

OPEN SCHOOL CAPITAL PROJECT BUDGET

Shiels Oblatz Johnsen has worked with Open Meadow staff to develop a capital funding strategy for the project. The proposed funding structure for this \$7.5 million project includes the following sources:

- **Debt.** Based on operating projections and preliminary discussions with a potential lender, Open Meadow can sustain approximately \$750,000 in debt.
- **Capital Campaign.** A \$3.4 million capital campaign will help fund the new facility. Open Meadow staff has confidence in their ability to successfully execute a campaign of this magnitude, and has already secured \$1.5M.
- **New Market Tax Credits (NMTC):** Open Meadow and the Boys & Girls Club plan to form a partnership to secure an allocation of New Market Tax Credits, which would leverage approximately upwards of \$1.8 million in equity for the Open School facility (and additional equity for the Boys & Girls Club). We are budgeting for an allocation in June of \$1.3M as a conservative measure.
- **Proceeds from Disposition of Property.** Open Meadow plans to sell two properties in North Portland and invest the proceeds—estimated at \$1.98 million—in the new Open School facility. One of the properties is currently under contract.

PROJECT SOURCES & USES			
SOURCES		USES	
Loan A	\$750,000	Acquisition Cost	\$328,000
Capital Campaign Funds	3,400,000	Construction Costs	4,600,000
New Market Tax Credits (net)	1,335,014	Escalation/Contingency	561,413
Proceeds from Property Disposition	<u>1,981,900</u>	Soft Costs	<u>1,977,501</u>
TOTAL SOURCES	\$7,466,914	TOTAL COST	\$7,466,914

WHAT IS NEEDED FROM THE STATE

Support. In order to advance the Open School project and raise the required capital, Open Meadow is requesting \$2 million from the State of Oregon.

OPEN





In an innovative partnership with six area school districts (Centennial, David Douglas Gresham-Barlow, Parkrose, Portland Public Schools & Reynolds) and the University of Portland's School of Education, Open School is reinventing how we educate and prepare youth impacted by racism and poverty for the modern workforce.

Open School uses a proven formula supported by national research (NY Times, Stop Holding Us Back, 6/7/14) that transforms student outcomes with early-warning indicators and robust supports at key transition points in a rigorous, college-preparatory program. Located in East Multnomah County's Rockwood/Rosewood neighborhood, Open School enrolled its first class of 7th graders in August 2014. Growing by one class each year, Open School will have approximately 270 students in grades 7 through 12 by 2019.

Working with middle-school youth gives Open School staff the opportunity to turn around a student's academic career before it's too late. At enrollment, Open School 7th grade students demonstrate math and reading proficiency at only the 2nd and 3rd grade levels. The middle school years focus on academic remediation preparing Open School students for a rigorous college-prep high school program. Ninth through 12th grades build the foundation for achieving lasting success in college, careers, and beyond.

Open School integrates culturally relevant curriculum to ensure that our students of color find success in the classroom, and beyond. Open Meadow programs have dramatically reduced racial achievement and discipline gaps based largely on innovative approaches by teachers and advocates around equity. At Open Middle School in North Portland test scores between whites and students of color are equal – the racial achievement gap has essentially been eliminated.

In partnership with University of Portland's School of Education, Open School is launching a new two-year Master of Arts in Teaching program for teacher candidates seeking to gain expertise in working with historically under-served youth. A Certificate in Equity program is being developed to be offered to existing teachers in the five partner school districts seeking advanced training in this field.

Your investment in Open School will help eliminate the high school dropout rate as well as the racial achievement gap in the Portland metro-area. Open School seeks \$5.5M to grow to scale. As of April 2015, \$2.26M (41%) of our goal has been raised.

