


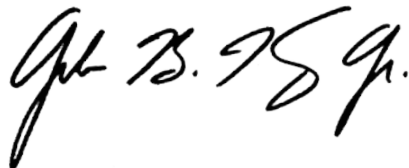


TO: P-12 Education Committee

FROM: Ken Slentz 

SUBJECT: Renewal Decisions for Charter Schools Authorized by the Board of Regents: Aloma D. Johnson Fruit Belt Community Charter School; Charter School of Educational Excellence, and La Cima Charter School

DATE: February 4, 2013

AUTHORIZATION(S): 

SUMMARY

Issue for Decision

Charter Renewal Applications for the following charter schools authorized by the Board of Regents:

1. Aloma D. Johnson Fruit Belt Community Charter School (Buffalo)
2. Charter School of Educational Excellence (Yonkers)
3. La Cima Charter School (NYC CSD 16)

Reason(s) for Consideration

Required by State Statute.

Proposed Handling

This issue will come before the Regents P-12 Education Committee for discussion and action and then before the Full Board for action at the February 2013 meeting of the Board of Regents.

Procedural History

Aloma D. Johnson Fruit Belt Community Charter School

Initial Charter issued by the Board of Regents in February 2008

(Charter Term: February 12, 2008- February 11, 2013)

First Renewal Charter issued by the Board of Regents in January 2013*

(Charter Term: February 12, 2013 – June 30, 2013)

Charter School of Educational Excellence

Initial Charter issued by the Board of Regents in January 2004

(Charter Term: January 12, 2004 – January 11, 2009)

First Renewal Charter issued by the Board of Regents in January 2009

(Charter Term: January 12, 2009 – June 30, 2013)

La Cima Charter School

Initial Charter issued by the Board of Regents in January 2008

(Charter Term: January 15, 2008 - January 14, 2013)

First Renewal Charter issued by the Board of Regents in January 2013

(Charter Term: January 15, 2013 – June 30, 2013*)

Background Information

The Department continues to improve day-to-day charter school oversight and accountability work as staff to the Board of Regents, one of the two active charter authorizers in New York State. At the Board of Regents' meetings in June 2010, June 2011, and November 2012, Department staff described significant improvements in charter school oversight and accountability work. The Regents have now issued several Requests for Proposals for new public charter schools in New York State with rigorous criteria for charter approval that ensure that only founding groups with the demonstrated will, skill and capacity to launch a high performing charter school win charter approval. In addition, over the last two years, Department staff has made revisions to the charter agreement, pre-opening process, performance oversight, and school closure protocols.

To ensure that charter school quality is maintained across the Regents' portfolio of charter schools, in November 2012, the Regents approved a Charter School Renewal Policy and endorsed a Charter School Performance Framework, which establish a clear and transparent picture of the priorities that will be considered by the Department and the Regents when reviewing and evaluating a charter newel application, and outline of the renewal process and a description of the possible renewal outcomes. Taken together, the Renewal Policy and Performance Framework, provide a roadmap for the renewal process for charter schools authorized by the Regents and processes for

* In order to align the School's current charter term with the school year, in January 2013, the Board of Regents approved a short term charter renewal until June 30, 2013. This short term renewal was granted to keep the school operationally viable through the end of the current school year while the review and evaluation of the full charter renewal application was completed.

charter renewal and non-renewal decisions that are based on merit, inclusive evidence, and that uphold the highest standards for quality.

The renewal process was already underway for these three schools prior to the Regents approval of the Renewal Policy and development of the Performance Framework, (the renewal applications for these schools were due and received by September 1, 2012). However, the renewal review and evaluation process applicable to these schools was consistent with what the Regents subsequently enacted in the Policy and Framework. The charter renewal decision is based on the school's performance over the term of the charter in three key areas:

1. The school's academic success
2. The school's organizational soundness and its ability to operate in a fiscally sound manner; and
3. The school's faithfulness to the terms of its charter and adherence to the applicable laws and regulations.

While the Department considers evidence related to all three of these categories of performance when making recommendations to the Regents concerning charter renewal applications, the school's record of student academic performance is of paramount importance. Each recommendation was made after a full due-diligence process including thorough review of the information presented by each school in its Renewal Application, including a specific fiscal review, a two-day renewal site visit conducted by a Department team during the fall of 2012, comprehensive analysis of achievement data, and consideration of public comments.

Renewal Recommendations

As with the approval of Initial Charter Applications, the Charter School Statute (Education Law §2852(2)) requires that in order to approve a Charter Renewal Application, the chartering entity (in this case the Board of Regents) must make the following findings:

(a) the charter school described in the application meets the requirements set out in this article and all other applicable laws, rules and regulations;

(b) the applicant can demonstrate the ability to operate the school in an educationally and fiscally sound manner;

(c) granting the application is likely to improve student learning and achievement and materially further the purposes set out in subdivision two of section twenty-eight hundred fifty of this article; and

(d) in a school district where the total enrollment of resident students attending charter schools in the base year is greater than five percent of the total public school enrollment of the school district in the base year (i) granting the application would have a significant educational benefit to the students expected to attend the

proposed charter school or (ii) the school district in which the charter school will be located consents to such application.

Beyond the requirement to make these required findings, the Act leaves the decision to renew a charter to the sound discretion of the Board of Regents.

The Department recommends the following:

- 1) That the Charter School of Educational Excellence, receive a full five-year charter renewal, with a maximum enrollment of 669 students in grades K through 8.
- 2) That due to concerns related to student academic performance (discussed in the attached Renewal Recommendation Reports), the other two schools, Aloma D. Johnson Fruit Belt Community Charter School and La Cima Charter School, receive three-year charter renewal terms. Both Aloma and La Cima included charter revision requests to expand the approved grade span and enrollment of the schools in their renewal applications. The Department recommends that these charter revision requests not be approved for this renewal period. The Department recommends that the Aloma D. Johnson Fruit Belt Community Charter School and La Cima Charter School be summatively re-evaluated against performance benchmarks within three years.

Summary information about the three Renewal Applications before the Regents for action today and performance over the previous charter terms, including specific analyses of academic performance, is included in the attached Renewal Recommendation Reports. Also attached is information provided by the schools, after Department staff conducted conference calls with members of the Board of Trustees and School Leaders to discuss the Department staff recommendations.

Recommendation

VOTED: That the Board of Regents finds that, the **Aloma D. Johnson Fruit Belt Community Charter School**: (1) meets the requirements set out in Article 56 of the Education Law, and all other applicable laws, rules and regulations; (2) the applicant can demonstrate the ability to operate the school in an educationally and fiscally sound manner; (3) granting the application is likely to improve student learning and achievement and materially further the purposes set out in subdivision two of section twenty-eight hundred fifty of this article; and (4) granting the application would have a significant educational benefit to the students expected to attend the charter school, and the Board of Regents therefore approves the renewal application of the Aloma D. Johnson Fruit Belt Community Charter School and that a renewal charter be issued, and that a provisional charter be extended for a term up through and including June 30, 2016.

VOTED: That the Board of Regents finds that, the **Charter School of Educational Excellence**: (1) meets the requirements set out in Article 56 of the Education Law, and all other applicable laws, rules and regulations; (2) the applicant

can demonstrate the ability to operate the school in an educationally and fiscally sound manner; (3) granting the application is likely to improve student learning and achievement and materially further the purposes set out in subdivision two of section twenty-eight hundred fifty of this article; and (4) granting the application would have a significant educational benefit to the students expected to attend the charter school, and the Board of Regents therefore approves the renewal application of the Charter School of Educational Excellence and that a renewal charter be issued, and that is provisional charter be extended for a term up through and including June 30, 2018.

VOTED: That the Board of Regents finds that, the **La Cima Charter School**: (1) meets the requirements set out in Article 56 of the Education Law, and all other applicable laws, rules and regulations; (2) the applicant can demonstrate the ability to operate the school in an educationally and fiscally sound manner; (3) granting the application is likely to improve student learning and achievement and materially further the purposes set out in subdivision two of section twenty-eight hundred fifty of this article; and (4) granting the application would have a significant educational benefit to the students expected to attend the charter school, and the Board of Regents therefore approves the renewal application of the La Cima Charter School and that a renewal charter be issued, and that is provisional charter be extended for a term up through and including June 30, 2016.

Timetable for Implementation

The Regents actions for the above named charter schools will become effective immediately.

Attachments



New York State Education Department Charter School Office

Charter School Renewal Recommendation Report

Aloma D. Johnson Fruit Belt Community Charter School
Application for Second Charter Renewal

February 2013

Introduction

This report is the primary means by which the Charter School Office (CSO) of the New York State Education Department (the “Department”) summarizes for the New York State Board of Regents its findings and Department staff recommendations regarding a charter school’s Renewal Application.

Charter School Summary

Name of Charter School	Aloma D. Johnson Fruit Belt Community Charter School
Lead Applicant(s)	Jerry L. Linder, Board President
District of Location	Buffalo Public School District
Districts Served	Buffalo Public School District; Williamsville Central School District; North Tonawanda City School District; Cheektowaga Central School District
Opening Date	Fall 2008
Charter Terms	Initial Charter Term: February 12, 2008 through February 11, 2013. First Renewal Term: February 12, 2013 through June 30, 2013 ¹
Management Company	None
Partners	Daemen College and Fruit Belt Community Development Corporation
Facilities	833 Michigan Avenue, Buffalo, New York 14203
Enrollment and Grade Span during Current Charter Term	2008-2009: 99 students, K – 2 2009-2010: 226 students, K – 3 2010-2011: 297 students, K – 4 2011-2012: 299 students, K - 4
Current Maximum Enrollment and Grade Span	Maximum enrollment of 300 student in grades K through 4
Mission Statement	“The Aloma D. Johnson Fruit Belt Community Charter School (ADJFBCCS) fosters students’ intellectual, physical, social, and emotional growth, helping students acquire the knowledge, skills and abilities they need to reach their full learning potential. The school is focused on high academic achievement and prepares all students to meet NYS Learning Standards in an environment of high

¹ In January 2013, the Board of Regents approved a short term charter renewal through June 30, 2013 to align the School’s current charter term with the school year. This short term renewal kept the school operationally viable through the end of the current school year while the review and evaluation of the full charter renewal application was completed.

Mission Statement (cont.)	expectations. The ADJFBCCS is committed to sustaining a safe and caring learning community that respects diversity and encourages strong home, school and community partnerships. With its small school learning environment, intensive focus on building student reading and math achievement, ongoing commitment to staff development, interdisciplinary themes of business and leadership, and the use of innovative tools such as Creative Problem Solving (CPS) and Project-Based Learning (PBL), the Aloma D. Johnson Fruit Belt Community Charter School prepares students to direct and participate in the renaissance of their neighborhood, community and city.”
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Background

The Board of Regents granted an initial charter to Aloma D. Johnson Fruit Belt Community Charter School (“Aloma” hereafter) in February 12, 2008². The school opened in September 2008 with 99 students in grades K through 2. (The school had originally planned to open with 180 students but was unable to meet that enrollment target, necessitating a charter revision³ to reduce the initial enrollment. See the Organizational Soundness section of this report for more information about this issue.) The school expanded one grade each subsequent year reaching its full grade span in school year 2010-11. The school currently enrolls 299 students with maximum capacity of 300 students in grades K through 4. The school requests a full five-year charter renewal term and has also requested approval to add grades 5 through 8 and increase enrollment from 300 to 500 students.

Recommendation and Required Findings

After a thorough Department review of the evidence submitted by Aloma and gathered by the Department, the Department recommends that the Board of Regents approve a three year charter renewal for Aloma for the term from July 1, 2013, through June 30, 2016. The Department further recommends that the Board of Regents deny the school’s request to expand the approved grade span and enrollment of the school at this time and that, for the renewal term, the school continues to be authorized to provide instruction to students in grade K through 4 with a maximum approved enrollment of 300 consistent with the other terms set forth in the renewal charter agreement.

Based on the review of evidence related to the school’s performance including, but not limited to, the school’s second Renewal Application, evaluation visits conducted during the charter term, and the school’s record of educational success based on NYS assessment data, the Department can make all of the findings that the Board of Regents, as the chartering entity is required by NYS Education Law Article 56, the Charter Schools Act (the Act), to make in order to approve a charter application. Given the educational record of the school as described below, the Department finds that Aloma has demonstrated the ability to operate in an educationally sound manner; that approving the renewal application is likely to

² <http://www.regents.nysed.gov/meetings/2008Meetings/February2008/0208emsca3.htm>

³ <http://www.regents.nysed.gov/meetings/2009Meetings/January2009/0109emsca2.htm>

improve student learning and achievement and materially further the purposes set out in the Act in Education Law §2850(2).⁴

Summary of Evidence

The summary of evidence presented below is drawn from the school's record over the term of the charter including: the renewal application, site visit reports, annual reports, independent fiscal audits, Board of Trustee minutes and other documents collected by and about the school. On October 10 and 11, 2012, a Department team conducted a renewal site visit at Aloma D. Johnson Fruit Belt Community Charter School. This was preceded by a full site visit conducted by a Department team on May 17, 2011, and a monitoring site visit on January 31, 2012.

Educational Soundness (Educational Record)

Evidence of Performance Related to Academic Goals

For the current charter term (February 12, 2008 through February 11, 2013), Aloma articulated yearly goals for student performance. According to data submitted in the school's Renewal Application as well as additional data analysis completed by the Department, Aloma inconsistently met some of these goals based on NYS assessment data from 2008-2009, 2009-2010, 2010-2011, and 2011-2012. Below is a discussion of the school's goals and year to year results.

School Year 2008-2009:

- Growth Goal: Students will achieve a full grade level increase in performance in ELA and Math from their benchmarked score at the beginning of the year, as measured by the Terra Nova exams:
 - 75% of students that attend the school continually and consistently from the opening day;
 - 65% of students that attend the school following the first quarter of the school year

The school was not able to evaluate the 2008-2009 goals due to a lack of data. The school reports that the students were not pre-tested upon entry and thus no analysis of Terra Nova growth could be completed.

School Year 2009-2010:

- Growth Goal: Students will achieve a full grade level increase in performance in ELA and Math from their benchmarked score, as measured by the Terra Nova exams:
 - 78% of students that attend the school continually and consistently from the opening day
 - 65% of students that attend the school following the first quarter of the school year
- Absolute Goal: Students will meet or exceed the Regents performance standards of Level 3 on the required State assessments in grade 3 ELA and Math:

⁴ Section 2852(2) states: An application for a charter school shall not be approved unless the charter entity finds that: (a) the charter school described in the application meets the requirements set out in this article and all other applicable laws, rules and regulations; (b) the applicant can demonstrate the ability to operate the school in an educationally and fiscally sound manner; (c) granting the application is likely to improve student learning and achievement and materially further the purposes set out in subdivision two of section twenty-eight hundred fifty of this article; and (d) in a school district where the total enrollment of resident students attending charter schools in the base year is greater than five percent of the total public school enrollment of the school district in the base year (i) granting the application would have a significant educational benefit to the students expected to attend the proposed charter school or (ii) the school district in which the charter school will be located consents to such application.

- 50% of students who attend the school continually and consistently from the opening day

For school year 2009-2010, Aloma did not meet any of the set goals. Additionally, the school could not evaluate students that attended the school after the first quarter because the school did not pre-test transfer students after the first quarter and had no benchmark score. The school did not meet the target of 78% of students achieving a full grade level on the Terra Nova Exams; however it came close with an overall score of 73%. The school's proficiency rates in ELA (19%) and Math (24%) were far from the target (50%) set by the school.

School Year 2010-2011:

- Comparative Goal: Students will outperform the Buffalo Public School District Level 3 or 4 percentages on the state's ELA or Math exams
- Absolute Goal: Students will meet or exceed the Regents performance standards of Level 3 on the required State assessments in grade 3 and 4 ELA and Math:
 - 60% of students who attend the school continually and consistently from the opening day.
- Growth Goal: Students will achieve a full grade level increase in performance in ELA and Math from their benchmarked score as measured by the Terra Nova exams:
 - 80% of students who attend the school continually and consistently from opening day
 - 65% of students that attend the school following the first quarter of the school year

In the 2010-2011 school year, the school achieved only its comparative goal. Although the school did not achieve its absolute goal for Grade 3, cohort data presented in the renewal application indicates that students doubled their levels of achievement from 2009-2010 to 2010-2011. The absolute goal for Grade 4 was not achieved; however, 47% of students achieved at level 3 or 4 on the ELA assessment and 53% of students achieved at level 3 or 4 on the math assessment. The school acknowledges it did not meet its growth goals but did not provide any additional information regarding these goals.

School Year 2011-2012:

- Differentiated Accountability Goal: Increase test scores according to the Commissioner's Performance Index for AYP each year.
- Comparative Goal: Students will outperform the Buffalo Public School District Level 3 or 4 percentages on the state's ELA or Math exams.
- Growth Goal: Students will achieve a full grade level increase in performance in ELA and Math from their benchmarked score, as measured by the Terra Nova exams:
 - 80% of students who attend the school continually and consistently from opening day;
 - 65% of students that attend the school following the first quarter of the school year
- Growth Goal: Students will meet or exceed the Regents performance standards of Level 3 on the required state assessments in grades 3 and 4:
 - 60% of students who attend the school continually and consistently from the opening day.

Aloma did not meet all goals for school year 2011-2012. The two growth goals measured by scores on the Terra Nova exams were not met. The growth goal measured by the cohort students' scores on state ELA and Math assessments was met only in Grade 4 Math.

Evidence of Performance Related to Comparable Schools

In order to ensure the availability of a robust data set in consideration of renewal, and to supplement the basic assessment data and renewal application, the Department conducted an additional set of statistical analyses that compare the academic performance of Aloma to traditional public and charter schools in Buffalo Public School (BCSD) and similar schools across New York State (see Appendix A for the full

statistical analyses).

Table 1, below, illustrates the ELA and mathematics proficiency rates for Aloma as a direct comparison to those of students in the same grade band (3-4) and similar schools in BCSD and across NYS as a whole. There are two findings worth noting:

First, the most current math and ELA proficiency rates for Aloma are above the local district but lower than the state average in similar grade bands. Second, Aloma’s proficiency rates have generally improved over time, with the current proficiency rate in math and ELA significantly higher than in 2009-2010.

Table 1: Percentage of Students Scoring at Level 3 and 4 on the NYS assessments in Grades 3 and 4

School Year	Tested Grades	Math Proficiency Rates (At or Above Proficiency)			ELA Proficiency Rates (At or Above Proficiency)		
		ADJCS	Buffalo CSD	NYS	ADJCS	Buffalo CSD	NYS
2012	3-4	53%	36%	66%	37%	34%	59%
2011	3-4	36%	36%	65%	41%	34%	58%
2010	3	24%	35%	61%	20%	38%	56%

One general criticism of such comparisons is that charter schools may enroll a disproportionate number of students who, by demographic category, are at greater risk for low performance. In order to address such concerns, the Department conducted a multivariate regression model⁵ to predict the expected performance of Aloma that controls for demographic characteristics, thus helping to ensure truly similar schools are being compared. The results show that after controlling for such variables, Aloma consistently performs below what is expected in ELA and slightly better than expected in math only in the most current year. The effect sizes for the school are shown in comparison to the district in the Table 2 below.

Table 2: Summary of Adjusted Performance Combining Tested Grades Effect Size⁶

School Year	Tested Grades	Math		ELA		Number of Students in Analysis		
		Aloma Effect Size	District Effect Size	Aloma Effect Size	District Effect Size	Aloma	District	State
2012	3-4	0.04	-0.30	-0.07	-0.17	121	1618	354311
2011	3-4	-0.05	-0.14	-0.04	-0.05	101	1462	353680
2010	3	-0.19	-0.22	-0.13	-0.13	41	699	174152

Evidence of Performance Observed Through On-site School Reviews

⁵ All public schools, including charter schools, in New York State of the same type (in this case, schools that tested students in grades 3 through 6) are included in the regression model, and the model accounts for the percentage of students identified as eligible for free- and reduced-price lunch, English language learner status, and students with disabilities at each school. The overall predicted proficiency rating is calculated as a weighted average by the number of students tested in a given grade.

⁶ A positive effect size indicates that the school is performing higher than would be predicted using the regression model and a negative effect size indicates that the school is performing lower than would be predicted using the regression model. In a summary of effect sizes of elementary educational interventions, specifically those that use random-assignment, the average effect size was 0.33 standard deviations (Hill et. al., 2007).

On October 10 and 11, 2012, a Department team conducted a renewal site visit at Aloma. This was preceded by a full site visit conducted by a Department team on May 17, 2011, and a monitoring site visit on January 31, 2012. During each visit, CSO interviewed the Board of Trustees, school administrators, teachers, parents, and students; and observed classrooms.

The Department noted in early site visit reports the school's academic program was not strong. A concern noted consistently during past site visits is that the school has not implemented systemic changes to institutionalize processes and procedures that would lead to increased academic achievement. Informal visits in the first two years of operation revealed that much time was spent in the classrooms on getting organized, getting ready and transitioning, to the detriment of effective teaching and learning. Discipline was an issue for most teachers, with inconsistencies in behavior management across classrooms. However, over the charter term Aloma's program has improved. The curriculum has become more developed and reflective of the school mission and instructional practices have improved to become more focused and data-driven.

During the renewal visit, the team conducted over thirty classroom visits, including every grade level and major subject area. Of the 33 classroom observations, approximately 50% of the classrooms demonstrated clear and consistent evidence of high expectations for student behaviors and routines, and that class time was maximized for learning. In classrooms where clear and consistent high expectations were evident, a higher percentage of students were engaged and participating. Instructional practices were inconsistent from classroom to classroom. Checks for understanding, pacing of the lesson, and differentiation of instruction were observed in every classroom but to varying degrees. Rigorous tasks that required critical thinking were either not evident or only partially evident in 80% of the classrooms.

Over the course of its charter, the school has evaluated and revised its curriculum. Since the 2011 site visit to the school, the school has focused on becoming a data driven school and aligned its curriculum with the Common Core State Standards. Teachers are receiving professional development and other supports to increase rigor and improve instructional practices. For the past few years, the school has implemented supports for students in addition to those that were previously in place (i.e., extended school day, extended school year, special education teachers, teacher aides, special area teachers and a Saturday school).

The school environment has improved over time. In a CSO report from 2011, the Department expressed concern about classroom management issues. In 2012, the school added a Dean of Students to the staff to address this concern, and discipline issues were not evident during the renewal site visit in the fall of 2012. The school has created a safe learning environment for its students and staff. Stakeholders have reported that the school has grown in both its behavioral and academic expectations. Parental involvement has increased over the charter term and the school has developed multiple means to communicate and involve parents. Based on school-administered surveys and interviews during site visits, parent satisfaction is high.

Organizational Soundness

Evidence of Organizational Capacity

Aloma amended its charter to reduce enrollment from 180 students to 110 for the first year of operation because the school changed its transportation plan and school schedule causing families to withdraw their students from Aloma. The school maintained enrollment, with 299 students at the time of the renewal

visit. In its first four years of operation, the school had four different school leaders with the current school leader beginning in December 2010. In a February 10, 2010 letter, the CSO expressed concern about a number of compliance issues including failure to meet reporting deadlines. These compliance issues were resolved as reports are currently submitted in a timely fashion, and the school leadership appears stabilized.

Evidence of Board Oversight and Governance

Over the course of the charter term, the Board of Trustees has had relatively stable membership with some level of turnover. The current president of the Board has been with the school since it first opened. The CSO noted in 2011 that the BOT lacked clarification of its roles in the first few years of operation although it was committed to the school and its mission. During a focus group with BOT members in 2011, Board members described the board's history as a "long time on a bumpy road," reflecting on the first years of unstable leadership at the board and school level, enrollment and transportation issues, and how they were generally consumed by "putting out fires." Board members interviewed at that time recognized the need to strengthen their own capacity and oversight of the school.

At the time of the renewal visit, the site team noted that the BOT has established lines of communication, defined roles and responsibilities, and engaged in professional development to enhance their knowledge, and effectiveness. However, the team noted that the Board continues to lack processes for strategic planning and is not involved in a comprehensive assessment of progress towards goal accomplishment.

Fiscal Soundness

The Department reviews the financial performance and management of charter schools using quantitative and qualitative methods. Quantitative reporting is done through the fiscal dashboard (See Appendix B). The dashboard presents several near-term⁷ and long-term⁸ financial performance indicators. These rigorous indicators of fiscal soundness are aligned with those recommended by the National Association of Charter School Authorizers, and are also used by the Trustees at the State University of New York (SUNY) in their capacity as a charter school authorizer (SUNY-CSI) in New York State. Near-term indicators such as the current ratio and unrestricted days cash are measures of liquidity, and of the charter school's capacity to maintain operations. Long-term indicators such as total margin and debt-to-asset ratio are measures of the charter school's capacity to remain viable and to meet financial obligations. To

⁷ Near-term indicators of financial health are used to understand the current financial performance and viability of an entity. CSO uses four measures. The "current ratio" is a measure of operational efficiency and short-term financial health. It is calculated as current assets divided by current liabilities. "Unrestricted days cash" is a measure of liquidity and available funding. It is calculated as unrestricted cash divided by (total expenses/365). To capture the impact of enrollment on finances, we also measure "enrollment stability" by comparing actual vs. projected reported by schools. Schools failing to enroll 85% of their projected total may not be permitted to provide instruction. CSO also uses a "financial composite score" as a blended measure of performance on multiple indicators. Scores between 1.5 and 3.0 denote fiscal strength. Intermediate scores range from 1.4 to 1.0. Scores below 1.0 require additional CSO monitoring of fiscal performance and management. Please see Appendix B for additional detail on the fiscal performance of the School on these near-term indicators.

⁸ Long-term indicators of financial health are used to understand the financial viability of an entity for periods of one year or more. CSO uses four measures. The "total margin" measures the deficit or surplus a schools yields out its total revenues. "Debt to asset" ratio measures the use of borrowed funds to finance operations. Ratios greater than 1.0 are indicative of high risk. "Cash flow" measures increases or decreases in cash from operations, financing, and investing. "Debt Service Coverage Ratio" measures the capacity of an entity to cover debt obligations in the current year. See Appendix B for additional detail on the fiscal performance of the School on these long-term indicators.

lend context to the quantitative data, CSO staff reviewed annual reports and the renewal report submitted by the school describing their financial management practices; and analyzed audited financial statements for the school for the operating years 2008-2009 through 2011-2012⁹. CSO conducted a three-year analysis of financial trends for Years 1 through 3 of the charter term, as well as a review of audited financial statements received in November 2012.

The key findings for the fiscal year ending June 30, 2012, are summarized in this narrative, and additional quantitative analysis for fiscal years 2009 through 2011 may be found in Appendix B.

In 2011-2012, Aloma received an unqualified opinion on its audited financial statements. Auditors made two findings of material weaknesses on the internal controls of the school. The same material weaknesses were identified at the end of the 2011 fiscal year and were not resolved by the board or management during the year. The school maintained a low-risk financial position with a current ratio of 4.32.

The financial position of the school has improved significantly since 2010-2011. In the prior year, the ratio was 1.3. The improvement was due in large part to the ability of the school to pay the entire balance of notes payable in the amount of \$413,869. The school used those funds to make extensive leasehold improvements to the facility, but it does not hold a long-term lease. Audited financial statements for the year ended June 30, 2010 noted the school entered into a lease with an annual expense of \$304,000. In 2012, the rent expense amounted to \$525,000, an increase of 72 percent. The minimum lease payment for the 2012-2013 school year is \$481,250.

For fiscal year 2010-2011, Aloma operated with 47 days unrestricted cash. Enrollment stability was at 100 percent. The school attained a Financial Composite Score of 2.76. The school had a low debt-to-asset ratio of 0.36, and a total margin of 18.5 percent. In addition, the school ran an operating surplus of \$599,115.

CSO staff has prepared a series of graphs to illustrate the long-term (three-year trend analysis from FY 2008 through FY 2011) performance of the school (See Appendix B). The graphs illustrate rapidly declining debt¹⁰, alignment between enrollment and operating expenses¹¹, and increases to days of cash on hand that exceed the CSO benchmark. Trends are indicative of high enrollment, low debt, and improving operational efficiency.

Both short-term and long-term quantitative indicators indicate the school is fiscally strong.

There have been some financial issues which the school acknowledges in its renewal application. The NYS Office of Comptroller conducted an audit¹² of the school's process for selecting and negotiating the terms of a building space needed for school operations in accordance with government auditing standards. The report, completed in June 2012, findings included: lack of adequate process for site selection and lease cost analysis, lack of comparative market rates analysis, and conflict of interest (actual or perceived) policy be followed. Specifically, the Comptroller's Office found that from June 1, 2008 through March 5, 2012, there was *"no evidence that the Board had fulfilled its fiduciary responsibility to the school by ensuring that it fully evaluated the choice of its school building. In fact, the Board selected a building that was owned by an organization that it had extremely close ties to with no evidence that it is paying market*

⁹ <http://www.p12.nysed.gov/psc/csdirectory/AlomaDJohnsonFruitBeltCommunityCharterSchool/home.html>

¹⁰ See "Current Ratio/Debt to Asset Ratio" graph in Appendix B.

¹¹ See "Enrollment vs. Operating Expenses" graph in Appendix B.

¹² <http://www.osc.state.ny.us/localgov/audits/schools/2012/fruitbeltcharter.pdf>

value. In addition, the terms of the lease were not complied with as it appears that the school had been occupying and possibly renovating space that was not included in the lease agreement and without prior State Education Department (SED) approval. We also found that the terms and conditions of the lease, including the cost of leasehold improvements, directly impacted the school's financial condition, initially resulting in cash flow problems to the school, while also providing significant financial benefit to the landlord."

The report also states that the school is "listed in the Church's organization chart as some of the 11 entities under its control, with the pastor as the chief executive officer of the building entity."

The annual external financial audit report, dated December 2011, conducted by Conway Porter III, CPA, PC, found deficiencies in internal controls, segregation of duties, financial reporting objectives, and financial statement preparation. The school acknowledges these deficiencies and is committed to a corrective action plan to address the issues such as creating a building committee to ensure appropriate procurement procedures are followed or creating a finance committee to ensure reports are filed on time.

Faithfulness to the Charter

Prior site visit reports indicate that the school has struggled to carry out its mission. Until the renewal visit in October 2012, there was little evidence key design elements were being implemented. However, during the renewal site visit, there was clear evidence that the key design elements are in various stages of implementation. The key design elements of a small school setting and a focus on foundational ELA and math are implemented. Themes of business and leadership, project based learning, curriculum alignment to the Common Core State Standards, and school/family/community partnerships are in the development stage and creative problem solving is in its infancy.

Plans for the Next Charter Term

The school requests approval to add grades 5 through 8, and to increase maximum enrollment from 300 to 540 students. Parental satisfaction with the current program and their desire to keep their at Aloma are cited as the reasons for the request.

Despite the desire for expansion, the school's application failed to present a detailed and robust plan or rationale for expansion to include a middle school program. Little information is provided about the grade 5 through 8 content and curriculum development, other than a stated commitment to align content with Common Core State Standards. There is insufficient evidence presented of student demand for the proposed expansion. Other than the establishment of a Board of Trustees Building Committee to consider the implications and resource needs of expanded enrollment, no evidence is provided of comprehensive planning to serve the additional grades by the Board of Trustees and school leadership.

The school's record does not support the proposed expansion to serve grades K through 8 at this time. While the school has made improvements in the stability of leadership, board oversight and governance, and other organizational issues, the school's record of success in improving student learning and achievement is still being established. Although the absence of an established record of student achievement is partially due to limited State test data in the grades served, and the existing limited data does appear to suggest growth in student achievement, a much more robust history of school-wide academic success and organizational stability would need to be in place to warrant approval of the expansion request.

Summary of Public Comment

As required by the Act, the Department notified the Buffalo City School District and public and nonpublic schools in the same geographic area as Aloma about the submission of the school's Renewal Application. The District held the required hearing on October 24, 2012. According to the minutes of the hearing, a brief informational presentation about the school was made by Elaine Hayes, Aloma's Principal, and representatives from the charter school were given an opportunity to respond to questions from the Board of Education members. Questions were asked regarding student population, enrollment and retention, facilities, proposed expansion, conflict of interest and the NYS Office of the Comptroller's report. No other public comments were received.

