



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY,
NY 12234

TO: P-12 Education Committee

FROM: Sally Bachofer

SUBJECT: Charter Schools: Renewal of Charters Authorized by the Board of Trustees of the State University of New York (SUNY)

DATE: July 1, 2011

AUTHORIZATION(S):

SUMMARY

I recommend that the Board of Regents approve the following proposed renewal charters as proposed by the Board of Trustees of the State University of New York (SUNY) in its capacity as a charter school authorizer under Article 56 of the Education Law and that the charters be extended for terms as indicated.

The following table outlines information about this proposed charter schools. Additional information about the applications and the review of the applications is included in the attached Recommendation and Executive Summary from the SUNY Charter Schools Institute's Renewal Report for the schools (Attachment).

- 1 Leadership Preparatory Bedford Stuyvesant Charter School
Term: 2nd Renewal: August 1, 2011- July 31, 2016
2. True North Rochester Preparatory Charter School
Term: 1st Renewal: June 28, 2011 - June 27, 2016

Leadership Preparatory Bedford Stuyvesant Charter School

Name of Charter School	Leadership Preparatory Bedford Stuyvesant Charter School
Terms and Dates of Charter	First Renewal Charter: December 15, 2009 – July 31, 2011
Current Grade(s) and Approved Enrollment	2010-2011: Grades K-5: 396 students
Current Year of Operation	2010-2011: Fifth Year of Operation
Lead Applicant(s)	Tokumbo Shobowale, BoT President
Management Company	Uncommon Schools, Inc.
Other Partner(s)	N/A
District of Location	NYC CSD #13
New Material Term	Second Renewal: August 1, 2011 – July 31, 2016
New Grade Levels	2011-2012: Grades K-6 2012-2013: Grades K-7 2013-2014: Grades K-8 2014-2015: Grades K-8 2015-2016: Grades K-8
New Enrollment	2011-2012: 489 students 2012-2013: 563 students 2013-2014: 634 students 2014-2015: 668 students 2015-2016: 691 students
Date Approved by SUNY BoT	March 20, 2011

True North Rochester Preparatory Charter School

Name of Charter School	True North Rochester Preparatory Charter School
Terms and Dates of Charter	Initial Charter: June 27, 2006 – June 27, 2011
Current Grade(s) and Approved Enrollment	2010-2011: Grades K-1, 5-8: 437 students
Current Year of Operation	2010-2011: Fifth Year of Operation
Lead Applicant(s)	Geoffrey Rosenberger, BoT Chair
Management Company	Uncommon Schools, Inc.
Other Partner(s)	N/A
District of Location	Rochester CSD
New Material Term	First Renewal: June 28, 2011 – June 27, 2016
New Grade Levels	2011-2012: Grades K-2, 5-8 2012-2013: Grades K-3, 5-8 2013-2014: Grades K-8 2014-2015: Grades K-8 2015-2016: Grades K-8
New Enrollment	2011-2012: 514 students 2012-2013: 589 students 2013-2014: 664 students 2014-2015: 664 students 2015-2016: 664 students
Date Approved by SUNY BoT	January 10, 2011

REASONS FOR RECOMMENDATION

The proposed charter schools: (1) meet the requirements set out in Article 56 of the Education Law, and all other applicable laws, rules and regulations; (2) will operate in an educationally and fiscally sound manner; (3) are likely to improve student learning and achievement and materially further the purposes set out in subdivision two of section twenty-eight hundred fifty of Article 56 of the Education Law; and (4) will have a significant educational benefit to the students expected to attend the charter schools.

RECOMMENDATION

VOTED: That the Board of Regents approves and issues the second renewal charter of the Leadership Preparatory Bedford Stuyvesant Charter School as proposed by the Board of Trustees of the State University of New York, and that its provisional charter be extended for a term up through and including July 1, 2016.

VOTED: That the Board of Regents approves and issues the first renewal charter of the True North Rochester Preparatory Charter School as proposed by the Board of Trustees of the State University of New York, and that its provisional charter be extended for a term up through and including June 27, 2016.

Attachment



Charter Schools Institute
The State University of New York

Initial Renewal Report

Leadership Preparatory Bedford Stuyvesant Charter School

March 11, 2011

Charter Schools Institute
State University of New York
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Albany, New York 12207
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REPORT INTRODUCTION

This report is the primary means by which the Charter Schools Institute (the “Institute”) transmits to the Board of Trustees of the State University of New York (the “SUNY Trustees”) its findings and recommendations regarding a school’s Application for Renewal, and more broadly, details the merits of a school’s case for renewal. This report has been created and issued pursuant to the *Practices, Policies and Procedures for the Renewal of Charter Schools Authorized by the State University Board of Trustees* (the “SUNY Renewal Practices”).¹

Information about the SUNY renewal process and an overview of the requirements for renewal under the New York Charter Schools Act of 1998 (as amended, the “Act”) are available on the Institute’s website at:

www.newyorkcharters.org/schoolsRenewOverview.htm.