Thank you to our lead supporters



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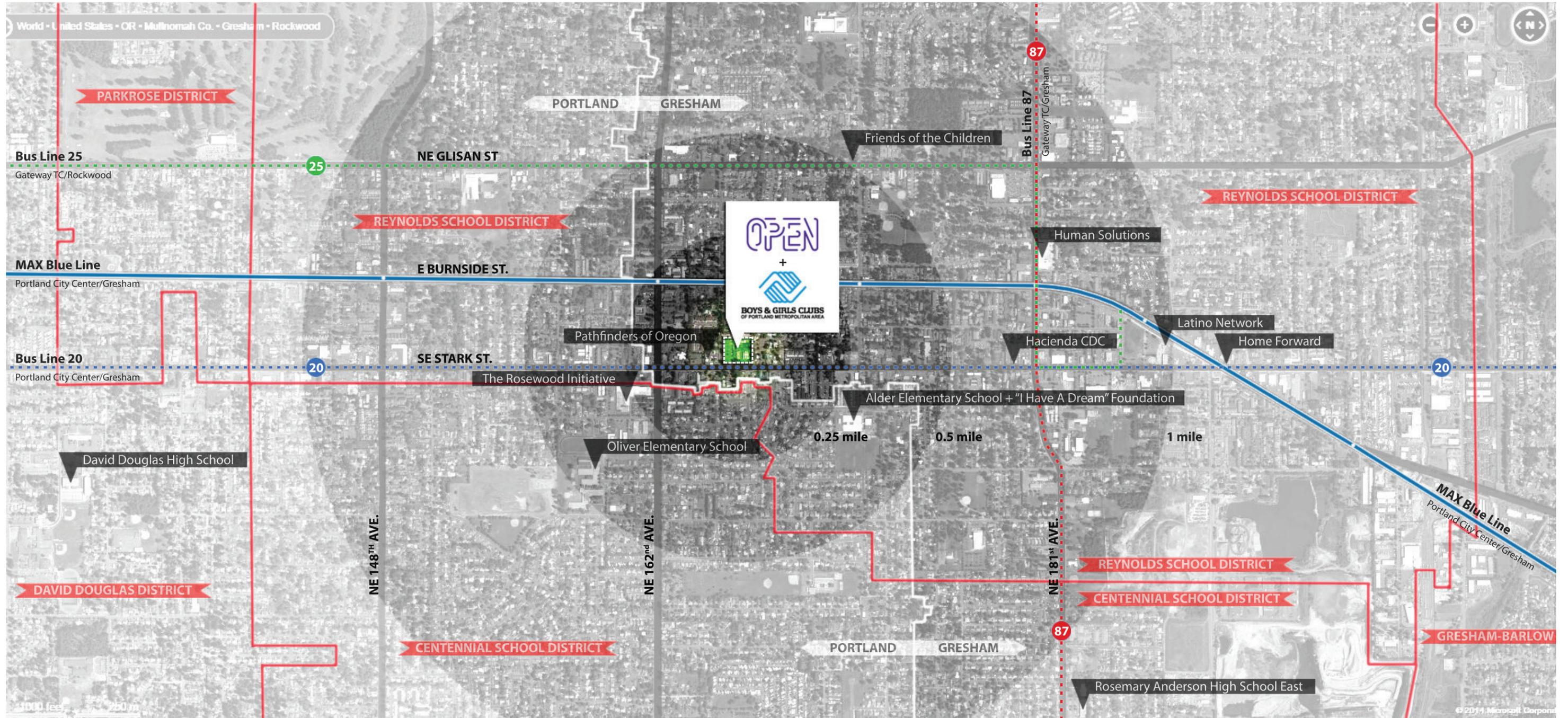
Open School Capital Campaign