Additional Information

Student Demographics¹³

	2009-2010		2010-2011		2011-2012 ¹⁴	
	Aloma Enrollment	Buffalo CSD Enrollment in Grades K-4	Aloma Enrollment	Buffalo CSD Enrollment in Grades K-4	Aloma Enrollment	Buffalo CSD Enrollment in Grades K-4
Special Populations						
Free Lunch ¹⁵	81%	70%	84%	73%	84%	94%
Reduced Lunch	8%	7%	5%	6%	5%	6%
Limited English Proficient	0%	9%	0%	10%	0%	11%
Students with Disabilities	4%	22%	5%	24%	13%	24%
Race/Ethnic Origin						
Native American	0%	1%	0%	1%	0%	1%
African American	92%	56%	95%	55%	95%	54%
Hispanic or Latino	5%	15%	0%	15%	0%	16%
Asian or Pacific Islander	1%	4%	0%	5%	0%	6%
White	1%	23%	3%	23%	3%	22%
Multiracial	0%	1%	2%	2%	2%	1%

¹³ Source: 2009-2011 New York State Report Card Databases, 2009-2012 Student Information Repository System (SIRS) Data, and 2009-2012 Basic Educational Data System (BEDS) Data.

¹⁴ 2011-2012 data shows preliminary data that may be subject to change.

¹⁵ Free and Reduced Lunch data at the district-level account for all grade-levels served by the district.

Aloma’s enrollment reflects a predominately African American population, much greater than the Buffalo Public Schools. The school reflects the free and reduced lunch population found in the Buffalo Public Schools; however, the school under enrolls both Students with Disabilities and English language learners. The population of Students with Disabilities has increased over the charter term and the school has recently begun to recruit English language learners.

Aloma D. Johnson Fruit Belt Community Charter School has exceeded its enrollment target for free/reduced price lunch. The Students with Disabilities population approximates the adjusted target. However, the enrollment of English language learners is approximately one-third of the adjusted target. In the table below, the enrollment targets, adjusted and unadjusted, are compared to Aloma’s current population, as reported by the charter school on their 2012 – 2013 BEDS forms. These targets were determined utilizing the Enrollment Target Calculator, developed by NYSED and revised on December 27, 2012, based on a student population of grades K through 4 and 296 students in the City of Buffalo.

Enrollment Targets

	Unadjusted Target	Effective Target ¹⁶	Aloma %
Free/Reduced Price Lunch	89.9%	86.1%	100%
English language learners	10.6%	8.0%	3%
Students with Disabilities	22.2%	18.5%	16%

Board of Trustees

Name	Position on Board	Committee Affiliation(s)	Area of expertise, and/or additional role	Term Information
Jerry I. Linder	President	Personnel	Human Resources	Two 3 year terms. Elected 2008. Reappointed 2011. Expires 2014.
Yvonne Evans	Treasurer	Financial, Personnel, Building	Finance	Two 3 year terms. Elected 2009. Reappointed 2012. Expires 2015.
John Johnson	Trustee	Finance	Finance,	Founding board

¹⁶ The effective target is less than the actual target because it accounts for the fact that every school is likely to experience natural enrollment rate fluctuations from one year to the next. The effective target is calculated as the lower bound of a one-sided 95% confidence interval based upon the Wilson Score Interval method for calculating confidence intervals for proportions.

			Government	member. Two 3 year terms. Reappointed 2011. Expiration 2014.
Kevin Robinson	Trustee	Finance, Building		Two 3 year terms. Elected 2009. Reappointed 2012. Expiration 2015.
Robbie Latimore	Fruit Belt Community Development Corporation Representative	Finance		First term. Elected 2012. Expiration 2015. (Resigned subsequent to the submission of this application for renewal)
Jennifer Bialek	Teacher Representative		Education	First term. Elected 2012. Expiration 2015.
Michelle Elliott	Parent Representative			First term. Elected 2012. Expiration 2015.
Elizabeth Wright	Daemen College Representative		Education	First term. Elected 2011. Expiration 2014.

School Leader History

Name	Term
Kristin Mihalko-Hyland, Principal	2008 – September 2009
Elnora Grice, Principal	September 2009 – March 2010
Josephine Mayfield, Principal	March 2010 – December 2010
Elaine Hayes, Principal	December 2010 - Present

Appendix A: Analysis of Student Performance

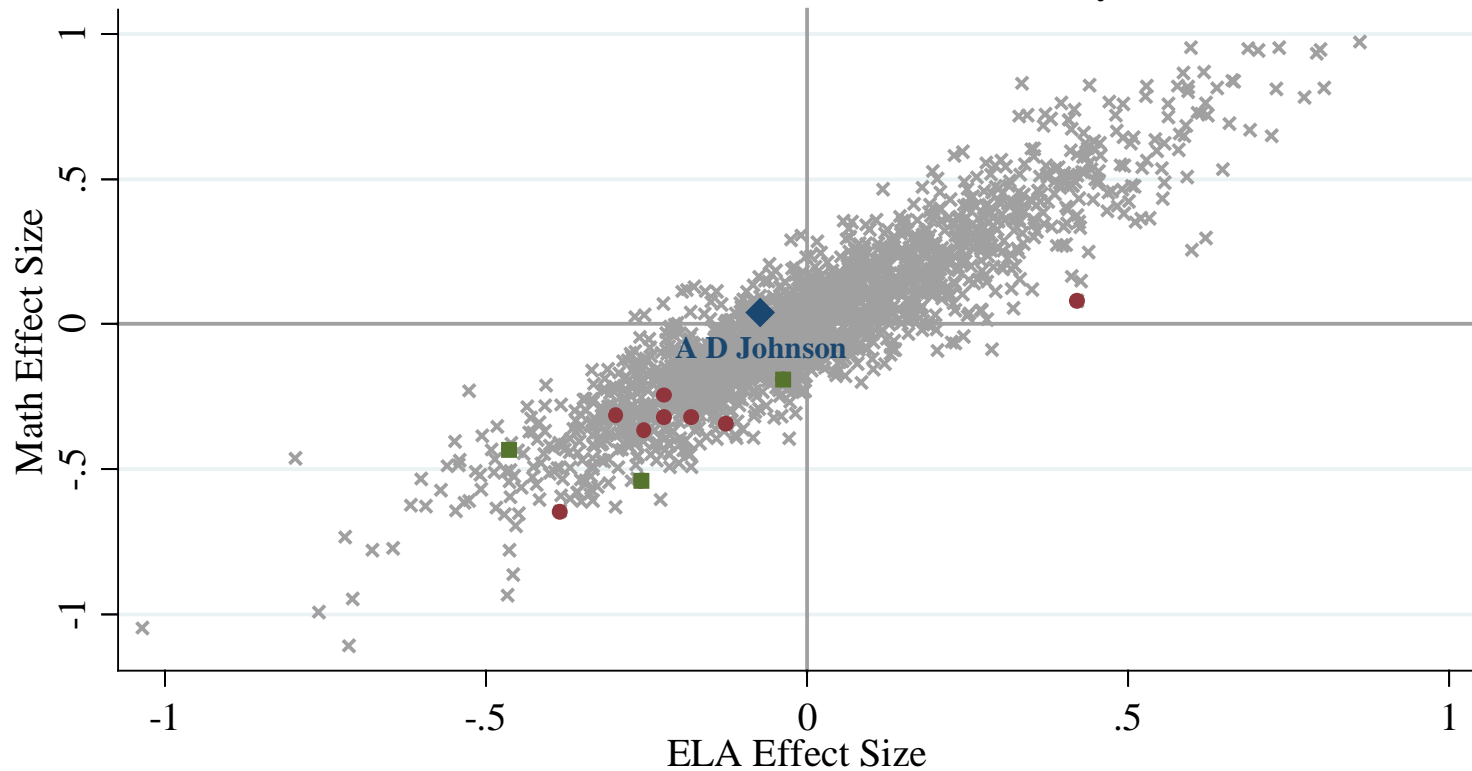
Aloma D. Johnson Community
Charter School

Controlling for students' poverty, LEP, and special education status

**REGRESSION RESULTS
(COMBINING ALL TESTED GRADES,
COMPARED TO STATE AND DISTRICT
AVERAGES)**

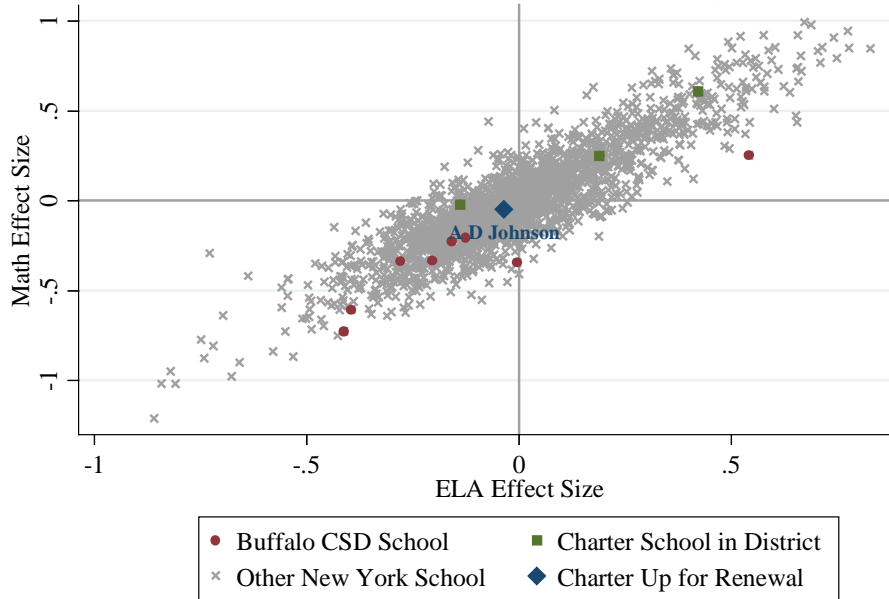
Math and ELA Adjusted Performance Compared to All NY Elementary Schools, 2012

Controlled: Difference between Actual and Predicted Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2012

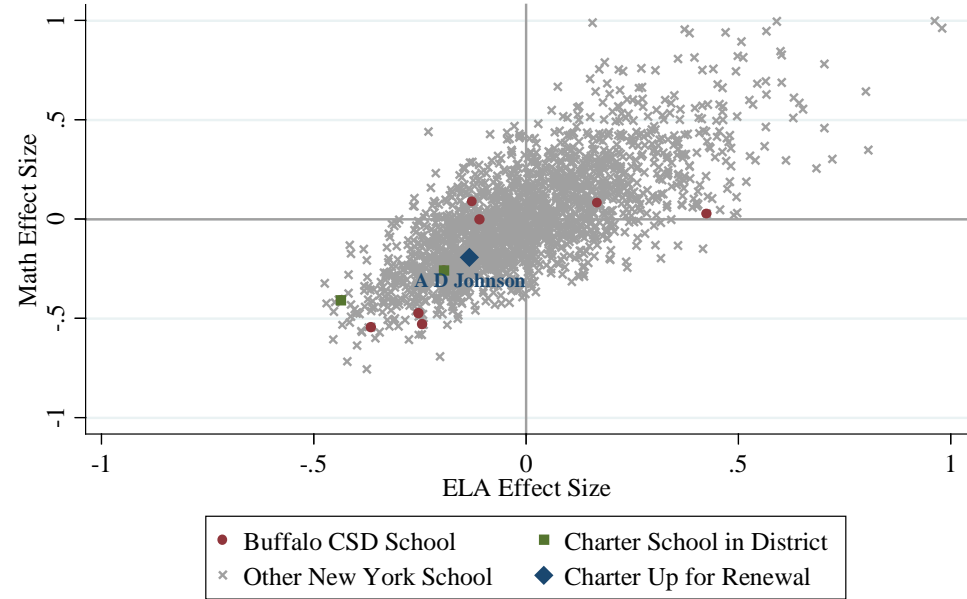


Math and ELA Adjusted Performance Compared to All NY Elementary Schools 2011 and 2010

Controlled: Difference between Actual and Predicted Proficiency
 Grades 3-4 Combined Performance for Elementary Schools, 2011

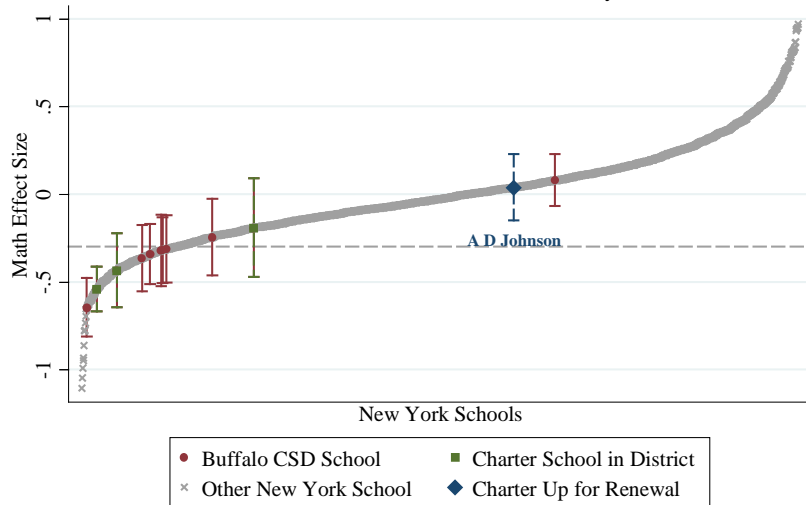


Controlled: Difference between Actual and Predicted Proficiency
 Grade 3 Performance for Elementary Schools, 2010

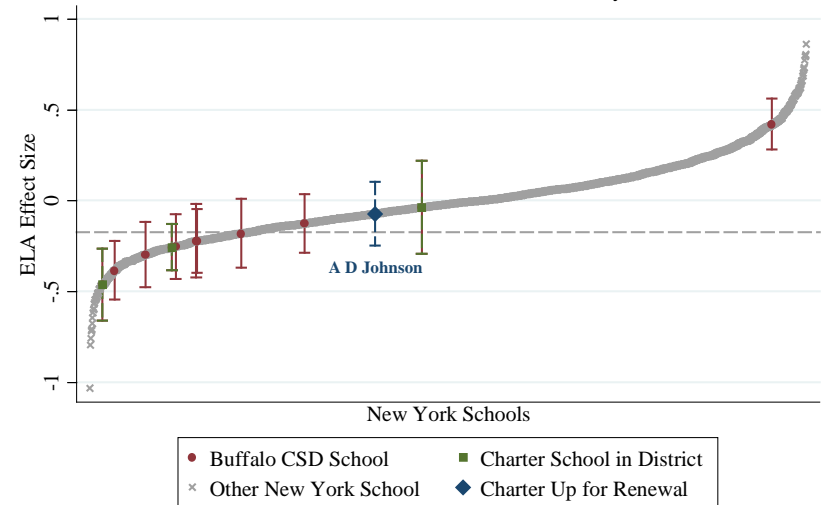


Math and ELA Adjusted Performance, 2012 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2012

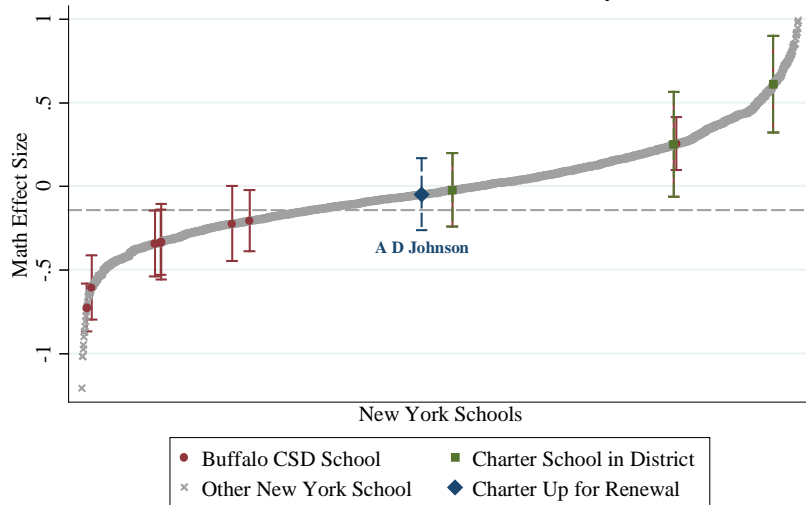


Controlled: Difference between Actual and Predicted ELA Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2012

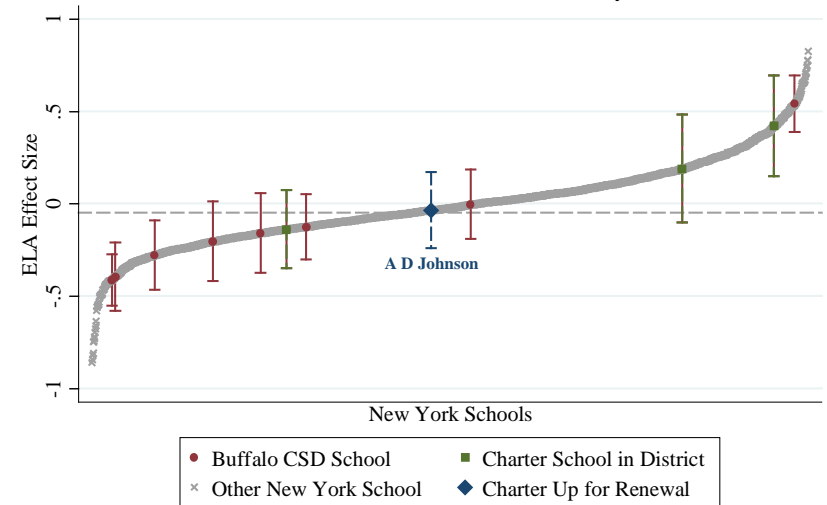


Math and ELA Adjusted Performance, 2011 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2011

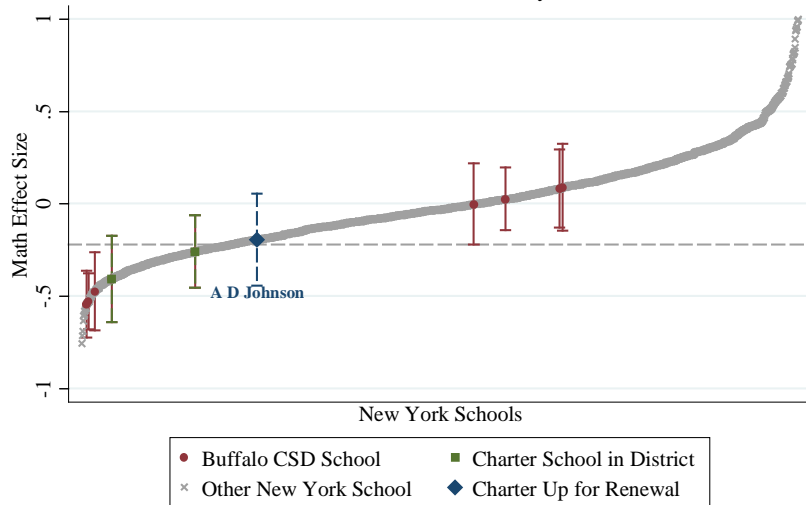


Controlled: Difference between Actual and Predicted ELA Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2011

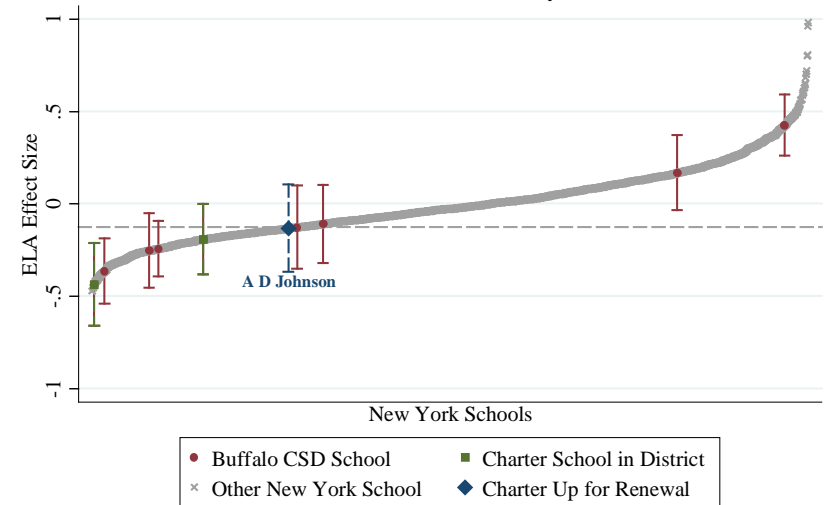


Math and ELA Adjusted Performance, 2010 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grade 3 Performance for Elementary Schools, 2010



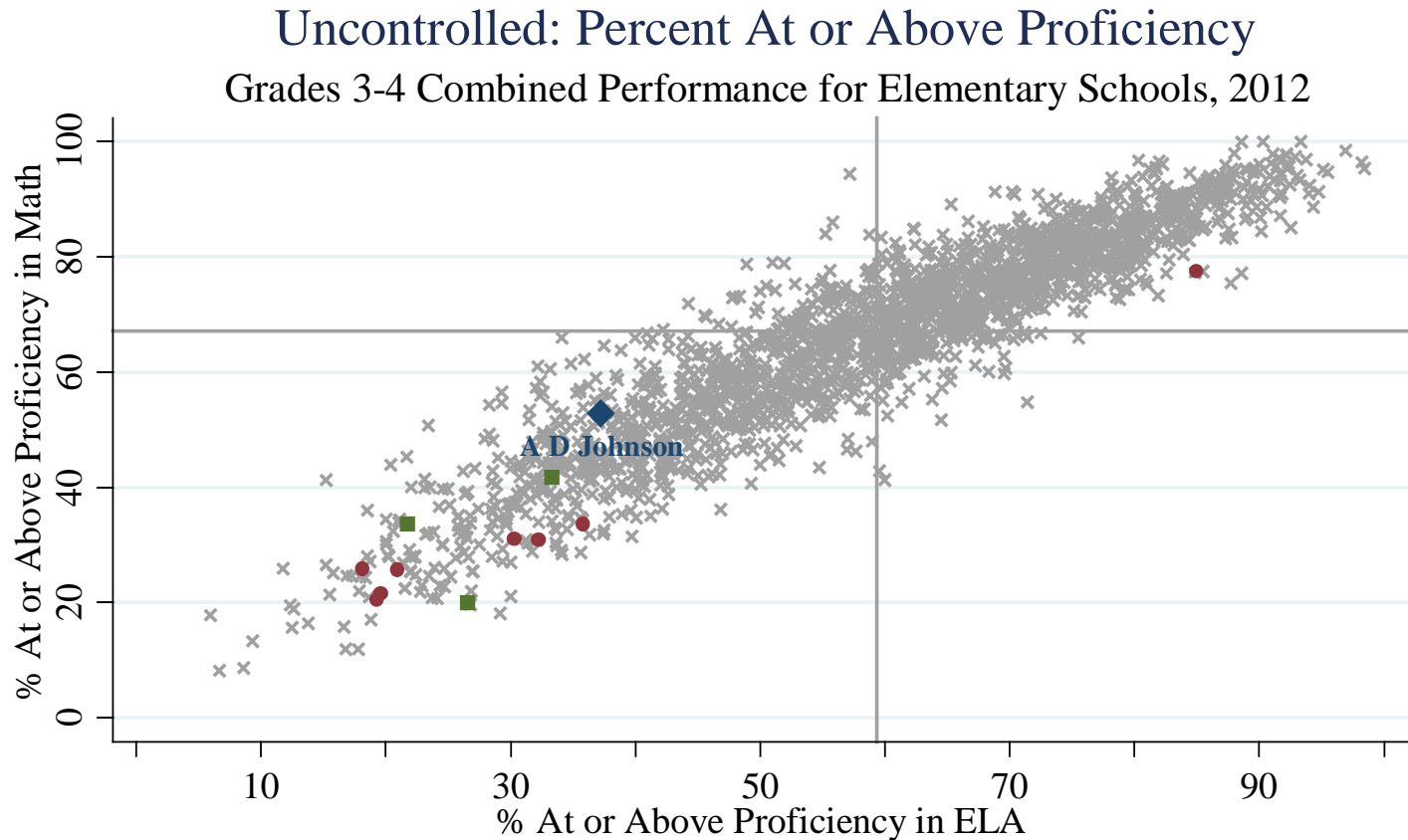
Controlled: Difference between Actual and Predicted ELA Proficiency
Grade 3 Performance for Elementary Schools, 2010



Percent at or above proficiency

**UNCONTROLLED PERFORMANCE RESULTS
(COMBINING ALL TESTED GRADES,
COMPARED TO STATE AND DISTRICT
AVERAGES)**

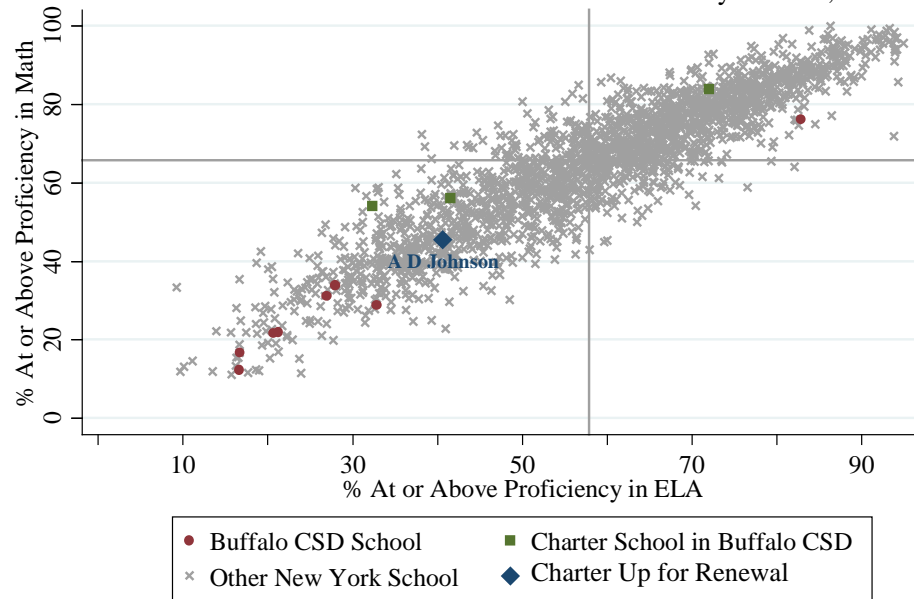
Math and ELA Proficiency Rates Compared to All NY Elementary Schools, 2012



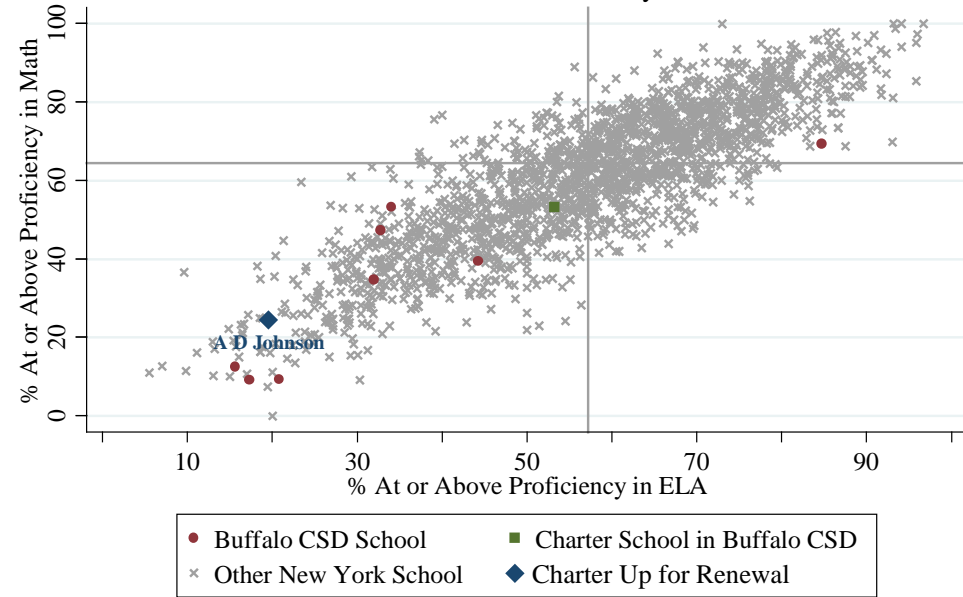
- Buffalo CSD School
- Charter School in Buffalo CSD
- × Other New York School
- ◆ Charter Up for Renewal

Math and ELA Proficiency Rates Compared to All NY Elementary Schools 2011 and 2010

Uncontrolled: Percent At or Above Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2011

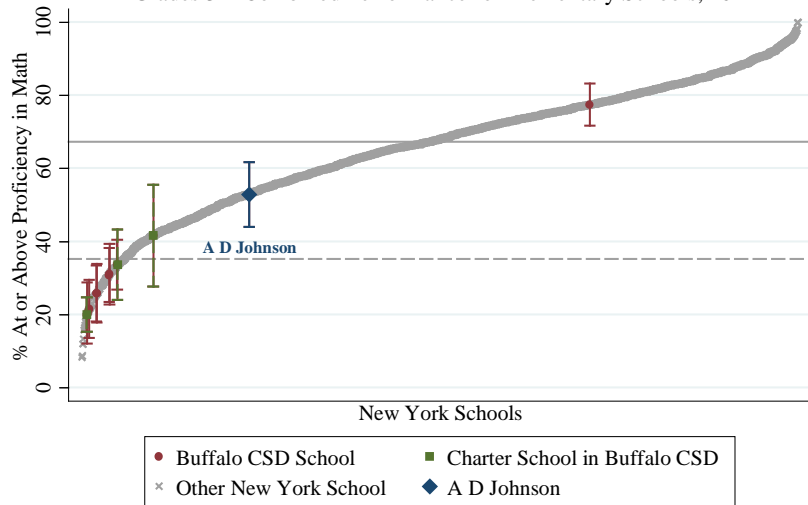


Uncontrolled: Percent At or Above Proficiency
Grade 3 Performance for Elementary Schools, 2010

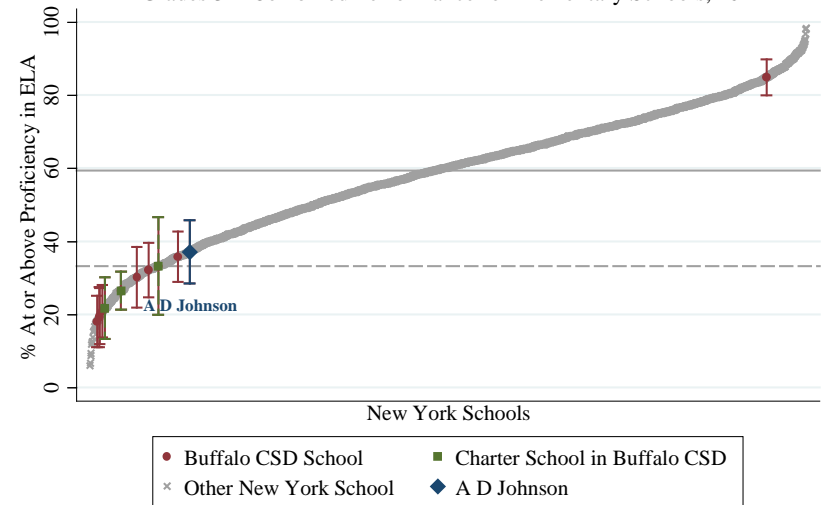


Math and ELA Proficiency Rates, 2012 Compared to the District (Dashed Line)

Uncontrolled: Percent At or Above Math Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2012

