The Drexel Fund
2018 OVERVIEW
VISION: We envision a future where a diverse and accessible private school sector becomes the engine for excellence and innovation in American education.

MISSION: The Drexel Fund supports entrepreneurs to launch and scale pioneering private schools focused on underserved communities.
INTRODUCTION TO THE DREXEL FUND

Launched in 2015, The Drexel Fund is a nonprofit venture philanthropy fund that seeds new school models, scales networks of existing schools with a track record of academic and operational excellence, and strengthens the educational ecosystems needed to create the market conditions necessary for new private schools serving low-income students to thrive.

The Drexel Fund invests in financially sustainable schools serving low-income students in any state with publicly funded private school choice. Investments are concentrated in five target states that provide the most advantageous environment for new, high-quality, financially sustainable, private schools — Florida, Indiana, Louisiana, Ohio and Wisconsin — and six opportunity states that show promise for school growth depending on the school model — Alabama, Arizona, Georgia, Nevada, North Carolina and Oklahoma.

The Drexel Fund is in the final year of Fund I, a four-year $21 million fund to support the creation of 8,000 new high-quality, private school seats. Funding is available to support the development and implementation of multiyear growth plans for new and existing networks of high-performing schools that serve low- and middle-income students, to innovative entrepreneurs planning their school launch through the Fund’s Founders Program, and for start-up grants for brand new, replicable schools.

Schools and networks The Drexel Fund supports will be:

- **High-quality**
  - Students achieving strong, consistent gains on a national norm-referenced and/or state assessment, as well as exhibiting strong overall student performance
  - Demonstrating measurable success with character and/or faith development with their student body

- **Financially Sustainable**
  - Schools or networks will on average require no more than 15 percent of their budget at scale to be met by philanthropy

- **Scalable and Replicable**
  - Leaders who aspire to grow networks, understand the difficulties of scale, and have plans to overcome the obstacles to high-quality growth
IMPACT
HOW WE’VE INVESTED

SCHOOLS/NETWORKS

Year 1, HOPE Christian Schools
A Wisconsin-based Christian network of five elementary and one high school, adding two elementary schools and one high school (first funded school opened fall 2016)

Year 2, The Oaks Academy
An Indianapolis-based network of three classical Christian schools doubling enrollment at existing campuses (expansion began fall 2016)

Year 2, Julie Billiart Schools
A Cleveland-based Catholic school serving special needs students expanding to Akron, Ohio, and one other area in Northeast Ohio (first funded school opened fall 2017)

Year 2, Cristo Rey Oklahoma City Catholic High School
A new Cristo Rey high school in Oklahoma City, Okla. (school opened fall 2018)

Year 2, Cristo Rey Tampa High School
A new Cristo Rey high school in Tampa, Fla. (school opened fall 2016)

Year 3, Fugees Academy
A school serving political and economic refugees in Atlanta, Ga., adding two schools in Ohio (first funded school opened fall 2018)

Year 3, Good Shepherd Mission Network
An independent Catholic school in New Orleans, La., tripling enrollment through a new facility with a replication planned the following year (expansion began fall 2018)

Year 3, Kingdom Prep Lutheran High School
A new all-boys urban Lutheran high school in Milwaukee, Wis. (school opened fall 2018)

Year 3, Build UP
A new six-year high school and trade certification program in Birmingham, Ala., where graduates own homes they have built (school opened fall 2018)

Year 3, Cristo Rey Atlanta Jesuit High School
An existing Cristo Rey high school in Atlanta, Ga., expanding enrollment through a new facility (expansion began fall 2017)

Year 3, Alyssum Montessori
A new teacher-led micro-Montessori school in Fort Wayne, Ind., based on the Wildflower Schools model
**NUMBER OF FUNDED SCHOOLS**
17

**PLANNING GRANTS AWARDED**
19

**NUMBER OF FUNDED SEATS**
6,048

**FOUNDERS**

**Year 2,** awarded stipends to three founders developing schools, two of which launched in 2018

**Year 3,** awarded stipends to two founders developing schools that will launch in 2019

- Average investment per seat: **$1,221**
- Public revenue leveraged annually by Drexel grantees: **$40.2M**
- New public revenue leveraged annually for every dollar Drexel invests: **$5.46**

**WHERE WE INVEST**

- Planning
- School
- Network

**5 Founders Program Participants**
2017-18 HIGHLIGHTS

Planning Grants
Four new planning grants were awarded in 2018. One will support a feasibility study to launch a Cristo Rey school in Raleigh, North Carolina. Additionally, two charter management organizations are launching feasibility studies for development of private school models in Florida. Finally, a five-school Lutheran network in Milwaukee, Wisc., will be developing a multi-year strategic growth plan.

