

Local Impact Analysis on
Excel Academy Rhode Island (EARI) Charter Application

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In reviewing new charter school applications, the Council on Elementary and Secondary Education is guided by Rhode Island General Law §16-77.3-3(f) to “*place substantial weight on the fiscal impact on the city or town; programmatic impact on the sending school district; and the educational impact on the students in the district to ensure that the proposal is economically prudent for the city or town and academically prudent for the proposed sending school district and for all students in the sending district.*” At the request of the Excel Academy Rhode Island charter application team, I provide the following local impact analysis for the Council’s consideration.

Summary of Proposal

Through a partnership with Excel Academy Charter Schools, a charter school operator based in Massachusetts, Excel Academy Rhode Island (EARI) proposes to provide an integrated Kindergarten-12th grade education to 2,186 students in Providence, Central Falls and North Providence. The mission of EARI is to prepare students to succeed in high school and college, apply their learning to solve relevant problems, and engage productively in their communities.

Excel Academy Rhode Island’s enrollment and expansion plan calls for 2,186 seats over the course of 9 years to fully build out an integrated K-12 charter school. The primary entry point for enrollment will be kindergarten (enrolling 54 new students the first year, 108 students the second year, and 162 students every year thereafter). To enable another entry point for enrollment, EARI will also enroll a cohort of new students at 5th grade as well as backfill any vacated seats through a minimum of 9th grade.

EARI’s enrollment and expansion plans in Rhode Island are informed and guided by the organizational lessons they have learned in Massachusetts, where they expanded from serving 220 students at a single campus to an integrated 5-12 program serving over 1,400 students. They believe that a slower pace of growth, rather than a swift ramp up, is critical for establishing a strong student community and culture of achievement. They also believe that it allows staff to focus on deeply understanding the needs of new students as they enter the program at a steady and manageable pace and enables the development of rich and genuine relationships among staff, students, and families which are critical to creating a positive school-family partnership and achieving Excel Academy’s mission.

EARI’s proposed enrollment plan is highlighted below.

EARI Proposed Enrollment			
EARI Charter Year	School Year	Cohorts	Total Student Enrollment
Year 0 (planning)	2021 - 22	N/A	0
Year 1	2022 - 23	K, 1, 5	166
Year 2	2023 - 24	K- 2, 5-6	444
Year 3	2024 - 25	K-3, 5-7	892
Year 4	2025 - 26	K-8	1,228
Year 5	2026 - 27	K-9	1,510
Year 6	2027 - 28	K-10	1,738
Year 7	2028 - 29	K-11	1,910
Year 8	2029 - 30	K-12	2,079
Year 9 (at scale)	2030 - 31	K-12	2,186

Demographics of Enrolling Community				
Demographics (%)	Providence	Central Falls	North Providence	State Average
Economically Disadvantaged	84.36%	95.0%	46.6%	47.36%
Multi-Lingual Learners	29.37%	48.0%	4.7%	9.54%
Differently-abled students	15.43%	20.8%	17.0%	15.63%
Minority students	91.41%	85.7%	43.7%	43.43%

This analysis uses the current (2019-20) student enrollment figures in the three districts to estimate EARI enrollment as a percentage of the combined enrollment in the three districts in 10 years (2030-31), when EARI is at full scale. At the risk of oversimplification, we assume that enrollment in the three districts remains constant. Any increase in enrollment in the three districts will reduce the representation of EARI enrollment as a percentage of the combined district enrollment during the 10 year period. In other words, this analysis does not adjust for population growth in the three cities and tends to overestimate the EARI enrollment share in the three districts.

As the table below suggests, at scale in 2030-31, EARI enrollment of 2,186 students would represent 7.2% of the combined 2019-20 school enrollment in Providence, Central Falls, and North Providence. If all the K-12 students who attend in any school in the three cities are taken into consideration, EARI enrollment of 2,186 would represent 5.7% of the overall student population in the three cities.