May 15, 2015



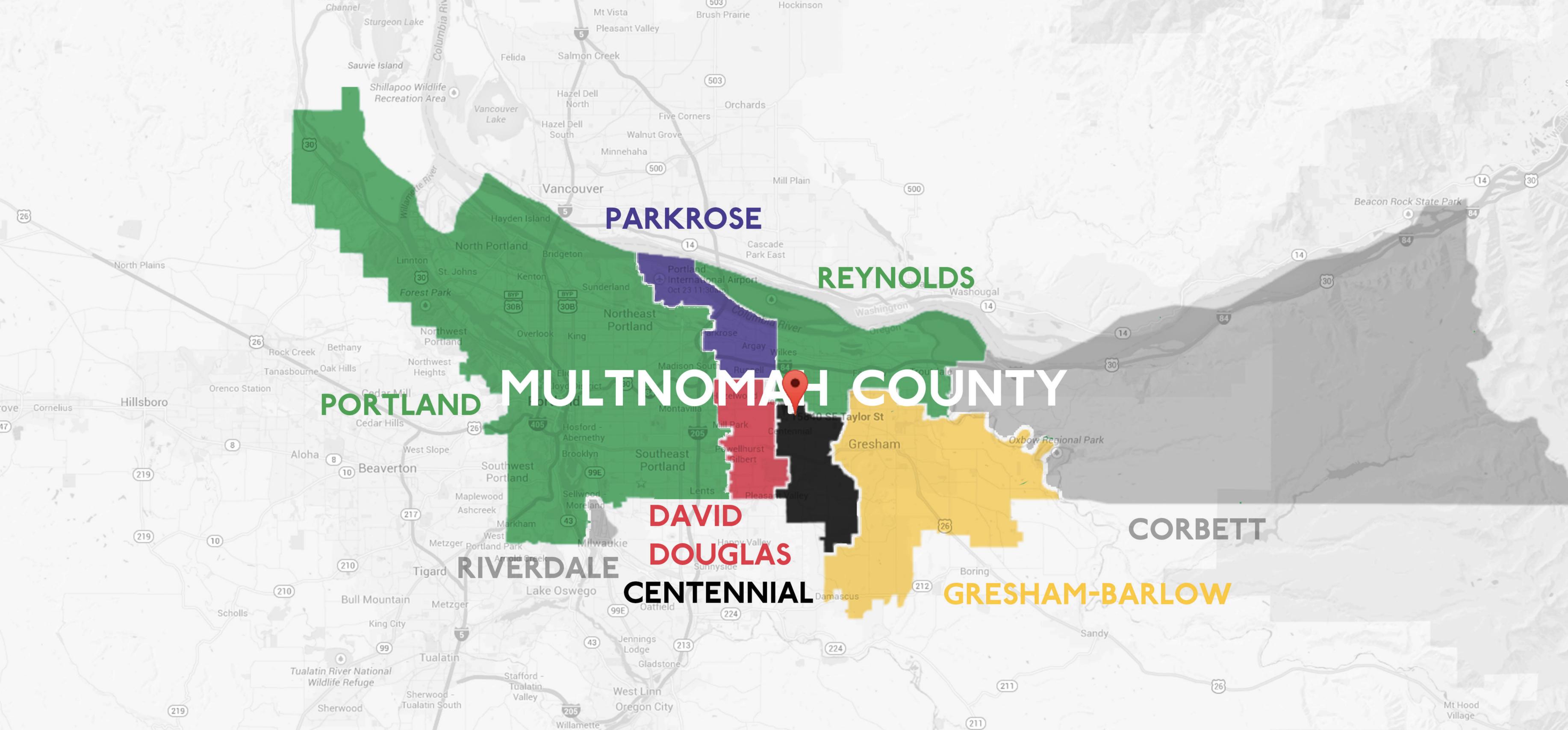
CURRENT DASHBOARD

	GOAL	RAISED	%	REMAINING	CASH	% NOTES
Fundraising	\$ 3,400,000	\$ 1,580,408	46%	\$ 1,819,592	\$ 716,100	21%
Real Estate Proceeds	\$ 1,981,900	\$ 2,189,000	110%	\$ (207,100)	\$ 861,000	43%
Section 108 Loan	\$ 750,000	\$ 727,000	97%	\$ 23,000	\$ 727,000	97%
New Markets	\$ 1,335,014	\$ -	0%	\$ 1,335,014	\$ -	0%
	<u>\$ 7,466,914</u>	<u>\$ 4,496,408</u>	<u>60%</u>	<u>\$ 2,970,506</u>	<u>\$ 2,304,100</u>	<u>31%</u>



OPEN SCHOOL CAMPUS MAP





PARKROSE

REYNOLDS

PORTLAND

MULTNOMAH COUNTY

**DAVID
DOUGLAS**

RIVERDALE

CENTENNIAL

CORBETT

GRESHAM-BARLOW



OPEN SCHOOL + BOYS & GIRLS CLUB CAMPUS





SE STARK STREET ELEVATION (DRAFT)



MAIN ENTRANCE (DRAFT)



