards, and has proven to change the attitudes and career aspirations of teens. It is no wonder that E CITY's founder became passionate about sharing the curriculum here, where the drop-out rate hovers around 50% in the Cleveland Municipal School District overall, and is a stunning 85% for African American males. Only 15% of African American males graduate from high school.

While teaching its entrepreneurship program and making a positive impact on some levels, the staff and volunteers of E CITY were surprised to learn that many students in Cleveland's middle schools and high schools were lacking very fundamental skills in reading, writing and math. How could they nurture successful entrepreneurs when many could not do simple mathematical computations or write effectively? Why would E CITY want to promote entrepreneurship to students who would ultimately fail, due to their own lack of skills in basic academics? Yet E CITY saw that the award-winning entrepreneurship curriculum they were utilizing was, in a small way, strengthening the math skills, personal motivation, and public speaking abilities of these students.

The founders of E CITY began to wonder what impact its program philosophy and the character traits of the entrepreneur might have, if students were exposed to them consistently, over greater spans of time, and not just for the course of one 70-hour after-school program. Might students be more inclined to remain focused on success, if such values as perseverance, courage, self-discipline, responsibility, and the willingness to see obstacles as opportunities, were the standards for their actions each day of their lives? After all, entrepreneurship is only partially about establishing and running businesses. It is also a way of shaping one's life, and a way of envisioning the future.

The founder of E CITY had the opportunity to meet with Cleveland Municipal School District CEO, Barbara Byrd-Bennett, a little more than one year ago. Byrd-Bennett was well aware of the positive impact of the E CITY after school programs on the lives and academic experiences of many students, and she wondered aloud, how its touch might be spread further. At the suggestion that there be an entire school created around the theme of entrepreneurship, Byrd-Bennett committed to helping with such a project and suggested the district's sponsorship of the charter for a new Ohio community school. At

that point in time, the serious vision for establishing Entrepreneurship Preparatory School began to be outlined.

Entrepreneurship Preparatory School (E Prep) was founded in the spring of 2005, to fulfill the following mission:

The Cleveland Entrepreneurship Preparatory School (E Prep) is dedicated to providing a premier educational experience to students throughout the city of Cleveland, Ohio. We will emphasize individual educational growth resulting in above proficient test scores, graduation, and acceptance to a four-year college or university. This will take place in a technologically advanced, safe, and disciplined environment.

Vision Description

It is the vision of E Prep that with a rigorous academic program, a strict disciplinary policy, and an entrepreneurial focus, 100% of students will graduate from E Prep with both a business plan and an acceptance to a four-year college or university. Those students will later return to their communities in Cleveland and become positive and progressive citizens with an entrepreneurial spirit. A goal of 100% acceptance to college from such a difficult urban population that currently graduates only 15% of its African American males may sound overly ambitious to some, but E Prep founders have seen it accomplished in the most troubled urban districts on the east coast. The same results will be achieved here, making northeastern Ohio a beacon for urban education.

E Prep will be a public, tuition-free Ohio community school with a charter sponsored (or authorized) by the Cleveland Municipal School District. E Prep will ultimately serve students in grades 6-12, and will open in August of 2006 with a class of 125 sixth graders. Each subsequent year, another class of sixth graders will be admitted, until the school has grown to capacity. It is anticipated that the total student body size will be approximately 500 students, due to attrition and the fact that new students will only be admitted at the sixth grade year.

E Prep will be built around college-preparatory coursework in Math, English/Language Arts, Science, and Social Sciences, all of which will be carefully aligned with Ohio state standards to ensure that all students are provided the rigorous instruction that leads to academic achievement. In other words, these students will be taught what is needed to pass this state's achievement and graduation tests...yet those criteria are the floor, and not ultimate goal line. In addition to its core academic program, the school will offer entrepreneurship education, arts, music and physical education. Entrepreneurship will be taught utilizing the NFTE curriculum which has proven effective for E CITY, and in the high school years students will have the opportunity to actually engage in entrepreneurship. E Prep will be unique and effective because of these key defining features:

- Extended school day
- Extended school year

- Half-day Saturday classes for students who need them
- Mandatory uniform
- Strict code of conduct and discipline procedures
- Frequent (weekly) academic assessment and frequent responsive adjustments to lesson plans
- Effective use of time
- Attention to details; we WILL sweat the small stuff

Further detailed description of the school and methods for reaching this goal are provided herein, under *Activities*.