How does the EARI's projected enrollment fit within the overall portfolio of Providence, Central Falls, and North Providence schools?	
Enrollment Category	Student Enrollment¹
Total # of students enrolled in Providence Public School District, Central Falls, and North Providence in 2019-20	30,298
EARI's at-scale enrollment as a % of combined 2019-20 enrollment in PPSD, CF, and NP	7.2%
Total # of students residing in Providence, Central Falls, and North Providence, including all public, independent, parochial schools and homeschooled students in 2019-20	38,236
EARI's at-scale enrollment as a % of total # of students in 2019-20 residing in Providence, Central Falls, and North Providence	5.7%

Further, families in the three cities show a strong interest in finding a school that match the educational interest and needs of their children. Family demand for charter school seats, as measured by the number of applications received per available seat, remains strong in K-12 in the three cities. As the table below shows, charter schools in the three cities received over 13,600 applications in 2020 and were able to offer, on the average, only 1 seat to every 11 applicants. The very low acceptance rate indicates that demand far exceeds the schooling supply for families, suggesting that EARI could provide an alternative option for families seeking charter school enrollment.

Student Demand Analysis for K - 12 Charter Seats²	
# of 2020-21 applications for enrollment in Providence, Central Falls, and North Providence overall	13,618
# of 2019-20 available seats in grades K – 12 in Providence, Central Falls, and North Providence overall	1,234
Ratio of available charter seats to applications in the three cities	1 : 11

Section 1: Fiscal impact on the City or Town

Pursuant to Rhode Island’s school funding formula, educational funding dollars follow each K-12 child to the schools of choice. This includes career & technical programs within and between school districts, statewide schools, and public charter schools. The first three tables below

¹ October 1, 2019 Enrollment Data as available from RIDE FRED Database
² 2020-21 Rhode Island Department of Education report on the total number of student applications and offers in charter schools in Providence, Central Falls, and North Providence combined.

provide per pupil funding information for each of the three districts for FY 2021. The next three tables illustrate funding projections for EARI, based on the application’s proposed enrollment.

Providence student funding projections	Projected per-pupil funding
Local share ³ - Estimated per-pupil funding, FY21	\$4,250
State share - Estimated per-pupil funding, FY21	\$11,806
Federal share - Estimated per-pupil funding, FY21	\$2,000
Total projected per-pupil funding, FY21	\$18,056

Central Falls student funding projections	Projected per-pupil funding
Local share ⁴ - Estimated per-pupil funding, FY21	\$3,151
State share - Estimated per-pupil funding, FY21	\$13,550
Federal share - Estimated per-pupil funding, FY21	\$2,762
Total projected per-pupil funding, FY21	\$19,463

N. Providence student funding projections	Projected per-pupil funding
Local share ⁵ - Estimated per-pupil funding, FY21	\$6,972
State share - Estimated per-pupil funding, FY21	\$6,936
Federal share - Estimated per-pupil funding, FY21	\$773
Total projected per-pupil funding, FY21	\$14,681

Using funding figures in the preceding three tables, this analysis estimates the amount that EARI will receive from local share and from total funding in each district. Total funding includes revenues from local, state, and federal sources. More specifically, in Providence, EARI is estimated to receive \$526,250 in local share and \$2,401,448 in total funding during its first year of operation (2022-23). By 2030-31 when the school is at scale, EARI is estimated to receive \$7,813,883 in local share and \$33,503,197 in total funding in Providence.

³ This figure takes into account 7% held back by the district for eligible fixed costs.

⁴ This figure takes into account 7% held back by the district for eligible fixed costs.

⁵ This figure takes into account 7% held back by the district for eligible fixed costs.

EARI Projected Funding Share in Providence, Selected Years to At Scale			
Fiscal Year	Proposed EARI Enrollment	Projected Local Share	Projected Total Funding
Y1: FY22-23 ⁶	133	\$ 526,250	\$ 2,401,448
Y3: FY24-25	714	\$ 3,125,535 <i>Assuming 3% increase</i>	\$ 13,278,744 <i>Assuming 3% increase</i>
Y5: FY26-27	1,208	\$ 5,239,700	\$ 22,465,997
Y7: FY28-29	1,528	\$ 6,826,531 <i>Assuming another 3% increase</i>	\$ 29,269,804 <i>Assuming another 3% increase</i>
Y9: FY30-31 (at scale)	1,749	\$ 7,813,832	\$ 33,503,197

In Central Falls, as the table below shows, EARI is estimated to receive \$53,567 in local share and \$330,871 in total funding during its first year of operation (2022-23). By 2030-31 when the school is at scale, EARI is estimated to receive \$732,086 in local share and \$4,521,976 in total funding in Central Falls.