OPEN SCHOOL CAMPAIGN

May 2015

Goal = \$5.50M
Raised = \$2.66M
Needed = \$2.84M

48% of Goal

OPEN SCHOOL DASHBOARD

	Goal	Raised	Remaining	Cash	% Goal
Program Campaign	2,100,000	1,079,500	1,020,500	239,000	51%
Capital Campaign	3,400,000	1,580,408	1,819,592	716,100	46%
O.M. Real Estate	1,981,900	2,189,000	(207,100)	861,000	110%
Section 108 Loan	750,000	727,000	23,000	727,000	97%
New Markets	1,335,014	-	1,335,014	-	0%
Other	433,086	-	433,086	-	0%
TOTAL	10,000,000	5,575,908	4,424,092	2,543,100	56%

FUNDRAISING by Constituency

	Goal	Raised	Remaining	Pending	% Goal
Board of Directors	150,000	165,408	(15,408)	-	110%
Non-Board Individuals	800,000	502,000	298,000	-	63%
Foundations	4,350,000	1,910,000	2,440,000	-	44%
Other (Corps/Gov)	200,000	82,500	117,500	-	41%
TOTAL	5,500,000	2,659,908	2,840,092	-	48%

*Gifts from major Portland Foundations, including:

- James F. and Marion L. Miller Foundation for \$500,000 over 3 years
- The Collins Foundation for \$300,000 over 3 years
- The Ann & Bill Swindells Charitable Trust for \$300,000 over 3 years (capital)
- Oregon Community Foundation for \$35,000 and \$150,000
- Meyer Memorial Trust for \$300,000 over 3 years
- Kaiser Permanente Community Fund for \$200,000 over 3 years
- Maybelle Clark Macdonald Fund for \$25,000
- Joseph E. Weston Public Foundation for \$100,000

Open School

East Multnomah County 7-12 College-prep School for Struggling Students

May 2015

EXECUTIVE SUMMARY

Open Meadow is a private, non-profit educational organization that has been successfully serving struggling and disengaged students in Portland since 1971. Many Open Meadow students have dropped out of public school. Many struggled with attendance, academic, or disciplinary issues. Open Meadow believes that all of them deserve a quality education. What students find at Open Meadow are small community-learning environments; respectful, caring, and dedicated teachers; support to overcome previous barriers to success; and classes that accommodate a variety of learning styles and skill levels. Last year Open Meadow served 683 students.

Open Meadow is now expanding its impact by establishing an exciting new program in East Multnomah County called Open School. Through a groundbreaking partnership with six school districts including **Portland, Centennial, David Douglas, Gresham-Barlow, Parkrose, and Reynolds Public Schools**, and the **University of Portland, School of Education**, Open School enrolled its first class of 7th graders this fall. The school will grow one grade per year for five additional years. Final enrollment in 2019 will be 270 students in grades 7 through 12.

The partner school districts identify potential enrollees in sixth grade who have a high likelihood of eventually dropping out of school. These students will come from 19 high-poverty schools spread amongst the five districts. All data and research tells us that an earlier intervention will yield even greater successes in helping our youth to thrive in schools. In high-poverty schools, if a sixth grade child attends less than 80 percent of the time, receives an unsatisfactory behavior grade in a core course, or fails math or English, there is a 75% chance that s/he will later drop out of high school absent effective intervention. These indicators will be used to identify and enroll 270 students in the Open School.

Open School will focus its students on success not only in their secondary school years, but in college, careers and beyond. By helping kids fortify their academic success early in middle school they are propelled to achievement in high school and beyond.

OPEN SCHOOL

BACKGROUND

Open Meadow has been a long-time leader in alternative education with a mission to *develop connection, capability, and confidence in disconnected youth through relationship-based, quality learning experiences that result in their academic, personal, and community success.* Our founders pioneered Oregon's celebrated alternative education legislation passed in the mid-1970s. This commitment to our youth ensured that any student (mostly secondary-aged) struggling in the traditional public school system would have an alternative option that better suits that student's learning style. For 43 years Open Meadow has delivered high quality and personalized education to thousands of Portland youth at our alternative High School in North Portland. We have also observed over this time span that the expectations for academic achievement, and therefore the chance at success in college and career, have continued to increase, greatly impacting the opportunities available to our High School students.