RECOMMENDATION AND SUMMARY DISCUSSION

Recommendation

Full-Term Renewal

The Institute recommends that the SUNY Trustees approve in part the Application for Renewal of Leadership Preparatory Bedford Stuyvesant Charter School and renew its charter for a period of five years with authority to provide instruction only to students in Kindergarten through 8th grade in such configuration for Elementary and Middle Academies as set forth in its Application for Renewal, as amended, with a maximum projected enrollment of 691 students.

Background and Required Findings

In initial renewal reviews, the SUNY Trustees evaluate the strength and effectiveness of a school’s academic program by the degree to which the school has succeeded in meeting its academic Accountability Plan goals during the Accountability Period² and by the quality of the instructional program in place at the school during the charter period, as assessed using the Qualitative Education Benchmarks (a subset of the SUNY Renewal Benchmarks (available at: www.newyorkcharters.org/schoolsRenewOverview.htm)). In giving weight to both student achievement and the emergent program, this approach provides a balance between an outcome-based system of accountability in which a school is held accountable for meeting measurable student achievement results and a determination of the likelihood that the educational program will improve student learning and achievement going forward.

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² For the purpose of reporting student achievement results, the Accountability Period is defined in the SUNY Renewal Practices as the time the Accountability Plan was in effect. In the case of an initial renewal, the plan covers the first four years the school was in operation during the charter period.

Leadership Preparatory Bedford Stuyvesant Charter School (“Leadership Prep”) has applied for an Initial, Full-Term Renewal of five years as well as authority to expand instruction into high school grades. The SUNY Renewal Practices provide three possible renewal outcomes for Leadership Prep: Full-Term Renewal; Short-Term Renewal; or Non-Renewal. In order to earn a Full-Term Renewal, Leadership Prep must demonstrate that it has met the criteria for such a renewal as described in the SUNY Renewal Practices. Specifically, the school must either: (a) have compiled a strong and compelling record of meeting or coming close to meeting its academic Accountability Plan goals, and have in place at the time of the renewal review an educational program that, as assessed using the Qualitative Education Benchmarks, is generally effective; or (b) have made progress towards meeting its academic Accountability Plan goals and have in place at the time of the renewal review an educational program that, as assessed using the Qualitative Education Benchmarks, is particularly strong and effective.

Based on the Institute’s review of the evidence it gathered and Leadership Prep provided including, but not limited to, the school’s Application for Renewal, evaluation visits conducted during the charter period, a renewal evaluation visit conducted in the last year of the charter period, and the school’s record of academic performance as determined by the extent to which it has met the academic goals in its Accountability Plan, the Institute finds that the school has made sufficient progress toward building a foundation for meeting its academic Accountability Plan goals and had in place at the time of the renewal review an educational program that, as assessed using the Qualitative Education Benchmarks, is particularly strong and effective. Based on satisfying the Trustees’ full-term renewal criteria, the Institute recommends that the school earn a Full-Term Renewal. Given the school’s academic performance, however, it will have authority to offer instruction in Kindergarten through 8th grade only.

Based on the evidence, the Institute makes the following findings required by the Act. Leadership Prep, as described in the Application for Renewal as amended, 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. Finally, given the programs it will offer, its structure and its purpose, approving the school to operate for another five years is likely to improve student learning and achievement and materially further the purposes set out in Education Law subdivision 2850(2).

Therefore, in accordance with the standard for Initial Renewal found in the SUNY Renewal Practices, the Institute recommends that the SUNY Trustees approve in part Leadership Prep’s Application for Charter Renewal to the extent the school may provide instruction in Kindergarten through 8th grade, and renew the school’s charter for a full-term of five years.

Consideration of School District Comments

In accordance with the Act, the Institute notified the school district in which the charter school is located regarding the school’s application for renewal. As of the date of this report, no comments from the school district were received in response.

Summary Discussion

Leadership Prep meets the standard for a Full-Term Renewal to the extent that it has accumulated a record of educational achievement including meeting its mathematics and science goals and having a mixed record in meeting its English language arts goals. As a result of the implementation of sound educational structures and systems and the establishment of effective board oversight, the school is likely to continue to meet its mathematics goal and to meet its English language arts goal in the near future. Further, the school's governing board has demonstrated the capacity to meet the school's academic goals and to operate the school in an educationally and fiscally sound fashion.