As the sponsor of the school charter, the Cleveland Municipal School District (CMSD) will be expected to be aware of the academic progress of the students and the financial health of the school. It will have the authority to terminate the charter if the school is not performing satisfactorily. As compensation for its role, the CMSD will receive up to 3% of E Prep's Average Daily Membership Ohio student funding. CMSD will have no day-to-day involvement in the operation of the school. All of the school's fundraising activities will be managed by the E Prep staff and governing board. E Prep's student data reporting functions will be handled by E Prep's own business manager and the independent bookkeeping service with which it will choose to contract.

But Why Create a Whole New School?

Why not simply add the effective NFTE entrepreneurship curriculum to the current public schools?

E CITY is doing that right now. In addition to its traditional after-school programs, E CITY is offering its program as a class during the school day. E CITY will continue to develop that model, out of a desire that every student have exposure to entrepreneurship. However, sticking an entrepreneurship class in the middle of the traditional school day, and surrounding it by all of the negative factors that have led to the student achievements shown below, set it up to be diluted and lost in the fray.

Proficiency test results in 2003/2004:

- 37.9% of sixth graders proficient in math,
- 39.7% of sixth graders proficient in reading;

Ohio Graduation Test results in 2004:

- 44.1% of 10th graders proficient in reading,
- 27.9% of 10th graders proficient in math.

How can entrepreneurial thinking be effectively introduced, demonstrated, and absorbed by students in a system that is clearly failing on many levels?

The State of Ohio knows that its urban educational systems are failing, and has been busily tinkering with many aspects of them, from the confused school financing laws to the voucher program, and many pieces in between. As part of that picture, Ohio

created the community school (charter school) option seven years ago. Initially, charter schools could only be opened in the eight largest (and most troubled) urban school districts, as a means of introducing educational options for students. Today there are 297 charter schools, in all parts of Ohio. By definition and design, charter schools are given these opportunities, which our traditional public schools are lacking:

- Freedom to control budgets
- Freedom to hire and fire teachers
- Freedom to create curriculum
- Freedom for principals to control the operation of their own schools

As Cleveland has become recognized nationally as a failing urban school system, much attention has come to the region, and encouraging reforms are being supported. For example, the Bill and Melinda Gates Foundation and others have invested heavily in new initiatives here, including the creation of systems of community schools based on successful models. Some highly successful models do exist here, even though performance among Ohio's community schools has been uneven overall. The Ohio Department of Education is continuing to refine its policies for starting and managing community schools, to ensure that poorly performing schools are closed and those which remain are allowed to exercise the flexibility and autonomy that was intended when the community schools legislation was passed.

E Prep founders are joining the growing movement of solution-seekers and are offering one of many possible educational alternatives to Cleveland families, knowing that it will take reform and innovation on many fronts to meet the needs of the approximately 65,000 students who call Cleveland home.

Goals and Objectives

Entrepreneurship Preparatory School (E Prep) has set the goal that all students will learn at high levels, all students will demonstrate grade level mastery in the core subjects, all students will prepare and present a business plan, and all E Prep graduates will be prepared for and accepted into a four-year college or university. E Prep will be a highly-functioning, highly dedicated, community-supported, results-oriented school led by passionate teachers and administrators.

At E Prep, we believe that:

- All students can learn - there is no disadvantaged population that is unable to learn and achieve; and all students deserve a quality education
- The health of the community is contingent upon students learning
- Offering quality educational opportunities requires the combined efforts of entrepreneurial educators, business persons and philanthropists
- To whom much has been given, much is expected; it is our duty to work to create a foundation for helping all children succeed

These core beliefs will be the foundation of our theory of change.

Once a successful school model has been created through E Prep, its founders will begin planning the replication of the school, not because we believe that this particular model is the only effective model, but because we believe in the importance of school choice, and feel an obligation to help northeastern Ohio create a portfolio of options for its many students.

Activities

A. School Culture/School Day

E Prep will succeed in reaching its mission through: a highly structured, disciplined and respectful school culture; a strong, standards-driven college-preparatory curriculum that ensures mastery of foundational skills in the middle school years and requires higher ordered thinking in the high school years; and a character development program that instills perseverance, a strong work ethic, and respect for self and others at all times. It will be unique as compared to traditional public schools and to some of the other community schools in Cleveland in that it will have these elements:

- Extended school day: The school building will be open 7:00 a.m. to 7:00 p.m. Students will be required to be present from 7:30 a.m. to 5:00 p.m. Core academic subjects will be taught from 7:30 a.m. to 5:00 p.m. and extra-curricular offerings and tutoring will be offered until 7:00 p.m.
- Extended school year: E Prep will be in session 11 months of the year. The school year on which traditional public schools are based has a history rooted in the days when children were needed to help at home, on the farms. Today, students are not needed at home in that capacity, and in fact, they lose a great deal of progress and motivation during the long summer breaks. Founders of E Prep know that the student population which will be attracted to its school cannot afford to have a gap in learning. Most will enter the school two years behind, academically. The extended school day and year translate into 40% more learning time for E Prep students.
- Half-day Saturday classes: Additional support beyond the traditional school week is provided for students who are not achieving school standards.
- A highly structured, disciplined school culture, clear and consistent high standards for behavior and performance, and a professional school uniform: These elements will be agreed to through a written contract between parents, students and school, before a student is admitted. Adherence to and enforcement of these elements will be strict, to the extent that a student without a piece of his or her uniform will not be allowed to participate in class. E Prep intends to "sweat the small stuff" so that the larger issues do not creep in. We WILL care about students rolling their eyes, slouching in their chairs, putting their heads down in boredom. We WILL be unwavering in our expectations of student behavior. We WILL be no-nonsense and live up to our belief that there can be no excuses for misbehavior, lack of effort, or lack of achievement. At E Prep, every detail will be tended to and every student, teacher and leader will care about the "small stuff" in order to keep our attention on the goal - 100% acceptance to and preparation for success in college.

- Curriculum aligned to state standards, taught until students have mastered it: Teachers are not left to find their own curriculum, they will not utilize “fad” teaching programs, and they will not simply “cover” material. They will continually assess individual student progress so they know that the material is being mastered, not just introduced. Many traditional public schools administer standardized tests one time, halfway through the school year. By that time, students who are not performing to grade level have little time left for the remediation of their skills. At E Prep, teachers will assess students on a weekly basis and make adjustments in curriculum to help them progress.
- Unwavering focus on student achievement and effective use of time: E Prep teachers will focus entirely on student academic output, as measured by testing tools that mirror state assessment tools. Time will be used in a way to impact learning, as described below.
- Strong parental commitment: Parents will sign a contract stating their understanding of the school policies and their intention to support them and to support the school’s disciplinary actions regarding them. Parents will be expected to get their students to school on time, every day, rested and ready to work. All parents will attend a mandatory orientation session at the beginning of the school year. All will be expected to read student assessment reports and school newsletters. E Prep staff understands that the parents of these students will have many concerns, and therefore on-site volunteering will not be expected. E Prep’s Head of School wants parents who acknowledge the school’s responsibility to educate their children, and who do all they can to support the school policies and culture so that this can be achieved. There will be one parent representative on E Prep’s governing board. All of these expectations will be explained by E Prep’s Head of School during home visits prior to the beginning of the school year.

E Prep’s character development program will begin right away, during the “culture camp” that every student will attend to prepare him or her for life at E Prep. Students, teachers, administrators and parents will be introduced to E Prep’s keys to success and asked to make them the pillars for their personal performance each day: RESPONSIBILITY, PERSEVERENCE, RESPECT, SELF-DISCIPLINE, and COURAGE. These keys to success will be recited in some way, each day (i.e. chants and songs), and will be present in visual reminders throughout the school. Every student will know them, and every action will be connected back to these core principles when addressing instances of student misbehavior.

B. Curriculum and Methods

E Prep will create its own “power standards” for academic achievement, building upon the Ohio state standards as well as the standards of the Cleveland Municipal School District. The Head of School and Director of Curriculum and Instruction will begin with the power standards and work “backward” from there, designing curriculum that will address the skills and knowledge that students are expected to acquire at each grade level. Some portions of the curriculum may be the same as that utilized by the

Cleveland Municipal School District, but other portions will be separately selected to compensate for perceived gaps.

Teachers will assess student mastery of the material on a weekly basis. By their very nature, community schools are free to, and flexible enough to change course and make curriculum adjustments as frequently as deemed necessary. Teachers will be able to change the sequence or pacing of the lesson plans in response to student ability to master the power standards of the school.

English/Language Arts and Math will be scheduled for an extended amount of time every day from 6th through 8th grade in order to prepare students to demonstrate proficiency as measured by the National Assessment of Educational Progress in reading and writing. E Prep knows that the focus will be on remediation for most of the students at the sixth grade level. The core instruction will be supplemented by daily instruction in science and social studies, as well as enrichment classes in the arts and physical education. Entrepreneurship will be introduced as part of the writing curriculum.