In recent years, Open Meadow has decided to better align our services to national economic and labor trends as pertaining to our population: with a decrease in low-skilled, family-wage jobs, Open Meadow has responded to the need to continually raise expectations for our students – moving historically under-served and poor students toward post-secondary success. As part of a two-year Gates Foundation *Post-Secondary Success Initiative*, Open Meadow recently participated in a consortium with seven other organizations across the country to develop and document best-practice at engaging disconnected youth in post-secondary education.

Though effective, the time has come to acknowledge that current efforts are not enough. To achieve Oregon's 40-40-20 goal – the State's initiative which calls for 40% of Oregonians to gain a 4-year college degree; 40% to gain an associate degree; and 20% to gain a high school degree (or equivalent) by the year 2025 –we must change the game, particularly for under-served students.

Technological, demographic, and economic trends show us the way to success. Developments in technology, data and research make early detection of struggling youth possible in ways that were unavailable as recently as a decade ago. Demographic shifts nationally point to the need for solutions to the racial achievement gap; locally, East Multnomah County demonstrates our region's highest need with poverty and crime indicators that call for support more than anywhere in the Portland metro area. Advanced training beyond a high school diploma is a virtual necessity for family wage jobs in the 21st Century American economy.

Open School is Open Meadow's response to the call of these trends. Open Meadow has led the way since 1971 by adapting to the changing needs of our students – never resting on our

laurels. Over the last five years our board and staff leadership have been carefully evaluating how to maximize our impact to respond. The Open School is our answer. In 2011, a team of Open Meadow staff and volunteers developed the first iteration of a new school that is focused on engaging students at the middle school level and working with them all the way through post-secondary life. This new school model put equity at the core of instruction, ensuring that all students feel recognized, powerful, and able to succeed in adult life.

Open Meadow is aligning our limited resources around engagement of students at the middle school level, to hold them all the way through high school graduation, and beyond. Five districts coming together in partnership to do something that has never been done before on behalf of under-served students is the type of game-changer that Oregon needs. Now is the time.

Finally, Open School integrates the next generation of student teachers into its model. Through a partnership with the University of Portland's School of Education, the next generation of educators will learn best practice with marginalized students. This professional development model means that far more than the 270 students enrolled at Open School will benefit from its success. Teachers across the metro-area will extend Open School's impact across the region and across generations.

THE NEED

The racial achievement gap is a seemingly intractable issue of national significance and scope. Locally it has been captured well by the Coalition of Communities of Color through its 2010 *Communities of Color in Multnomah County: An Unsettling Profile* report. Among other findings: 30% of people of color do not graduate high school, compared to 7% of Whites. In addition, Whites are more than twice as likely to have a university degree as people of color. The ability to continue onto college increases the likelihood of greater career offerings and higher income. An individual with only a high school diploma is twice as likely to make less than \$40,000 per year as someone with a college degree. An individual with a college degree is nearly nine times more likely to make over \$100,000 than someone with only a high school diploma (Brookings Institution: Hamilton Project, 2011).

No geography in the Portland metro-area has experienced the impact of poverty and racial disparity more than the East County neighborhood of Rockwood. Close-in Portland gentrification has pushed low-income populations to the city's fringes over the past two decades. The poverty rate in the neighborhoods east of 82nd Avenue exceeded that of the Portland average. This population is disproportionately composed of families of color. According to the 2010 Census, the poverty rate there is 14% higher than Portland's average. Additionally, the East County population has increased at a rate 61% faster than the Portland average from 2000 to 2010. For the Rockwood neighborhood, this increasing poverty and

population bulge brings a well-documented slate of violent crimes fueled by drug and gang activity in this area where 70% of residents are renters, and where in some schools up to 90.4% of students qualify for the federal free and reduced lunch program (Mill Park Elementary). Young people in these neighborhoods who lack quality education and support options in the face of these daunting odds trend toward feeding back into this cycle of poverty and crime. It's time to reverse this trend.