Academic Success

Based on limited data, Leadership Prep has consistently met its Accountability Plan mathematics goal, but has a mixed record in English language arts. Having administered state exams for the first time in 2008-09, Leadership Prep has met its mathematics goal in the two years for which results are available. However, after meeting its English language arts goal in 2008-09, the school just missed meeting it in the current year, with the 4th grade cohort registering a marked decline from the previous year. At its current performance level, the school is achieving slightly lower in English language arts than predicted in comparison to similar schools state-wide based on free lunch eligibility. Leadership Prep met its science goal in the most recent year, the first year in which the test was administered. According to the state's No Child Left Behind ("NCLB") accountability system, the school is deemed to be in good standing.

Based on the results of the five measures in its Accountability Plan, Leadership Prep did not meet the English language arts goal in 2009-10. The school scored slightly below the 75 percent target for absolute proficiency in the most recent year with 72 percent of students achieving proficiency, after having met this measure in the previous year. The school has exceeded the Annual Measurable Objective ("AMO") set by the state and outperformed its local community school district both years that state tests were administered. Most importantly, in comparison to demographically similar schools state-wide, the school performed slightly worse than expected in the most recent year after having met the target in 2008-09. Leadership Prep's overall year-to-year growth performance, based on one cohort (3rd to 4th grade) with available data, declined by more than 15 percentage points from 2008-09 to 2009-10.

Based on the results of the five measures in its Accountability Plan, Leadership Prep has met its mathematics goals both years of the Accountability Period for which it has state test data. The school has had 100 percent of students achieve proficiency each year, far exceeding its absolute target of 75 percent proficiency. The school has consistently exceeded the AMO and outperformed its local community school district by a wide margin. In comparison to demographically similar schools state-wide, the school met its target and performed better than expected to a large degree each year. With respect to growth, the school achieved its target to the extent that all students continued to score proficient.

The school has promoted a culture of scholarship where learning is valued and clearly evident. An effective discipline policy, which has been in place throughout the charter period, supports the implementation of the academic program. A very safe and orderly

school environment has been established, in part a result of teachers' effective classroom management strategies.

From its inception, Leadership Prep has developed and implemented a sophisticated system to gather assessment and evaluation data and has consistently used it to improve instructional effectiveness and student learning. This has included the regular administration of standardized and other assessments aligned to the school's curriculum and state standards, systematic collection and analysis of data from these assessments, and the use of the data to inform day-to-day instructional decisions. Teachers have effectively used assessment data to: adjust whole-class instruction; determine student groupings in order to sufficiently tailor instruction; and to identify struggling students in need of instructional interventions. At the time of the renewal inspection visit, the school was in the process of revising its interim assessments, its primary ongoing tool for evaluating student learning, to ensure rigor and alignment with changes to the state's testing program. The school has simultaneously undertaken a thoughtful process to norm its interim assessments in an effort to increase their reliability and validity. Furthermore, the school's instructional leaders and non-profit management partner, Uncommon Schools, Inc. ("USI"), have used assessment data to monitor, change and improve the academic program.

Leadership Prep has created an effective curriculum development system by including teachers in the ongoing review and revision of the written curriculum, and allocating sufficient time and resources to the effort. This process has resulted in particular in a comprehensive and well-developed curriculum in mathematics, which has contributed to the school's success in preparing students to meet state performance standards. At the time of the renewal visit, the English language arts curriculum was undergoing revision to ensure its alignment to state standards and assessments. Teachers have access to a variety of curricular materials that guide the development of their lessons, and are given significant responsibility to further refine the written curriculum.

Leadership Prep's co-teacher model has resulted in quality instruction that has been evident across the school over the course of the charter period. Lessons have been purposeful, and students generally engaged by rigorous instruction. In particular, instruction has been differentiated to meet the individual needs of students, primarily through student grouping strategies. Inspectors noted consistent instruction across classrooms, indicating clear expectations for its delivery.

Leadership Prep has provided demonstrably effective support structures to assist students who are struggling academically and has utilized a variety of in-class and pull-out strategies to meet their needs. Clear procedures have been put in place to identify students with disabilities and those struggling in general and to provide effective interventions. Instructional leaders and learning specialists have provided teachers with sufficient support based on their level of experience aimed at helping them meet the needs of struggling students by using a variety of resources and supports.

In its early years, Leadership Prep was guided by strong instructional leadership. At the time of the renewal inspection visit, relatively new instructional leaders were instilling high expectations for teacher performance and student achievement. They provided particularly intensive and systematic support to novice teachers, recognizing their shortcomings in order to develop action plans to address areas for improvement.