In 9th through 12th grades, students will focus on a demanding college-prep academic curriculum, taking advantage of their preparation and the school's extended day and school year to establish a strong foundation for college readiness by the time of graduation. They will also begin to develop their entrepreneurial skills through classes that utilize the National Foundation for Teaching Entrepreneurship (NFTE) curriculum, which has been successfully used by E CITY in after school programs. Students will practice these skills through professional internships and advanced study during their junior and senior years of high school. Every student will graduate with a business plan that he or she has written. Although E Prep is intent upon every student gaining acceptance to at least one four-year college, we recognize there may be students who gravitate toward entrepreneurship and a few may create promising business plans and choose to pursue those upon graduation. When such instances arise, E Prep staff will be prepared to bring members of the community together to offer wise counsel and if called for, business start-up support.

Qualifications of Key Personnel

Entrepreneurship Preparatory School (E Prep), through a fascinating mix of planning and great fortune, is being led by the following two talented individuals whose skills and personal experiences are vastly different, yet all key to creating a strong school. Meet the educator and the entrepreneur.

Marshall Emerson III, Head of School & Co-Founder

Marshall Emerson is the son of a school teacher who "loves the smell of chalk dust" and has spent all of his life thus far, in education. He is a practitioner at heart, with a fierce determination to help kids achieve. He is pleased to be augmenting his own strong background in urban education through participation in a one-year fellowship with Building Excellent Schools (BES), a Boston nonprofit organization which trains urban

school leaders in best practices of the nation's top-performing charter schools. Mr. Emerson is one of 12 fellows selected from an impressive applicant pool of more than 200. The rigorous fellowship is designed to allow him to receive training from BES staff in Boston, to visit 25 high performing urban charter schools across the country, to complete an internship at Roxbury Preparatory Charter School in Boston – identified as one of the top eight charter schools in the country, and to spend increasingly more time in Cleveland to facilitate the development of E Prep. This is the first time that Building Excellent Schools has trained a leader for Cleveland. Their decision to make this commitment is a sign of the fact that Ohio's public education system is on the list of concerns of many who work in education reform nationally.

Mr. Emerson also brings five years of urban charter school daily operational management experience from the W.E.B. DuBois Academy of Cincinnati, Ohio. W.E.B. DuBois is one of the highest performing charter schools in Ohio, as measured by student success on proficiency tests.

Mr. Emerson has spent his entire career in education committed to working with at-risk youth as a mentor, teacher, and school administrator. He believes the key to overall student success and development is a school environment that encourages children to foster a hunger for academic and personal success. After graduation, he spent two years as an elementary school teacher in Pontiac, Michigan. Mr. Emerson is a founding member of 100 Black Men of America, Cincinnati Chapter, which provides mentoring opportunities to youth, job training for young adults, and fund raising for community projects in Cincinnati. Mr. Emerson completed his undergraduate studies at Xavier University, where he is working towards his M.Ed. in Special Education.

John Zitzner, Co-Founder

John Zitzner is a living demonstration of the number one trait of the successful entrepreneur: perseverance. His strong vision gives him the energy to doggedly pursue his goal and to convince the community that there must be a sense of urgency regarding the education of our children.

Mr. Zitzner is the President and Founder of E CITY. He is also the founder and former President and CEO of Bradley Company, a Cleveland-based software firm that began in 1983 and was acquired by Xerox Corporation in 1998. Bradley Company grew from 2 employees to over 40, and was awarded a spot on the "Weatherhead 100," finishing first in the "upstart company" category. Bradley Company was also recognized by the Inc. 500 as one of the fastest growing privately held companies in America. The company was a 2000 and 2001 winner of the North Coast 99..."Best companies to work for in Northern Ohio."

In 2000, Mr. Zitzner made a commitment to partner with NFTE, The National Foundation for Teaching Entrepreneurship, and bring entrepreneurship education to youth in Cleveland. He founded E CITY, with the mission to:

Teach entrepreneurship to low-income young people in the Cleveland area by improving their academic, business, technology and life skills so that they can become economically productive members of society and break the cycle of poverty in their communities.

Mr. Zitzner is also the original visionary behind the idea for Entrepreneurship Preparatory School. In a meeting with CEO of the Cleveland Municipal School District, Barbara Byrd-Bennett, the topic of which was increasing the reach of E CITY's work in Cleveland, he and Barbara began discussions for establishing the school together. Mr. Zitzner is now overseeing the entire project in collaboration with the Head of School, Marshall Emerson. His main focus is raising awareness, raising funds, and assisting Emerson in the formation of a Board.