Schools Funded
In our third year of operation, we invested in 1,838 new seats, or 30 percent of the total invested seats since our launch. This includes:
- Two schools launched by Founders Program graduates (Kingdom Prep and Build UP).
- A network being launched by a nationally recognized leader who is replicating her successful 6-12th grade school model for students whose families are economic and political refugees (Fugees Academy).
- A rapidly growing network of teacher-led micro-Montessori schools based in community storefronts (Alyssum Montessori as part of Wildflower Schools).
- A network of independent Catholic schools serving exclusively low-income children in New Orleans (Good Shepherd Mission Network).
- The expansion of one of the highest performing schools in the Cristo Rey Network (Cristo Rey Atlanta Jesuit High School).

Founders Program
Two Fellows from the first cohort of our Founders Program successfully launched schools in fall 2018. An additional two candidates passed our rigorous screen and were accepted for the 2018-19 Founders Program year. We are currently developing a strategy for earlier support for entrepreneurs to increase the pipeline.

School Choice Advocacy
Alyssum Montessori, a school we funded this year, was able to take advantage of a new law that allows new schools to receive Indiana tax credit support and voucher support in its first year of operation. This new law was directly attributable to Drexel sharing its market evaluation of Indiana with local school choice advocates and Drexel's organization of one of our grantees to advocate for the need for this new law. Drexel supported Alyssum school leaders in applying for "immediate freeway accreditation." They opened this past fall with at least a third of their students eligible to gain access to tax credit and voucher funds for low-income students.

Innovative School Models
Drexel's focus on school growth in the private sector with public funding for low-income students has helped entrepreneurs see that this sector can support their innovative models given the relative lack of bureaucratic constraints. We supported a network exclusively serving refugees to develop a growth plan in states with robust public funding and attracted a developer of a high school model that not only intends to offer high school and technical college degrees, but equip students with homes they have built by the time they graduate. Additionally, while Wildflower Schools is agnostic to the governance structure of the storefront micro-Montessori schools it is opening nationwide, the private school we supported was able to open with no resistance to its unconventional teacher-led leadership structure and on a short timeline because of the relative lack of impediments to private school operation within the sector. Our initial fund continues to serve as a proof point fund, where we invest in innovative or unique models across several states that will be poised for scale in the future.
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ENROLLMENT GROWTH
**ACTUAL RESULTS**

**Schools Created**
By the fall of 2018, all nine schools that were funded to open had successfully launched.

**Seats Created**
These nine schools represented 2,727 seats in new capacity being created with an additional 903 seats created through funded expansion of existing schools – Cristo Rey Atlanta, Good Shepherd School and The Oaks Academy – a total of 3,631 new seats have been created by fall 2018.

**Economically Disadvantaged Students**
The Drexel portfolio represents a diversity in student body make-up, ranging between mixed income schools at The Oaks Academy, with a third of its student body representing low-income, middle-income, and high-income students and three schools that serve exclusively low-income students.

**Portfolio Annual Enrollment**
Total portfolio enrollment in the fall of 2018 came in at 5,262 students, meeting 93 percent of enrollment projections.