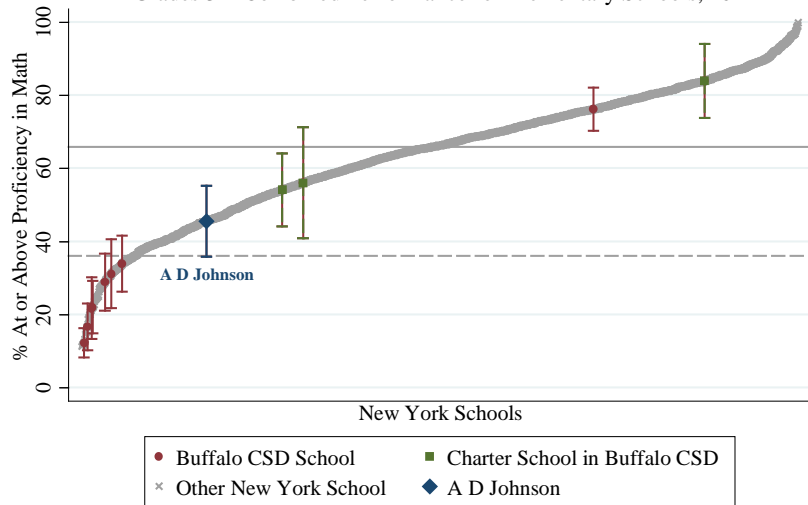


Uncontrolled: Percent At or Above ELA Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2012

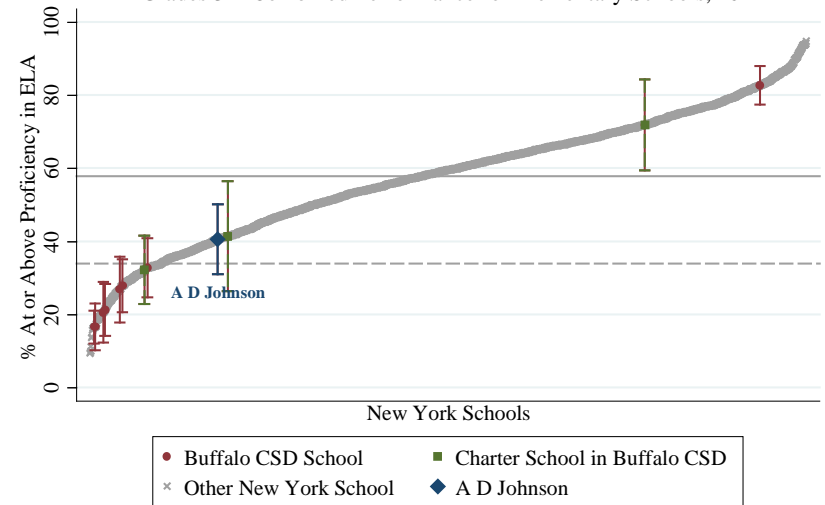


Math and ELA Proficiency Rates, 2011 Compared to the District (Dashed Line)

Uncontrolled: Percent At or Above Math Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2011

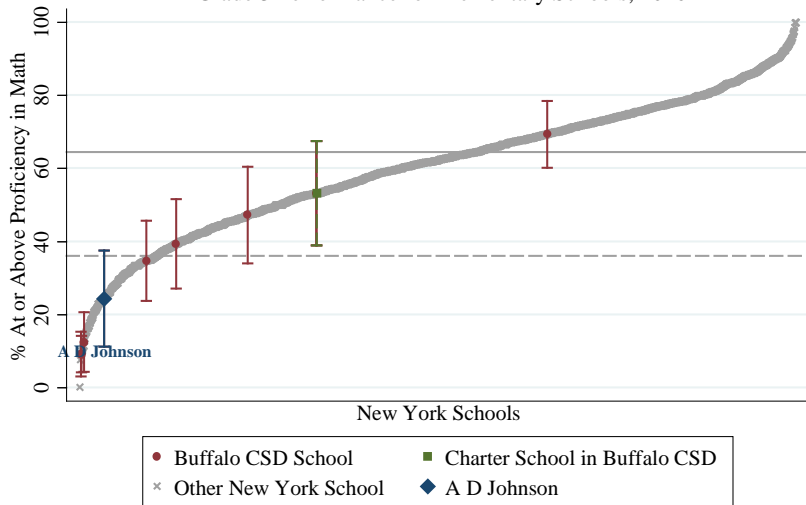


Uncontrolled: Percent At or Above ELA Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2011

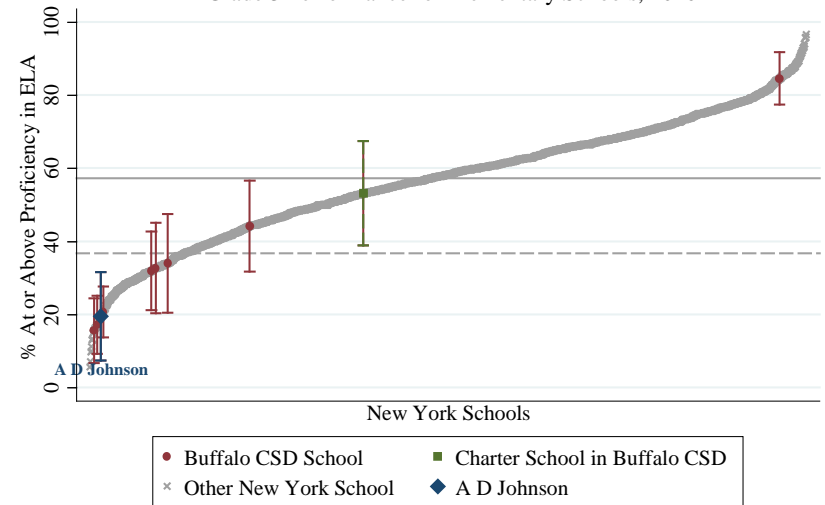


Math and ELA Proficiency Rates, 2010 Compared to the District (Dashed Line)

Uncontrolled: Percent At or Above Math Proficiency
Grade 3 Performance for Elementary Schools, 2010



Uncontrolled: Percent At or Above ELA Proficiency
Grade 3 Performance for Elementary Schools, 2010



Appendix B: Aloma D. Johnson Fruit Belt Community Charter School

Charter School:	Aloma D. Johnson
<i>Report as of:</i>	<i>2011</i>

General Information:			
Contact Info:		Years in Operation:	5
Region:	Buffalo City	Grades Served:	K-4
		Enrollment:	300
		Max Enrollment:	300

Income Statement:

Revenues:	
State/Local Operating	\$3,668,560
Federal Sources	0
State/Local Grants	345,324
Other	13,772
Total Revenues:	\$4,027,656

Expenses:	
Total Program Services	\$2,767,036
Management and General	514,575
Fundraising	0
Total Expenses:	\$3,281,611

Ops. Surplus/(Deficit)	\$746,045
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Balance Sheet & Cash Flow:

Assets:	
Cash	\$213,807
Total Current Assets	288,517
Investments & PP&E	366,638
Total Assets:	\$655,155

Liabilities:	
Current Liabilities	\$220,384
Total Debt	0
Total Liabilities:	233,593
Net Assets:	421,562
Total Liab. & Net Assets:	\$655,155

Change in Cash	\$192,780
-----------------------	------------------




Key Performance Metrics:

Near-Term Metrics:	
Current Ratio	1.3x
Unrestricted Days Cash	46.9
Enrollment Stability	100.0%
Total Revenue Per Student:	\$13,426
Total Expenses Per Student:	\$10,939

Sustainable Metrics:	
Total Margin	18.5%
Debt to Asset Ratio	0.36x
Cash Flow	\$192,780
Debt Service Coverage Ratio	N/A
Composite Score	2.76
Composite Strength	Strong

Appendix B: Aloma D. Johnson Fruit Belt Community Charter School

Symbol Legend:

	Meets Standard (Low Risk)
	Adequate (Moderate Risk)
	Requires Review (High Risk)

Key Inputs:




Target School:	<i>Aloma D. Johnson</i>
Time Period:	2011

Financial Indicator:

Target: Aloma D. Johnson


Near-Term Indicators:

1a.	Current Ratio
1b.	Unrestricted Days Cash
1c.	Enrollment Stability

Current Metric:	Performance:		
1.3x			
46.9			
100.0%			





Financial Composite Score:

1d.	Composite Score
-----	-----------------

Current Metric:	Performance:		
2.76x			

Long-Term Indicators:

2a.	Total Margin
2b.	Debt to Asset Ratio
2c.	Cash Flow
2d.	Debt Service Coverage Ratio

Current Metric:	Performance:		
18.5%			
0.36x			
\$192,780			
N/A			

Appendix B: Aloma D. Johnson Fruit Belt Community Charter School

	2011	2010	2009	Average
1a. Current Ratio	1.31x	0.12x	0.03x	0.49x
<i>Explanation: Current Ratio (CR) is a measure of operational efficiency and short-term financial health. CR is calculated as current assets divided by current liabilities.</i>				

	Meets Standard - Low Risk (if satisfies any of the following two):
<input checked="" type="checkbox"/>	CR is greater than or equal to 1.1
<input type="checkbox"/>	CR is between 1.0 and 1.1 and one-year trend is positive (current year ratio is higher than last year's)
	Adequate - Moderate Risk (if satisfies any of the following two):
<input type="checkbox"/>	Current Ratio is between 0.9 and 1.0 or equal to 1.0
<input type="checkbox"/>	CR is between 1.0 and 1.1 and one-year trend is negative
	Requires Review - High Risk:
<input type="checkbox"/>	Current ratio is less than or equal to 0.9

	2011	2010	2009	Average
1b. Unrestricted Days Cash	46.9	(46.1)	(91.5)	(30.2)
<i>Explanation: The unrestricted days cash on hand ratio indicates how many days a school can pay its expenses without another inflow of cash. Calculated as Unrestricted Cash divided by (Total Expenses/365).</i>				

	Meets Standard - Low Risk (if satisfies any of the following two):
<input checked="" type="checkbox"/>	30 days or more of cash
<input type="checkbox"/>	Between 30 and 60 days of cash and one-year trend is positive
	Adequate - Moderate Risk (if satisfies any of the following two):
<input type="checkbox"/>	Days Cash is between 15 and 30 days
<input type="checkbox"/>	Days Cash is between 30 and 60 days and one-year trend is negative
	Requires Review - High Risk:
<input type="checkbox"/>	Less than 15 Days Cash

	2011	2010	2009	Average
1c. Enrollment Stability	100.0%	98.8%	83.6%	94.1%
<i>Explanation: Enrollment stability tells authorizers whether or not the school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations. Actual Enrollment divided by Enrollment Projection in Charter School Budget.</i>				

	Meets Standard - Low Risk:
<input checked="" type="checkbox"/>	Enrollment Variance equals or exceeds 95% in most recent year
	Adequate - Moderate Risk (if satisfies any of the following two):
<input type="checkbox"/>	Enrollment Variance is between 85% and 95% in the most recent year
	Requires Review - High Risk:
<input type="checkbox"/>	Enrollment Variance is equal to or less than 85% in most recent year

Financial Composite Score:

2	2011
Financial Composite Score	2.76
<i>Accounting for an Institution's Total Financial Condition. We evaluate the financial health of schools using a blended score that measures institutions' performances on key financial indicators. The blended score allows an institution's sources of financial strength to offset areas of financial weakness. To calculate: Step 1: Calculate Three Financial Ratios from Financial Statements (Primary Reserve Ratio, Equity Ratio, and Net Income Ratio). Step 2: Convert Ratio Results to Strength Factor Scores. Step 3: Multiply the Strength Factor Scores by a Weighting Factor. Step 4: Add the Weighted Strength Factor Scores to Obtain the Composite Score.</i>	

	Meets Standard: Fiscally Strong
<input checked="" type="checkbox"/>	Composite Score Range of 1.5-3.0.
	Fiscally Adequate
<input type="checkbox"/>	Composite Score Range of 1.0-1.4.
	Requires Review: Fiscally Needs Monitoring
<input type="checkbox"/>	Composite Score Range of -1.0-0.9.

Appendix B: Aloma D. Johnson Fruit Belt Community Charter School

	2011	2010	2009	Average
2a. Total Margin	18.5%	5.0%	(32.6%)	(3.0%)
<i>Explanation: Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources. Calculated as Net Income divided by Total Revenue.</i>				

- Meets Standard - Low Risk** (if satisfies any of the following two):
 - Most recent year Total Margin is positive
- Adequate - Moderate Risk:**
 - Most recent Total Margin is less than 0 but greater than -10%
- Requires Review - High Risk** (if satisfies any of the following two):
 - Current year Total Margin is less than -10%

	2011	2010	2009	Average
2b. Debt to Asset Ratio	0.36x	1.66x	2.04x	1.35x
<i>Explanation: Measures the extent to which the school relies on borrowed funds to finance its operations. Calculated as Total Liabilities divided by Total Assets.</i>				

- Meets Standard - Low Risk:**
 - Debt to Asset Ratio is less than 0.90
- Adequate - Moderate Risk:**
 - Debt to Asset Ratio is between 0.90 and 1.0
- Requires Review - High Risk:**
 - Debt to Asset Ratio is greater than 1.0

	2011	2010	2009	Average
2c. Cash Flow	\$192,780	\$889	\$2,147	\$65,272
<i>Explanation: Cash flow is an assessment of change in cash from operations, financing, and investing over a given period.</i>				

- Meets Standard - Low Risk:**
 - Three-year cumulative cash flow is positive and cash flow is positive in recent year
- Adequate - Moderate Risk:**
 - Three-year cumulative cash flow is positive but cash flow is negative in most recent year
- Requires Review - High Risk:**
 - Three-year cumulative cash flow is negative

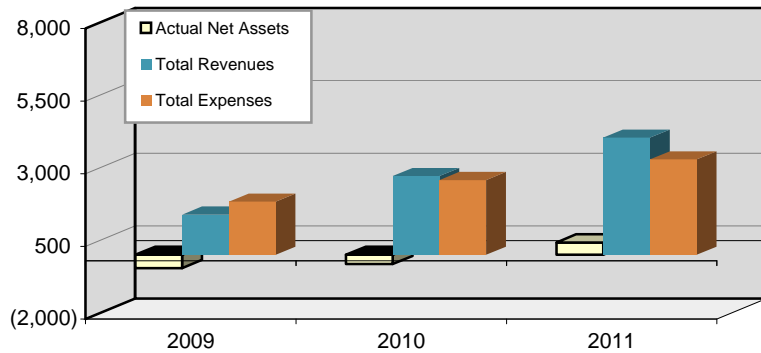
	2011	2010	2009	Average
2d. Debt Service Coverage Ratio	N/A	N/A	N/A	N/A
<i>Explanation: Debt service coverage ratio indicates a school's ability to cover its debt obligations in the current year. Calculated as: (Net Income + Depreciation + Interest Expense)/(Principal and Interest Payments).</i>				

- Meets Standard - Low Risk:**
 - Debt Service Coverage Ratio is equal to or exceeds 1.10
- Adequate - Moderate Risk:**
 - Debt Service Coverage Ratio is less than 1.10
- Requires Review - High Risk:**
 - Debt Service Coverage Ratio is less than 0.90

Charter School: Aloma D. Johnson
Report as of: 2011

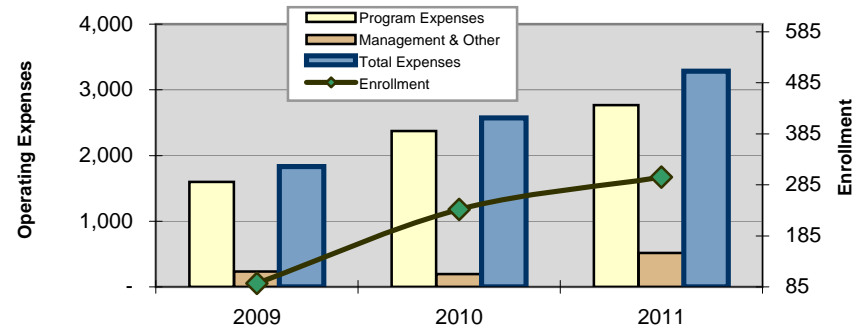
(\$'s in thousands)

Revenues, Expenses & Change in Net Assets



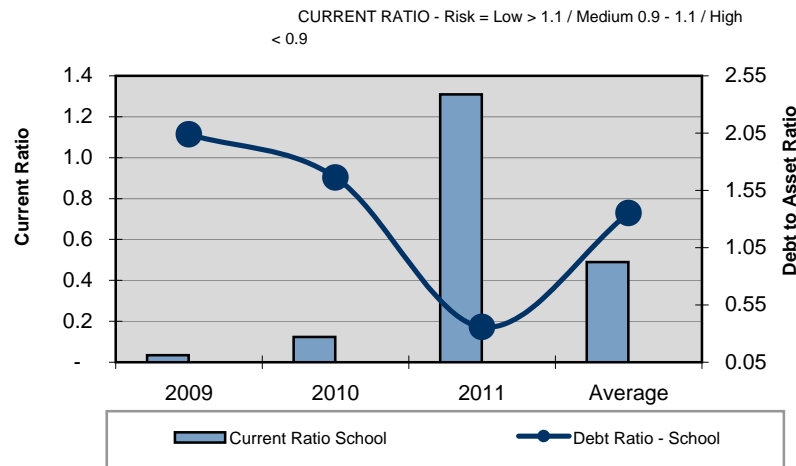
This chart illustrates total revenue and expenses each year and the relationship those subsets have on the increase/decrease of net assets on a year-over-year basis.

Enrollment vs. Operating Expenses



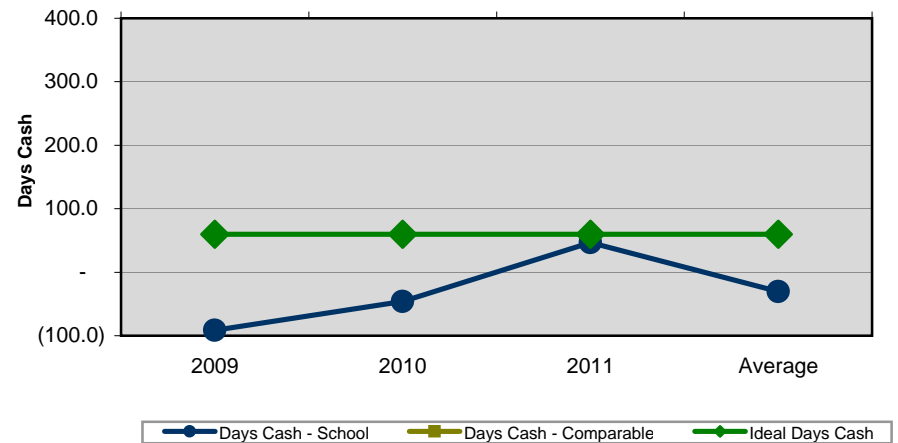
This chart illustrates to what extent the school's operating expenses have followed its student enrollment pattern.

Current Ratio / Debt to Asset Ratio



Current Ratio is a measure of operational efficiency and short-term financial health. Debt to Asset indicates what proportion of debt a school has relative to its assets.

Days Cash



Unrestricted days cash on hand indicates how many days a school can pay its expenses without another inflow of cash.



New York State Education Department
Charter School Office

Charter School Renewal Recommendation Report

Charter School of Educational Excellence
Application for Second Charter Renewal

February 2013

Introduction

This report is the primary means by which the Charter School Office (CSO) of the New York State Education Department (the “Department”) summarizes for the New York State Board of Regents its findings and Department staff recommendations regarding a charter school’s renewal application.

Charter School Summary

Name of Charter School	Charter School of Educational Excellence
Lead Applicant(s)	Eduardo LaGuerre, Board President
District of Location	Yonkers City School District
Districts Served	Yonkers City School District
Opening Date	Fall 2004
Charter Terms	Initial Charter Term: January 12, 2004 – January 11, 2009 1 st Renewal Charter Term: January 12, 2009 – June 30, 2013 (full renewal)
Management Company	N/A
Partners	Victory Education Partners
Facilities	260 Warburton Avenue Yonkers, New York 10701, Private Space
Enrollment and Grade Span during Current Charter Term	Current Enrollment 642 students 378 students in grades K through 6 in 2009 - 2010; 457 students in grades K through 7 in 2010 - 2011; 562 students in grades K through 8 in 2011 - 2012; 642 students in grades K through 8 in 2012 - 2013
Current Maximum Enrollment and Grade Span	Maximum enrollment 669, grades K through 8
Mission Statement	The mission of the Charter School of Educational Excellence (CSEE) is “to produce students who meet or exceed all New York State learning standards. CSEE will do this by creating a challenging learning environment with high expectations for every child with an emphasis on the basic subject areas of English-language arts, mathematics, social studies, and science. The School will employ standards-based and research-proven curriculum, implement best educational practices, use a variety of assessments to measure on-going student progress in skills and content learning, and support teachers with professional development opportunities that are aligned to the instructional program. CSEE’s emphasis on basic subjects will give students a strong academic foundation that will allow them to become critical thinkers and life-long learners. The School will also expose students to a diverse curriculum that promotes appreciation of art, music, and cultural awareness. The Charter School of Educational Excellence will provide a safe and nurturing environment for all students and foster a strong partnership with families and the community.”

Background

The Board of Regents granted an initial charter to the Charter School of Educational Excellence (“CSEE” or “the school,” hereafter), located within the Yonkers City School District, on January 12, 2004. The school, managed by Victory Schools, Inc., was scheduled to open for instruction in September 2004; however, the school was unable to commence instruction until September 2005 due to delays in securing building permits from the city of Yonkers. The school opened for instruction in September 2005 serving an enrollment of 175 students in grades K through 4. By the end of the fifth year of its initial charter term, the school served 346 students in grades K through 6. The Board of Regents granted the school its first renewal¹ charter on January 12, 2009, for a term up through and including June 30, 2013.

In 2008-2009 school year, the Board of Trustees for CSEE led the initiative to expand the school to serve grades 7 and 8 and increase the school’s maximum enrollment. In 2010, the Board of Regents approved the school’s request for a revision to its first renewal which allowed the school to increase its maximum projected enrollment by the end of its first renewal period to 669 students in grades K through 8. As a result, the school expanded and oversaw new construction at the existing private facility. In 2012, the physical addition to the building was completed, which allowed CSEE to fully serve both elementary and middle school students in one facility. The school currently enrolls 642 students in grades K through 8.

Recommendation and Required Findings

After a thorough Department review of the evidence submitted by CSEE and gathered by the Department, the Department recommendation is that the Board of Regents approve the renewal application for CSEE, for a five-year term. In addition, the Department recommends that the Board of Regents hold the school’s maximum enrollment to the currently approved 669 students, and approve the charter with the following material terms:

Grade levels served:	Kindergarten (K) through grade eight (8)
Maximum enrollment cap:	669 students
Charter Term:	July 1, 2013, through June 30, 2018

This recommendation is based on the review of evidence and findings related to the school’s performance made by the Department on behalf of the Board of Regents, as the chartering entity, required by NYS Education Law Article 56, the Charter Schools Act (the “Act”)². In particular, given the educational record of the school over the term as described below, the Department finds that CSEE has demonstrated the ability to operate in an educationally and fiscally sound manner; and, that approving the renewal application is likely to improve student learning and achievement and materially further the purposes set out in the Act in Education Law §2850(2).

CSEE’s record of performance is strong. The school substantially meets its absolute performance goal outlined in the current charter as well as the growth goals and comparative goals. For each year in the

¹ <http://www.regents.nysed.gov/meetings/2009Meetings/January2009/0109emsca1.htm>

² Section 2852(2) states: An application for a charter School shall not be approved unless the charter entity finds that: (a) the charter School described in the application meets the requirements set out in this article and all other applicable laws, rules and regulations; (b) the applicant can demonstrate the ability to operate the School in an educationally and fiscally sound manner; (c) granting the application is likely to improve student learning and achievement and materially further the purposes set out in subdivision two of section twenty-eight hundred fifty of this article; and (d) in a School district where the total enrollment of resident students attending charter Schools in the base year is greater than five percent of the total public School enrollment of the School district in the base year (i) granting the application would have a significant educational benefit to the students expected to attend the proposed charter School or (ii) the School district in which the charter School will be located consents to such application.

current term, CSEE consistently outperforms the local school district and performs above state average in both ELA and math. CSEE also demonstrates that it is organizationally viable, operates in a fiscally sound manner and is faithful to the terms of its charter and applicable laws and regulations.

Summary of Evidence

The summary of evidence presented below is drawn from the school's record over the term of the charter including: New York State assessment data, the renewal application, renewal and monitoring site-visit findings, annual reports, independent fiscal audits, Board of Trustees minutes and other documents collected by and about the school. On November 14 and 15, 2012, a Department team conducted a renewal site visit at CSEE. In addition, the Department conducted a full site visit on April 13, 2011, and an informal monitoring visit on May 17, 2012.

Educational Soundness

Evidence of Performance Related to Academic Goals

For the current charter renewal term (January 12, 2009 through January 14, 2013), The CSEE articulated the following goals for student performance:

- Goal 1: All students at the school will become proficient in reading and writing of the English language
 - *Absolute Proficiency*: Each year, 75% of students in each assessed grade who have been continuously enrolled in the school for two or more years will perform at or above Level 3 on the New York State English Language Arts (ELA) Assessment
 - *Comparative Proficiency*: Each year, the percentage of students who have been continuously enrolled in the school for two or more years and who perform at or above Level 3 on the State ELA Assessment will be greater than that of the local school district
 - *Value Added to Student Learning*: Each year, grade-level cohorts of the school's students will reduce by one-half the gap between their baseline performance and 75 percent of students scoring at or above Level 3 on the state ELA Assessment. If a cohort's baseline performance is above the objective, the cohort will maintain or increase its performance on the next administration

Based on NYS assessment data, data submitted in the school's renewal application, and additional data analysis conducted by the Department, CSEE came close to meeting their absolute proficiency goals for each grade in each year of the charter term. On the state ELA exam, the school either met or came within five percentage points of the stated goal of 75% of students performing at or above level three on the ELA exam in 11 of the 15 exams administered. This is particularly notable with the change in proficiency expectation and cut scores that took place following the 2008-2009 exam. Student academic performance, in the aggregate has steadily increased from the 2010 to 2012 test administrations, with proficiency rates increasing from 69.5% in 2010 to 78.6% in 2012.

The CSEE met their comparative proficiency goal.

The CSEE outperformed the Yonkers City School District at each comparable grade level every year since the 2008-2009 school year.

The CSEE met this growth goal for ELA.

- Goal 2: All students at the school will demonstrate competency in the understanding and application of mathematics computation and problem solving
 - *Absolute Proficiency*: Each year, 75% of students in each assessed grade who have been continuously enrolled in the school for two or more years will perform at or above Level 3 on the New York State Mathematics Assessment
 - *Comparative Proficiency*: Each year, the percentage of students who have been continuously enrolled in the school for two or more years and who perform at or above Level 3 on the State Mathematics Assessment will be greater than that of the local school district
 - *Value Added to Student Learning*: Each year, grade-level cohorts of the school's students will reduce by one-half the gap between their baseline performance and 75 percent of students scoring at or above level 3 on the state math exam. If a cohort's baseline performance was above the objective, the cohort will maintain or increase its performance on the next administration

While CSEE did not meet the stated goal of 75% of students performing at or above level 3 for the Mathematics exam, they did come extremely close. Only six of the 19 testing grades fell short of making the 75% goal. CSEE also reported 83.9% of students enrolled at the school for at least their second year performed at or above Level 3 on the New York State Math exam. Finally, CSEE exceeded the absolute goal of 75% of students performing at or above a level 3 on the New York State Science Assessment.

The CSEE met their growth goal for mathematics.

- Goal 3: All students at the school will demonstrate competency in the understanding and application of scientific reasoning
 - *Absolute Proficiency*: Each year, 75% of students in each assessed grade who have been continuously enrolled in the school for two or more years will perform at or above Level 3 on the New York State Science Assessment
 - *Comparative Proficiency*: Each year, the percentage of students who have been continuously enrolled in the school for two or more years and who perform at or above Level 3 on the State Science Assessment will be greater than that of the local school district
- Goal 4: All students at the school will demonstrate competency in the understanding and application of social, geographical, civic and world studies
- Goal 5: The school will demonstrate academic success by making adequate yearly progress as required by NCLB Each year, the school will be designated in "Good Standing" under the Federal Title I component of the state's "school accountability system")

The school met the comparative proficiency component (in Goals 1, 2, and 3) every year in all subject areas when compared to Yonkers City School District. Students at CSEE outperformed students in Yonkers City School District and students in the State by wide margins at each comparable grade level every year since the 2008-2009 year in English Language Arts, Mathematics, and Science. (Note: Goal 4 cannot be measured, as the New York State Social Studies Assessment was discontinued during the first year of the current charter term.) Finally, the school met its fifth goal, for each year in its charter term it met Adequate Yearly Progress (AYP) and remained In Good Standing.

Under the Department’s differentiated accountability system, CSEE made Adequate Yearly Progress for students in all subject areas. During the current charter term, the school did not articulate any academic goals based on assessment instruments other than the NYS assessments.

Department’s Analyses of Student Performance

In order to ensure the availability of a robust data set in consideration of renewal, and to supplement the basic assessment data and renewal application, the Department conducted an additional set of statistical analyses that compare the academic performance of CSEE to traditional public and charter schools in Yonkers City School District (YCSD) and similar schools across New York State (see Appendix A for the full statistical analyses). Table 1, below, illustrates the ELA and mathematics proficiency rates for CSEE as a direct comparison to those of students in the same grade band (3-8) and similar schools in YCSD and across NYS as a whole. The findings are as follows:

The CSEE ELA and mathematics proficiency rates are substantially higher than both YCSD and NYS for similar grade bands and have increased every year over the past three academic years.

Table 1: Percentage of Students Scoring at Level 3 and 4 on the NYS assessments in Grades 3-8

	<i>Tested Grades</i>	Math Proficiency Rates (At or Above Proficiency)			ELA Proficiency Rates (At or Above Proficiency)		
		<i>CSEE</i>	<i>Yonkers CSD</i>	<i>NYS</i>	<i>CSEE</i>	<i>Yonkers CSD</i>	<i>NYS</i>
<i>2012</i>	3-8	83%	50%	57%	78%	44%	46%
<i>2011</i>	3-7	67%	46%	56%	75%	42%	46%
<i>2010</i>	3-6	77%	49%	54%	70%	45%	46%

One general criticism of such comparisons is that charter schools may enroll a disproportionate number of students who, by demographic category, are at greater risk for low performance. In order to address such concerns, the Department conducted a multivariate regression model³ to predict the expected performance of CSEE that controls for demographic characteristics, thus helping to ensure truly similar schools are being compared. The results show that even after controlling for such variables, CSEE performs well above its expected performance in both ELA and mathematics consistently during the current term. And in comparison to the local district, CSEE makes far greater gains in performance with its most current proficiency rates. The effect sizes for the school are shown in comparison to the district in the Table 2 below and illustrated in the scatter plots in Appendix A.

Table 2: Controlled Comparison of Student Performance

<i>School year</i>	<i>Tested Grades</i>	Math		ELA	
		<i>CSEE Effect Size</i>	<i>Yonkers CSD Effect Size</i>	<i>CSEE Effect Size</i>	<i>Yonkers CSD Effect Size</i>
<i>2011- 2012</i>	3-8	0.37	-0.18	0.38	-0.05
<i>2010-2011</i>	3-7	0.11	-0.22	0.29	-0.09
<i>2009-2010</i>	3-6	0.22	-0.16	0.17	-0.07

³ All public schools, including charter schools, in New York State of the same type (in this case, schools that tested students in grades 3 through 6) are included in the regression model, and the model accounts for the percentage of students identified as eligible for free- and reduced-price lunch, English language learner status, and students with disabilities at each school. The overall predicted proficiency rating is calculated as a weighted average by the number of students tested in a given grade.

In summary, CSEE academic performance is strong. The school consistently performs above local and state averages and performs above its expected performance given the student population it serves. The school sets high goals for itself and has met, or come close to meeting them during the current charter term.

Evidence of Performance Observed through On-site School Reviews

The CSO site-visit teams conducted monitoring visits to the school throughout this current charter term (January 12, 2009 – June 30, 2013). The CSO conducted monitoring visits on April 13, 2011, and May 17, 2012. On November 14 and 15, 2012, a Charter School Office team conducted a renewal site visit at Charter School of Education Excellence. During this visit, the team interviewed the Board of Trustees, school administrators, teachers, parents, and students; observed classrooms and attended a meeting of the Board of Trustees.

The CSO site visit teams observed and noted in site visit reports during the charter term that school-wide instructional practice reflects the design characteristics outlined in the current charter. The CSEE utilizes an extended school day of eight hours, purposefully uses teaching assistants (TAs) throughout the building, and implements a standards-driven curriculum. One area of the school's design – the practice of fostering learning opportunities through meaningful experiences in the arts—was only partially observed and evident during the renewal site visit.