Teachers have also been held accountable for high quality instruction and student achievement throughout the charter period. A detailed and comprehensive system has been used for the evaluation of teacher effectiveness throughout the charter period; however, at the time of the visit new teachers were generally unaware of the criteria for evaluation.

In conjunction with USI, Leadership Prep has provided a robust and comprehensive professional development program for its teachers, which has helped them meet student academic needs. A significant amount of time, resources, and strategic thought has been devoted to the establishment and implementation of professional development, particularly for the school's large number of novice teachers as noted above.

Organizational Effectiveness and Viability

Leadership Prep has been faithful to its mission, evident in its clear approach to preparing students for college, even at a very young age. The school has also implemented the key design elements contained in its charter with fidelity in pursuit of its mission. All school stakeholders, including staff, the school board, parents, and students are well aware of and support the school's mission.

The school has an annual process for determining parent satisfaction with the school, which, based on limited data, suggests that parents and families appear to be satisfied with the school. Parents interviewed during the renewal visit indicated that they get regular reports and calls about their children's performance including state and interim test results, homework completion and behavior. They also described informal communication with teachers, the availability of resources to help them support their children, and opportunities to observe classrooms. Parents indicated that they believe that the administration is professional and cohesive as well as respectful and responsive.

Due in large part to the implementation of its co-director leadership model, Leadership Prep has established a well-functioning organizational structure with staff, systems, and procedures that allow the school to carry out its academic program. Day-to-day operations are competently managed, and the priorities of the school's leadership are clearly aligned to the school's mission. The school's organizational structure supports distinct lines of accountability with clearly defined roles and responsibilities. While the school has been successful in attracting quality personnel, staff retention has presented a number of challenges.

The school board has worked effectively to oversee the educational program and achieve the school's mission. The composition of the school board includes individuals with a diverse set of skills. The board believes that it is well represented in critical areas including management, business, and financial expertise, but it would like to add additional depth during the term of the next charter period focusing on educational programming and legal compliance. The school board fulfills its responsibilities through a traditional committee structure, with the finance committee being the most active. The school board understands the core business of the school – academic achievement – in sufficient depth to provide effective oversight to the total educational program. The school board conducts an on-going assessment and evaluation of its own effectiveness in providing adequate school oversight as well as annual evaluations of the school's managing director and USI. As the school's Middle Academy grows, the Elementary and

Middle Academy leaders will collaborate with one another to ensure general charter compliance and a seamless instructional program. The school board has abided by its by-laws and has held its meetings in accordance with the Open Meetings Law.

Leadership Prep's board of trustees has generally avoided creating conflicts of interest, and where conflicts exist, the board has managed those conflicts in a clear and transparent manner through recusal. In all material respects, the school board has implemented adequate policies and procedures to ensure the effective governance and oversight of the school. In the current charter period, the school's board of trustees has demonstrated its willingness to respond to evidence and to take responsibility for improving the quality of the academic program.

Leadership Prep has an active parent group, Families for Achievement, which meets regularly and performs volunteer work at the school. While there is no formal relationship between the school and the parent group, the parent group is attempting to work with other parent groups at network schools to pool resources and help teachers and school staff with special projects.

Based on the evidence available at the time of the renewal inspection visit and throughout the current charter term, in all material respects, the school has been in general and substantial compliance with the terms of its charter, bylaws, applicable state and federal law, rules and regulations throughout the term of its charter with minor exceptions. The school's bylaws and code of ethics will need to undergo required revisions to incorporate additional language as required by the recent amendments to the Act, as well as to incorporate provisions regarding trustee and officer removal, trustee notice, and the calling of special or emergency board meetings. Finally, the school board has made appropriate use of outside legal counsel.

Fiscal Soundness

Leadership Prep has created realistic budgets over the course of the charter period that are monitored and adjusted appropriately. Annual budgets are developed as a collaborative effort between USI staff, with significant involvement of the chief financial officer, and the school's directors of operations for each academy, principals and board of trustees with the goal of creating an operational model that is sustainable based on known per-pupil funding levels. Budget variances are routinely analyzed by the school-based director of operations and variances are discussed with the principal and school board on a regular basis or when necessary. Actual expenses have been equal to or less than actual revenue over the course of the charter period with minor exception in 2008-09.