Open Meadow has experienced the need in East Multnomah County firsthand through our Step Up program that ran at Gresham High from 2009 - 2013. Step Up is an in-school tutoring and mentoring program developed by Open Meadow that continues to run in three Portland high schools (Roosevelt, Madison and Franklin). Through our work at Gresham High we witnessed the dynamics of newer communities of color coming into established, suburban neighborhoods. And this new migration into East Multnomah County creates unique circumstances that aren't as apparent in more urban areas in Portland, the areas that Open Meadow has practiced for years. For four years Gresham Step Up provided us with the practical knowledge and data required to build the Open School concept.

A recent update of an ongoing longitudinal study commissioned by Open Meadow and performed by ECONorthwest shows that Step Up students are 50% less likely to drop out relative to a comparable group in the same cohort.

THE OPPORTUNITY

In 2012, Open Meadow's success in Gresham prompted the Centennial School District to request technical assistance in serving under-served youth with its administrative staff. Consequently Open Meadow began to see the need for our expertise in under-served youth education and advocacy in the East County neighborhoods. Open Meadow staff developed plans for an innovative, early-intervention dropout prevention school model that would flip the current post-drop out alternative school model on its head. In what has become a groundbreaking and innovative partnership with five East Multnomah County school districts including Centennial, David Douglas, Gresham-Barlow, Parkrose and Portland Public Schools Open Meadow has developed a school model that uses early-warning indicators adapted from the work of Johns Hopkins researcher Dr. Robert Balfanz (see New York Times op-ed, "Stop Holding Us Back", June 7, 2014) that predict how likely a student is to drop out of high school. These indicators are based on attendance, behavior and course performance. In high-poverty schools, if a sixth grade child attends less than 80 percent of the time, receives an unsatisfactory behavior grade in a core course, or fails math or English, there is a 75 percent chance that s/he will later drop out of high school absent effective intervention. These indicators identify the students who enroll in Open School.

TEACHER TRAINING PARTNERSHIP

Through great commitment and partnership with University of Portland, Open School is also focused on changing teacher practice to strengthen the skills that advance kids in poverty in any setting.

Central to the impact of this project will be transparent learning about program development and the integration of a professional development component for mainstream educators. Open Meadow and the University of Portland's School of Education have partnered to develop a teacher training program to serve both new teachers and teachers wanting to improve their practice with marginalized youth. Selected teacher candidates will receive a 40% discount on their University of Portland tuition and serve as student teachers in Open School for a 2 year period while working toward a **Certificate in Equity**, in addition to their Master of Arts in Teaching. Open School Master Teachers will join the University of Portland adjunct faculty in delivering credits and classes toward the Certificate in Equity. Additionally, current teachers in the partner districts will be enrolled in a year-long training on best practice for struggling students beginning in the summer of 2015. They will participate in monthly seminars throughout the year, conduct "rounds" to observe and improve current practice. Continuing Education Units and the Certificate in Equity will be awarded by University of Portland and other partnering schools of education.

EQUITY

Open Meadow has been on a four year journey exploring issues of race and equity within the organization and how that ultimately affects our students and their levels of achievement. This self-reflection has led to the implementation of groundbreaking measures throughout our programs that help our staff and our students to better talk about and work around issues of race and inequity that often times gets in the way of student success.

Over the last several years Open Meadow has closed the racial achievement gap in both our Middle School and Step Up programs. For example, our Middle School student body averages annual academic gains that exceed two-year expectations. All students excel, and black boys outperform their white peers. Disciplinary rates follow a similar trend.

This emphasis on the racial academic achievement and disciplinary gaps carry through to Open School. The new school will in many ways become the primary demonstration site for Open Meadow's cutting-edge work. From our classrooms to the University of Portland Lab School partnership to district in-service teacher training opportunities in equity, Open School will level the playing field for its students, and students beyond the Open School walls.

DISTRICT PARTNERSHIPS & EARLY-WARNING INDICATORS

Open School is founded on a strong, groundbreaking six school district partnership including **Portland, Centennial, David Douglas, Gresham-Barlow, Parkrose, and Reynolds Public Schools**. Each district has agreed to screen their sixth grade populations for specific early-warning dropout indicators and has provided names of potential enrollees to Open School staff.

