



YES Prep
Public Schools
Transforming
Houston

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Growth Plan

YES Prep Public Schools (YES Prep) embarked on a plan to expand its reach beginning in November 2008. At the time, YES Prep operated five schools that when fully grown out would house approximately 4,000 students. YES Prep’s growth plan provides for the addition of eight schools, bringing YES Prep to 13 schools that will accommodate 10,000 students.

SCHOOL YEAR	2009-10	2010-11	2011-12	2012-13	2013-14
School Count	5	7	8	11	13

PROGRESS TO DATE

As of October 1, 2012, YES Prep has opened six additional schools. The first campus site acquired, renovated, and opened was the Revolution Campus, which opened at the beginning of the 2008-09 school year and was supported with fundraised dollars. It initially housed the YES Prep Gulfton, YES Prep West, and YES Prep South (now YES Prep Brays Oaks) schools. YES Prep purchased and renovated buildings to house YES Prep West and YES Prep Brays Oaks. Both moved into their respective buildings in Fall 2011.

In 2011, YES Prep began construction of a permanent classroom building for YES Prep Southeast, its first school. The new building is now completed and houses the classrooms and administrative offices of Southeast and allowed for the disposal of the modular buildings that have served the students previously. Funding for this project was also through a bond offering. Also in 2011, YES Prep replaced the modular units at YES Prep East End with a permanent building for classrooms and offices. Construction was provided through an acquisition and construction loan.

YES Prep acquired financing to complete the YES Prep Northside and YES Prep Fifth Ward campuses, which will provide space to accommodate the full 6th-12th grades, as well as for the renovation of what will be our twelfth campus. The financing for both schools is coming from a New Markets Tax Credit transaction and the School 12 funds are through a Qualified Zone Academy Bond, continuing YES Prep’s track record of low-cost financing.

In 2012-13, YES Prep will finalize preparations for the opening of Schools 12 and 13 in July 2013, which will complete Phase II.

DISTRICT PARTNERSHIP I

YES Prep opened a campus in 2010-11 in accordance with the growth plan as a district partnership with North Forest ISD. In June 2010, North Forest ISD entered into a partnership with YES Prep to serve students in its district. Under the terms of the agreement, North Forest ISD is providing YES Prep access to one of their buildings to house the school. The campus is classified as a North Forest school and the charter agreement allows YES Prep to operate its program on the campus. The school opened in August 2010 and now serves Grades 6-11. Financially, North Forest receives the state and federal funds related to the students and in turn pay a set fee per student to YES Prep. They also provide utilities, facility maintenance, transportation, and food services. YES Prep is responsible for all staff and related compensation, supplies, curriculum, and other program expenses.

DISTRICT PARTNERSHIP II

YES Prep opened YES Prep Northbrook on July 9, 2012 using a school-within-a-school model. YES Prep Northbrook opened with Grade 6 inside Spring Branch ISD's existing Northbrook Middle School and, once it adds Grade 9, will expand to Northbrook High School. Both host schools are located in Spring Branch ISD's highest need and lowest performing school zone. Northbrook has already exceeded its original target enrollment of 140 students, currently serving 144 students. KIPP Houston has also opened a middle school in Spring Branch ISD that will feed into YES Prep's high school. At scale, Northbrook will annually serve 1,225 students in 6th-12th grade. The funding structure is similar to the one established with North Forest ISD.

PHASE III Growth Plan

On October 3rd, YES Prep's Board of Trustees approved a multi-year, Phase III growth strategy focused on two things: accomplishing critical scale and raising our national influence.

- **Accomplishing critical scale.** In the next five years, we will open the equivalent of 10 new schools, ultimately increasing our enrollment to more than 20,000 students. This will make YES Prep the size of a traditional school district and end the excuse that charters cannot work at scale.
- **Raising our national influence.** In the next five years, we will become more purposeful in shining a national spotlight on the practices that have made YES Prep successful. More students across the country will be able to benefit from the work that YES Prep developed in Houston. We will accomplish this through a variety of strategies, such as the expansion of YES Prep schools to one new region, select partnerships with other school districts, and a more active approach to thought leadership.

In our next phase of growth our commitment to Houston will remain strong. We intend to open the equivalent of six new schools in Houston's most disadvantaged neighborhoods, increasing our Houston enrollment by nearly 50 percent. We believe that now is the right time to expand to one new region. The Board of Trustees has established a regional selection committee to evaluate the implications of launching YES Prep schools in one new city. This committee also will engage in an extensive due diligence process to screen possible candidates for expansion.

YES Prep is currently developing a business plan.

COLLEGE GRADUATE OUTCOMES AND RETURN ON INVESTMENT

When YES Prep achieves its growth goal of 13 schools and 10,000 students, it will have a school in the center of *every* economically disadvantaged community in Houston. The system will serve 10 percent of the 6th-12th grade students currently enrolled in Houston ISD. YES Prep believes this will serve as a "tipping point" that creates an additional incentive for traditional public school districts to improve their college ready programs—or risk further deterioration of family/public support and enrollment rates for their schools. Moreover, at scale, YES Prep will also contribute roughly 1,100 more college graduates to the city *every year*. Collectively, YES Prep will *triple* the number of low-income Houstonians who graduate from college *annually* and will be the largest producer of economically disadvantaged college graduates in the region, playing a direct role in preparing the next generation of Houston's civic and business leaders.

Studies indicate that a high school graduate has the potential to nearly double his/her annual salary by earning a college degree. Over a lifetime, a college graduate can anticipate earning a million dollars more than a non-graduate.¹ At YES Prep, more than 90 percent of students are the first in their families to attend college. For every college graduate it produces, YES Prep is radically increasing individual lifetime earnings potential and transforming the long-term economic prosperity of the city. Even more significantly, about 80 percent of YES Prep alumni return to live and work in Houston after earning a college degree, which is good news for Houston.

A MODEL FOR OTHER EDUCATORS

As YES Prep achieves quality growth, its mission becomes even more compelling. When the model is proven at 10,000 students, successful replication of these results by traditional school districts and other CMOs becomes increasingly convincing and plausible. YES Prep has become a model for other CMOs. For example, IDEA Public Schools in southern Texas, LEAD Academy in Nashville, Tennessee, and YES Academy in Detroit, Michigan, have all replicated YES Prep's successful model and sought the CMO's guidance. YES Prep staff have traveled to these charter schools, as well as countless others, in an effort to expand educational opportunities for children and youth nationwide. As Douglas Ross, one of the founding partners of YES Academy in Detroit, stated, "Our partnership with YES Prep is going to give the children who attend this school a world-class education." Furthermore, school visits and personal endorsements by U.S. Secretary of Education Arne Duncan, Bill Gates, Michael Dell, and other education reformers highlight the role that YES Prep is playing in the national education reform movement. By staying focused on the educational needs in Houston, YES Prep believes it can have a nationwide impact without diluting its model or over-extending itself geographically.

¹ *Bizjournals*, April 14, 2008: Brainpower Rankings of Top 100 Metros