The CSO site visit teams documented after both formal and informal site visits, that teachers plan and implement high-quality instruction. It is fully apparent that a standards-driven curriculum—one of their key design elements—drives instructional practice. The school has a strong literacy focus, as teachers, teacher leaders and school administrators are constantly adjusting and restructuring the school's reading program in response to demonstrated student need. Teachers meet weekly during a common prep time to discuss lesson plans to discuss the problems they are facing with implementation of the new curriculum, to alter student grouping, and to plan as a team. The CSO site visit teams observed teachers and staff maintaining consistent classroom behavior standards throughout the building, and noted the common use of appropriate, rigorous academic language across all grade levels.

The check-in visit on May 17, 2012, revealed that the school lacked supporting evidence to show that it was providing appropriate and educational programming to all special education students. However the renewal site visit team noted that the school has since acquired proper services for these students. ELL students are supported through instruction provided in ESL small groups.

At the November site visit, school leaders stated that the renewal site visit team would see evidence of the school's key design elements being implemented in the classrooms, including the strong use of Teaching Assistants and instruction aligned to the Common Core Learning Standards. These key design elements were observed during all 35 of the CSO site visit team's classroom observations. The new reading curriculum aligned to the Common Core—Journeys— was effectively implemented, and the Teaching Assistants' roll in the classroom was clear. The renewal team also observed teachers using higher order questioning, flexible student grouping, differentiation, and capturing re-teaching opportunities for struggling learners. Teachers demonstrated strong classroom management. Students were disciplined, engaged, and focused on the lessons. Teachers' circulation throughout the classroom encouraged student focus—in many classes teachers were seen moving around the room, always in close proximity to students. This circulation also aided in strong classroom management and a decrease in student discipline problems. Lessons were differentiated for students, although this differentiation occurred primarily during small group or individualized instruction and less frequently during whole group instruction. Lessons required students to use various modalities, to respond to higher-order questions, to demonstrate the use

of previously acquired information, and to make decisions based on incomplete information. Teachers tended to maximize time on task through extensive modeling, well-organized routines, and smooth, quiet transitions between activities.

The CSO renewal site visit team observed how teachers and school leaders formally monitor student progress through a data system—Acuity; during the focus group teachers stated that they administer benchmark, formative, and summative assessments, and then investigate item analysis to discover the particular questions with which students struggled. Teachers will then re-teach that particular skill, or spiral it as cumulative review. This re-teach structure is not a systematic school-wide process, but rather left to the discretion of individual teachers. All data collection is managed using the PowerSchool application. Administrators, teachers and parents can access student performance data through Acuity.

During the November renewal visit, the CSO renewal site visit team found that teachers use daily, anecdotal classroom data to inform and improve their instructional practice. This data is used school-wide, as teachers consistently restructure and reshuffle student small groups that were observed in the classrooms. Teachers described how they adjust instruction based on data collected from informal “exit tickets” or checks for understanding and meet as grade level teams to talk about classroom data that is collected and how they can best meet the needs of all students.

The school began construction of the middle school facilities in the summer of 2010 with the intent of completing the addition in time for the beginning of the 2010-2011 school year. The construction project was delayed for various reasons, preventing the middle school facilities from opening until the spring of 2012. The delay created challenges for the school, as enrollment increased across all grade levels the school did not have enough space to comfortably accommodate all students. The school housed middle grades in a temporary location during the time of extended construction.

The CSO site visit team observed CSEE’s building with all renovations complete and noted that it supports student learning, development and achievement. The school is clean well-lit, spacious, and meets the instructional needs of teachers and students. Students have the full use of a cafeteria (within a multi-purpose room which offers discrete instructional space for students), gymnasium, and a new library. Space is maximized throughout the building to allow for differentiation and small-group instruction. The renewal visit team observed teachers or teaching assistants pulling student groups into the hallway to maximize learning space, and white boards were placed into the hallways for such occasions. Space was maximized inside the classroom for small group instruction.

The CSEE has established and maintained an environment for students, staff, and other stakeholders that is physically safe and free from harassment and discrimination. When interviewed during the renewal visit, students state that they feel safe in the school, that teachers care about them, and that disciplinary issues are handled in a fair and direct manner.

Parents have a high degree of satisfaction with the school climate, culture, and safety, as evidenced at all site visits conducted during the current charter term. They spoke to the high expectations of teachers. Teachers feel there is a pervasive sense of community. Students also expressed that they appreciate the community feel to the school. These sentiments were echoed across all site visits.

Organizational Soundness

Evidence of Organizational Capacity

The CSEE has maintained a stable and clearly delineated organizational structure throughout the current term with appropriate and thoughtful adjustments to staffing, given the expansion of the school. The

principal oversees all instructional and operational positions, the consultants, and the partnership with Victory Education Partners (VEP). In 2012 the school hired a new director of operations, who is trained by VEP. The school continues to receive financial management support from VEP, and academic support (especially for literacy development) from an external consultant.

The school has a record of successfully recruiting, hiring, and retaining key personnel, and has made decisions—when warranted—to remove ineffective staff members. There is evidence of an unofficial practice to promote from within: many of the teaching assistants have become lead classroom teachers, the dean was formerly a classroom teacher, and the assistant principal was a former classroom teacher.

The current principal has been the instructional leader of the school throughout the entire charter term, creating a high degree of stability and consistency throughout the school. She has developed a well-functioning team. The principal, with the support of the vice principal and external consultants, monitors the effectiveness of the school's academic program and operation. She provides frequent instructional oversight and feedback, operations and fiscal guidance (particularly with respect to facilities management), and community engagement.

The CSO renewal site visit team noted that for the administrative team, decision-making is data-driven and informed by the informal feedback of the school community. Both the principal and assistant principal have an “open door” policy for staff, and are open to feedback from all stakeholders. Administrators routinely attend PTO meetings and provide information to parents about the academic performance of students, initiatives and programs, and the overall effectiveness of the school.

At the renewal site visit, the leadership team stated that CSEE is in the process of adapting the teacher evaluation system that the Yonkers City School District will use, but does not yet follow this protocol. The school leader does not currently have a formal process in place to assess the leadership team. The school leader and assistant principal both formally and informally evaluate teachers. In the past, “Seasoned teachers” have one formal evaluation per year. If the lesson observed was inadequate, the teacher is then required to have an additional observation. New teachers stated during focus groups that they constantly receive ongoing professional development and observations, and the frequency of formal observations depends on their progress and performance throughout the year.

Evidence of Board Oversight and Governance

Little turnover among board members has occurred over the course of the school's term, as only one board member has resigned in five years. During the 2011 site visit, the CSO site visit team noted that regular attendance at board meetings was an issue. Recently, however, attendance at board meetings has been relatively strong.

During the renewal site visit focus group, the Board described how it holds regular meetings with staff to review the progress of the students. Although Board minutes confirm that the Board of Trustees receives reports from the Principal, it does not systematically utilize a formal process to evaluate the performance of the school leader. Trustees described plans to identify a tool that can be used in the future.

The April 11, 2011, site visit indicated that the Board did not have a strong committee structure in place and committee reports were frequently tabled during meetings. At that time, there was no evidence that the Board had a process in place to measure its own effectiveness in governing the school. The Board created a bylaw committee and worked on reviewing the bylaws in 2012. These changes were submitted in the form of a formal amendment at the time of charter renewal. Changes included: the NYS 2010 Charter Law required, Conflict of Interest and Code of Ethics, as well as an updated attendance policy

and term of office. The Board of Trustees on voted and passed this resolution on June 18, 2012, and the June Board minutes were approved on August 20, 2012.

Fiscal Soundness

The Department reviews the financial performance and management of charter schools using quantitative and qualitative methods. Quantitative reporting is done through the fiscal dashboard (See Appendix B). The dashboard presents several near-term⁴ and long-term⁵ financial performance indicators. These rigorous indicators of fiscal soundness are aligned with those recommended by the National Association of Charter School Authorizers, and are also used by the Trustees at the State University of New York (SUNY) in their capacity as a charter school authorizer (SUNY-CSI) in New York State. Near-term indicators such as the current ratio and unrestricted days cash are measures of liquidity, and of the charter school's capacity to maintain operations. Long-term indicators such as total margin and debt-to-asset ratio are measures of the charter school's capacity to remain viable and to meet financial obligations. To lend context to the quantitative data, CSO staff reviewed annual reports and the renewal report submitted by the school describing their financial management practices; and analyzed audited financial statements for the school for the operating years 2008-2009 through 2011-2012⁶. CSO conducted a three-year analysis of financial trends for Years 1 through 3 of the charter term, as well as a review of audited financial statements received in November 2012.

The key findings for the fiscal year ending June 30, 2012, are summarized in this narrative, and additional quantitative analysis for fiscal years 2009 through 2011 may be found in Appendix B.

In 2011-2012, CSEE maintained a low-risk financial position with a current ratio of 1.27. The financial position of the school remains strong although the current ratio on 2010-2011 was 5.8. The change was due in large part to the financing costs associated with the purchase of the facility. Cash decreased from \$960,921 two years ago to \$182,556 last year. However, net cash from operating activities is robust. In 2012, net cash approached \$1.5M, an increase of approximately \$1M over the previous year.

For the fiscal year ending June 30, 2011, CSEE had a financial composite score of 1.28. The school had a high debt-to-asset ratio of 1.01, and a total margin of 1.7 percent. In addition, the school ran an operating deficit of \$157,376. However, with the purchase of the facility at 260 Warburton Avenue, the school now

⁴ Near-term indicators of financial health are used to understand the current financial performance and viability of an entity. CSO uses four measures. The "current ratio" is a measure of operational efficiency and short-term financial health. It is calculated as current assets divided by current liabilities. "Unrestricted days cash" is a measure of liquidity and available funding. It is calculated as unrestricted cash divided by (total expenses/365). To capture the impact of enrollment on finances, we also measure "enrollment stability" by comparing actual vs. projected reported by schools. Schools failing to enroll 85% of their projected total may not be permitted to provide instruction. CSO also uses a "financial composite score" as a blended measure of performance on multiple indicators. Scores between 1.5 and 3.0 denote fiscal strength. Intermediate scores range from 1.4 to 1.0. Scores below 1.0 require additional CSO monitoring of fiscal performance and management. Please see Appendix B for additional detail on the fiscal performance of the School on these near-term indicators.

⁵ Long-term indicators of financial health are used to understand the financial viability of an entity for periods of one year or more. CSO uses four measures. The "total margin" measures the deficit or surplus a schools yields out its total revenues. "Debt to asset" ratio measures the use of borrowed funds to finance operations. Ratios greater than 1.0 are indicative of high risk. "Cash flow" measures increases or decreases in cash from operations, financing, and investing. "Debt Service Coverage Ratio" measures the capacity of an entity to cover debt obligations in the current year. See Appendix B for additional detail on the fiscal performance of the School on these long-term indicators.

⁶ <http://www.p12.nysed.gov/psc/csdirectory/CharterSchoolOfEducationalExcellence/home.html>

has fixed assets in excess of \$13M. The book value of the building is \$10.9M; leasehold improvements total \$3.1M, and equipment and furniture account for an additional \$838,000. CSO staff has prepared a series of graphs to illustrate the long-term (three-year trend analysis) performance of the school (See Appendix B). The graphs illustrate the timing of new debt and financing⁷, strong enrollment demand⁸, and modest increases to days cash on hand⁹. According to the audited financial statements for 2011-2012, “the school incurred cost of \$853,506 related to the Bond offering. The cost are amortized over the term of the related debt (30 years) using a straight-line method. Accumulated amortization at June 30, 2012, was \$45,882.”

Both short-term and long-term quantitative indicators indicate the school is fiscally adequate. Based on the findings of independent annual audits, the fiscal management of the school is fiscally sound.

Faithfulness to the Charter

Throughout the charter term, the school has been generally faithful to its mission, vision, and educational philosophy. Key design elements of the school include:

- extended day of eight hours
- extended blocks of time for basic subjects
- using Teaching Assistants throughout building
- standards-driven curriculum and instruction
- fostering learning opportunities through meaningful experiences in the arts

The school has fully implemented the key design elements of strong use of extended blocks of learning time, the use of teaching assistants (TA), and the focus on standards-driven curriculum and instruction. However, the school is still exploring how it can foster learning opportunities through meaningful experiences in the arts. The school utilizes an extended school day of eight hours, and the instructional time is well-spent during the school day. In classrooms, teachers found to use every instructional minute on task.

Fostering learning opportunities through meaningful experiences in the arts—is a work in progress. Students participate in art classes, music instruction, and are provided with opportunities related to the arts outside of the classroom (primarily organized by the PTA). During the student focus group at the renewal site visit, students described school-wide activities pertaining to Black history month and Hispanic heritage month. However, the integration of the arts is not embedded into the regular academic program or instructional practice.

During this charter term, CSEE implemented the student enrollment strategy and admissions policy outlined in its charter and required by statute and regulations. Student recruitment efforts by a team composed of board members, local volunteers, and school staff included: information kits, containing brochures, flyers, application forms, vital school information distributed throughout the community, advertisements in the local papers, and a series of information sessions in the community including open houses and recruitment fairs.

⁷ See “Current Ratio/Debt to Asset Ratio” graph in Appendix B.

⁸ See “Enrollment vs. Operating Expenses” graph in Appendix B.

⁹ CSO notes that the audited financial statements list significant revenues as restricted, including food service and state and federal program funds. If these amounts are listed as unrestricted, as is the case with most charter Schools, CSEE’s days cash on hand indicator becomes significantly stronger. This change would add approximately \$800,000 to the calculation.

Finally, the school complies with applicable laws, rules, and regulations and the provisions of its charter. CSEE fulfills the teacher certification and background check requirements, Freedom of Information Law, and Open Meetings Law.

Plans for the Next Charter Term

The CSEE proposes to increase the maximum student enrollment from 669 to 690 students for students in Kindergarten through Grade 8. At this time, the Department recommends that the Board of Regents hold the school's maximum enrollment to the currently approved 669 students, and approve the charter with the following material terms:

Grade levels served:	Kindergarten (K) through grade eight (8)
Maximum enrollment cap:	669 students
Charter Term:	July 1, 2013, through June 30, 2018

Summary of Public Comment

As required by the Charter School Act, the Department notified the Yonkers City School District and public and nonpublic schools in the same geographic area about the submission of the school's renewal application. The district held the required hearing on November 14, 2012. According to the minutes of the hearing, the meeting was called to order by the vice president. Speakers included members of the PTA, YFT, and the former PTA president. Topics discussed included the posting of reports and regulations on the Charter School website, and discrepancy in per pupil funding between the Yonkers City School District and The Charter School of Educational Excellence. There were 5 public comments received before the hearing was adjourned.

Additional Information

Student Demographics

Table three (3) summarized the student demographic profile for CSEE as compared to Yonkers City School District for the past three academic years.

Table 3: Student Demographic Profile for CSEE and YCSD, 2009 – 2012

	2009-2010		2010-2011		2011-2012	
	Charter Enrollment in Grades 3-6	Yonkers SD Enrollment	Charter Enrollment in Grades 3-7	Yonkers SD Enrollment	Charter Enrollment in Grades 3-8	Yonkers SD Enrollment
Special Populations						
Free Lunch	65%	65%	67%	61%	67%	N/A
Reduced Lunch	16%	8%	17%	8%	17%	N/A
Limited English Proficient	4%	14%	5%	13%	5%	11%
Students with Disabilities	21%	22%	31%	24%	20%	24%
Race/Ethnic Origin						
Native American	0%	0%	0%	0%	0%	1%
African American	65%	25%	70%	23%	70%	54%
Hispanic or Latino	32%	52%	27%	53%	27%	16%
Asian or Pacific Islander	1%	6%	1%	6%	1%	6%
White	1%	18%	1%	18%	1%	22%
Multiracial	2%	0%	1%	1%	1%	1%

Enrollment Targets

82% of students at CSEE qualifies for free/reduce lunch; the school exceeds its enrollment target of 75.5%. The student with disabilities population is under-enrolled by more than 50% and the enrollment of English language learners is only one-third of the target. In the table below, the enrollment targets are compared to CSEE’s current population, as reported by the charter school on their 2012 - 2013 BEDS forms. NYSED developed the targets using the Enrollment Target Calculator. They were revised on December 27, 2012, based on a student population of 642 students in grades K through 8 in the City of Yonkers. In its renewal application, CSEE acknowledges the lower percentage of ELL and SWD students and provides substantial evidence of good faith efforts to attract and retain an equal or greater proportion of these populations as the local district. Table four (4) identifies the enrollment and retention targets for CSEE.

Table 4: Enrollment Targets for CSEE

	Unadjusted Target	Effective Target¹⁰	CSEE %
Free/Reduced Price Lunch	78.3%	75.5%	82%
English language learners	21.9%	19.3%	6%
Students with Disabilities	15.8%	13.6%	6%

Board of Trustees

The names, positions, affiliations, role, and term of service for the Board of Trustees for CSEE are as follows:

Name	Position on Board	Committee Affiliation(s)	Area of Expertise and/or Additional Role	Term Information
Eduardo LaGuerre	Chair	Finance, Executive & Building Committees	Finance	2005-Present
Sobeida Cruz	Trustee	Personnel and Fundraising Committees	Fundraising	2005-Present
Nadine Burns-Lyons	Secretary	Executive Committee		2005-Present
Carol Russo	Trustee	Academic & Personnel Committee		2006-Present
Carlos Medina	Trustee			2007-Present
Jim Killoran	Trustee	Fundraising and Technology Committee	Fundraising and Technology	2010-Present
James Siegel	By-Laws Committee Chair	By-Laws Committee	Legal	2009- Present
Nelson Font	PTO President			2012-Present

School Leader History

Name	Term
Migda Agosto	September 2004-June 2006
Catalina Castillo, Principal	July 2006-Present

¹⁰ The effective target is less than the actual target because it accounts for the fact that every School is likely to experience natural enrollment rate fluctuations from one year to the next. The effective target is calculated as the lower bound of a one-sided 95% confidence interval based upon the Wilson Score Interval method for calculating confidence intervals for proportions.

Appendix A: Analysis of Student Performance

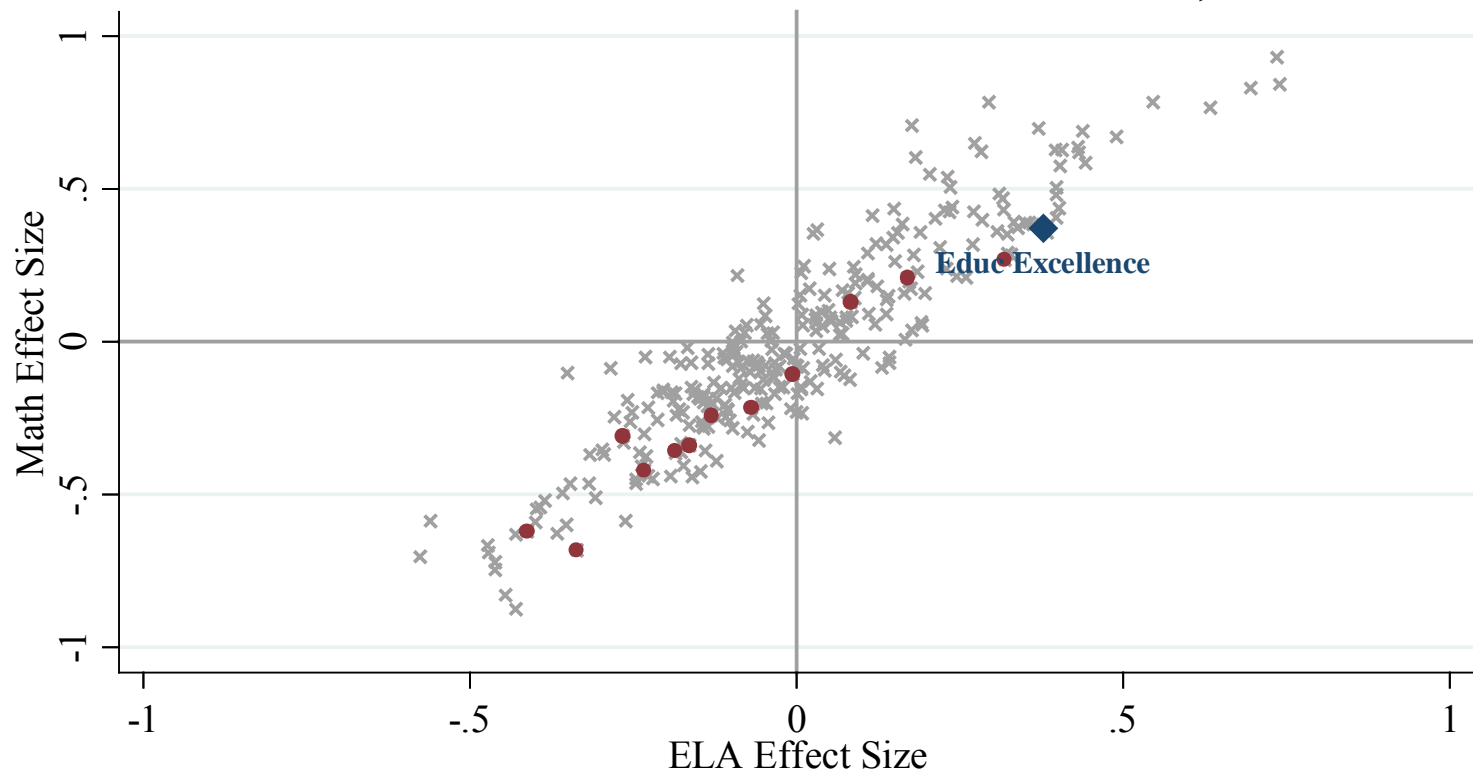
Charter School for Educational Excellence
Community Charter School

Controlling for students' poverty, LEP, and special education status

**REGRESSION RESULTS
(COMBINING ALL TESTED GRADES,
COMPARED TO STATE AND DISTRICT
AVERAGES)**

Math and ELA Adjusted Performance Compared to All NY Elementary Schools, 2012

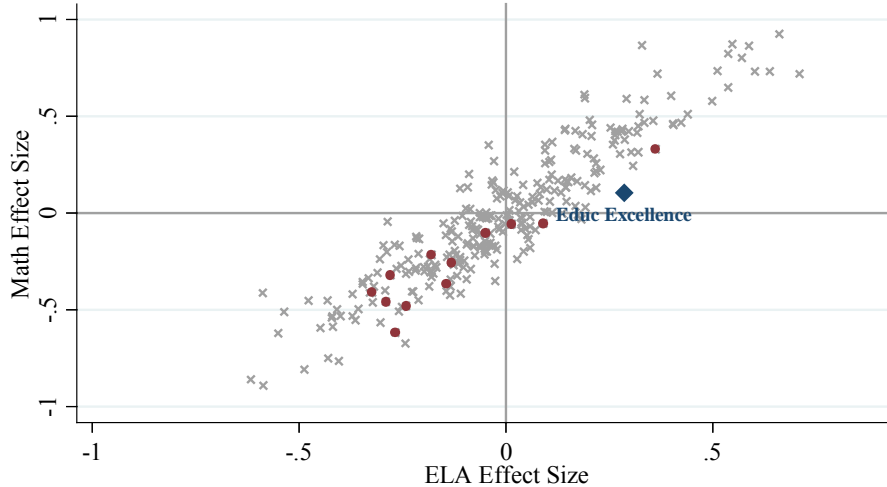
Controlled: Difference between Actual and Predicted Proficiency
Grades 3-8 Combined Performance for K-8 Schools, 2012



- | | |
|-------------------------|------------------------------|
| ● Yonkers SD School | ■ Charter School in District |
| × Other New York School | ◆ Charter Up for Renewal |

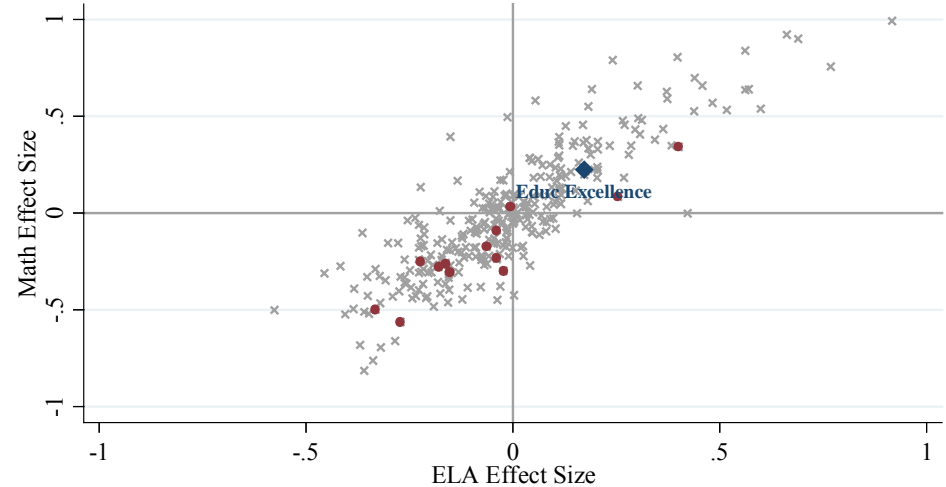
Math and ELA Adjusted Performance Compared to All NY Elementary Schools 2011 and 2010

Controlled: Difference between Actual and Predicted Proficiency
Grades 3-7 Combined Performance for K-8 Schools, 2011



- Yonkers SD School
- Charter School in District
- × Other New York School
- ◆ Charter Up for Renewal

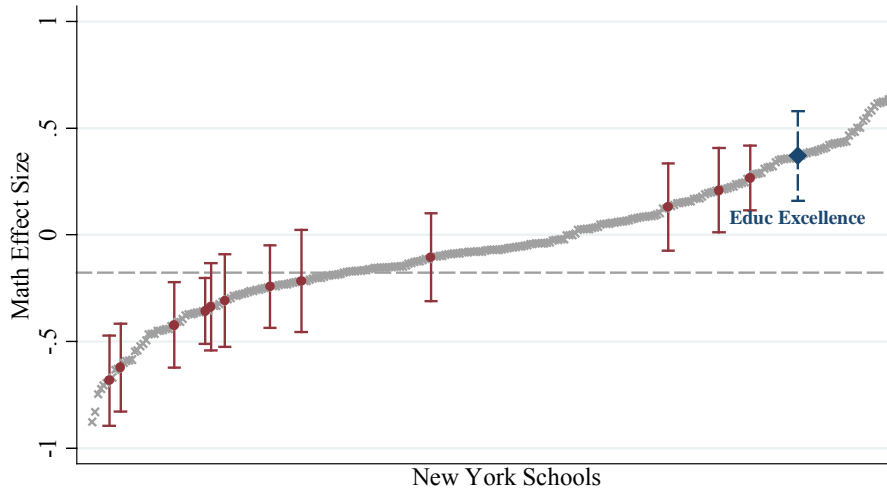
Controlled: Difference between Actual and Predicted Proficiency
Grades 3-6 Combined Performance for K-8 Schools, 2010



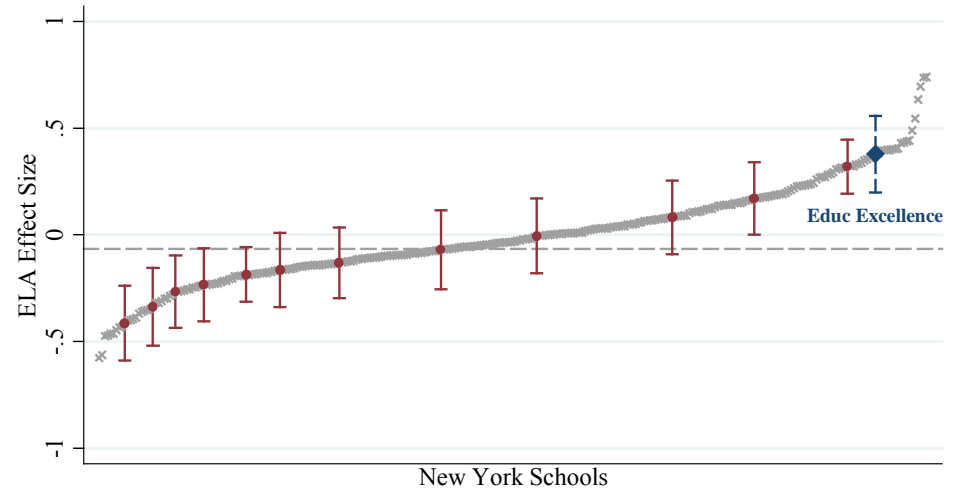
- Yonkers SD School
- Charter School in District
- × Other New York School
- ◆ Charter Up for Renewal

Math and ELA Adjusted Performance, 2012 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grades 3-8 Combined Performance for K-8 Schools, 2012

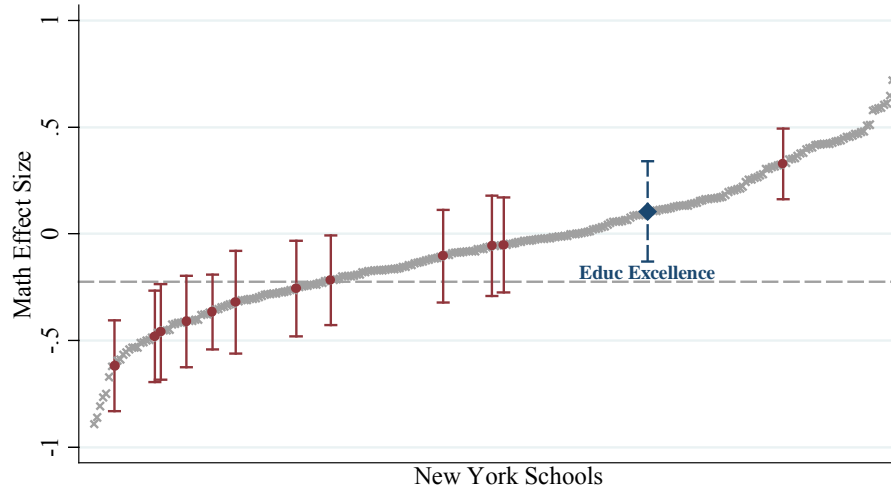


Controlled: Difference between Actual and Predicted ELA Proficiency
Grades 3-8 Combined Performance for K-8 Schools, 2012

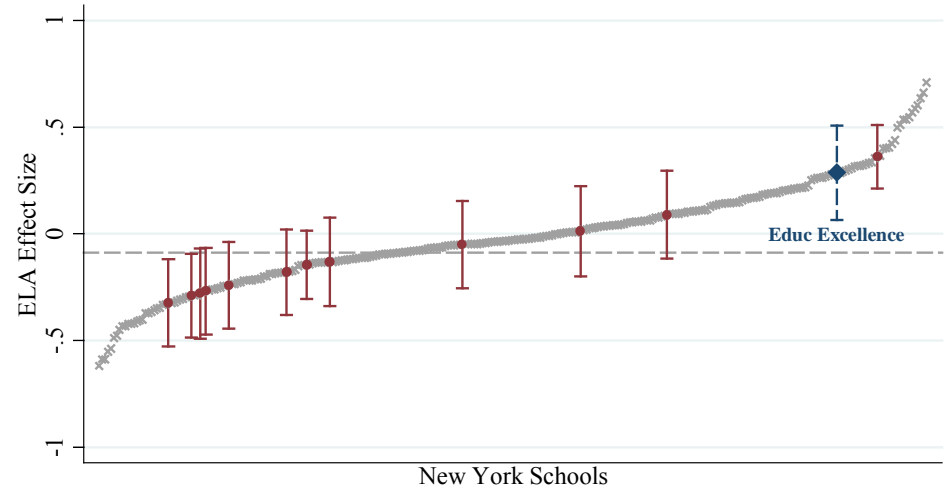


Math and ELA Adjusted Performance, 2011 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grades 3-7 Combined Performance for K-8 Schools, 2011