EARI Projected Funding Share in Central Falls, Selected Years to At Scale			
Fiscal Year	Proposed EARI Enrollment	Projected Local Share	Projected Total Funding
Y1: FY22-23 ⁷	17	\$ 53,567	\$ 330,871
Y3: FY24-25	89	\$ 288,852 <i>Assuming 3% increase</i>	\$ 1,784,173 <i>Assuming 3% increase</i>
Y5: FY26-27	151	\$ 490,075	\$ 3,027,080
Y7: FY28-29	191	\$ 638,487 <i>Assuming another 3% increase</i>	\$ 3,943,825 <i>Assuming another 3% increase</i>
Y9: FY30-31 (at scale)	219	\$ 732,086	\$ 4,521,976

In North Providence, as the table below shows, EARI is estimated to receive \$118,524 in local share and \$249,577 in total funding during its first year of operation (2022-23). By 2030-31 when the school is at scale, EARI is estimated to receive \$1,619,853 in local share and \$3,410,925 in total funding in North Providence.

⁶ Calculation based on FY21 figures.

⁷ Calculation based on FY21 figures.

EARI Projected Funding Share in North Providence, Selected Years to At Scale			
Fiscal Year	Proposed EARI Enrollment	Projected Local Share	Projected Total Funding
Y1: FY22-23 ⁸	17	\$ 118,524	\$ 249,577
Y3: FY24-25	89	\$ 639,123 <i>Assuming 3% increase</i>	\$ 1,345,807 <i>Assuming 3% increase</i>
Y5: FY26-27	151	\$ 1,084,355	\$ 2,283,336
Y7: FY28-29	191	\$ 1,412,750 <i>Assuming another 3% increase</i>	\$ 2,974,839 <i>Assuming another 3% increase</i>
Y9: FY30-31 (at scale)	219	\$ 1,619,853	\$ 3,410,925

In estimating the fiscal impact of EARI on local share and total funding in each of the three cities, this analysis assumes an overall 4% increase in student enrollment in the three districts by 2030-31, when EARI is operating at scale. As the table below shows, in Providence, EARI is estimated to constitute 7.1% of the local share and 7.1 % of the total district funding. In Central Falls, EARI is estimated to constitute 7.3% of the local share and 7.6% of the total district funding in 2030-31. Further, in North Providence, EARI is estimated to constitute 6.1% of the local share and 6.1% of the total district funding in 2030-31. Given that EARI will provide schooling services to 2,186 students by 2030-31, the school’s estimated impact on the local share and the total district funding in the three cities seems reasonable and prudent.

Projections on total pupil funding at scale (2030-31): Estimated impact on district total funding and local share based on 4% district enrollment increase by 2030-31 (in \$'000s)⁹						
Cities	EARI Local Share Funding	District Local Share Funding	<i>EARI Local Share as % of District Local Share</i>	EARI Total Funding (Local + State + Federal)	District Total Funding (Local + State + Federal)	<i>EARI Total Funding as % of District Total Funding</i>
Providence	7,813.8	110,747.9	7.1%	33,503.2	474,857.3	7.1%
Central Falls	732.1	10,002.6	7.3%	4,521.9	59,425.8	7.6%
North Providence	1,619.8	26,509.3	6.1%	3,410.9	55,821.1	6.1%

⁸ Calculation based on FY21 figures.

⁹ Based on 4% enrollment increase by 2030-31, the district enrollment in Providence will be 24,789, Central Falls will be 2,993, and North Providence will be 3,727.

Finally, the State of Rhode Island assumed control of the Providence Public School District (“PPSD”) on November 1st, 2019, in addition to the state’s decades-long control of the Central Falls School District. As detailed in the October “Order of Control and Reconstitution,” the City of Providence has been relieved of all powers and authorities over “budget, program and personnel” relating to Providence schools.¹⁰ Accordingly, addressing the fiscal impact of new charter school seats on the City of Providence now rests with the Commissioner of Elementary & Secondary Education. Mayoral Letters of support from the three cities are included in the application.