John is a graduate of Wittenberg University, and Elder at Fairmount Presbyterian Church, a member of Leadership Cleveland, and has studied nonprofit organizational management at the Case Western Reserve University's Mandel School. He has two sons, both of whom are successful entrepreneurs.

Teachers

E Prep's Head of School is currently aggressively recruiting teachers who are passionate in their belief that every child can learn. They must have a determination to do what it takes to help close the achievement gap. Likely sources of such candidates include Teach for America, a program which trains candidates for teaching in urban, low-income areas. These candidates make a two-year commitment to teaching in the inner city on behalf of Teach for America, and many alumni continue in teaching thereafter. E Prep teachers must have a four-year college degree.

We intend to find teachers like those who are working in the highly-successful urban charter schools on the east coast. They are typically young, highly-driven, intensely-focused individuals who view teaching as a mission. E Prep will find teachers like one at Amistad Academy in New Haven, CT who makes the following statements about his experiences there:

[The school] provides me an opportunity to effect immediate change as an educator. My voice is heard, and I know that my concerns will be taken seriously. There are high expectations for both students and teachers. We are expected to live up to the REACH values (Respect, Enthusiasm, Achievement, Citizenship and Hard Work) as much as students are expected to live up to them. My colleagues and teammates are supportive and always push my thinking as a teacher. The school thrives off of teamwork and highly motivated individuals expecting to make a difference in education. The teachers and staff all share the same passion for making a difference in the lives of our students. As a staff, we are reflective and constantly looking for ways to improve. As we often tell our students, we do not settle for so-so. I know that I am not working alone. My colleagues and teammates are supportive and always push my thinking as a teacher.

Teachers here are valued professionals. My professional development is taken seriously. This year, I am working with a colleague on improving mini-lessons in reading. I am

given opportunities every day to push my thinking as a reading and writing teacher. I know that I have the support and feedback of my peers, and it is through this feedback that I will grow myself.

Teaching is hard work, often done in isolation. Here, teachers gathering and giving each other support and feedback is the expectation. Collegial conversations about lessons, expectations, and growth as professionals are the norm. We are committed to changing the course of our students' lives for the better, and we know we can do this if we are all working together. It is the power of doing this work with dedicated, hard working professionals that makes it worthwhile. Of course we encounter daily roadblocks and hurdles, but the work of public school reform is most effective when tackled as a team.

I originally came because of the school's relentless dedication to school reform and to making good teachers even better. Teachers are involved in the development of the school. I feel it makes us very committed because we have a heavy investment in the institution.

Constituencies Served

As an Ohio community school, E Prep will be a public school and will therefore admit the students who choose it. They will be selected by a lottery if interest surpasses spaces available. The school will be located in the City of Cleveland, most likely in the Glenville area. It will draw students from the city (but will allow up to 20% to come from outside the city) and will likely mirror the composition of the Cleveland Municipal School District, which is:

• African American	70.6%
• Hispanic American	9.5%
• Anglo-American	17.7%
• Native American	0.3%
• Asian American	0.7%
• Multi-racial	1.2%
• English Language Learners	4.2%
• Title 1	100%

In addition, 79% of Cleveland families receive some form of public assistance and 61% have only one adult in the household. Ohio community schools, as well as charter schools nationwide, attract students who are struggling in the traditional public schools- academically and/or socially. According to these trends, E Prep expects that its students will enter the school one to three years behind academically.

Evaluation

A. Academics

The success of Entrepreneurship Preparatory School will be judged on student academic achievement. Measurements of that achievement will be made by standards-based testing tools, as outlined in the box below.

5 th grade Ohio Achievement Tests in Reading & Math	March 2006 (by prior school)	This is the state's accountability data and will be used to provide a baseline for evaluating our students' progress at our school. All entering students will be required to provide this data from their prior school
6 th grade curriculum pre-test	August 2006	This test will assess student knowledge against 6 th grade "power standards" and will be used to prioritize the school's initial instruction and intervention
Parent & student "ingredients for success" surveys	Summer 2006	These will be administered as part of the registration and home-visit process and used by the school as initial data to gauge the opportunities and challenges in building a strong home-school partnership around students' academic success
Weekly classroom and/or formative assessment	Weekly	Teachers will provide some weekly (or more frequent) assessments of standards being addressed in the classroom. Data from these will be used to diagnose and focus instruction and intervention
Progress & Trimester tests	Every 6 weeks	These tests are school-wide assessments designed to gauge student progress toward the "power standards" – especially those that will be assessed by the Ohio Achievement Tests
Parent & student climate surveys	Every trimester	These surveys will gather data on the strength of the home-school partnership and identify opportunities and challenges.
6 th Grade Ohio Achievement Tests in Reading & Math	March 2007	This is the state's accountability data and will be used by the state of Ohio to evaluate the school
Stanford 10	Before school year begins, as diagnostic tool, and thereafter in the late spring of each year	This will serve as a baseline against which all future growth can be measured.
Other standardized and certification tests as appropriate	As appropriate	The school may use other standardized tests and may provide certification tests (e.g., MOUS) for students to receive external, objective certification of various skills and knowledge they have acquired.