The school has adopted USI's written fiscal policies and procedures, accurately recording and appropriately documenting transactions in accordance with the management organization's direction. The directors of operations along with the USI fiscal staff has worked effectively with the school's principals, management team and the board to ensure that policies and procedures are documented and followed by school staff. The school's Fiscal Year ("FY") 2009-10 audit report of internal controls—related to financial reporting and compliance with laws, regulations and grants—disclosed no material weaknesses, or instances of non-compliance. The lack of other deficiencies in

the reports provides some, but not absolute, assurance that the school has maintained adequate internal controls and procedures.

The school has complied with financial reporting requirements during the charter period. Budget, quarterly and annual financial statement audit reports have been filed in a timely, accurate and complete manner. USI manages all external and internal reporting requirements for the school to ensure compliance with the charter agreement and to further develop efficiency at making school-level operational decisions. Each of the school's annual financial audits indicates that the reports have been conducted in accordance with generally accepted accounting principles and received an unqualified opinion, indicating that, in the auditor's opinion, the school's financial statements and notes fairly represent, in all material respects, the school's financial position, changes in net assets, and cash flows. The school board reviews and approves various monthly and quarterly reports along with the annual financial audit report.

The school has maintained adequate financial resources to ensure stable operations and has monitored and successfully managed cash flow. The school completed FY 2009-10 in stable financial condition, slightly increasing cash reserves and total net assets.

As indicated within the school's fiscal dashboard, which appears as an appendix to this report,³ it has averaged a "fiscally strong" financial-responsibility-composite score over the current charter term indicating a consistent level of fiscal stability. The composite score assists in measuring the financial health of a school using a blended score that measures the school's performances on key financial indicators. The blended score allows a school's sources of financial strength to offset areas of financial weakness. In addition, the school has averaged a "low risk/excellent" working-capital-ratio which indicates that it has had enough short-term assets to cover immediate liabilities and debt. Further, Leadership Prep has averaged a "low risk/excellent" debt-to-asset ratio, which measures the proportion of debt the school maintains relative to its assets, which is a result of the school maintaining no short or long-term debt. Finally, the school has averaged a "high risk/poor" rating in regard to the months-of-cash-ratio, demonstrating that it has maintained less than the suggested three months of annual expenses in reserves. It should be noted the school has averaged just over two months of cash during this time frame. The school has no major investments and all cash is left in savings and/or money market accounts to ensure the school has sufficient cash available to pay current bills and other payables that are shortly due.

The school has notably averaged slightly below 90 percent of all expenses being allocated to educational program services over the current charter term. The school also saw revenue exceed expenses per-student on an average of 17 percent a year, which indicates the school has followed through with an effective operational plan on a year-to-year basis.

³ The Institute's Fiscal Dashboard, which provides a detailed financial analysis of each school authorized by the SUNY Trustees, is available at: <http://www.newyorkcharters.org/documents/SUNYFiscalDashboard7-10v2.xls>. In addition, an explanation of the metrics used within the dashboard is available at: <http://www.newyorkcharters.org/documents/FiscalDashboardMemo5-18-10.pdf>.

Based on all of the foregoing, it appears that the school has operated in a fiscally sound manner during the first charter term.

Plans for the Next Charter Period

The school has provided all of the key structural elements for a renewal charter and, with the exception of the addition of high school grades, they are deemed to be reasonable, feasible and achievable. The school would maintain its current mission statement for the term of the renewal charter as follows:

Leadership Preparatory Bedford Stuyvesant Charter School ensures academic success for children in grades K through 12. We prepare our students to excel in demanding high schools and colleges and to contribute to their communities as leaders. Through educational success, our students earn opportunities for themselves and their communities.

The school's board of trustees intends to maintain its partner relationship with the Leadership Prep division of USI for school management services including the continued implementation of the academic program, curriculum and assessment services, professional development, and all fiscal and operational management services.

In its Application for Renewal, Leadership Prep presented plans for expansion into a high school. However, given the school's minimally acceptable record in English language arts and the uncertainty of the current plans (including proximity and co-location arrangements) for building a high school program that is to open in nearly four years, the Institute considers it prudent to limit its recommendation for Full-Term Renewal to a school with only elementary and middle school grades. When more positive achievement data is available and the plans for the high school are more definite, the school board may seek a revision of its charter to add the high school program.

The school would continue providing instruction to students in Kindergarten through 5th grade during the proposed charter period, and add one grade each year, providing instruction in Kindergarten through 8th grade until the school reached the approved grade configuration in the third year with slight increases in enrollment during the last two years of the five-year charter period. The school's further expansion plans, to add high school grades 9-12, reaching the overall Kindergarten through 12th grade configuration originally envisioned by the school's board of trustees would take place at the time of the school's subsequent renewal, if approved, or sooner if a revision is approved. For the proposed renewal period, projected enrollment would increase each year, with a student enrollment of 489 students in the first year in Kindergarten through 6th grade, growing to 691 students in Kindergarten through 8th grade in the fifth and final year. The school would offer 185 instructional days each year with the school day lasting from 7:30 a.m. to 4:00 p.m. on Monday through Thursday with early dismissal at 1:30 p.m. on Fridays to allow for regular professional development opportunities for teachers.