Section 2: Educational & Programmatic Impact Analysis

Academic impact:

The table below shows the percentage of students who demonstrated math and English language arts proficiency in PPSD, Central Falls, and North Providence as measured by the 2018-2019 Rhode Island Comprehensive Assessment System (RICAS). In English language arts (ELA), only 26.4% and 14.9% of the students in 3rd and 8th grade respectively met or exceeded RICAS expectations in Providence. Figures for Central Falls were 25.5% and 5.6%, while North Providence’s were 45.3% and 47.4%. In mathematics, only 17% and 7% of Providence’s 3rd and 8th graders respectively met or exceeded RICAS expectations. For Central Falls, the math proficiency rate for 3rd grade was only 13%. In North Providence, 34.4% and 30.3% of the 3rd and 8th graders respectively met or exceeded the RICAS expectations in math in 2018-19. In other words, a clear majority of the students in the three districts would need stronger support for academic success.

% Meeting or Exceeding Expectations in 3-8 grades in the three districts, 2018-19 RICAS						
Grade	<i>Providence ELA</i>	<i>Central Falls ELA</i>	<i>N. Providence ELA</i>	<i>Providence Math</i>	<i>Central Falls Math</i>	<i>N. Providence Math</i>
3	26.4	25.5	45.3	17.0	13.0	34.4
4	15.2	12.0	33.3	14.1	12.0	24.8
5	19.9	13.0	36.3	12.9	9.1	25.1
6	18.0	11.6	46.6	12.2	N/A	26.8
7	8.6	6.5	42.7	8.0	N/A	24.2
8	14.9	5.6	47.4	7.0	N/A	30.3

Impact on overcrowding:

EARI has not yet identified a facility for its school. Because charter schools typically pay facility costs out of their per-pupil funding, we do not anticipate that EARI would have any direct impact on existing facility assets in the three districts.

¹⁰ State of Rhode Island and Providence Plantations, Commissioner of Education In re: Providence Public School District: RIDE No. 19-089

Other potential long-term benefits:

Finally, research studies on charter schools have provided evidence on student achievement and other long term benefits. For example, in *The Effect of School Choice on Intrinsic Motivation and Academic Outcomes*, economists Hastings, Neilson, and Zimmerman estimated that admission to high performing charter schools is correlated with improved achievement in English language arts and mathematics. In a November 2016 local impact analysis regarding charter school expansion in Rhode Island, the Rhode Island Innovative Policy Lab used student growth percentiles to predict long-term impacts on outcomes like college going rates and lifetime earnings.¹¹ The Rhode Island Innovative Policy Lab found that a single year of attendance at a high performing charter school may result in both increased earnings and improved college going rates for graduates.

Section 3: Conclusion

This analysis shows that families in Providence, Central Falls, and North Providence may benefit from a new school option. Demand for good quality seats in charter schools far exceeds availability by a ratio of 11 to 1. As suggested by student achievement in RICAS English language arts and math in 2018-19, a high percentage of the students in the three districts were not receiving the support they need to meet grade level expectations in the core subjects.

EARI could offer a welcome addition to the portfolio of public schools in the three cities while causing a relatively modest enrollment and financial impact to the cities. The proposed school would serve 7.2% of the three districts' total public school enrollment. Further, EARI's projected funding would, even at full scale in 2030-31, represent 7.1%, 7.6%, and 6.1% of the total public school funding in Providence, Central Falls, and North Providence respectively. Additionally, the Council may wish to further consider how State intervention in two of the districts will support expansion of high-potential charter school seats.

We encourage the Rhode Island Department of Education to offer its careful and favorable review of the EARI's application for authorization. Please do not hesitate to contact me at kenneth_wong@brown.edu.

Respectfully submitted by:

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¹¹ In November of 2016, the Rhode Island Innovative Policy Lab provided a "Memo for Charter Fiscal Impacts" to then RIDE Commissioner Ken Wagner regarding a proposed charter school expansion in Rhode Island.