B. Teachers

E Prep's Director of Curriculum and Instruction will visit classrooms daily, and conduct frequent informal observations of teachers in the classroom. At times, teachers may be observed by other teachers/administrators in the school. Teachers may also be videotaped in order to better improve their teaching practice and inform professional development activities. Job performance assessment and professional development plans will stem from these observations and from the results of student assessments

While the formal evaluation and compensation system is a work in process, the two will be tightly linked – annual changes in compensation will be based in part on evaluation results. The Head of School will evaluate teachers by drawing evidence from student work, teacher "portfolio" of work (could include videos of instruction), and classroom evaluations from multiple sources, including Director of Curriculum and Instruction, and possibly peers. The type of system envisioned, which links pay to performance, will be new in Cleveland but models for it exist in other states.

Teacher compensation will initially be set at \$45,000 plus benefits and STRS. It will be higher than the starting pay in the Cleveland Municipal School District. There will not be a set formula for pay increases, based on seniority, length of service, or any other criteria.

Funding Request

Since November of 2004, the founders of E Prep have been immersed in research on the best practices for the design, start-up and operation of urban charter schools (known as community schools in Ohio). E Prep received \$117,000 in grant income from six different entities, to do the research and planning for the school. Those donors were:

- The Nord Family Foundation (interested in replication in Lorain County)
- The McDonald Fund of The Cleveland Foundation
- The Civic Innovation Lab
- The Harvard Business School Club of Northeastern Ohio
- The Council for Smaller Enterprises (COSE)
- The Banks-Baldwin Foundation

In addition, E Prep was awarded a \$50,000 community school start-up grant from the State of Ohio Department of Education. These grants have allowed E Prep founders to accomplish a great deal in setting the foundation for a successful start-up of the school. Those accomplishments, to date, are outlined in the attachment: *Project Time Line*.

Moving forward, Entrepreneurship Preparatory School will receive state and federal funding at the same levels as the traditional public schools, but unlike the traditional public schools, will not receive local property taxes. Community schools also do not receive building and renovation funding from the Ohio School Facilities Commission, as the traditional public schools do. Consequently, E Prep will have approximately \$3,000 less on a per-pupil basis, than the traditional public schools. In addition, the federal "entitlement" funds (i.e. Title I, and others which flow to particular "at risk" student populations) will not be received until the school's second year of operation.

As shown in the attached budgets, E Prep will need between \$500,000 and \$600,000 (in addition to state and federal funding) each year for the first several years, in order to operate as designed. It is very important that the school receive local support at significant levels in its founding years, to demonstrate to national funders that northeastern Ohio is supportive of this project. Several national funders are watching the development of the school, with an interest in the replication phase. (The Bill and Melinda Gates Foundation, The New Schools Venture Fund, The Charter Growth Fund).

To date, in addition to the planning grants listed above, E Prep has received commitments from 6 individual donors totaling \$240,000. Other foundations which are being asked to support the school include:

- The Walton Family Foundation
- The Cleveland Foundation
- The George Gund Foundation
- The Martha Holden Jennings Foundation
- The Fred Lennon Charitable Trust

The founders of Entrepreneurship Preparatory School respectfully ask that The Burton D. Morgan Foundation join us in investing in the creation and operation of this community school. We are seeking a grant in the amount of \$100,000 at this time.