The early warning indicators used by the districts were developed by Open Meadow using the research of Dr. Robert Balfanz of the Center for Social Organization of Schools at Johns Hopkins University. Open Meadow and Portland Public Schools has been using this methodology for the past 11 years identifying struggling 8th grade students as potential enrollees into the Step Up mentoring and tutoring program for rising freshman into Roosevelt, Franklin and Madison high schools. An independent study by ECONorthwest shows that Open Meadow’s Step Up program’s early intervention at this grade level cuts the drop-out rate in half. Open School seeks to match or improve that measure with an even earlier intervention.

The early warning indicators that are currently being used by the five partner school districts are as follows:

Metric	Description
	Student Progress
6th to 7th grade transition readiness	Below benchmark in math and/or reading
6th to 7th grade transition readiness	Failing ≥ 2 core classes
	School Connection
Average daily attendance	< 90%
Discipline rates	≥ 2 suspensions and/or ≥ 3 referrals for suspendable offenses

PROGRAM START-UP

Open School opened its doors in August 2014 with an inaugural class of approximately 45 seventh-grade students coming from five East Multnomah County school districts. The School will continue to grow by one grade level for each of the next five school years until a full 7-12 grade enrollment is achieved. Staffing during this time will be “teacher heavy” in the first one to three years with full sustainability achieved in year six (2019-20).

ENROLLMENTS AND STAFFING							
	Year 0 2013-14	Year 1 2014-15	Year 2 2015-16	Year 3 2016-17	Year 4 2017-18	Year 5 2018-19	Year 6 2019-20
Enrollment	--	45	90	135	180	225	270
Staff (Full-Time Equivalent)	1.0	6.33	9.67	14.29	18.58	22.46	24.08
Staff-Student Ratio	--	7:1	9:1	9:1	10:1	10:1	11:1

Current projections show that by full enrollment in Year 6 and beyond, Open School will have achieved strong financial stability and sustainability to ensure long-term viability of operations.

Open Meadow is raising \$2,100,000 through a campaign to support the first six years of programmatic start up. These funds are absolutely critical to the success of the Open School program. We have currently raised \$1,079,500 of these funds.

PROGRAMMATIC FUNDING PROJECTIONS (\$2.1M)				
	FY14	FY15	FY16	TOTAL
Major Donors	250,000	175,000	75,000	500,000
Foundations	900,000	350,000	150,000	1,400,000
Corporations		50,000	150,000	200,000
TOTAL	1,150,000	575,000	375,000	2,100,000

INTERIM FACILITY

Classes are being held for the first two schools years (2014-15 and 2015-16) in Centennial School District’s **Oliver School located at 15840 SE Taylor St.** This interim solution allows for our new program to develop the necessary economies-of-scale needed to open a new facility and reach full enrollment of 270+ students starting in Year 6 (FY 2019-20, see Enrollments & Staffing above).

FACILITY CONCEPT – STARK / 165TH

Open Meadow proposes to develop a permanent facility for Open School in the heart of the Rockwood community. The new school will be adjacent to the Boys & Girls Club project planned for a site owned by the Gresham Redevelopment Commission at SE Stark and 165th Ave. Both facilities will have frontage on SE Stark and create a Community Campus that has a strong physical, social and economic impact on Rockwood. Co-locating with the Boys & Girls Club presents exciting opportunities for community partnerships, including shared use of facilities and programming. The Boys & Girls Club will include a gymnasium, soccer fields, a commercial kitchen and other spaces that will be available to Open Meadow during school hours.

Holst Architecture has been retained as the project architect for both the Open School and the Boys & Girls Club. This award-winning firm will design an inspiring learning environment that stimulates creativity, serves multiple learning and teaching styles, and enables abundant and flexible use of modern technology. The new 20,000sf school will provide 13 classrooms, offices and a community space. The new Community Campus will make a strong architectural statement and serve as a prominent community landmark in Rockwood.

STATE REQUEST

\$2 million in lottery bonds. Open Meadow must raise an additional \$2.9 million in funds, \$1.9 million in capital and \$1 million in program, to complete the \$10 million total required. We are requesting \$2 million in lottery bonds to secure the New Markets Tax Credit allocation.

OPEN