<table>
<thead>
<tr>
<th>School Name</th>
<th>2016-17 Expected</th>
<th>2016-17 Actual</th>
<th>% of projection</th>
<th>2017-18 Expected</th>
<th>2017-18 Actual</th>
<th>% of projection</th>
<th>2018-19 Expected</th>
<th>2018-19 Actual</th>
<th>% of projection</th>
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<tbody>
<tr>
<td>Cristo Rey Tampa</td>
<td>93</td>
<td>92</td>
<td>99%</td>
<td>211</td>
<td>132</td>
<td>63%</td>
<td>212</td>
<td>162</td>
<td>76%</td>
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<td>HOPE Christian Schools</td>
<td>2,421</td>
<td>2,351</td>
<td>97%</td>
<td>2,852</td>
<td>2,705</td>
<td>95%</td>
<td>3,165</td>
<td>2,924</td>
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<tr>
<td>The Oaks Academy</td>
<td>732</td>
<td>727</td>
<td>99%</td>
<td>872</td>
<td>818</td>
<td>94%</td>
<td>954</td>
<td>870</td>
<td>91%</td>
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<tr>
<td>Cristo Rey Atlanta</td>
<td>536</td>
<td>536</td>
<td>100%</td>
<td>536</td>
<td>536</td>
<td>100%</td>
<td>525</td>
<td>524</td>
<td>100%</td>
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<tr>
<td>Julie Billiart Schools</td>
<td>158</td>
<td>140</td>
<td>89%</td>
<td>185</td>
<td>174</td>
<td>94%</td>
<td>185</td>
<td>174</td>
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<tr>
<td>Alyssum Montessori</td>
<td>95%</td>
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<tr>
<td>Build UP</td>
<td>82%</td>
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<td>Cristo Rey Oklahoma City</td>
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<td>Fugee Academy</td>
<td>100%</td>
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<td>100%</td>
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<tr>
<td>HOPE Christian Schools</td>
<td>83%</td>
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<td>Julie Billiart Akron</td>
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<td>Kingdom Prep</td>
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<tr>
<td>PORTFOLIO TOTAL</td>
<td>3,246</td>
<td>3,170</td>
<td>98%</td>
<td>4,629</td>
<td>4,331</td>
<td>94%</td>
<td>5,684</td>
<td>5,262</td>
<td>93%</td>
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MEMBER SNAPSHOTS
HOPE Christian Schools
HOPE Christian Schools is a network of eight Christian college-preparatory schools in Milwaukee and Racine, Wis., serving predominantly low-income students. With a mission “rooted in the three C’s – Christ. College. Character,” HOPE Christian Schools began with a single elementary school of 47 children on the northwest side of inner-city Milwaukee in 2002. Another elementary and a high school opened within the following three years, at which time a parent organization, Open Sky Education, was created in order to launch charter schools through the Eagle College Prep network in Phoenix, Ariz., and St. Louis, Mo. (Open Sky Education also runs Compass Educational Programs, a Christian after-school program, and Compass Facilities.) The HOPE network has since opened five more K-8th grade private schools in Milwaukee and Racine. The Drexel Fund is supporting HOPE Christian Schools’ growth from six to nine schools, serving 4,584 students when fully enrolled.

Cristo Rey Network
In 1996 Father John Foley launched the first Cristo Rey High School in the Pilsen neighborhood of Chicago. It implemented a rigorous college preparatory curriculum with an innovative Corporate Work Study Program whereby students work five days each month in an entry-level job at a professional company, with the fee for their work being directed to underwrite tuition costs. The Cristo Rey Network (CRN) was founded in 2001 in order to franchise the model nationally. There are now 35 CRN schools serving more than 11,500 exclusively low-income students nationwide. Three Cristo Rey schools have received funding from The Drexel Fund: Cristo Rey Tampa High School opened in fall 2016 and will reach a capacity of about 360 9-12th grade students in 2021-22. Cristo Rey Oklahoma City Catholic High School opened in fall 2018 and will reach a capacity of 500 9-12th grade students in 2021-22. Cristo Rey Atlanta Jesuit High School opened in 2014 with 160 9th graders into a facility with capacity for 400 students. In the fall of 2017, the school moved into a new, permanent facility that can house its full capacity of 550 students.

Julie Billiart Schools
Founded by the Sisters of Notre Dame, Julie Billiart School – Lyndhurst is a Catholic K-8th grade school that has a more than 60-year history of exclusively teaching children with special needs near Cleveland, Ohio. As a school dedicated to children with unique learning and social needs, Julie Billiart serves a wide spectrum of students. Learning disabilities range from mid- to high-functioning autism, ADD/ADHD, traumatic brain injury, hearing impairment, anxiety, and/or speech and language disorders. Given Ohio’s publicly funded voucher programs for students with autism and other special needs, students can receive scholarships up to $27,000 annually to designate to their choice of approved special needs providers. Having not been able to meet the demand for seats, Julie Billiart School developed a network and a plan for growth across Northeastern Ohio. By fall 2021, Julie Billiart Schools will grow from one school to three schools, serving 375 students when fully enrolled.
The Oaks Academy
A small group of individuals who envisioned an excellent Christ-centered education in the inner city of Indianapolis founded The Oaks Academy in 1998 with 53 students at the founding Fall Creek campus. The founders desired to offer a quality Classical education to students across racial and socioeconomic barriers, which they believed would facilitate revitalization in the lives of students, families, and the community at large. As a result of its rigorous academic program, The Oaks Academy is rated the top school of any school type – private, charter or traditional district – in the state of Indiana. Due to growing demand, the Oaks Academy opened a second campus, Brookside, in 2012. In 2015, The Oaks Academy opened its middle school campus. All three campuses serve a deliberately diverse racial and socioeconomic mix of students. By fall 2026, the current three campuses of The Oaks Academy will grow by 84 percent, serving 1,224 students when fully enrolled.