Attachments

- Tax determination letter for E CITY, which is serving as E Prep's fiscal agent.
- E Prep's tax exempt application (Form 1023) as submitted (fall 2005)
- List of E Prep's Governing Board members; biographical sketches of each
- E Prep balance sheet (audited financials are not yet available; E Prep is not yet one year old).
- Budgets for E Prep's current (start-up) year and first five years of school operation
- Biographical sketches of E Prep's supporting individuals- E CITY staff, E Prep project manager, Building Excellent Schools advisors
- Contract with Cleveland Municipal School District
- Project Time Line
- Articles relating to E Prep

Entrepreneurship Preparatory School Budget: Year One Operation 2006-2007		
Revenue (125 students)		
State Per-Pupil Payment	\$ 695,490	125 students @ \$5564 per pupil
SPED Weighted Average	\$ 69,549	add 10% to per pupil line item
Parity Aid	\$ 50,000	300-500 per child based on low income Citizens = 480
Title I Disadvantaged Pupil Program	\$ -	nothing for year one
Title II A and D		
Title IV		
NSLP Reimbursement	\$ 121,538	Federal School lunch and breakfast reimbursement
Federal Start up Planning Grant	\$ 150,000	
Private Donations from Friends Organization	\$ 500,000	From Friends of Organization
EMIS reimbursement	\$ 5,000	
In kind gifts of products/services	\$ 25,000	
In kind technology gifts	\$ 10,000	
Other Competitive Government Grants	\$ 25,000	
Total	\$ 1,651,577	
Expenses		
Salaries and benefits	\$ 744,585	see staffing plan; interim business manager
District Management Fees	\$ 20,865	3% Sponsorship FEE for CMSD
Computer Expense	\$ 29,500	
Professional Development	\$ 22,960	Professional development at 4% of salaries
ACE or Ace-like Support Services	\$ 47,004	ACE student services @ 1600/month and financial services @ 2167, set up fee 1800
Furniture & Equipment	\$ 57,585	including library
Travel	\$ 5,000	Visitation to other schools, BES, other conferences, etc.
Rent	\$ 65,000	First year rent can be offset against renovations
Renovations to site	\$ 50,000	Renovations not included in rent above, and beyond start up year
Custodial	\$ 15,000	Estimate for 2006-2007
Insurance	\$ 13,500	
Lunch & Breakfast Program	\$ 130,000	115k is reimbursed - see above
Physical Education Expense	\$ 5,000	
Professional Fees	\$ 172,833	Upkeep of website; fundraising support, accounting, legal, testing/assessment
Marketing Expense	\$ 38,473	recruitment, PR, community outreach
Special Education	\$ 69,549	Estimate for 2006-2007

Tutoring & enrichment	\$	20,000	
E Prep Uniforms + dry cleaning	\$	12,500	jacket and tie
Textbooks & Instructional materials	\$	60,000	
End of year field trip for selected students	\$	5,725	2 buses overnight trip to a college 25 rooms, transportation and meals
Field Trips during year	\$	1,800	Field trip transportation 3 field trips at 600 per trip
Utilities	\$	36,400	including phones and cell phones for administrators
Bank Fees	\$	1,200	
MISC Contingency	\$	10,000	
Head of School Discretionary fund	\$	5,000	
Music/arts enrichment	\$	8,000	
Total Expenses	\$	1,647,479	
Surplus / Deficit	\$	4,098	
Beginning Balance			
End of Month Balance			
Average expense per pupil		\$	13,180

Entrepreneurship Preparatory School Staffing Plan Start Up - Year Five Operational							
Position	Start Up Year	Year One	Year Two	Year 3	Year 4	Year 5	Start Salary
Head of School	June plus contract amt	1	1	1	1	1	XXXX
Director of Curriculum and Instruction	March-June	1	1	1	1	1	XXXX
School Teachers	none	5	10	15	20	25	XXXX
Teacher Aides (incl. Martial Arts)		3	5	7	9	11	XXXX
Director of Operations	April - June	1	1	1	1	1	XXXX
Director Student Support Services		1	1	1	1	1	XXXX
Dean of Discipline		12	19	27	34	41	XXXX
Total Staff year one operation:							
Total Staff year two operation:							
Total Staff year three operation							
Staff year four							
Staff year five							
Section 125 contribution per employee		5000	5000	5000	6000	6000	6000

All positions in year one and two are full time

In addition to Salary, all employees will receive \$5,000 in Section 125 benefits to be used at their discretion for health insurance, medical reimbursement plan disability, life insurance or dependent child care reimbursement

Number of school days	210	210	210	210	210	210	
Assume increase in salary year two							
Number of students	125	225	300	350	400		
Other Assumptions:							
State foundation payment per pupil	\$5,564	\$5,600	\$5,700	\$5,800	\$5,900		
EMIS Reimbursement payment per year	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000		
Food reimb per student/day	\$4.63	\$4.72	\$4.82	\$4.92	5.02		
Estimated Federal entitlement per child/year		\$1,000	\$1,100	\$1,300	\$1,400		
Per pupil Parity Aid	\$400	\$500	\$500	\$550	\$550		
State Planning grant	\$50,000						