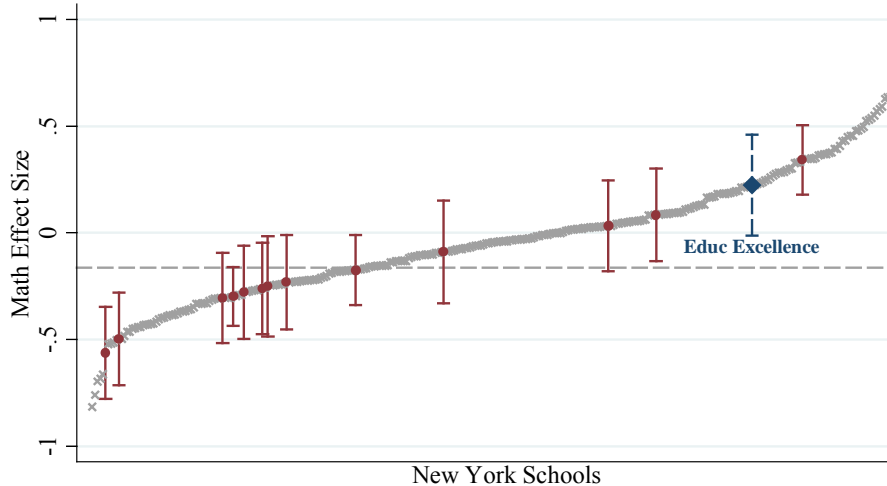


Controlled: Difference between Actual and Predicted ELA Proficiency
Grades 3-7 Combined Performance for K-8 Schools, 2011

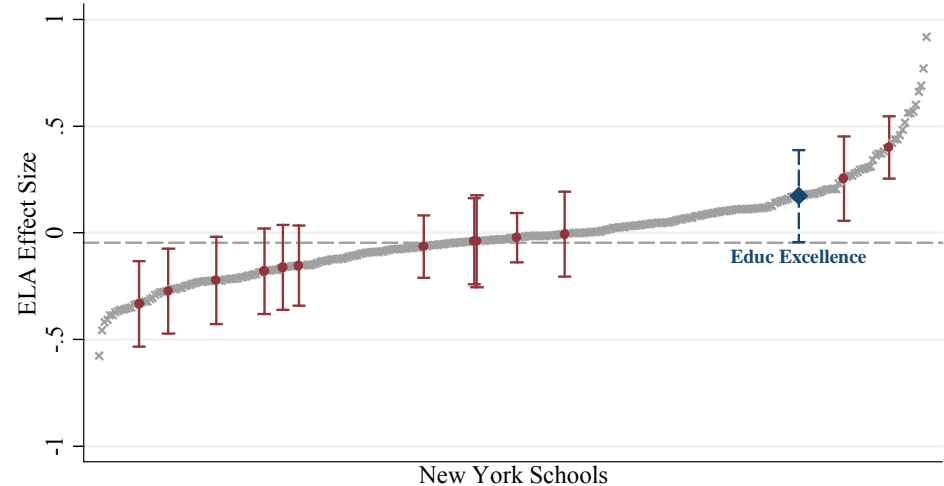


Math and ELA Adjusted Performance, 2010 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grades 3-6 Combined Performance for K-8 Schools, 2010



Controlled: Difference between Actual and Predicted ELA Proficiency
Grades 3-6 Combined Performance for K-8 Schools, 2010

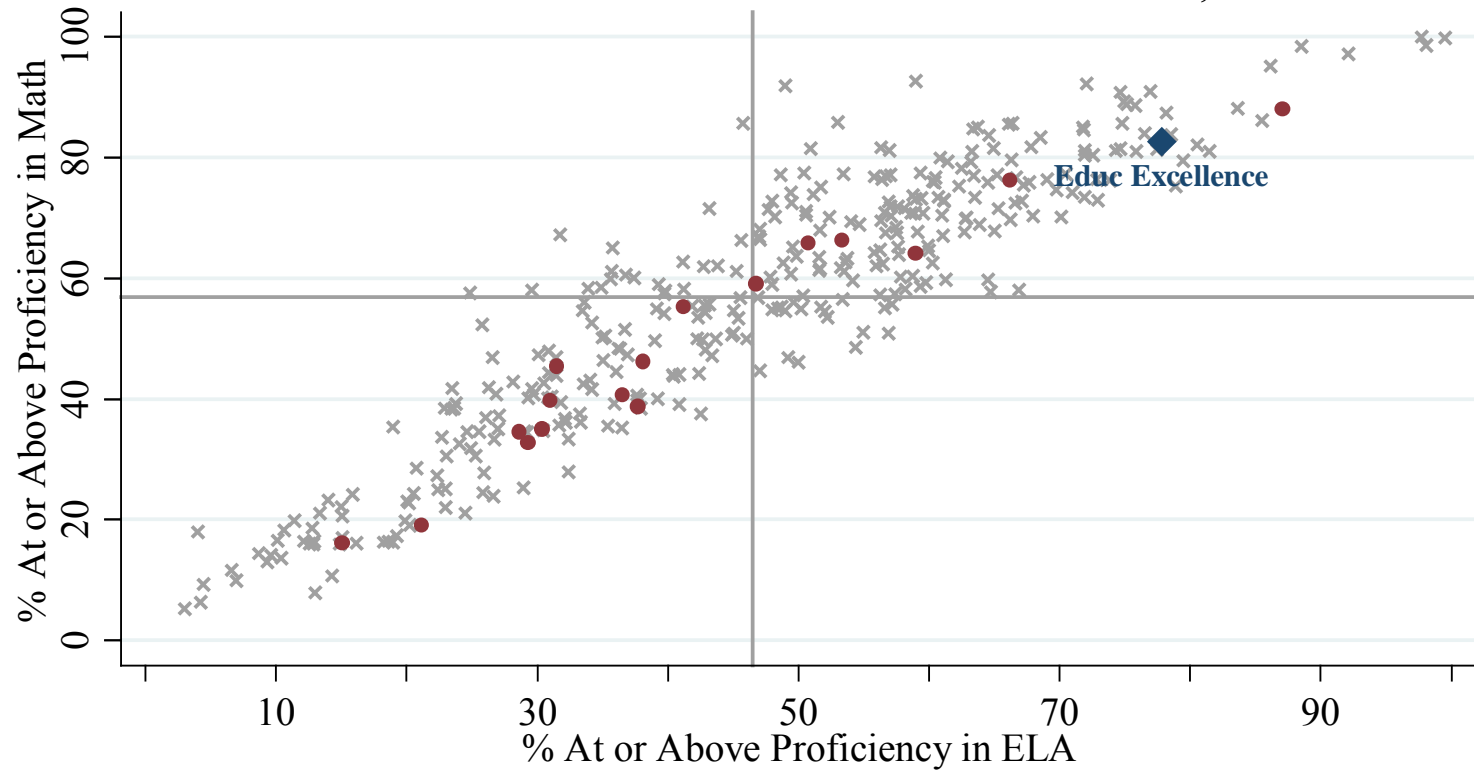


Percent at or above proficiency

**UNCONTROLLED PERFORMANCE RESULTS
(COMBINING ALL TESTED GRADES,
COMPARED TO STATE AND DISTRICT
AVERAGES)**

Math and ELA Proficiency Rates Compared to All NY Elementary Schools, 2012

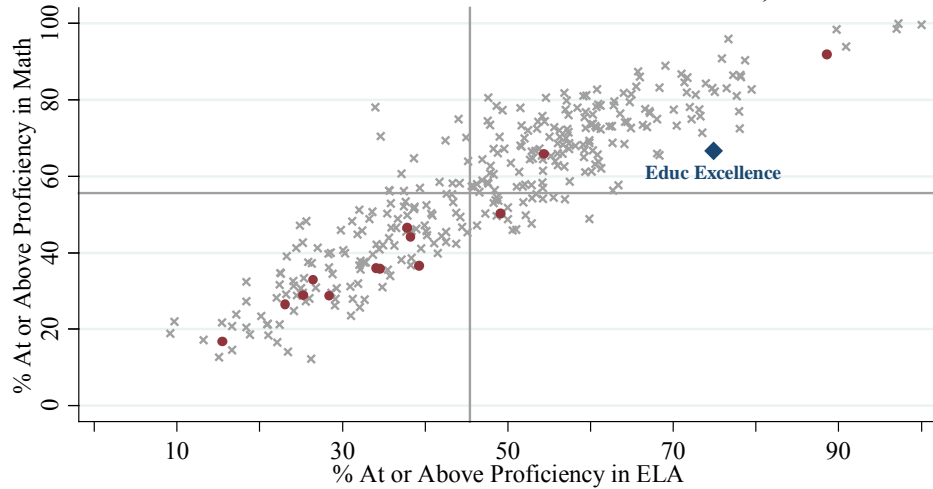
Uncontrolled: Percent At or Above Proficiency
Grades 3-8 Combined Performance for K-8 Schools, 2012



- Yonkers SD School
- Charter School in District
- × Other New York School
- ◆ Charter Up for Renewal

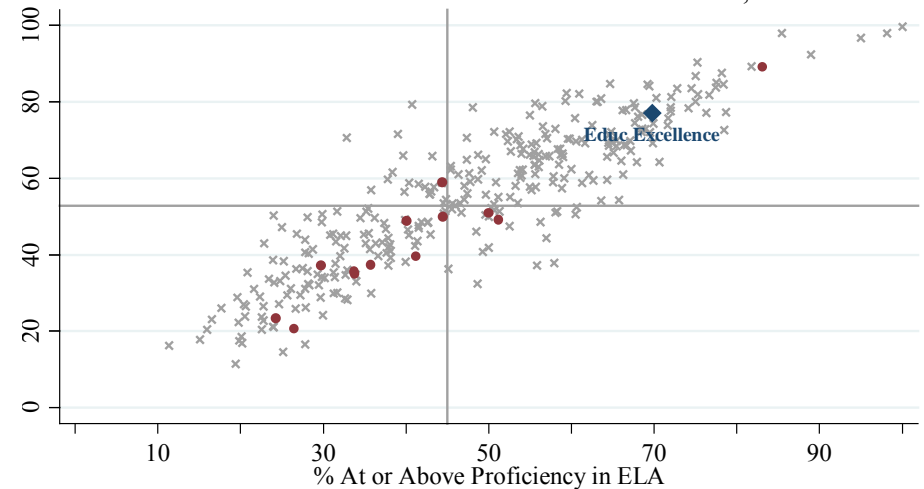
Math and ELA Proficiency Rates Compared to All NY Elementary Schools 2011 and 2010

Uncontrolled: Percent At or Above Proficiency
Grades 3-7 Combined Performance for K-8 Schools, 2011



- Yonkers SD School
- * Other New York School
- Charter School in District
- ◆ Charter Up for Renewal

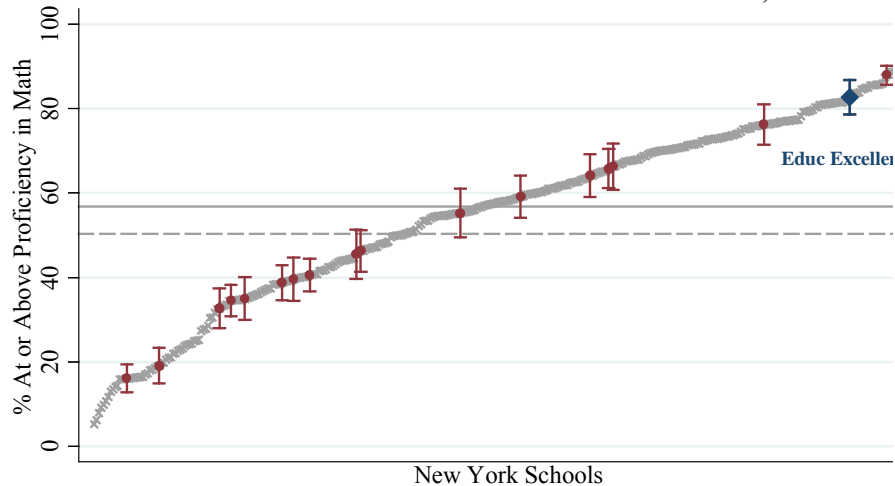
Uncontrolled: Percent At or Above Proficiency
Grades 3-6 Combined Performance for K-8 Schools, 2010



- Yonkers SD School
- * Other New York School
- Charter School in District
- ◆ Charter Up for Renewal

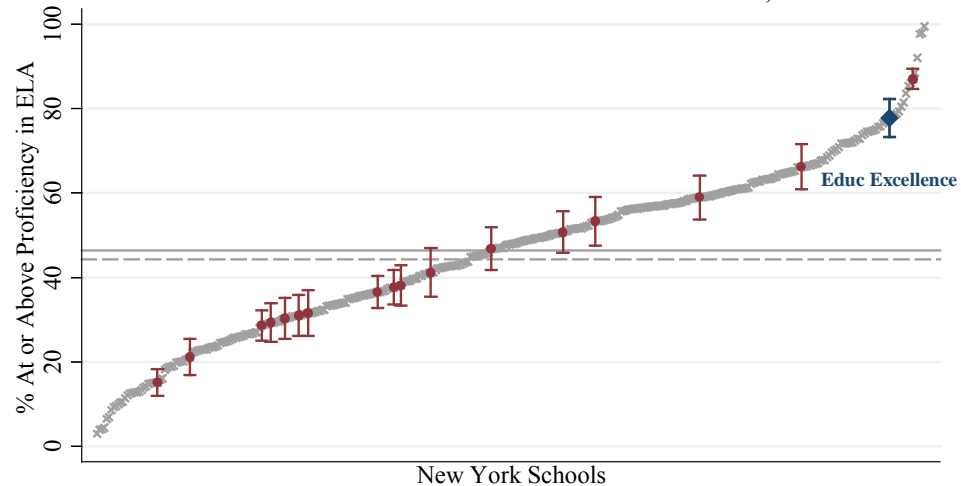
Math and ELA Proficiency Rates, 2012 Compared to the District (Dashed Line)

Uncontrolled: Percent At or Above Math Proficiency
Grades 3-8 Combined Performance for K-8 Schools, 2012



- Yonkers SD School
- Charter School in District
- * Other New York School
- ◆ Charter Up for Renewal

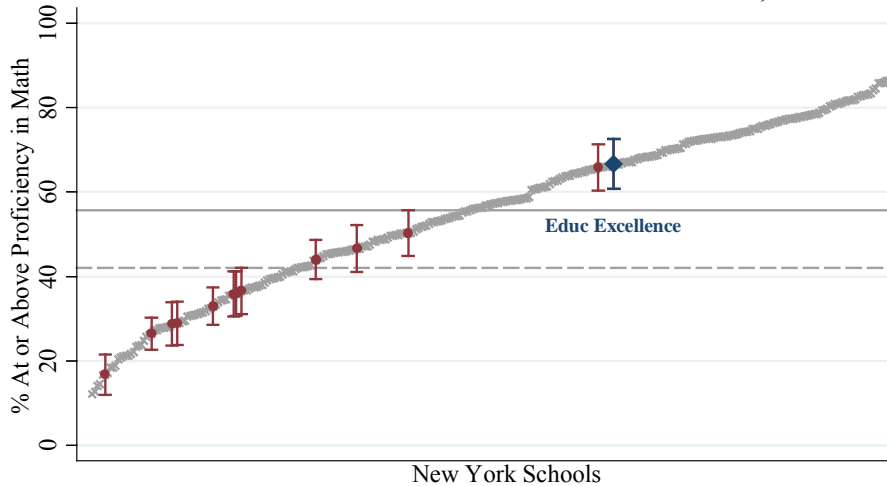
Uncontrolled: Percent At or Above ELA Proficiency
Grades 3-8 Combined Performance for K-8 Schools, 2012



- Yonkers SD School
- Charter School in District
- * Other New York School
- ◆ Charter Up for Renewal

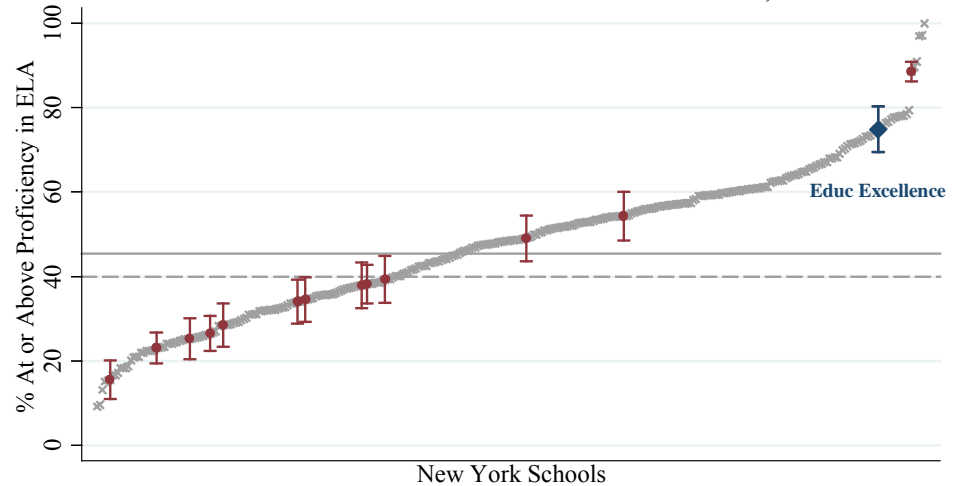
Math and ELA Proficiency Rates, 2011 Compared to the District (Dashed Line)

Uncontrolled: Percent At or Above Math Proficiency
Grades 3-7 Combined Performance for K-8 Schools, 2011



- Yonkers SD School
- * Other New York School
- Charter School in District
- ◆ Charter Up for Renewal

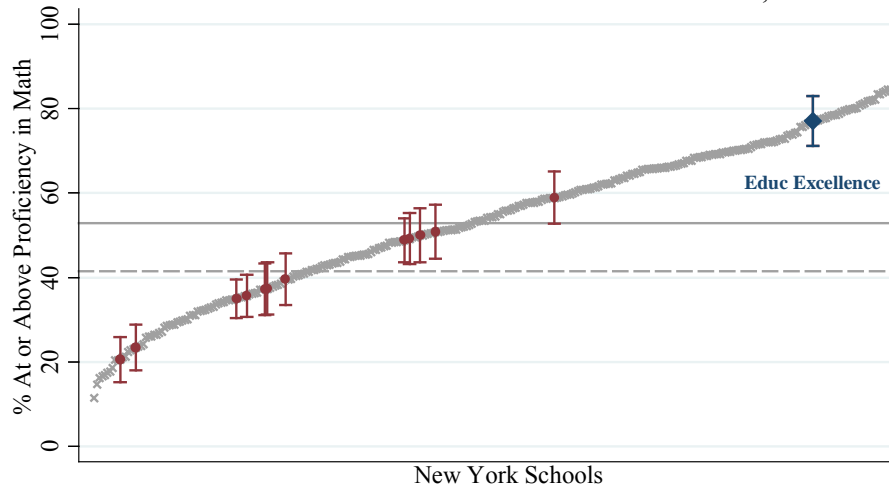
Uncontrolled: Percent At or Above ELA Proficiency
Grades 3-7 Combined Performance for K-8 Schools, 2011



- Yonkers SD School
- * Other New York School
- Charter School in District
- ◆ Charter Up for Renewal

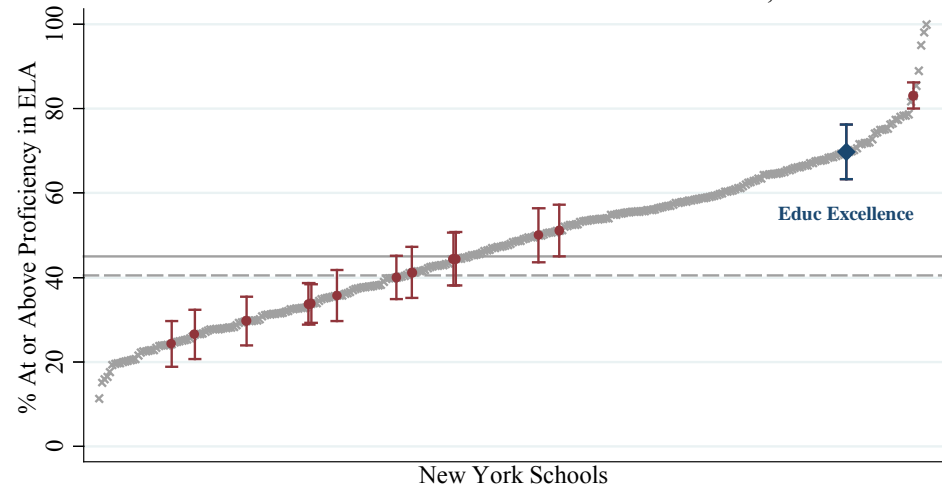
Math and ELA Proficiency Rates, 2010 Compared to the District (Dashed Line)

Uncontrolled: Percent At or Above Math Proficiency
Grades 3-6 Combined Performance for K-8 Schools, 2010



- Yonkers SD School
- * Other New York School
- Charter School in District
- ◆ Charter Up for Renewal

Uncontrolled: Percent At or Above ELA Proficiency
Grades 3-6 Combined Performance for K-8 Schools, 2010



- Yonkers SD School
- * Other New York School
- Charter School in District
- ◆ Charter Up for Renewal

Appendix B: Charter School for Educational Excellence Fiscal Dashboard

Charter School:	CS for Ed. Excellence
<i>Report as of:</i>	<i>2011</i>

General Information:					
Contact Info:		Years in Operation:	8	Enrollment:	562
Region:	Yonkers	Grades Served:	K-8	Max Enrollment:	588

Income Statement:

Revenues:	
State/Local Operating	\$6,210,861
Federal Sources	264,633
State/Local Grants	55,804
Other	4,461
Total Revenues:	\$6,535,759

Expenses:	
Total Program Services	\$5,570,953
Management and General	1,122,182
Fundraising	0
Total Expenses:	\$6,693,135

Ops. Surplus/(Deficit)	(\$157,376)
-------------------------------	--------------------

Balance Sheet & Cash Flow:

Assets:	
Cash	\$4,728,951
Total Current Assets	5,055,836
Investments & PP&E	9,235,150
Total Assets:	\$14,290,986

Liabilities:	
Current Liabilities	\$871,462
Total Debt	13,659,446
Total Liabilities:	14,417,303
Net Assets:	(126,317)
Total Liab. & Net Assets:	\$14,290,986

Change in Cash	\$4,677,373
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Key Performance Metrics:

Near-Term Metrics:	
Current Ratio	5.8x
Unrestricted Days Cash	(6.9)
Enrollment Stability	95.6%
Total Revenue Per Student:	\$11,629
Total Expenses Per Student:	\$11,909

Sustainable Metrics:	
Total Margin	1.7%
Debt to Asset Ratio	1.01x
Cash Flow	\$4,677,373
Debt Service Coverage Ratio	N/A
Composite Score	1.28
Composite Strength	Adequate

Appendix B: Charter School for Educational Excellence Fiscal Dashboard

Symbol Legend:

	Meets Standard (Low Risk)
	Adequate (Moderate Risk)
	Requires Review (High Risk)

Key Inputs:




Target School:	CS for Ed. Excellence
Time Period:	2011

Financial Indicator:

Target: CS for Ed. Excellence


Near-Term Indicators:

1a.	Current Ratio
1b.	Unrestricted Days Cash
1c.	Enrollment Stability

Current Metric:	Performance:		
5.8x			
(6.9)			
95.6%			





Financial Composite Score:

1d.	Composite Score
-----	-----------------

Current Metric:	Performance:		
1.28x			

Long-Term Indicators:

2a.	Total Margin
2b.	Debt to Asset Ratio
2c.	Cash Flow
2d.	Debt Service Coverage Ratio

Current Metric:	Performance:		
1.7%			
1.01x			
\$4,677,373			
N/A			

Appendix B: Charter School for Educational Excellence Fiscal Dashboard

	2011	2010	2009	Average
1a. Current Ratio	5.80x	0.50x	0.36x	2.22x
<i>Explanation: Current Ratio (CR) is a measure of operational efficiency and short-term financial health. CR is calculated as current assets divided by current liabilities.</i>				

	Meets Standard - Low Risk (if satisfies any of the following two):
X	CR is greater than or equal to 1.1
	CR is between 1.0 and 1.1 and one-year trend is positive (current year ratio is higher than last year's)
	Adequate - Moderate Risk (if satisfies any of the following two):
	Current Ratio is between 0.9 and 1.0 or equal to 1.0
	CR is between 1.0 and 1.1 and one-year trend is negative
	Requires Review - High Risk:
	Current ratio is less than or equal to 0.9

	2011	2010	2009	Average
1b. Unrestricted Days Cash	(6.9)	(17.1)	(27.1)	(17.0)
<i>Explanation: The unrestricted days cash on hand ratio indicates how many days a school can pay its expenses without another inflow of cash. Calculated as Unrestricted Cash divided by (Total Expenses/365).</i>				

	Meets Standard - Low Risk (if satisfies any of the following two):
	30 days or more of cash
	Between 30 and 60 days of cash and one-year trend is positive
	Adequate - Moderate Risk (if satisfies any of the following two):
	Days Cash is between 15 and 30 days
	Days Cash is between 30 and 60 days and one-year trend is negative
	Requires Review - High Risk:
X	Less than 15 Days Cash

	2011	2010	2009	Average
1c. Enrollment Stability	95.6%	90.1%	100.8%	95.5%
<i>Explanation: Enrollment stability tells authorizers whether or not the school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations. Actual Enrollment divided by Enrollment Projection in Charter School Budget.</i>				

	Meets Standard - Low Risk:
X	Enrollment Variance equals or exceeds 95% in most recent year
	Adequate - Moderate Risk (if satisfies any of the following two):
	Enrollment Variance is between 85% and 95% in the most recent year
	Requires Review - High Risk:
	Enrollment Variance is equal to or less than 85% in most recent year

Financial Composite Score:

	2011
2 Financial Composite Score	1.28
<i>Accounting for an Institution's Total Financial Condition. We evaluate the financial health of schools using a blended score that measures institutions' performances on key financial indicators. The blended score allows an institution's sources of financial strength to offset areas of financial weakness. To calculate: Step 1: Calculate Three Financial Ratios from Financial Statements (Primary Reserve Ratio, Equity Ratio, and Net Income Ratio). Step 2: Convert Ratio Results to Strength Factor Scores. Step 3: Multiply the Strength Factor Scores by a Weighting Factor. Step 4: Add the Weighted Strength Factor Scores to Obtain the Composite Score.</i>	

	Meets Standard: Fiscally Strong
	Composite Score Range of 1.5-3.0.
	Fiscally Adequate
X	Composite Score Range of 1.0-1.4.
	Requires Review: Fiscally Needs Monitoring
	Composite Score Range of -1.0-0.9.

Appendix B: Charter School for Educational Excellence Fiscal Dashboard

	2011	2010	2009	Average
2a. Total Margin	1.7%	2.1%	0.0%	1.3%
<i>Explanation: Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources. Calculated as Net Income divided by Total Revenue.</i>				

	Meets Standard - Low Risk (if satisfies any of the following two):
<input checked="" type="checkbox"/>	Most recent year Total Margin is positive
	Adequate - Moderate Risk:
<input type="checkbox"/>	Most recent Total Margin is less than 0 but greater than -10%
	Requires Review - High Risk (if satisfies any of the following two):
<input type="checkbox"/>	Current year Total Margin is less than -10%

	2011	2010	2009	Average
2b. Debt to Asset Ratio	1.01x	1.07x	1.11x	1.06x
<i>Explanation: Measures the extent to which the school relies on borrowed funds to finance its operations. Calculated as Total Liabilities divided by Total Assets.</i>				

	Meets Standard - Low Risk:
<input type="checkbox"/>	Debt to Asset Ratio is less than 0.90
	Adequate - Moderate Risk:
<input type="checkbox"/>	Debt to Asset Ratio is between 0.90 and 1.0
	Requires Review - High Risk:
<input checked="" type="checkbox"/>	Debt to Asset Ratio is greater than 1.0

	2011	2010	2009	Average
2c. Cash Flow	\$4,677,373	(\$72,043)	\$43,509	\$1,549,613
<i>Explanation: Cash flow is an assessment of change in cash from operations, financing, and investing over a given period.</i>				

	Meets Standard - Low Risk:
<input checked="" type="checkbox"/>	Three-year cumulative cash flow is positive and cash flow is positive in recent year
	Adequate - Moderate Risk:
<input type="checkbox"/>	Three-year cumulative cash flow is positive but cash flow is negative in most recent year
	Requires Review - High Risk:
<input type="checkbox"/>	Three-year cumulative cash flow is negative

	2011	2010	2009	Average
2d. Debt Service Coverage Ratio	N/A	N/A	N/A	N/A
<i>Explanation: Debt service coverage ratio indicates a school's ability to cover its debt obligations in the current year. Calculated as: (Net Income + Depreciation + Interest Expense)/(Principal and Interest Payments).</i>				

	Meets Standard - Low Risk:
<input checked="" type="checkbox"/>	Debt Service Coverage Ratio is equal to or exceeds 1.10
	Adequate - Moderate Risk:
<input type="checkbox"/>	Debt Service Coverage Ratio is less than 1.10
	Requires Review - High Risk:
<input type="checkbox"/>	Debt Service Coverage Ratio is less than 0.90

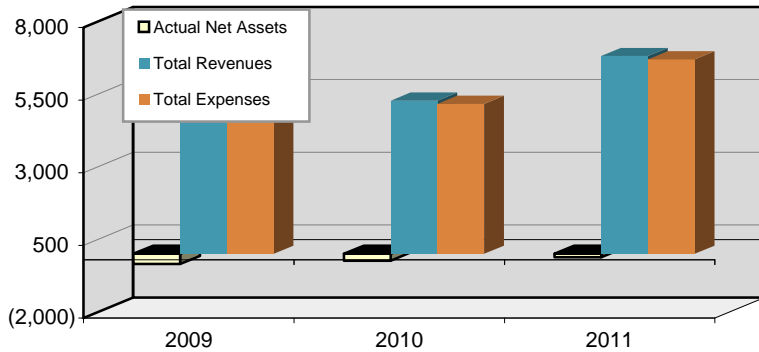
Appendix B: Charter School for Educational Excellence Fiscal Dashboard

Charter School: CS for Ed. Excellence

Report as of: 2011

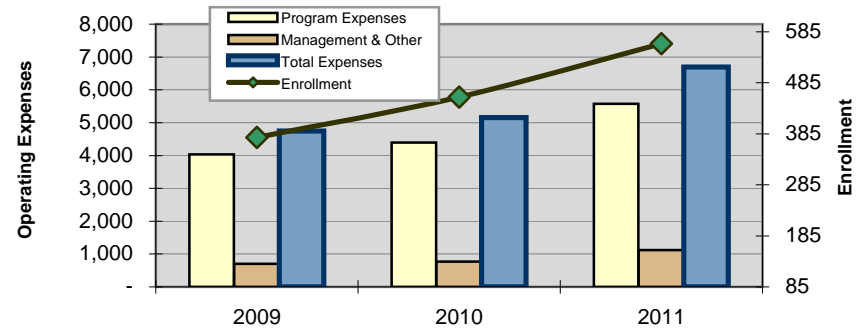
(\$'s in thousands)

Revenues, Expenses & Change in Net Assets



This chart illustrates total revenue and expenses each year and the relationship those subsets have on the increase/decrease of net assets on a year-over-year basis.

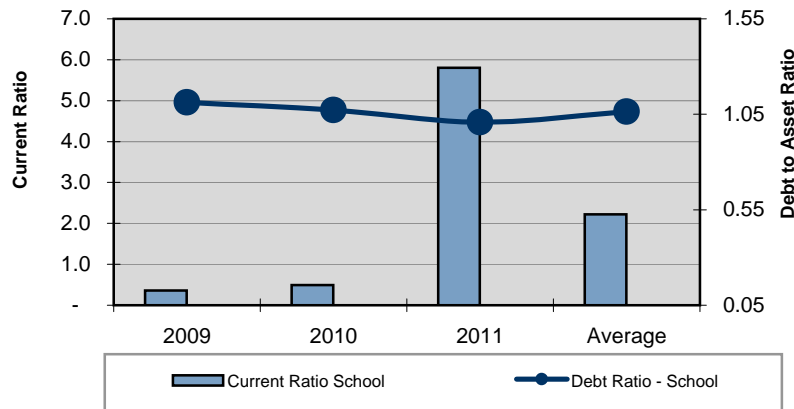
Enrollment vs. Operating Expenses



This chart illustrates to what extent the school's operating expenses have followed its student enrollment pattern.