The school proposes to organize the educational program into Elementary and Middle Academies. The Elementary Academy would house Kindergarten through 4th grade and would essentially entail the continued implementation of the existing instructional program. The Middle Academy would serve students in 5th through 8th grades and would adopt a modified schedule and academic program already implemented in other

successful schools managed by USI, such as Williamsburg Collegiate Charter School (authorized by the Board of Regents) and Excellence Boys Charter School (authorized by the SUNY Trustees). College readiness standards would be incorporated into unit and lesson planning in addition to the New York State curriculum. Extended English language arts and mathematics blocks of instruction would be complimented by 50-60 minute blocks of science and social studies daily. Leadership Prep proposes to implement the following key design elements for the next charter period in pursuit of its mission: “expect excellence; recruit, develop, and retain great teachers; assess early and often to inform effective instruction; focus on literacy; employ research-based curricula; make more time; help students until they master it; provide structure and order; keep it personal; develop character; involve families; and help students envision a bright future which inspires them to achieve.”

In its Application for Renewal, the school provided detailed plans to support the implementation of the program as proposed. In particular, the school submitted complete curriculum frameworks for the proposed grade expansion (6th through 8th grades). The frameworks for all core areas meet or exceed the Institute’s expectations. The school has included all state required standards and performance indicators, has included assessments used to measure each, and has gone beyond the Institute’s requirements in providing pacing for all core areas at all grade levels. The frameworks are clearly labeled and easy to understand and would be useful to teachers in serving as a starting point from which to develop more detailed unit maps and subsequent lesson plans.

Due to its proposal to expand the grade levels offered, the school’s organizational structure would also evolve over the course of the charter period. The school would generally continue its co-leadership structure at each of its two academies, providing for a principal that serves as the instructional leader and a director of operations that oversees and manages all non-instructional functions of the school. These school-based leaders would report to, and receive support from, USI’s management. Specifically, the principals would report to an associate USI managing director, while the directors of operations would report to the chief operating officer. The associate managing director and chief operating officer would then report to the managing director, who also would continue to serve on the school board.

Members of the current board of trustees expressed an interest in continuing their service to the school. The school board would maintain its existing committee structure to carry out its responsibilities, which also include oversight of three other charter schools authorized by the SUNY Trustees (Leadership Prep Brownsville Charter School, Leadership Prep Ocean Hill Charter School, and Leadership Prep Charter School 4). Finally, the school intends on remaining in its current facility located at 141 Macon Street in Brooklyn for the term of the proposed charter period.

Leadership Prep has presented a reasonable and appropriate fiscal plan for the term of the next charter that is likely achievable including the presentation of adequate budgets. The school has taken a strong strategic and conservative approach to budgeting and planning for the next charter period. Due to state deficit challenges, and the uncertainty of per-pupil funding, the school has developed a working budget that uses the 2009-10 funding levels as a starting point and increases each year by three percent. The plan projects a minor operating and cash flow surplus in each year, contingent on the school

continuing to meet realistic enrollment goals that will provide the school with further fiscal stability. Long-range fiscal projections are more susceptible to error than those for a single year. Such projections are subject to revision due to changes in local conditions, objectives, laws and state funding. USI and the school will be required to continually develop and adopt annual budgets based on known per pupil amounts for the districts from which it draws enrollment.

It should be noted that the 2010-11 per pupil rate for the school's primary district, New York City, is 8.7 percent higher than the 2009-10 rate. The school and USI have chosen to use the 2009-10 per pupil amount as a starting point due to the uncertainty around whether or not the 2010-11 per pupil rate will remain. Using the 2009-10 rate, the school has already shown projected surpluses during the next charter term and if the 2010-11 rate remains it will only strengthen the school's fiscal standing further. Using this conservative method while budgeting will help the school generate additional revenue and will further the efforts in reaching its goal of being funded 100% on operating revenue alone while being able to further build school reserves and add to program services.

Critical financial needs of the school will also be contingent to the addition of the proposed grade expansion from Kindergarten through 5th grade in the last year of its current charter period to Kindergarten through 8th grade in the last year of the proposed renewal charter. Based upon its record of maintaining sufficient enrollment and demonstrated parental interest, the related targets that the school has presented are achievable.