NEW PORTFOLIO MEMBERS IN 2018-19

Build UP
Build Urban Prosperity (Build UP) is a new school model that launched in fall 2018 in Birmingham, Ala., that is rethinking high school and how to better support skill development that will lead to pathways in the trades. While mastering high school content, students learn carpentry, drywall, electrical, and plumbing skills. They also learn how to finance, purchase, sell, and care for a home through in-class exercises and paid internships. As whole school projects, students renovate duplexes within Birmingham’s Ensley neighborhood. When students have earned an associate degree through Build UP’s six-year program and have enrolled in a four-year college or have obtained a full-time job, they will obtain ownership of one of the duplexes they helped renovate while in school. Build UP will reach a capacity of 120 students in its six-year program by 2023-24. Once successfully launched, Build UP plans to replicate in other cities. Build UP CEO, Mark Martin, participated in Drexel’s Founders Program in 2017-18.

Fugees Family
Fugees Family was established in Clarkson, Ga., in 2004 as a private year-round soccer camp, after school tutoring program, and an academic enrichment camp for refugee children. In 2007, Fugees Family launched Fugees Academy as a middle school that now serves 84 students in grades 6-12 representing 23 different homelands. Given its students’ backgrounds with little or no English upon matriculation, students enter the school performing under the 5th percentile and graduate performing around the 60th. Annual student retention is at or above 90 percent and the first two graduating classes, while small, all matriculated to college. Fugees Academy has now developed a network model allowing it to bring its successful model to refugee students nationwide. In fall 2018, the Fugees Academy network launched a new school in Columbus and has plans for another in Cleveland—serving 792 students combined when fully enrolled.
The Good Shepherd Mission Network

In the mid-1990’s, the late Father Harry Tompson, a Jesuit pastor in downtown New Orleans, decided to launch an independent Catholic school in order to break the cycle of poverty through education. Based on the Nativity model of education, The Good Shepherd School opened its doors to thirty children in the fall of 2001, growing to a little over 100 students over 15 years. Given a record of academic and operational success, Good Shepherd School engaged in strategic planning in 2016-17 that calls for the original campus to move to a new facility that will allow it to triple in size and launch a network structure to support the replication of its successful school model. Good Shepherd School relocated to its new facility in fall 2018 and the Good Shepherd Mission Network intends to open a second campus, serving a combined 700 students when fully enrolled.

Kingdom Prep

Kingdom Prep Lutheran High School is an all-boys school bordering Milwaukee, Wis., with a mission to “Build a brotherhood in Christ, for lives of purpose.” Launched in August 2018, Kingdom Prep is the first all-boys Lutheran school in America. Modeled after St. Benedict’s Prep in Newark, N.J., Kingdom Prep emphasizes team building and spiritual development to build a social and spiritual network that will support students through rigorous academic work and the difficulties of adolescence. The college-preparatory curriculum will be enhanced each year through thematic learning via a “community innovation partnership challenge” where student teams focus on tackling a unique community problem by integrating grade-appropriate math, science, reading, and social studies to solve problems. Kingdom Prep will reach a capacity of 275 9-12th grade students by 2022-23. Kingdom Prep’s President, Kevin Festerling, participated in Drexel’s Founders Program in 2017-18.

Wildflower Schools

Based in Minneapolis, Minn., Wildflower Schools is an ecosystem of decentralized teacher-led Montessori micro-schools. Wildflower Montessori started in January 2014 as an early childhood education program created by MIT Media Lab professor Sep Kamvar in partnership with two Montessori veterans. Over the next two years, a growing network of teacher leaders helped start 11 additional Wildflower schools in Massachusetts and Puerto Rico. Wildflower schools are one- to two-room schools located in shop-fronts embedded in neighborhoods, with the faculty both teaching and administering the school. The small scale of each school is meant to allow teacher-leaders to make day-to-day decisions that respond to the needs of the children and school-wide decisions that express their own vision. The Wildflower network is supported by a foundation that works to build capacity, systems, tools and research to grow and strengthen the network. Alyssum Montessori is the first school in Indiana affiliated with the Wildflower network of Montessori schools. Launched in fall 2018 as a private school participating in Indiana’s statewide voucher program, the school will reach a capacity of 40 students ages three through 12 by 2020-21.