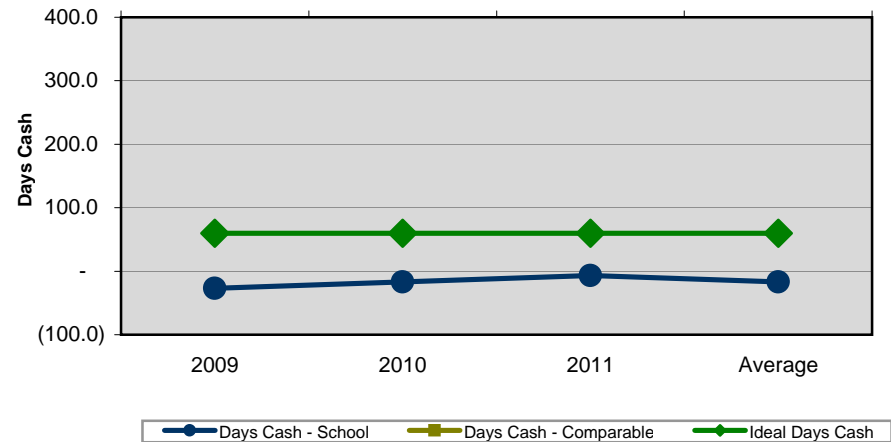
Current Ratio / Debt to Asset Ratio

CURRENT RATIO - Risk = Low > 1.1 / Medium 0.9 - 1.1 / High < 0.9
DEBT TO ASSET RATIO - Risk = Low < 0.90 / Medium 0.9 - 1.0 / High > 1.0



Current Ratio is a measure of operational efficiency and short-term financial health. Debt to Asset indicates what proportion of debt a school has relative to its assets.

Days Cash



Unrestricted days cash on hand indicates how many days a school can pay its expenses without another inflow of cash.



New York State Education Department Charter School Office

Charter School Renewal Recommendation Report

La Cima Charter School
Application for Second Charter Renewal

February 2013

Introduction

This report is the primary means by which the Charter School Office (CSO) of the New York State Education Department (the “Department”) summarizes for the New York State Board of Regents its findings and recommendations regarding a charter school’s Renewal Application.

Charter School Summary

Name of Charter School	La Cima Charter School
Lead Applicant(s)	Shereem Herndon Brown, Board Chair
District of Location	New York City Community School District #16
Districts Served	New York City
Opening Date	Fall 2008
Charter Terms	Initial Charter Term: January 15, 2008, through January 14, 2013 First Renewal Term: January 15, 2013, through June 30, 2013 ¹
Management Company	None
Partners	None
Facilities	800 Gates Avenue, Brooklyn; co-location within NYCDOE facility
Enrollment and Grade Span during Current Charter Term	366 students in Kindergarten through Grade 5
Current Maximum Enrollment and Grade Span	Maximum enrollment of 480 students in Kindergarten through Grade 5
Mission Statement	“The mission of La Cima Charter School is to prepare students for academic and life-long success through a rigorous and relevant academic program. Our vision is to develop scholars who have the intellectual capacity, social capital and the emotional strength of character to be personally successful, and to act as effective change-makers in their communities.”

Background

The Board of Regents granted an initial charter to La Cima Charter School (“La Cima” or LCCS hereafter) in December 2007. The school opened in Brooklyn, NY in September 2008 with 139 students in grades K through 1. The school added one grade per year starting in 2009-2010. La Cima has been at its full K through 5 grade span since 2011-2012, and currently enrolls approximately 366 students in grades K through 5 during the 2012-2013 school year. La Cima Charter School requests a full five-year charter renewal term and has also requested approval to expand to add grades 6 through 8 and increase its maximum enrollment to 530 students.

¹ In order to align the School’s current charter term with the school year, in January 2013, the Board of Regents approved a short term charter renewal until June 30, 2013. This short term renewal was granted to keep the school operationally viable through the end of the current school year while the review and evaluation of the full charter renewal application was completed.

Recommendation and Required Findings

Based on the Department's review of the evidence submitted by La Cima and gathered by the Department, including, but not limited to, the school's second Renewal Application, evaluation visits conducted during the charter term, and the school's record of educational success based on NYS assessment data, the Department makes the following findings required by NYS Education Law Article 56, the Charter Schools Act (the "Act")².

La Cima, as described in its Renewal Application, meets the requirements of the Act and all other applicable laws, rules and regulations;

- The school has demonstrated the ability to operate in an educationally and fiscally sound manner in the next charter period
- Approving the renewal application is likely to improve student learning and achievement and materially further the purposes set out in the Act in Education Law §2850(2)
- Approving the renewal application would have a significant educational benefit to the students expected to attend La Cima

However, as discussed below, the school's educational record currently does not warrant a full five-year renewal term, and the Department recommends that the school be summatively re-evaluated against performance benchmarks within three years.

The educational record of La Cima is limited with only two years of NYS assessment data when La Cima enrolled students in grade levels that were tested. La Cima's performance in both ELA and mathematics over the past two years based on NYS assessments improved on three of four indicators from 2011 to 2012. However, the school has performed below New York City Community School District (CSD) #16 and the State on the New York State Assessments.

Therefore, the Department recommends that the Board of Regents approve a three-year charter renewal for La Cima for the term from July 1, 2013, through June 30, 2016. The Department further recommends that the request to expand the approved grade span and enrollment of the school not be approved at this time and that, for the renewal term, the school continues to be authorized to provide instruction to students in Kindergarten through Grade 5 with a maximum enrollment of 480 consistent with the other terms set forth in the renewal charter agreement.

Summary of Evidence

The summary of evidence presented below is drawn from the school's record over the term of the charter including: the renewal application, site visit reports, annual reports, independent fiscal audits, Board of Trustee minutes and other documents collected by and about the school. On October 2 and 3, 2012, a Department team conducted a renewal site visit to La Cima Charter School. This was preceded by an informal check-in visit on June 13, 2012, and a full site visit on May 10, 2011.

² Section 2852(2) states: An application for a charter school shall not be approved unless the charter entity finds that: (a) the charter school described in the application meets the requirements set out in this article and all other applicable laws, rules and regulations; (b) the applicant can demonstrate the ability to operate the school in an educationally and fiscally sound manner; (c) granting the application is likely to improve student learning and achievement and materially further the purposes set out in subdivision two of section twenty-eight hundred fifty of this article; and (d) in a school district where the total enrollment of resident students attending charter schools in the base year is greater than five percent of the total public school enrollment of the school district in the base year (i) granting the application would have a significant educational benefit to the students expected to attend the proposed charter school or (ii) the school district in which the charter school will be located consents to such application.

Educational Soundness (Educational Record)

Evidence of Performance Related to Academic Goals

For the current charter term, La Cima articulated the following absolute, growth, and comparative goals for student performance.

Absolute Goals:

- For the 2010-2011 school year, at least 70 percent of third graders who have been enrolled at La Cima Charter School for three or more years will perform at or above Level 3 on the New York State ELA and math examinations.
- For the 2011-2012 school year, at least 75 percent of third and fourth graders combined who have been enrolled at La Cima Charter School for three or more years will perform at or above Level 3 on the New York State ELA, science, and math examinations.
- For the 2012-2013 school year, at least 80 percent of third, fourth, and fifth graders combined who have been enrolled at La Cima Charter School for three or more years will perform at or above Level 3 on the New York State ELA, science, math, and social studies examinations. *(Note: Success toward this goal cannot be measured as NYS Assessments in ELA, math, and science are administered during spring 2013, subsequent to the end of the current charter term. Also, New York State no longer administers a NYS Assessment Grade 5 social studies assessment.)*

Growth Goal:

- For the 2011-2012 through 2012-2013 school years, grade-level cohorts of students will reduce the gap between its baseline performance and the desired absolute level for that year (75 percent of students at or above Level 3 in 2011-2012 and 80 percent in 2012-2013) by one-half.

Comparative Goals:

- Each year, the school will exceed its predicted level of performance on State ELA and math exams by at least a small effect size (performing higher than expected to a small degree) according to a regression analysis controlling for students eligible for free lunch among all public schools in New York State. *La Cima's expected performance decreased in Math and ELA in 2010-2011; yet increased by a small effect size in 2011-2012.*
- For the 2012-2013 school year, the percentage of students testing proficient on NYS ELA, science, social studies, and math examinations will exceed that of the district of location. *(Note: Success toward this goal cannot be measured as NYS Assessments in ELA, math, and science are administered during spring 2013, subsequent to the end of the current charter term. Also, New York State no longer administers a NYS Assessment Grade 5 social studies assessment.)*

La Cima did not fully meet all of its student performance goals based on NYS assessment data from 2010-2011 and 2011-2012. In 2010-2011, La Cima failed to meet both goals for performance by Grade 3 students in the three-year cohort. Thirty-two percent of Grade 3 students in the cohort met the proficiency bar in ELA; 48 percent did so in mathematics. In 2011-2012, La Cima also failed to meet both performance goals by Grade 3 students in the three-year cohort. Student performance in ELA remained at 32 percent but increased to 58 percent in math (+10%). Grade 4 students who were part of the 2008-2009 cohort significantly improved their performance in ELA over the previous year. In 2011-2012, 63 percent were proficient on the ELA exam and 67 percent were proficient on the math exam. The school did not

reach its performance goal of 75 percent proficiency for these students. On all six indicators of absolute performance, La Cima Charter School failed to achieve the academic goals outlined in the charter.

Under New York State’s current Differentiated Accountability System, La Cima made Adequate Yearly Progress for students in ELA and Math in three of four years of the charter term and was “In Good Standing” for all four years of the charter term. In 2008-2009, 2010-2011, and 2011-2012, the school made AYP in all student subgroups and the all students group. In 2009-2010, La Cima only enrolled K-2 and therefore AYP determinations were made on self assessment data. In that year, the school failed to make AYP for all groups in ELA and for the all students group for math. The school did not articulate any academic goals based on assessment instruments other than the NYS assessments.

Evidence of Performance Related to Comparable Schools

In order to ensure the availability of a robust data set in consideration of renewal, and to supplement the basic assessment data and renewal application, the Department conducted an additional set of statistical analyses that compare the academic performance of La Cima to traditional public and charter schools in New York City CSD # 16 and similar schools across New York State (see Appendix A for the full statistical analyses).

Table 1 below illustrates the ELA and mathematics proficiency rates for La Cima as a direct comparison to those of students in the same grade band (3-4) and similar schools in NYC CSD #16 and across NYS as a whole.

ELA proficiency rates for La Cima are lower than both CSD #16 and NYS for similar grade bands both years of consideration. Math proficiency rates for La Cima show mixed results. In comparison to the district, La Cima’s proficiency rates were lower than both CSD #16 and NYS in 2010-11. However in 2011-12, La Cima’s math scores trended upward and the school outperformed the district by 4% but do not reach the state average proficiency rate. The proficiency rates in both ELA and mathematics for La Cima have increased over the past two academic years. See Table 1 below.

Table 1: Percentage of Students Scoring at Level 3 and 4 on the NYS assessments in Grades 3 and 4

	Tested Grades	Math Proficiency Rates (At or Above Proficiency)			ELA Proficiency Rates (At or Above Proficiency)		
		La Cima	CSD #16	NYS	La Cima	CSD#16	NYS
2012	3-4	61%	57%	61%	44%	48%	59%
2011	3	48%	53%	61%	32%	41%	58%

One general criticism of such comparisons is that charter schools may enroll a disproportionate number of students who, by demographic category, are at greater risk for low performance. In order to address such concerns, the Department conducted a multivariate regression analysis³ to predict the expected performance of La Cima that controls for demographic characteristics, thus helping to ensure truly similar schools are being compared. The results show that after controlling for such variables, La Cima’s performance in math and ELA is better than expected in 2011-2012 and improved from the previous year. The discrepant effect sizes for the school are shown in comparison to the district in the Table 2 below.

³ All public schools, including charter schools, in New York State of the same type (in this case, schools that tested students in grades 3 through 6) are included in the regression model, and the model accounts for the percentage of students identified as eligible for free- and reduced-price lunch, English language learner status, and students with disabilities at each school. The overall predicted proficiency rating is calculated as a weighted average by the number of students tested in a given grade.

The discrepant effect sizes are shown in Table 2 below and graphically depicted in the scatter plot graphs in Appendix A.

Table 2: Summary of Adjusted Performance Combining Tested Grades Effect Size

		Math		ELA		Number of Students in Analysis		
School Year	Tested Grades	La Cima Effect Size	District Effect Size	La Cima Effect Size	District Effect Size	La Cima	District	State
2012	3-4	0.06	0.14	0.01	0.11	108	1,566	354,311
2011	3	-0.06	0.14	-0.21	-0.02	54	775	177,237

Evidence of Performance from NYCDOE Progress Report 2010-11 and 2011-12

Category	Progress Report 2010-11		Progress Report 2011-12	
	Score	Grade	Score	Grade
Student Progress	4.9/30	C	31.0/60	B
Student Performance	6.1/25	C	13.0/25	B
School Environment	3.8/15	F	9.0/15	B
Closing the Achievement Gap	0.0/14	N/A	1.2/16	N/A
Overall Score	14.8/70	D	54.3/100	B

Evidence of Performance Observed Through On-site School Reviews

Throughout the charter term, CSO staff have identified and communicated concerns about instructional quality and rigor to school leaders and trustees. CSO staff visited the school six times throughout the charter term. The initial informal visit on December 4, 2008, found that classroom management and instructional skill varied significantly across the school. Team members cited a culture of disengagement in certain classrooms. At an unannounced visit to the school in May 2009, CSO staff noted improvements in classroom management and instruction, as well as a stronger school culture emphasizing respect for learning.

In La Cima’s second year of operation, a third site visit was conducted. CSO staff affirmed the ongoing progress of the school on effective classroom management and instruction, generally, but noted improvements could be made to refocus and engage students who were not engaged in the lesson at hand.

Findings from the school’s comprehensive third-year monitoring visit conducted in May 2011 described the instruction as lacking rigor and differentiation. Specifically, the team found that the delivery and quality of instruction La Cima varied from classroom to classroom. Team members continued to cite student engagement and classroom management as areas of concern. During this comprehensive visit, CSO did find that school leadership and teachers actively used assessment data to inform instructional planning and that the school used a variety of grade appropriate assessments and in-house assessments to assess student progress. Teachers administer and report weekly assessments for each student and students were encouraged to reflect on their own progress, through weekly journal writing and understanding of assessment data.

During the informal check-in visit by CSO on June 13, 2012, the team noted that instruction was more consistent, collaborative, and engaging than had been noted in previous visits. Students responded to

higher-order inquiries and demonstrated content knowledge in a whole group setting. However, differentiation through small groups was observed in only one class. Focus group meetings with the school community indicated that differentiation was a priority area for the 2011-2012 school year. While routines and systems appeared to be emerging at the time of the visit, La Cima was characterized overall as a school in transition. Several teachers were new to the school. The school was also on the verge of changing instructional leadership.

In June 2012, the school promoted its former Dean of Curriculum and Instruction to Principal. On October 2 and 3, 2012, a Department team conducted the renewal site visit at La Cima and found that varying instructional quality and rigor continue to define the school. The team characterized the learning environment as having high, clear expectations for student behavior and routines, but instruction was not defined by rigor and differentiation. School-wide practice largely reflected school design characteristics, but evidence of coherence and consistency with respect to rigor, differentiation, pacing and critical thinking varied.

At La Cima, instructional decision-making processes have evolved over time in an effort to address applicable requirements, as well as to meet the needs of a dynamically-growing school. LCCS has not merely experienced growth in enrollment, but also growth in the percent of students with disabilities from 2010-11 to 2011-12 (from 19 to 40 students).

In the early years at LCCS, instructional decision-making was the responsibility of the school's co-founders who served as principal and data administrator. At the time of the October 2012 Renewal Visit, the school had developed systems to collect and analyze student performance data; and, provide individualized Student Progress Reports (aligned to Common Core Standards) to parents. In 2011-2012, the school hired an external consulting firm to strengthen and organize the curriculum around the Common Core Standards. In addition, the school codified its practice around instructional delivery and now provides support to teachers through full-time deans of curriculum and instruction.

Administrators and teachers report that the school modified classroom management and teaching strategies in an attempt to increase the coherence of school culture. During the Renewal Visit, CSO team members noted that in many classes, teachers were challenged to maximize instructional time and manage student behavior. While behavioral norms were posted on a consistent basis within each classroom and throughout the school, several teachers were disparately effective in keeping students engaged. To increase student engagement, align instruction to academic needs, and increase rigor within the curriculum, LCCS teachers use a variety of instructional groupings to deliver lessons. In addition, lessons require students to incorporate visual, auditory, and kinesthetic modalities. As was the case during the Comprehensive Monitoring Visit in 2011, CSO noted the extensive use of small group instruction in all grades. The team also noted that several teachers presented well-structured lessons including routine checks for student comprehension and probes for higher-order thinking. Lesson planning at LCCS is substantively stronger than in previous years.

At La Cima, school culture is an area that is developing. Previous site visit reports noted a good deal of staff and faculty turnover which may have contributed to gaps in establishing a coherent, deep culture within the school. The renewal visit team found that the school's climate and culture reflect the mission and design and that the school is physically safe and free from harassment for students and all stakeholders.

Organizational Soundness

Evidence of Organizational Capacity

In their first year of operation, La Cima was cited for non-compliance with the initial charter agreement in the areas of teacher certification, financial oversight, and unapproved revisions to their charter. The school quickly remedied these infractions and at the Renewal Visit of October 2-3, 2012, the CSO team found no current compliance issues.

Evidence of Board Oversight and Governance

At the time of the renewal visit in October 2012, the team found that the board of trustees provided limited evidence of oversight and stewardship of the school. The school's leadership, therefore, make many of the strategic decisions at the school. The renewal visit team found no evidence that the board of trustees voted on a resolution to expand the grade configuration at La Cima. However, the Renewal Application included an enrollment plan to serve additional grades without an educational plan or accurate financial plan to do so.

The board has met an average of six times per year since the inception of the charter. When the renewal visit team questioned this practice, they stated that in 2012-2013 the board would meet more frequently and will receive technical assistance from a third-party to strengthen their routines and build capacity. The board has established as its priority for the year to create a succession plan for the members of the board and the executive director.

In 2011, the site visit team cited areas of development for the board of trustees that included formalizing the evaluation of the principal, developing strategies and incentives to recruit and retain teachers, recruiting a parent to serve as an active member on the board, and reconciling the goals and educational philosophy of the school's initial charter proposal with the current and expected student population. In June 2012, the board named the founder and former principal as executive director, and for the 2012-2013, the board developed a formal evaluation instrument. Trustees also devised an incentive plan to stimulate faculty retention.

The board has maintained a largely stable membership over the charter term. The CSO noted in 2011 that the school has not included a parent representative as described in the charter. At the time of the renewal visit, the board had still not elected a parent member to serve on the board of trustees. The board is supported by several committees such as academic, finance and audit, and fundraising. Parents do not attend board meetings and reported having limited communication from the board on school policy, a responsibility that was delegated by the board to the executive director.

Fiscal Soundness

The Department reviews the financial performance and management of charter schools using quantitative and qualitative methods. Quantitative reporting is done through the fiscal dashboard (See Appendix B). The dashboard presents several near-term⁴ and long-term⁵ financial performance indicators. These

⁴ Near-term indicators of financial health are used to understand the current financial performance and viability of an entity. CSO uses four measures. The "current ratio" is a measure of operational efficiency and short-term financial health. It is calculated as current assets divided by current liabilities. "Unrestricted days cash" is a measure of liquidity and available funding. It is calculated as unrestricted cash divided by (total expenses/365). To capture the impact of enrollment on finances, we also measure "enrollment stability" by comparing actual vs. projected reported by schools. Schools failing to enroll 85% of their projected total may not be permitted to provide instruction. CSO also uses a "financial composite score" as a blended measure of performance

rigorous indicators of fiscal soundness are aligned with those recommended by the National Association of Charter School Authorizers, and are also used by the Trustees at the State University of New York (SUNY) in their capacity as a charter school authorizer (SUNY-CSI) in New York State. Near-term indicators such as the current ratio and unrestricted days cash are measures of liquidity, and of the charter school's capacity to maintain operations. Long-term indicators such as total margin and debt-to-asset ratio are measures of the charter school's capacity to remain viable and to meet financial obligations. To lend context to the quantitative data, CSO staff reviewed annual reports and the renewal report submitted by the school describing their financial management practices; and analyzed audited financial statements for the school for the operating years 2008-2009 through 2011-2012⁶. CSO conducted a three-year analysis of financial trends for Years 1 through 3 of the charter term, as well as a review of audited financial statements received in November 2012.

To lend context to the quantitative data, CSO staff reviewed annual reports and the renewal report submitted by the school describing their financial management practices and analyzed audited financial statements for the school for the operating years 2008-2009 through 2011-2012⁷. CSO conducted a three-year analysis of financial trends for Years 1 through 3 of the charter term, as well as a review of audited financial statements received in November 2012 for the fourth year of operation.

For the fiscal year ending June 30, 2012 (and in each of the preceding years of the charter term), the school received an unqualified audit of its financial statements with no findings of material weaknesses or deficiencies; furthermore, auditors cited no instances of non-compliance with governmental auditing standards.

In 2011-2012, La Cima Charter School had a current ratio of 1.9. Enrollment stability declined in 2011-2012 to 89 percent from 95 percent the preceding year. Both are considered adequate. LCCS has had operating surpluses in each fiscal year. In 2010-2011, the school's surplus exceeded \$570,000, but as the school increased staff and support services to meet the needs of its changing student population, the operations surplus dipped to approximately \$108,000 in 2011-2012. Cumulatively, the school ended the last fiscal year with unrestricted net assets above \$1.9 million. LCCS has a Composite Score of 3.00 (highest possible ranking).

La Cima is co-located in a facility owned by the New York City Department of Education. The space is leased for \$1 per year. The school has no long-term debt and is not presently seeking private space, though trustees have indicated that reserves are maintained in the event of relocation. Since 2008-2009, the total margin at the school has declined annually, but remains positive and reflective of the conservative budgeting by trustees. The debt-to-asset ratio has decreased modestly, reflecting a positive trend that is consistent with the financial planning and policies of the board. Cash flow trends at the school have been mixed, but LCCS has always carried sufficient reserves to meet demand.

The school has hired a director of finance to oversee the financial management of the school, to liaise with the board of trustees' finance committee, and to provide leadership and support for aligning the

on multiple indicators. Scores between 1.5 and 3.0 denote fiscal strength. Intermediate scores range from 1.4 to 1.0. Scores below 1.0 require additional CSO monitoring of fiscal performance and management. Please see Appendix B for additional detail on the fiscal performance of the School on these near-term indicators.

⁵ Long-term indicators of financial health are used to understand the financial viability of an entity for periods of one year or more. CSO uses four measures. The "total margin" measures the deficit or surplus a schools yields out its total revenues. "Debt to asset" ratio measures the use of borrowed funds to finance operations. Ratios greater than 1.0 are indicative of high risk. "Cash flow" measures increases or decreases in cash from operations, financing, and investing. "Debt Service Coverage Ratio" measures the capacity of an entity to cover debt obligations in the current year. See Appendix B for additional detail on the fiscal performance of the School on these long-term indicators.

⁶ <http://www.p12.nysed.gov/psc/csdirectory/LaCimaCharterSchool/home.html>

⁷ See "Current Ratio/Debt to Asset Ratio" graph in Appendix B.

instructional plan with the budget. Responsibilities for the position include payroll, accounts payable/receivable, financial reporting, grant management, audit preparation, cash flow management, benefits management, procurement, and insurance maintenance. The school engages an audit firm to conduct independent annual audits. LCCS has developed a comprehensive budget planning process, which involves trustees, administrators, and teachers. The finance and audit committee of the board reports to the full board.

Faithfulness to the Charter School

La Cima's mission is *"to prepare students for academic and life-long success through a rigorous and relevant academic program. Our vision is to develop scholars who have the intellectual capacity, social capital and the emotional strength of character to be personally successful, and to act as effective change-makers in their communities."*

Key design elements of the school's charter include:

- Active Incrementalism – the belief that intelligence is not fixed, and that individuals can attain goals by applying effective effort over time
- Alternate Immersion and Academic Rigor – Standards-based academic program within the context of an alternate immersion model. Students receive two language arts blocks per day, one in English, and one in Spanish with the goal of developing students that are bilingual and bi-literate by 5th grade. Students will be taught core subject areas in English
- School Culture – The teaching and writing of Lisa Delpit and Paulo Freire frames the culture. The school is founded on respect and honor of self, school, and community. We view the home, heritage culture, and language as having intrinsic value, and unique strengths
- Extended school day and year
- Reduced Class Size (1:20 in grades 1-5; 1:10 in kindergarten)
- Data Driven Instructional Decision Making

Over the current charter term, the Department has noted modifications to the school's key design elements as the school has attempted to be responsive to student needs. The Department team that visited La Cima for a renewal site visit noted that the school has been faithful to many elements of its mission and key design elements with some notable exceptions. The Spanish language instructional program is underdeveloped. Rigor has been inconsistent and the social change and civic education components of the curriculum are not easily discerned throughout the school. Teachers, students, and parents were not able to make robust connections between the LCCS curriculum and social change initiatives, citing the constructed playground as a means of social change. The school does operate a Saturday school and has made strides in moving towards data-driven decision making.

Plans for the Next Charter Term

In its renewal application, La Cima Charter School sought approval to expand to serve grades 6 through 8. The school cited parental demand and the poor quality of neighborhood middle school options in Community School District #16. In 2010 and 2011, more than 94 percent of parents surveyed at the school favored increasing the number of grades served to include middle school. The school proposed to maintain its existing culture, school norms, and curriculum through the use of its key design elements, and new practices such as Cognitively Guided Instruction, SRA Reading Mastery for phonics, Wordly Wise for vocabulary, Daily Oral Language for grammar, STEP Reading Assessments, and several other revisions. The school also proposed to support new grades by continuing to transmit and cultivate its CARE Program. The acronym represents the core values of community, accountability, reconciliation,

and effort. The school reported a waiting list of 393 students for the 2012-2013 school year. At the time of the visit, trustees stated their intent to pass a resolution on the matter. The board indicated they had not fully deliberated on the matter and would do so subsequent to the visit. The renewal application did not include educational, fiscal and facility plans to meet the proposed expansion plan. At this time, Department staff do not recommend that the Board of Regents approve an expansion of the school, as outlined in the School’s renewal application.

Summary of Public Comment

As required by the Act, the Department notified the New York City Community School District #16 and public and nonpublic schools in the same geographic area as La Cima about the submission of the school’s Renewal Application. The District held the required hearing on August 28, 2012. According to the minutes of the hearing, a brief informational presentation about the school was made by a District staff person, and representatives from La Cima were given an opportunity to respond to questions from the Board of Education Charter School Committee members.

Nine individuals spoke at the hearing, including the school principal, four parents, and two students. All comments favored the renewal of the charter school. The District summarized the hearing as follows: “*All speakers were either parents, students, or administrators from the school and spoke in extremely positive terms about it and voiced support for its renewal.*”

Additional Information

Student Demographics⁸

	2009-2010		2010-2011		2011-2012	
	La Cima Enrollment	NYC #16 Enrollment in Grades K-2	La Cima Enrollment	NYC #16 Enrollment in Grade K-3	La Cima Enrollment	NYC #16 Enrollment in Grades K-4
Special Populations						
Free Lunch	74%	76%	56%	75%	56%	
Reduced Lunch	11%	5%	8%	5%	8%	
Limited English Proficient	3%	3%	2%	4%	2%	5%
Students with Disabilities	N/A	29%	1%	30%	12%	31%
Race/Ethnic Origin						
Native American	0%	1%	0%	1%	0%	1%
African American	83%	81%	80%	80%	80%	79%
Hispanic or Latino	9%	17%	14%	17%	14%	18%
Asian or Pacific Islander	1%	1%	0%	1%	0%	1%
White	1%	1%	0%	1%	0%	1%
Multiracial	7%	0%	6%	0%	6%	0%

⁸ Source: These figures were derived from the student-level NYS assessment data for students in tested grades, and supplemented by the Department School Report Card, the Basic Education Data System (BEDS), Special Education School District Data Profile, and data reported by the School.

La Cima Charter School exceeds the enrollment targets for free/reduced price lunch. The students with disabilities population is approximately 75% of the adjusted target and the enrollment of English language learners exceeds the unadjusted and adjusted targets. In the table below, the enrollment targets, adjusted and unadjusted, are compared to La Cima's current population, as reported by the charter school on their 2012 -2013 BEDS forms. These targets were determined utilizing the Enrollment Target Calculator, developed by NYSED and revised on 12/27/12, based on a K – 5 student population of 364 students in Community School District #16.