To the extent that the Leadership Prep has made progress towards meeting its academic Accountability Plan goals, has in place effective systems and structures to continue delivering the educational program, has a board of trustees that has demonstrated the capacity to operate the school in a fiscally and educational sound manner, its plans for implementing the program over the course of the next charter period as modified by SUNY are reasonable, feasible, and achievable, including the growth of the program as planned to include a full elementary and middle school program. Further, renewing the school's charter as described herein is likely to improve student learning and achievement and materially further the purposes of the Act.



Charter Schools Institute
The State University of New York

Initial Renewal Report

True North Rochester Preparatory Charter School

January 3, 2011

Charter Schools Institute
State University of New York
41 State Street, Suite 700
Albany, New York 12207
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www.newyorkcharters.org

REPORT INTRODUCTION

This report is the primary means by which the Charter Schools Institute (the “Institute”) transmits to the Board of Trustees of the State University of New York (the “SUNY Trustees”) its findings and recommendations regarding a school’s Application for Renewal, and more broadly, details the merits of a school’s case for renewal. This report has been created and issued pursuant to the *Practices, Policies and Procedures for the Renewal of Charter Schools Authorized by the State University Board of Trustees* (the “SUNY Renewal Practices”).⁴

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RECOMMENDATION AND SUMMARY DISCUSSION

Recommendation

Full-Term Renewal

The Institute recommends that the SUNY Trustees approve the Application for Renewal of the True North Rochester Preparatory Charter School and renew its charter for a period of five years with authority to provide instruction to students in Kindergarten through 8th grade, in such configuration as set forth in its Application for Renewal, with a maximum projected enrollment of 664 students.

Background and Required Findings

In initial renewal reviews, the SUNY Trustees evaluate the strength and effectiveness of a school’s academic program by the degree to which the school has succeeded in meeting its academic Accountability Plan goals during the Accountability Period⁵ and by the quality of the instructional program in place at the school during the charter period, as assessed using the Qualitative Education Benchmarks (a subset of the SUNY Charter Renewal Benchmarks is available on the Institute’s website at:

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⁵ For the purpose of reporting student achievement results, the Accountability Period is defined in the SUNY Renewal Practices as the time the Accountability Plan was in effect. In the case of an Initial Renewal, the plan covers the first four years that the school was in operation during the charter period.

the likelihood that the educational program will improve student learning and achievement going forward.

The True North Rochester Preparatory Charter School (“Rochester Prep”) has applied for a Full-Term Renewal of five years. The SUNY Renewal Practices provide three possible renewal outcomes for Rochester Prep: Full-Term Renewal; Short-Term Renewal; or Non-Renewal. In order to earn a Full-Term Renewal, Rochester Prep must demonstrate that it has met the criteria for such a renewal as described in the SUNY Renewal Practices. Specifically, the school must either: (a) have compiled a strong and compelling record of meeting or coming close to meeting its academic Accountability Plan goals, and have in place at the time of the renewal review an educational program that, as assessed using the Qualitative Education Benchmarks, is generally effective; or (b) have made progress towards meeting its academic Accountability Plan goals and have in place at the time of the renewal review an educational program that, as assessed using the Qualitative Education Benchmarks, is particularly strong and effective.

Based on the Institute’s review of the evidence it gathered and that Rochester Prep provided including, but not limited to, the school’s Application for Renewal, evaluation visits conducted during the charter period, a renewal evaluation visit conducted by the Institute in the last year of the charter period, and the school’s record of academic performance as determined by the extent to which it has met the academic goals in its Accountability Plan, the Institute finds that the school has compiled both a strong and compelling record of meeting its academic Accountability Plan goals and has in place an educational program that is particularly strong and effective.

Based on all the evidence, the Institute makes the following findings required by the Act. The True North Rochester Preparatory Charter School, as described in its Application for Renewal, 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. Finally, given the programs it will offer, its structure and its purpose, approving the school to operate for another five years is likely to improve student learning and achievement and materially further the purposes set out in Education Law subdivision 2850(2).

Therefore, in accordance with the standard for Initial Renewal found in the SUNY Renewal Practices, the Institute recommends that the SUNY Trustees approve Rochester Prep’s Application for Charter Renewal and renew the school’s charter for a full-term of five years.

Consideration of School District Comments

In accordance with the Act, the Institute notified the school district in which the charter school is located regarding the school’s Application for Renewal. As of the date of this report, no comments were received in response.