Federal Planning/Startup Grant	\$150,000	\$150,000	\$150,000	-	-
Federal Competitive Grants	\$25,000	\$50,000	\$100,000	\$100,000	\$125,000

Attachment: Project Time Line

X	Receipt of \$117,000 in planning grants from six local funders	
X	Receipt of \$50,000 Ohio Community School Start-Up Grant	
X	Recruitment of Head of School, Marshall Emerson III (see <i>Qualifications of Key Personnel</i>)	
X	Formation of Governing Board (see attached list)	
X	Filed for tax exempt status (E CITY is serving as fiscal agent until status is approved)	
X	Signed contract for sponsorship with Cleveland Municipal School District (see attached contract)	
X	Submitted sponsorship contract to Ohio Department of Education (charter is pending while ODE Office of Community Schools evaluates it)	
X	Located school facility (negotiations are nearly finalized for lease of space at ShoreBank Enterprise, 540 E. 105 th St.)	
X	Retained lawyer who specializes in charter school law (Amy Borman, of Eastman, Smith)	
X	Interviewed charter school bookkeeping services and certified school treasurers; seeking a company to manage the reporting of student academic and attendance data, financial accounting, and payroll	
X	Met with several local foundations to begin conversations about funding (Gund, Cleveland, Burton D. Morgan)	
X	Began the recruitment of Friends of E Prep board, which will do fundraising for the school (three members thus far, making gifts of \$25,000 each)	
X	Planned four information sessions to be held at the Union Club in December 2005 and January 2006, to introduce the school to potential donors and supporters	
X	Began distribution of flyers advertising school, in Glenville neighborhoods	
X	Host information sessions for potential supporters	Dec 2005/Jan 2006
X	Create marketing plan for teacher recruitment	Dec 2005
	Sign lease for facility	Jan 2006
	Host information sessions for potential students	Jan-Feb 2006
	Finalize first year budget	Jan 2006
	Create application materials and memos of understanding for teachers	Jan 2006

	Continue recruitment of board members for "Friends of E Prep"	Jan 2006
X ongoing	Distribute flyers about school in Cleveland neighborhoods	Jan 2006
	Send recruitment letter to parents of Citizen's Academy and principals of all CMSD K-8 schools	Jan 2006
X	Create staff job descriptions and set salary ranges	Jan 2006
X	Develop hiring and interview process	Jan 2006
	Hire Director of Curriculum	Jan 2006
	Create parent/student handbook re code of conduct, daily schedule, school culture procedures, etc.	Feb 2006
	Identify preliminary curriculum models for core subjects	Feb 2006
	Create scope and sequence guidelines for each academic department	Feb 2006
	Create health and safety handbook, board handbook and staff handbook	Feb 2006
	Host Board retreat	Feb 2006
	Create process for evaluating staff	Feb 2006
	Hire general contractor for building renovations	Mar 2006
	Collect enrollment forms	Mar 2006
	Conduct admissions lottery	Mar 2006
	Develop student attendance reporting system	Mar 2006
	Develop curriculum	Mar 2006
	Finalize school calendar	Mar 2006
	Create relationship with standardized testing company	Mar 2006
	Write technology plan	Mar 2006
	Create staff orientation procedures	April 2006
	Design and implement parent orientations	April 2006
	Apply for federal charter school start-up grant	April 2006
	Design teacher training schedule	May 2006
	Develop professional development plans	May 2006
	Design process forms for purchasing and other business matters	May 2006
	Codify the fiscal controls and financial policies	May 2006
	Purchase uniforms and other school supplies	May 2006
	Issue RFP for food service	May 2006
	Negotiate and sign agreements for contracted services	May 2006
	Finalize food service	June 2006
	Prepare building infrastructure	June 2006
	Create and finalize curriculum plans and time lines	June 2006
	Create benchmarks aligned with state standards and curriculum frameworks	June 2006
	Request student records from CMSD	June 2006
	Define assessment strategy and timeline of internal testing	June 2006

	Consult with Special Ed administrator from CMSD	June 2006
	Hire teachers, business manager, aides, SPED Director	June 2006
	Hold pre-opening family meetings	July 2006
	Obtain property insurance	July 2006
	Conduct building inspections- fire, etc	July 2006
	Organize tutoring workshops and schedule	July 2006
	Identify Special Education student population	Aug 2006
	School Opens!!	Aug 2006
	Develop IEPs if needed	Sept 2006
	Conduct baseline testing of all students	Sept 2006
	Define service requirements for all Special Ed students	Sept 2006