Enrollment Targets

	Unadjusted %	Adjusted %	La Cima%
Free/Reduced Price Lunch	94.1%	91.7%	96%
English language learners	4.1%	2.7%	4.9%
Students with Disabilities	18.4%	15.3%	11.5%

Board of Trustees

Name	Position on Board	Committee Affiliation(s)	Area of expertise, and/or additional role	Term Information
Shereem Herndon-Brown	Chair	Executive, Governance, Fundraising	Educator/Entrepreneur	Election: January 2010; Expiration December 2012
Jennifer Swayne	Vice-Chair	Executive, Governance, Academic	Attorney	Election: July 2011; Expiration: June 2014
Jason Rapp (Founding Trustee)	Treasurer	Executive, Finance & Audit, Academic	Finance/Banking	Election: July 2008; Expiration June 2014
Jennifer DaCosta	Secretary	Executive, Governance, Academic	Attorney	Election: January 2011; Expiration: December 2013
Christopher White	Members	Fundraising	Finance/Banking	Election: January 2011; Expiration: December 2013
Gordon Watson	Member	Finance & Audit, Fundraising	Investment	Election: October 2011; Expiration: September 2014
Laurisse Rodriguez	Member	Academic	Educator/School Assessment	Election: October 2011; Expiration: September 2014

School Leader History

Name	Term
Andrea Zayas, Executive Director	June 2012 to Present
Andrea Zayas, Principal	Founding to June 2012

Appendix A: Analysis of Student Performance

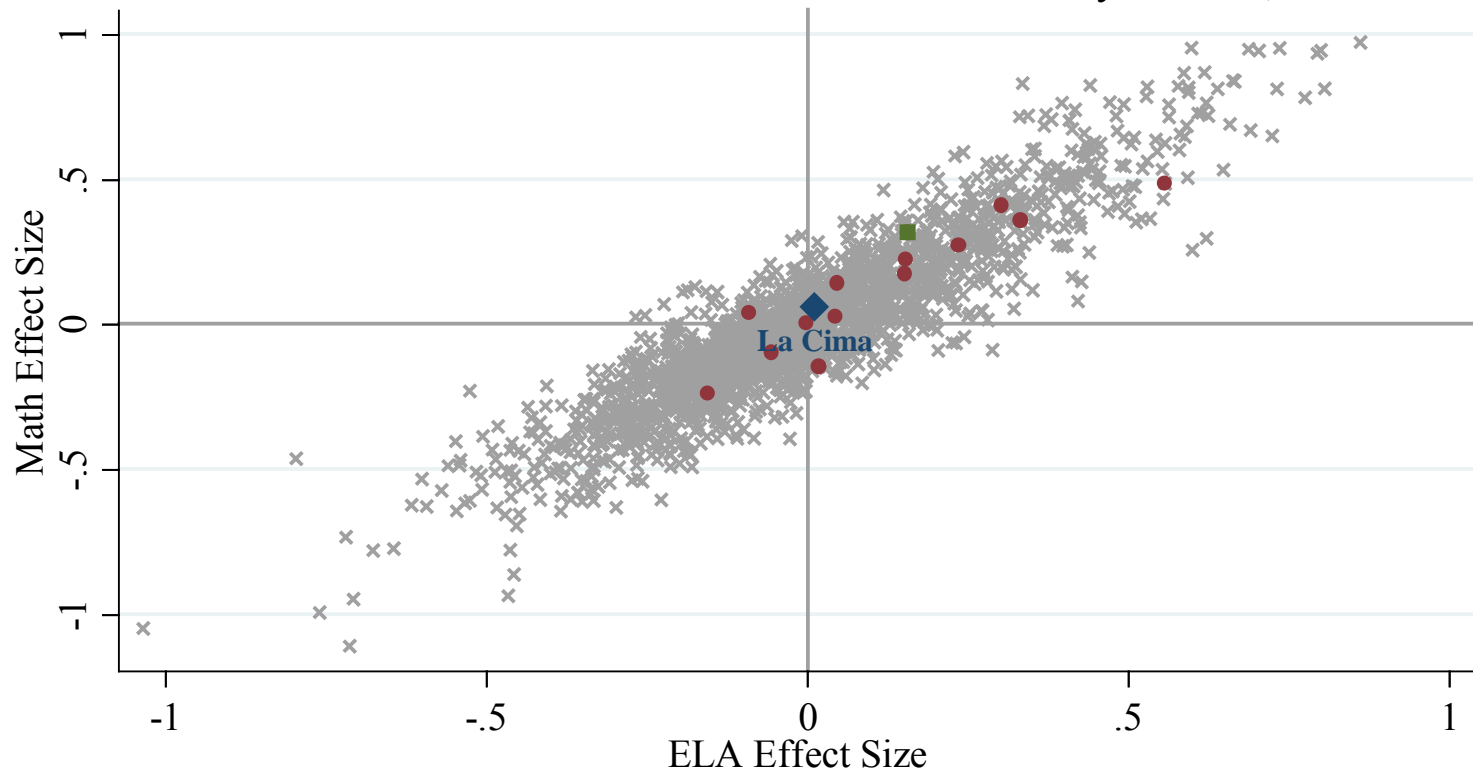
La Cima Charter School

Controlling for students' poverty, LEP, and special education status

**REGRESSION RESULTS
(COMBINING ALL TESTED GRADES,
COMPARED TO STATE AND DISTRICT
AVERAGES)**

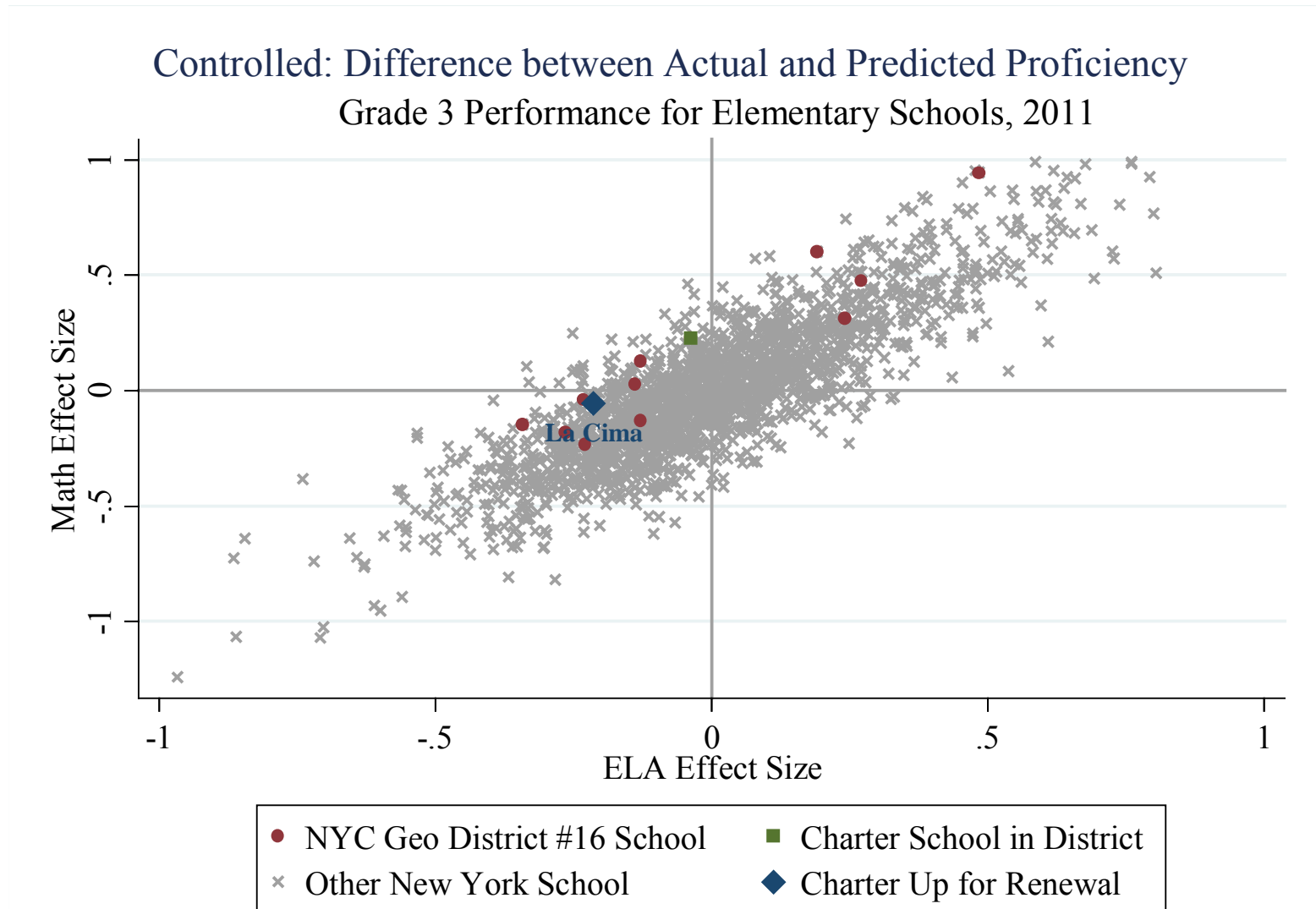
Math and ELA Adjusted Performance Compared to All NY Elementary Schools, 2012

Controlled: Difference between Actual and Predicted Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2012



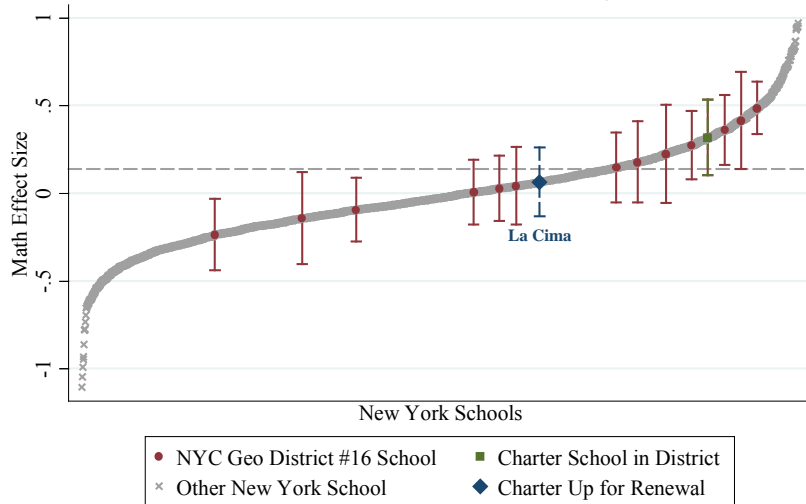
- NYC Geo District #16 School
- Charter School in District
- × Other New York School
- ◆ Charter Up for Renewal

Math and ELA Adjusted Performance Compared to All NY Elementary Schools, 2011

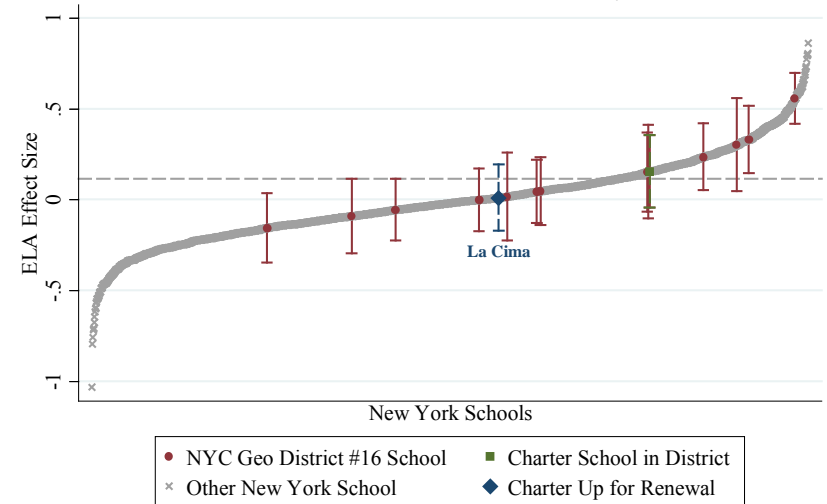


Math and ELA Adjusted Performance, 2012 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2012

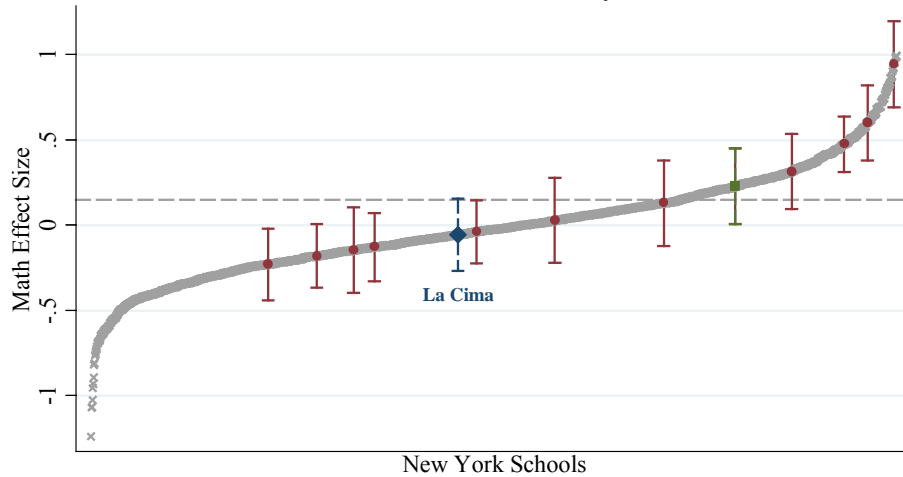


Controlled: Difference between Actual and Predicted ELA Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2012



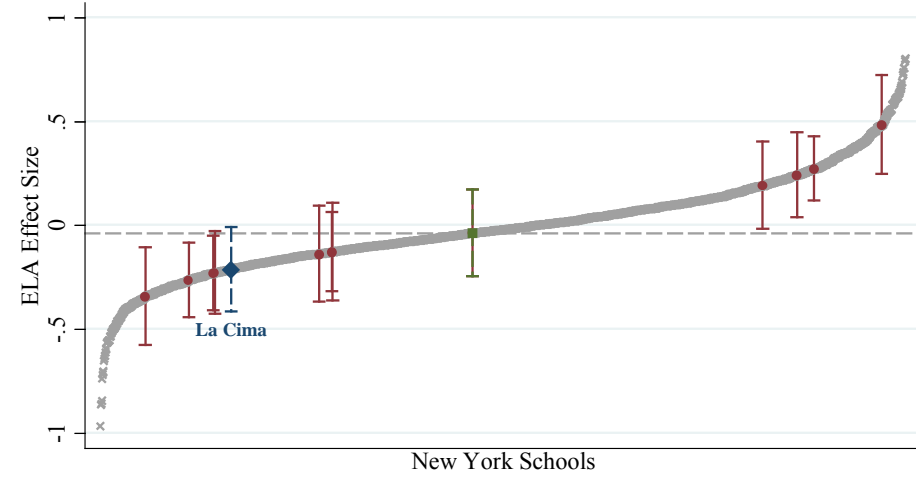
Math and ELA Adjusted Performance, 2011 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grade 3 Performance for Elementary Schools, 2011



- NYC Geo District #16 School
- Charter School in District
- × Other New York School
- ◆ Charter Up for Renewal

Controlled: Difference between Actual and Predicted ELA Proficiency
Grade 3 Performance for Elementary Schools, 2011



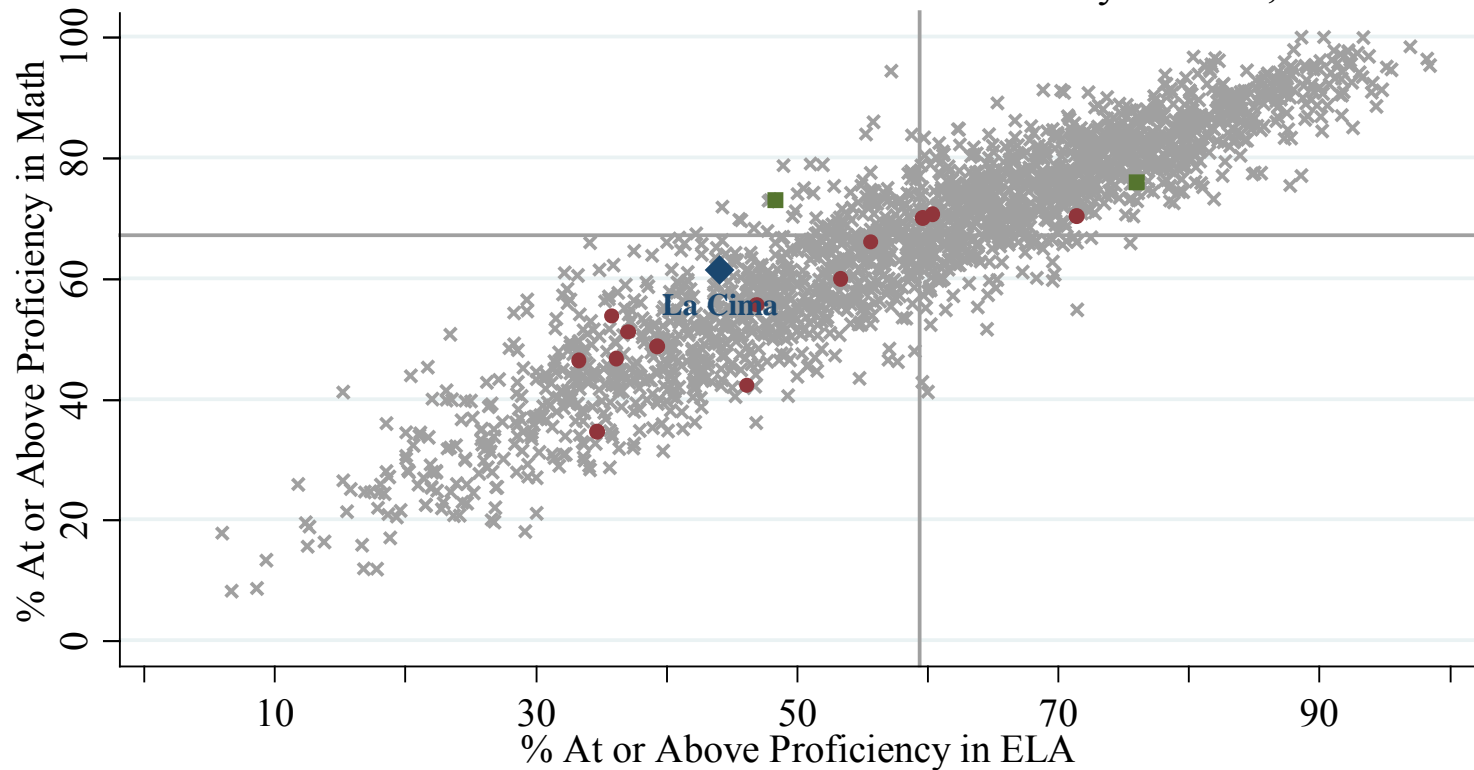
- NYC Geo District #16 School
- Charter School in District
- × Other New York School
- ◆ Charter Up for Renewal

Percent at or above proficiency

**UNCONTROLLED PERFORMANCE RESULTS
(COMBINING ALL TESTED GRADES,
COMPARED TO STATE AND DISTRICT
AVERAGES)**

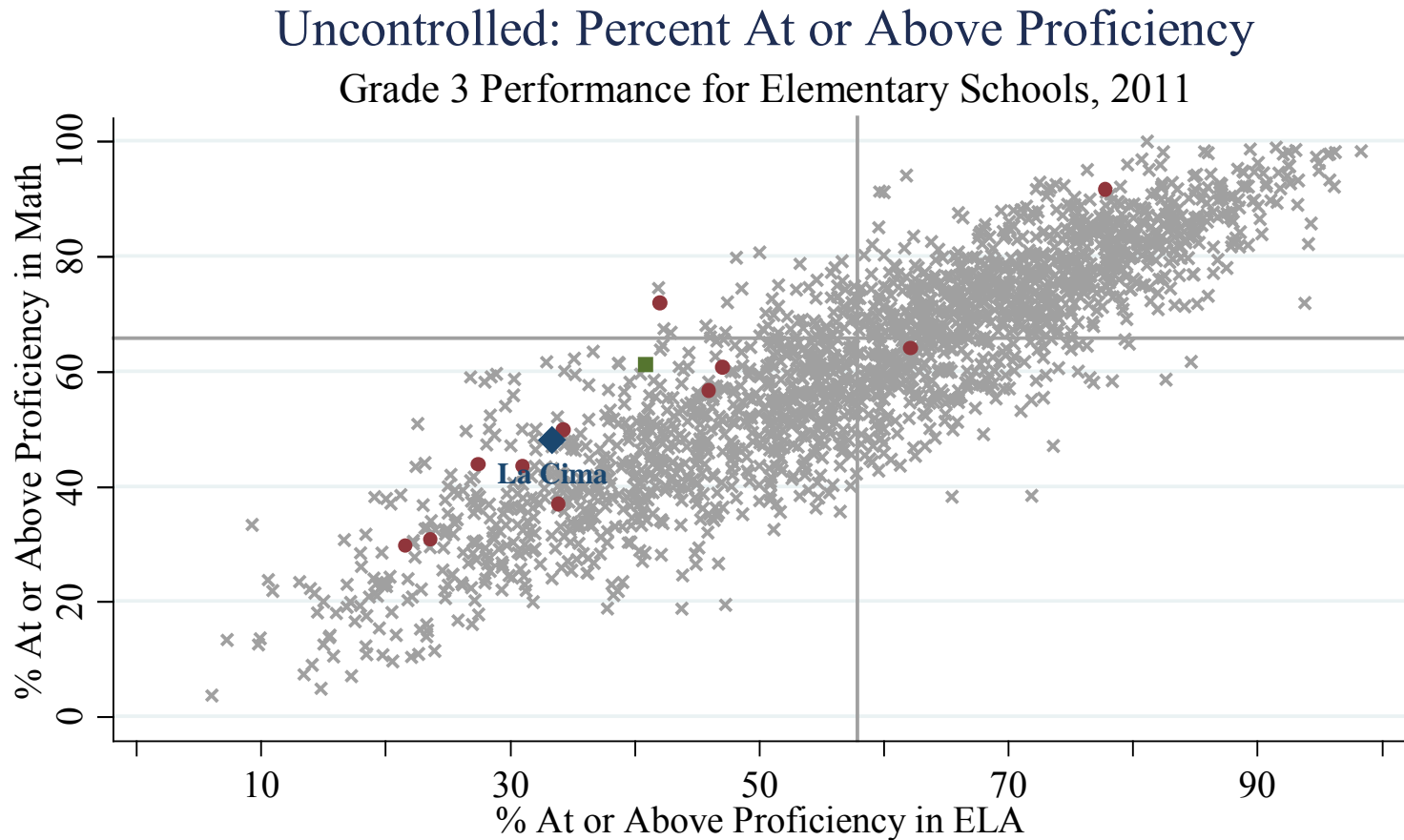
Math and ELA Proficiency Rates Compared to All NY Elementary Schools, 2012

Uncontrolled: Percent At or Above Proficiency
Grades 3-4 Combined Performance for Elementary Schools, 2012



- NYC Geo District #16 School
- Charter School in NYC Geo District #16
- × Other New York School
- ◆ La Cima

Math and ELA Proficiency Rates Compared to All NY Elementary Schools, 2011

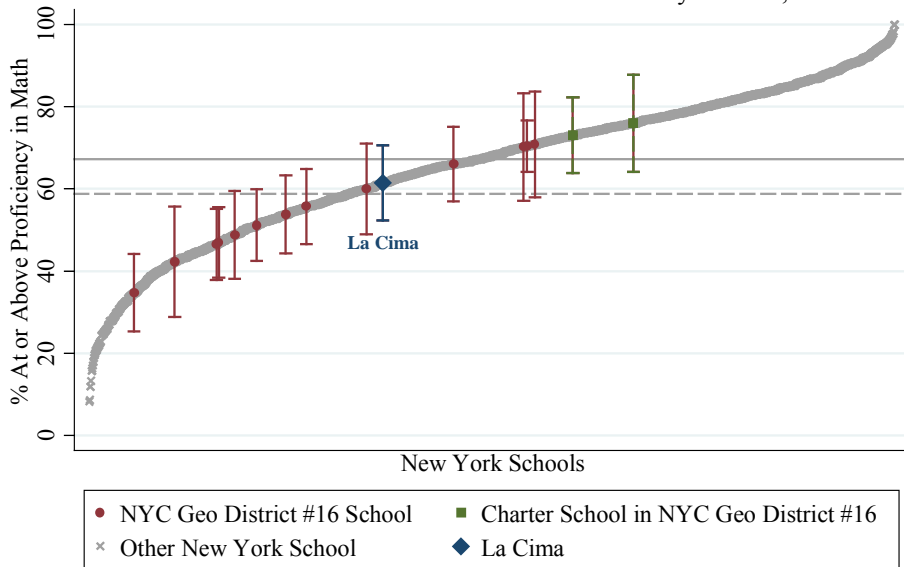


- NYC Geo District #16 School
- Charter School in NYC Geo District #16
- × Other New York School
- ◆ La Cima

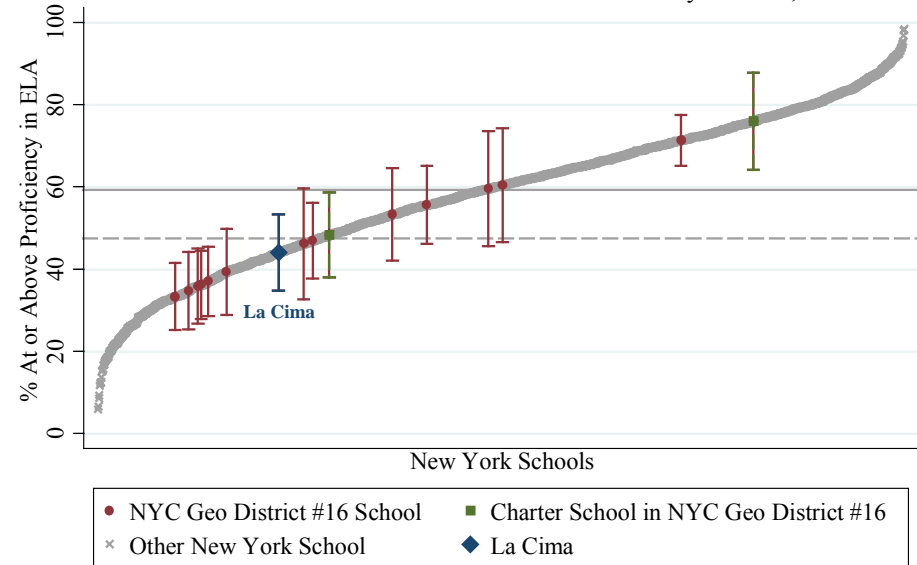
Math and ELA Proficiency Rates, 2012

Compared to the District (Dashed Line) and State (Straight Line)

Uncontrolled: Percent At or Above Math Proficiency
 Grades 3-4 Combined Performance for Elementary Schools, 2012

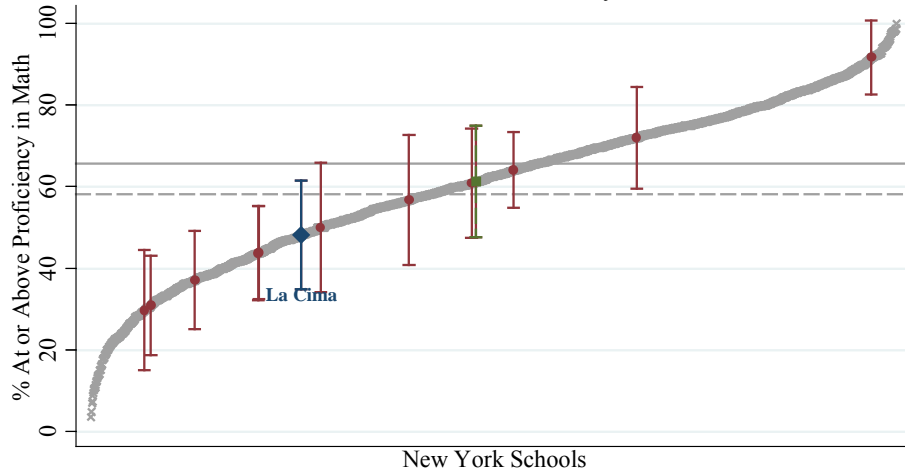


Uncontrolled: Percent At or Above ELA Proficiency
 Grades 3-4 Combined Performance for Elementary Schools, 2012



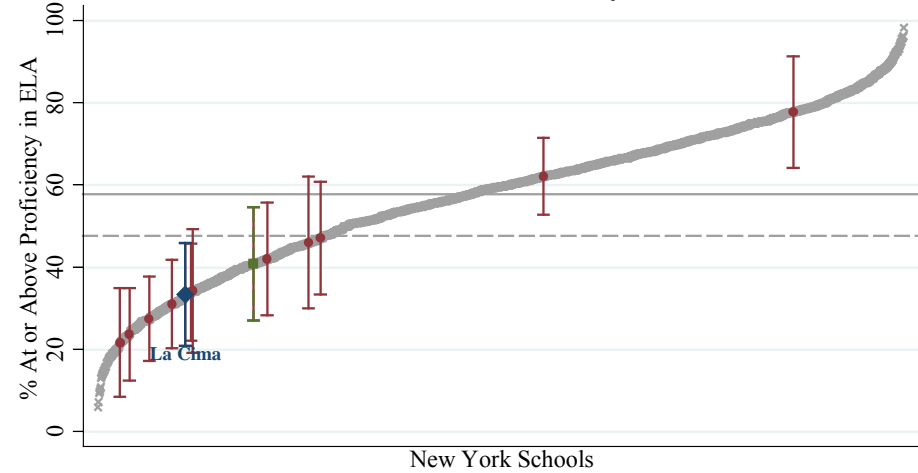
Math and ELA Proficiency Rates, 2011 Compared to the District (Dashed Line) and State (Straight Line)

Uncontrolled: Percent At or Above Math Proficiency
Grade 3 Performance for Elementary Schools, 2011



- NYC Geo District #16 School
- × Other New York School
- Charter School in NYC Geo District #16
- ◆ La Cima

Uncontrolled: Percent At or Above ELA Proficiency
Grade 3 Performance for Elementary Schools, 2011



- NYC Geo District #16 School
- × Other New York School
- Charter School in NYC Geo District #16
- ◆ La Cima

APPENDIX

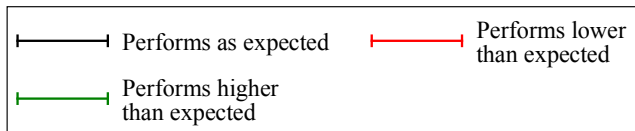
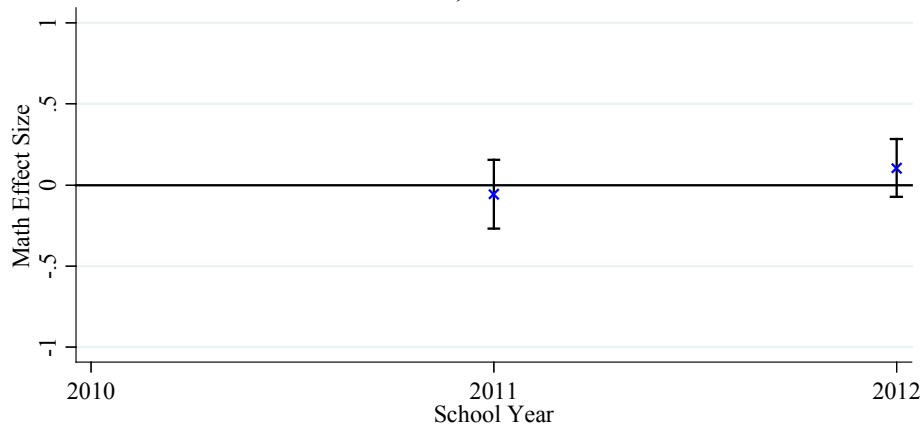
Controlling for students' poverty, LEP, and special education status

**PERFORMANCE BASED ON
REGRESSIONS
(TRENDS: GRADES SEPARATELY)**

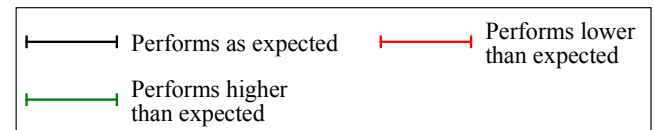
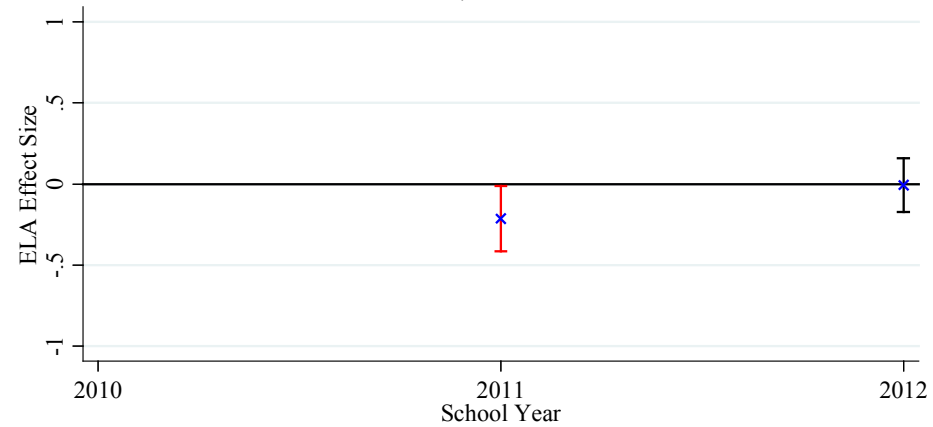
Math and ELA Adjusted Performance Trends

Grade 3

Controlled: Trends for La Cima Charter School
Grade 3 Math, 2009-10 to 2011-12



Controlled: Trends for La Cima Charter School
Grade 3 ELA, 2009-10 to 2011-12

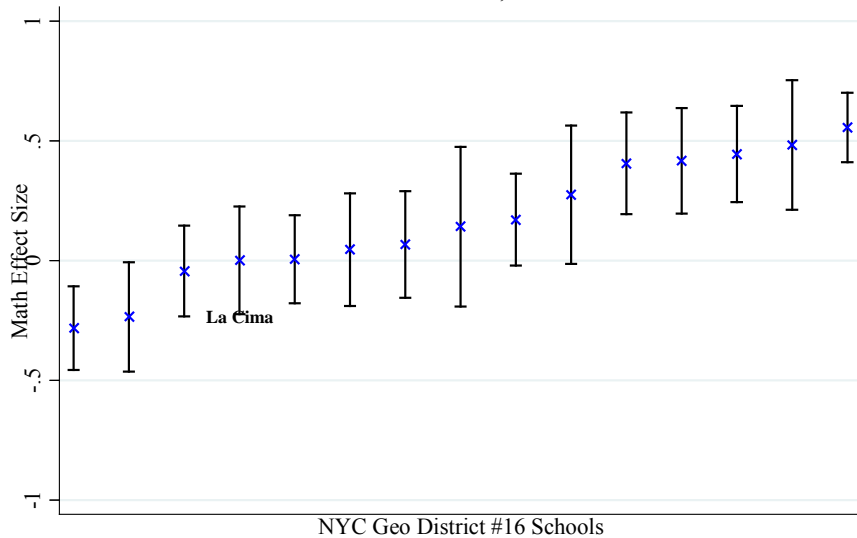


Controlling for students' poverty, LEP, and special education status

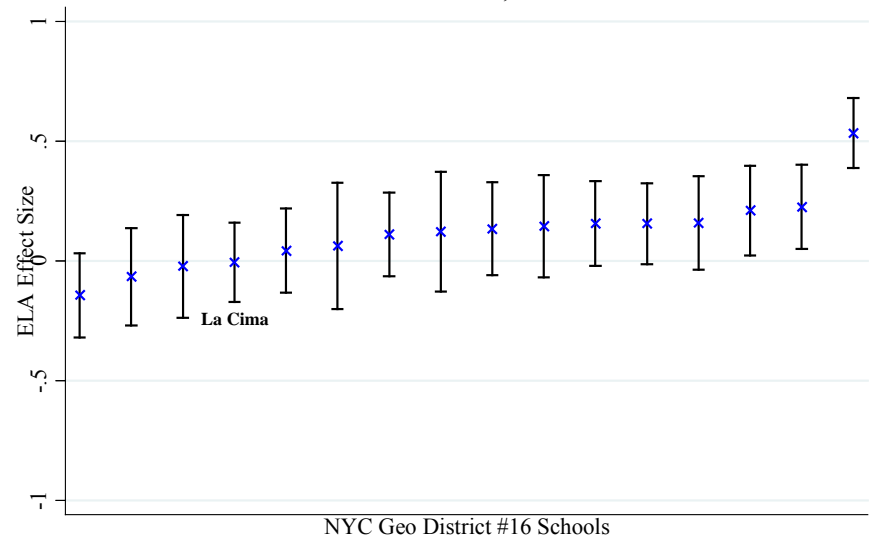
**PERFORMANCE BASED ON
REGRESSIONS
(GRADES SEPARATE,
COMPARED TO DISTRICT)**

Math and ELA Adjusted Performance Compared to Other District Schools Grade 4, 2012

Under and Overperformance, NYC Geo District #16 Elementary Schools
Grade 4 Math, 2012

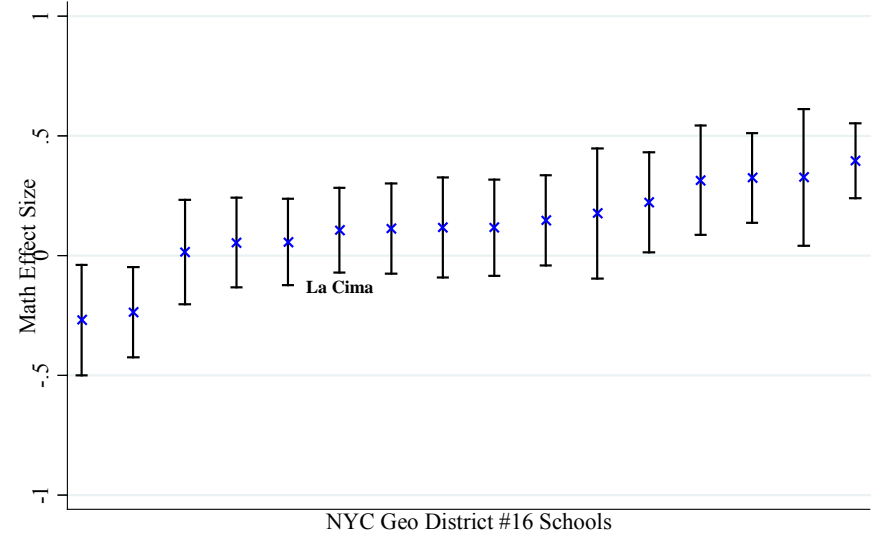


Under and Overperformance, NYC Geo District #16 Elementary Schools
Grade 3 ELA, 2012

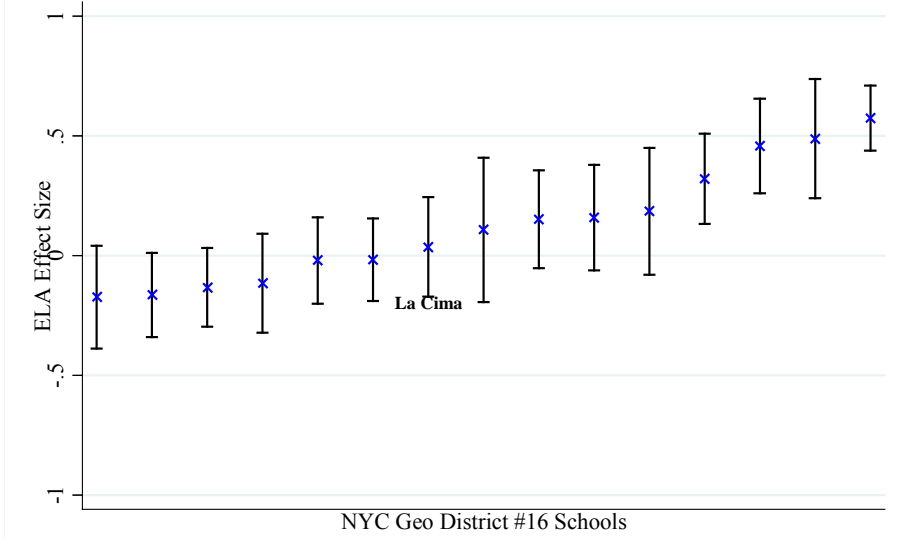


Math and ELA Adjusted Performance Compared to Other District Schools Grade 3, 2012

Under and Overperformance, NYC Geo District #16 Elementary Schools
Grade 3 Math, 2012



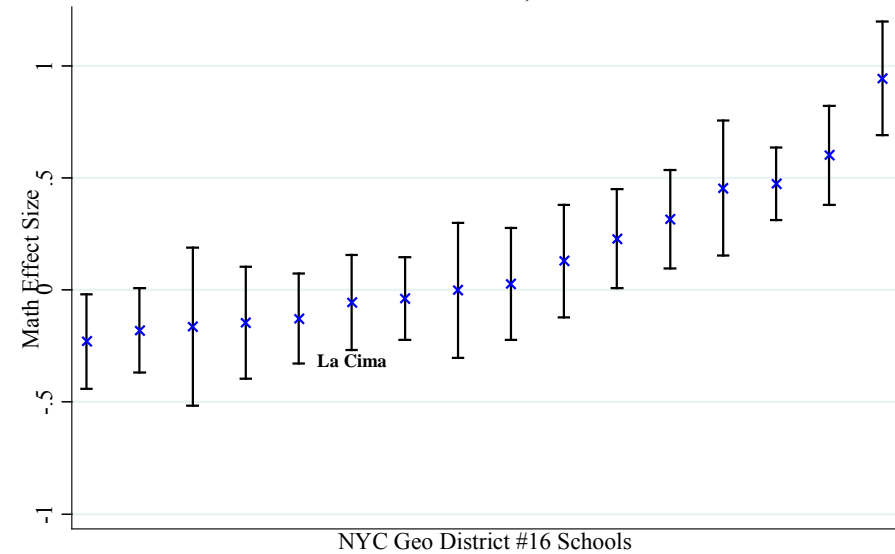
Under and Overperformance, NYC Geo District #16 Elementary School
Grade 4 ELA, 2012



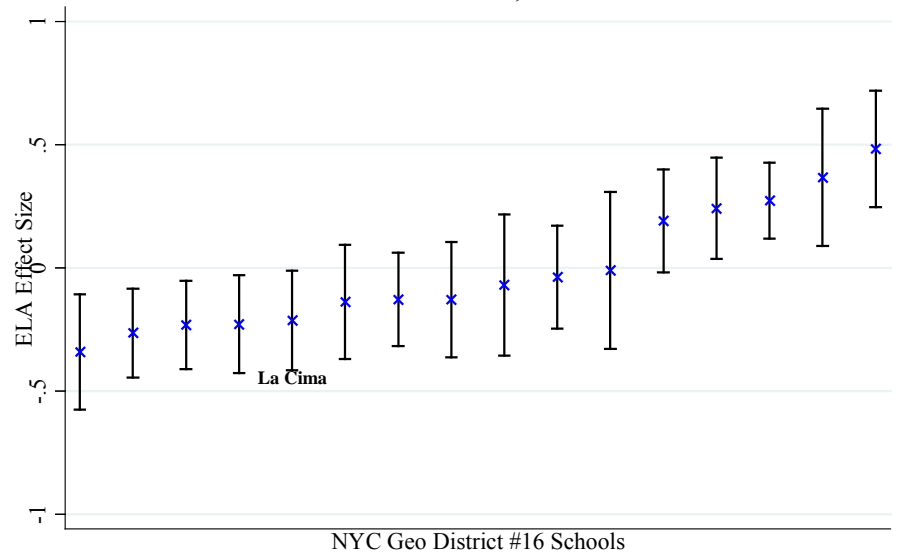
Math and ELA Adjusted Performance Compared to Other District Schools Grade 3, 2011

Under and Overperformance, NYC Geo District #16 Elementary Schools Under and Overperformance, NYC Geo District #16 Elementary Schools

Grade 3 Math, 2011



Grade 3 ELA, 2011

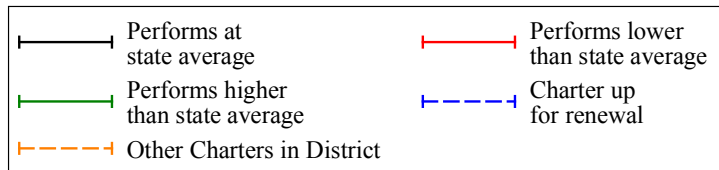
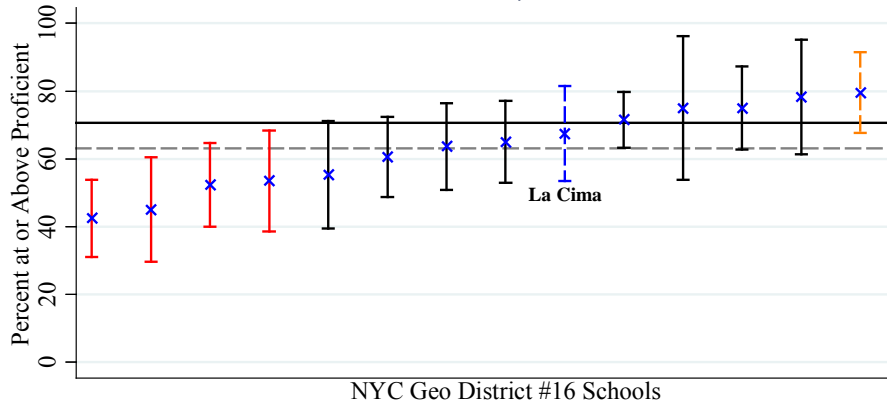


Percent at or above proficiency

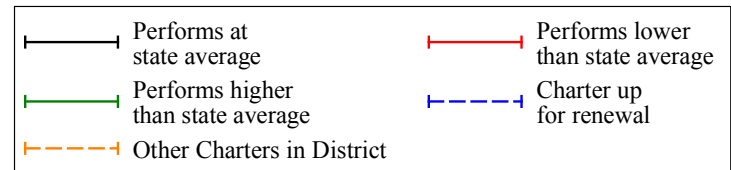
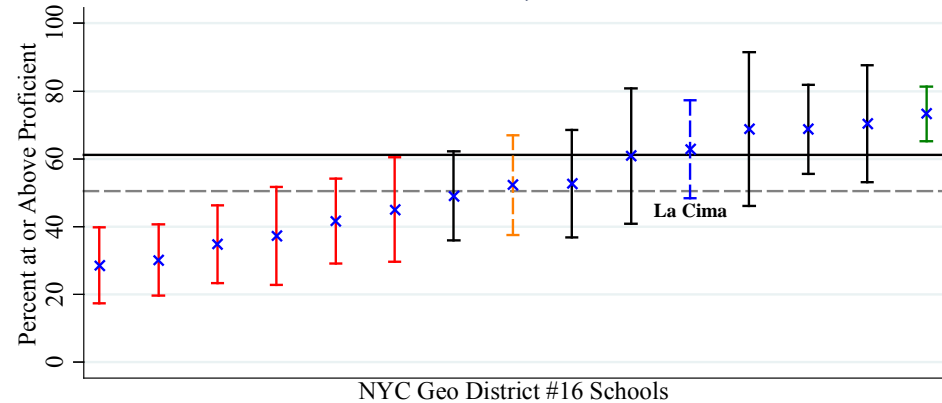
**UNCONTROLLED PERFORMANCE RESULTS
(GRADES SEPARATE,
COMPARED TO STATE AND DISTRICT
AVERAGES)**

Math and ELA Proficiency Rates Compared to Other District Schools Grade 4, 2012

Percent At or Above Math Proficiency, Elementary Schools
Grade 4, 2012

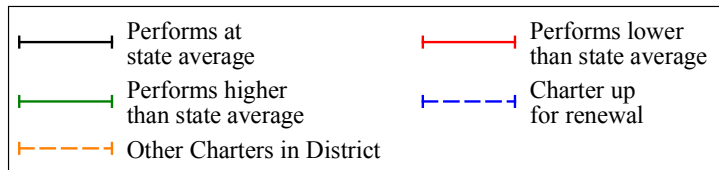
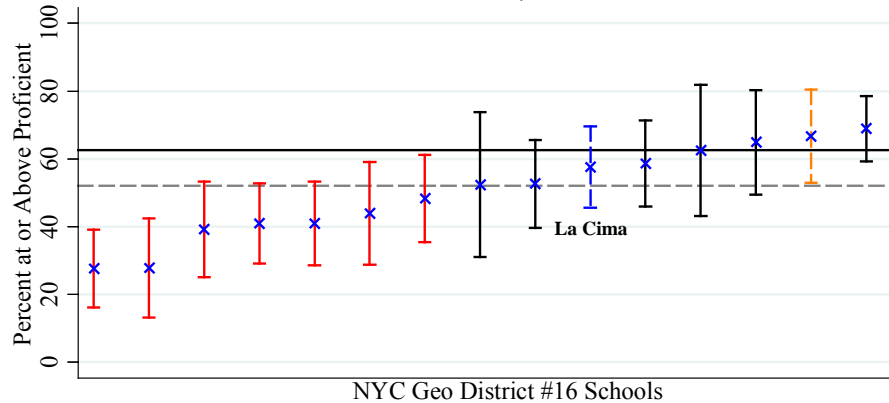


Percent At or Above ELA Proficiency, Elementary Schools
Grade 4, 2012

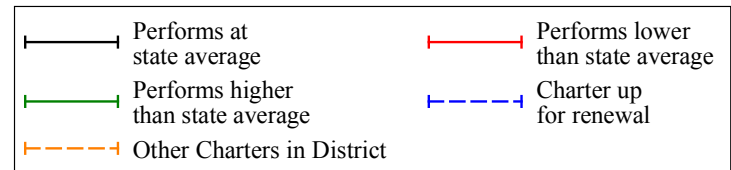
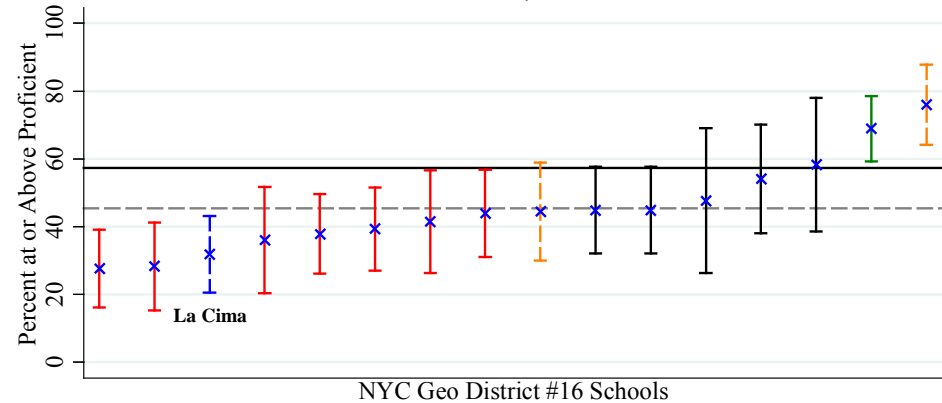


Math and ELA Proficiency Rates Compared to Other District Schools Grade 3, 2012

Percent At or Above Math Proficiency, Elementary Schools
Grade 3, 2012

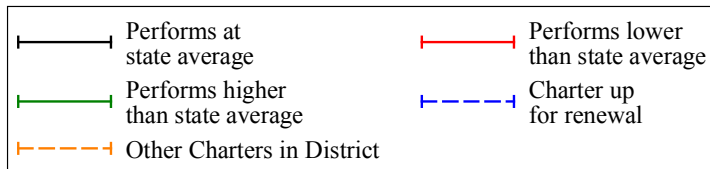
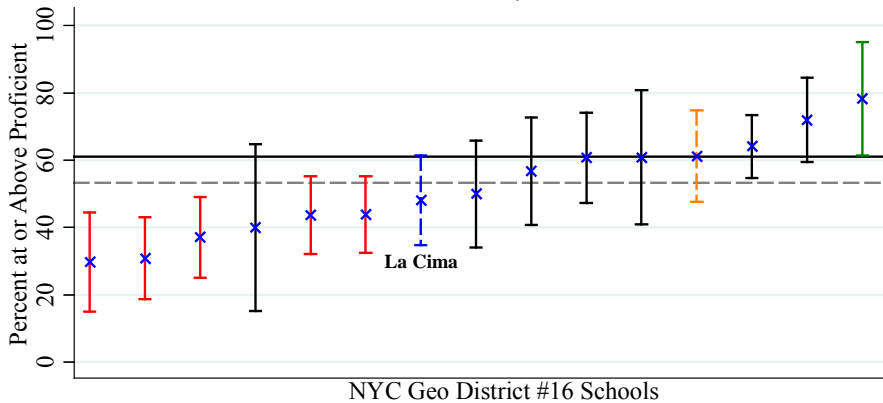


Percent At or Above ELA Proficiency, Elementary Schools
Grade 3, 2012

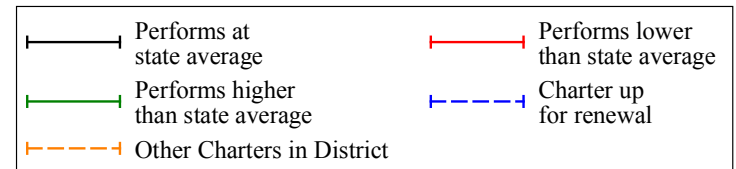
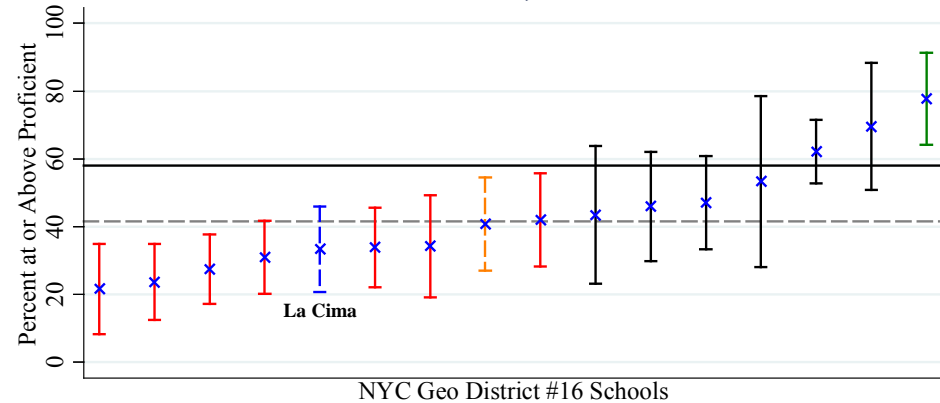


Math and ELA Proficiency Rates Compared to Other District Schools Grade 3, 2011

Percent At or Above Math Proficiency, Elementary Schools
Grade 3, 2011



Percent At or Above ELA Proficiency, Elementary Schools
Grade 3, 2011



Charter School: La Cima Charter School

Report as of: 2011

General Information:

Contact Info:	Years in Operation:	5	Enrollment:	260	
Region:	NYC CSD 16	Grades Served:	K-5	Max Enrollment:	273

Income Statement:

Revenues:

State/Local Operating	\$3,505,745
Federal Sources	266,975
State/Local Grants	43,573
Other	41,874
Total Revenues:	\$3,858,167

Expenses:

Total Program Services	\$2,822,295
Management and General	447,191
Fundraising	15,962
Total Expenses:	\$3,285,448

Ops. Surplus/(Deficit)	\$572,719
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Balance Sheet & Cash Flow:

Assets:

Cash	\$547,346
Total Current Assets	628,574
Investments & PP&E	1,388,615
Total Assets:	\$2,092,194

Liabilities:

Current Liabilities	\$297,991
Total Debt	0
Total Liabilities:	297,991
Net Assets:	1,794,203
Total Liab. & Net Assets:	\$2,092,194

Change in Cash	\$98,155
-----------------------	-----------------

Key Performance Metrics:




Near-Term Metrics:

Current Ratio	2.1x
Unrestricted Days Cash	199.3
Enrollment Stability	95.2%
Total Revenue Per Student:	\$14,839
Total Expenses Per Student:	\$12,636

Sustainable Metrics:

Total Margin	14.8%
Debt to Asset Ratio	0.14x
Cash Flow	\$98,155
Debt Service Coverage Ratio	N/A
Composite Score	3.00
Composite Strength	Strong

Symbol Legend:

	Meets Standard (Low Risk)
	Adequate (Moderate Risk)
	Requires Review (High Risk)

Key Inputs:




Target School:	<i>La Cima Charter School</i>
Time Period:	2011

Financial Indicator:

Target: La Cima Charter School


Near-Term Indicators:

1a.	Current Ratio
1b.	Unrestricted Days Cash
1c.	Enrollment Stability

Current Metric:	Performance:		
2.1x			
199.3			
95.2%			





Financial Composite Score:

1d.	Composite Score
-----	-----------------




Current Metric:	Performance:		
3.00x			

Long-Term Indicators:




2a.	Total Margin
2b.	Debt to Asset Ratio
2c.	Cash Flow
2d.	Debt Service Coverage Ratio

Current Metric:	Performance:		
14.8%			
0.14x			
\$98,155			
N/A			




	2011	2010	2009	Average
1a. Current Ratio	2.11x	2.80x	4.14x	3.01x
<i>Explanation: Current Ratio (CR) is a measure of operational efficiency and short-term financial health. CR is calculated as current assets divided by current liabilities.</i>				

	Meets Standard - Low Risk (if satisfies any of the following two):
<input checked="" type="checkbox"/>	CR is greater than or equal to 1.1
<input type="checkbox"/>	CR is between 1.0 and 1.1 and one-year trend is positive (current year ratio is higher than last year's)
	Adequate - Moderate Risk (if satisfies any of the following two):
<input type="checkbox"/>	Current Ratio is between 0.9 and 1.0 or equal to 1.0
<input type="checkbox"/>	CR is between 1.0 and 1.1 and one-year trend is negative
	Requires Review - High Risk:
<input type="checkbox"/>	Current ratio is less than or equal to 0.9

	2011	2010	2009	Average
1b. Unrestricted Days Cash	199.3	178.8	139.0	172.4
<i>Explanation: The unrestricted days cash on hand ratio indicates how many days a school can pay its expenses without another inflow of cash. Calculated as Unrestricted Cash divided by (Total Expenses/365).</i>				




	Meets Standard - Low Risk (if satisfies any of the following two):
<input checked="" type="checkbox"/>	30 days or more of cash
<input type="checkbox"/>	Between 30 and 60 days of cash and one-year trend is positive
	Adequate - Moderate Risk (if satisfies any of the following two):
<input type="checkbox"/>	Days Cash is between 15 and 30 days
<input type="checkbox"/>	Days Cash is between 30 and 60 days and one-year trend is negative
	Requires Review - High Risk:
<input type="checkbox"/>	Less than 15 Days Cash

	2011	2010	2009	Average
1c. Enrollment Stability	95.2%	91.8%	98.6%	95.2%
<i>Explanation: Enrollment stability tells authorizers whether or not the school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations. Actual Enrollment divided by Enrollment Projection in Charter School Budget.</i>				


	Meets Standard - Low Risk:
<input checked="" type="checkbox"/>	Enrollment Variance equals or exceeds 95% in most recent year
	Adequate - Moderate Risk (if satisfies any of the following two):
<input type="checkbox"/>	Enrollment Variance is between 85% and 95% in the most recent year
	Requires Review - High Risk:
<input type="checkbox"/>	Enrollment Variance is equal to or less than 85% in most recent year

Financial Composite Score:


2	2011
Financial Composite Score	3.00
<i>Accounting for an Institution's Total Financial Condition. We evaluate the financial health of schools using a blended score that measures institutions' performances on key financial indicators. The blended score allows an institution's sources of financial strength to offset areas of financial weakness. To calculate: Step 1: Calculate Three Financial Ratios from Financial Statements (Primary Reserve Ratio, Equity Ratio, and Net Income Ratio). Step 2: Convert Ratio Results to Strength Factor Scores. Step 3: Multiply the Strength Factor Scores by a Weighting Factor. Step 4: Add the Weighted Strength Factor Scores to Obtain the Composite Score.</i>	

	Meets Standard: Fiscally Strong
<input checked="" type="checkbox"/>	Composite Score Range of 1.5-3.0.
	Fiscally Adequate
<input type="checkbox"/>	Composite Score Range of 1.0-1.4.
	Requires Review: Fiscally Needs Monitoring
<input type="checkbox"/>	Composite Score Range of -1.0-0.9.


	2011	2010	2009	Average
2a. Total Margin	14.8%	19.5%	27.6%	20.7%
<i>Explanation: Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources. Calculated as Net Income divided by Total Revenue.</i>				

 **Meets Standard - Low Risk** (if satisfies any of the following two):

X Most recent year Total Margin is positive


 **Adequate - Moderate Risk:**

Most recent Total Margin is less than 0 but greater than -10%


 **Requires Review - High Risk** (if satisfies any of the following two):

Current year Total Margin is less than -10%


	2011	2010	2009	Average
2b. Debt to Asset Ratio	0.14x	0.14x	0.18x	0.15x
<i>Explanation: Measures the extent to which the school relies on borrowed funds to finance its operations. Calculated as Total Liabilities divided by Total Assets.</i>				

 **Meets Standard - Low Risk:**

X Debt to Asset Ratio is less than 0.90


 **Adequate - Moderate Risk:**

Debt to Asset Ratio is between 0.90 and 1.0


 **Requires Review - High Risk:**

Debt to Asset Ratio is greater than 1.0


	2011	2010	2009	Average
2c. Cash Flow	\$98,155	(\$57,702)	\$506,893	\$182,449
<i>Explanation: Cash flow is an assessment of change in cash from operations, financing, and investing over a given period.</i>				

 **Meets Standard - Low Risk:**

X Three-year cumulative cash flow is positive and cash flow is positive in recent year


 **Adequate - Moderate Risk:**

Three-year cumulative cash flow is positive but cash flow is negative in most recent year


 **Requires Review - High Risk:**

Three-year cumulative cash flow is negative


	2011	2010	2009	Average
2d. Debt Service Coverage Ratio	N/A	N/A	N/A	N/A
<i>Explanation: Debt service coverage ratio indicates a school's ability to cover its debt obligations in the current year. Calculated as: (Net Income + Depreciation + Interest Expense)/(Principal and Interest Payments).</i>				

 **Meets Standard - Low Risk:**

X Debt Service Coverage Ratio is equal to or exceeds 1.10

 **Adequate - Moderate Risk:**

Debt Service Coverage Ratio is less than 1.10

 **Requires Review - High Risk:**

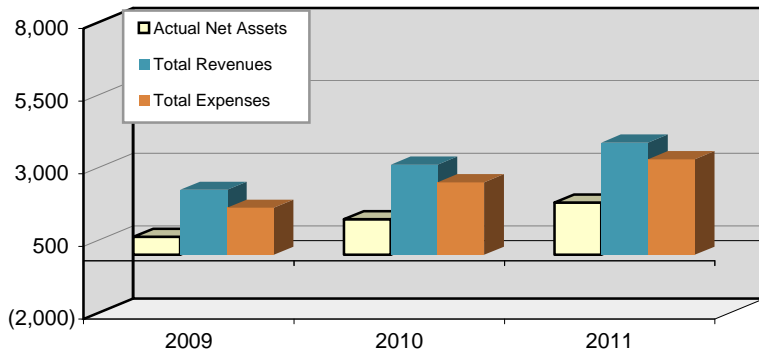
Debt Service Coverage Ratio is less than 0.90

Charter School: La Cima Charter School

Report as of: 2011

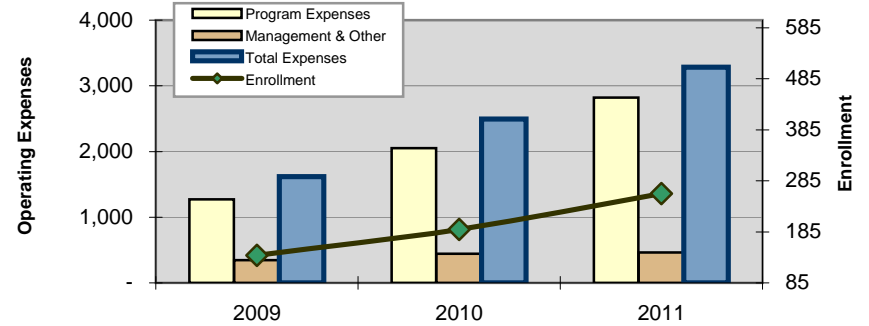
(\$'s in thousands)

Revenues, Expenses & Change in Net Assets



This chart illustrates total revenue and expenses each year and the relationship those subsets have on the increase/decrease of net assets on a year-over-year basis.

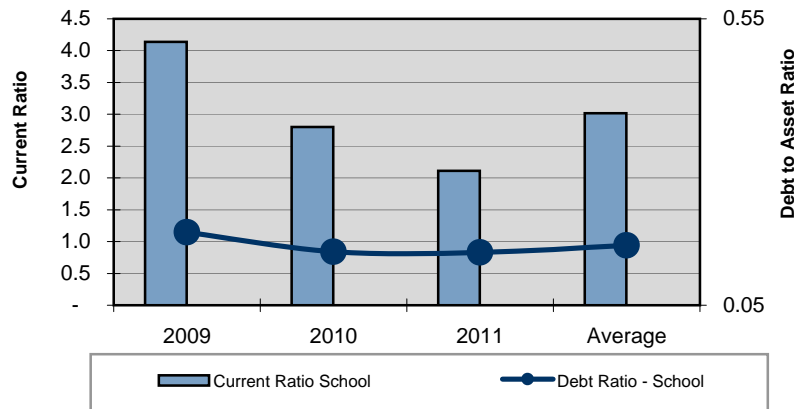
Enrollment vs. Operating Expenses



This chart illustrates to what extent the school's operating expenses have followed its student enrollment pattern.

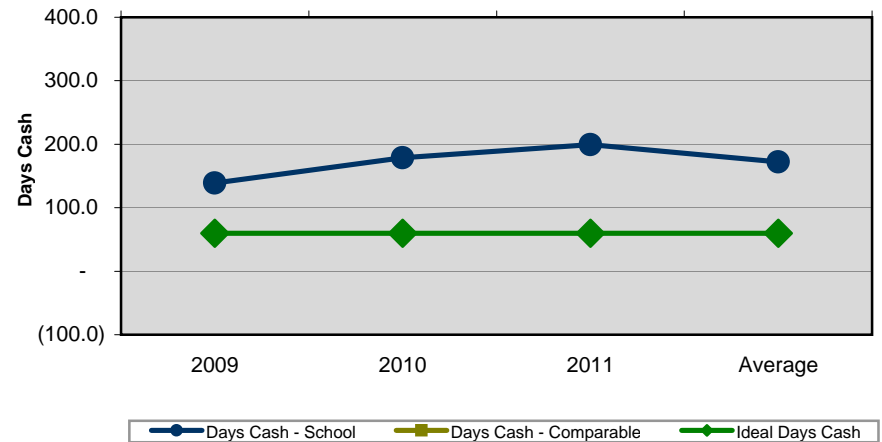
Current Ratio / Debt to Asset Ratio

CURRENT RATIO - Risk = Low > 1.1 / Medium 0.9 - 1.1 / High < 0.9
 DEBT TO ASSET RATIO - Risk = Low < 0.90 / Medium 0.9 - 1.0 / High > 1.0



Current Ratio is a measure of operational efficiency and short-term financial health. Debt to Asset indicates what proportion of debt a school has relative to its assets.

Days Cash



Unrestricted days cash on hand indicates how many days a school can pay its expenses without another inflow of cash.