Summary Discussion

Academic Success

Rochester Prep has consistently met its key Accountability Plan goals in English language arts and mathematics, essentially meeting all measures for both goals throughout the charter period. In the most recent year, well over twice as many students were proficient in both subjects at Rochester Prep than in the Rochester City School District. The school has also met its social studies goal; results for the science goal are not available. According to the State's No Child Left Behind ("NCLB") accountability system, the school is deemed to be in good standing.

Based on an evaluation of the five measures in its Accountability Plan, Rochester Prep has continued to meet its annual English language arts goals. The school has consistently met this goal during the four years of the Accountability period. In all four years, the school has exceeded the 75 percent target for absolute proficiency. The school has consistently exceeded the Annual Measurable Objective ("AMO") set by New York State, and outperformed its local community school district every year. In comparison to demographically similar schools state-wide, the school has performed better than expected and met its target each year. Rochester Prep has shown growth in its overall performance each year except for the most recent year. In 2008-09 two out of three cohorts achieved their growth targets, and overall performance increased considerably. In 2009-10, two grades sustained results close to the ceiling and one grade declined.

Based on an evaluation of the five measures in its Accountability Plan, Rochester Prep has met its mathematics goals throughout the accountability period. The school has far exceeded its absolute target of 75 percent proficiency each year, with close to 100 percent proficiency each year. The school has consistently exceeded the AMO and outperformed its local community school district by a wide margin each year. In comparison to demographically similar schools state-wide, the school met its target and performed better than expected to a large degree each year. With respect to growth, the school as a whole has exceeded its cohort growth targets during each of the three years.

Rochester Prep has strong instructional leadership. Its leaders instill high expectations for teacher performance and student achievement throughout the school's program. They provide teachers with sustained and systematic support through a robust and clearly defined leadership structure including an interwoven matrix of subject area and grade level chairs. This peer-mentor system provides effective and sustained support to each teacher. The middle school principal has conducted regular evaluations that accurately identify teachers' strengths and weaknesses. Teachers are held accountable for quality instruction and student achievement.

Throughout the charter period Rochester Prep has had a comprehensive system to gather assessment and evaluation data and uses it to improve instructional effectiveness and student learning. The school regularly administers assessments aligned to its curriculum and state standards, systematically collects valid and reliable assessment data, and analyzes the results, including detailed analysis of daily formative assessments. Teachers and school leaders effectively use results to meet students' needs, as well as to evaluate and modify the academic program, when needed. The school follows clear grading policies and effectively communicates results to parents and the wider community.

Rochester Prep has a clearly defined curriculum and uses it to prepare students to meet state performance standards. The curriculum is comprehensive and is articulated from grade to grade. Teachers are fully aware of the curricula that they are responsible to teach and have access to guiding curricular materials that have resulted in the development of lesson plans driven by a comprehensive plan development and review system. Further, Rochester Prep has developed a process for selecting, developing, reviewing, and revising its written curriculum, particularly important given its intent on continuing to add new grades within the term of its proposed renewal charter.

Quality instruction has been evident throughout Rochester Prep. After the early years of the charter period inspectors have observed instruction with high levels of student engagement, based on purposeful lessons that are guided by clear learning objectives. In addition, the instruction addresses individual student needs through tailored whole-class instruction and carefully targeted remediation.

Rochester Prep is demonstrably effective in helping students who are struggling academically. The school uses clear procedures for identifying at-risk students. The school provides ample resources and support to meet the needs of at-risk students through a variety of instructional strategies embedded in the overall academic program. The school has recently followed good special education program practices and has made Individualized Education Programs (“IEPs”) available for teachers as well as a schedule of when each student’s services (including outside providers) are offered each week. The school uses performance data to regularly monitor the behavioral and academic progress of these students and tailors their program accordingly. The special education coordinator also provides professional development to general education teachers and staff to assist them in identifying students in need of special education services and in providing instruction in a manner that best suits the needs of identified students.

Rochester Prep promotes a culture of learning and scholarship. A comprehensive and documented discipline policy has been consistently and effectively implemented. Classroom management techniques and daily routines have established a culture in which learning is valued and clearly in evidence. Low-level misbehavior is not tolerated by teachers, and a very safe and orderly school environment has been successfully established.

Rochester Prep’s professional development program assists teachers in meeting student academic needs and school goals by addressing identified shortcomings in teachers’ pedagogical skills and content knowledge and focusing on the school’s curriculum and methods of instruction. It successfully develops the competencies and skills of all teachers through targeted professional development based on immediate individual grade-level, subject area, and school-wide needs. The school also provides professional development experiences that are differentiated to meet the individual needs of the school’s teaching staff. Teachers are held accountable for topics covered in professional development.

Organizational Effectiveness and Viability

Rochester Prep has been faithful to its charter and has effectively implemented the key design elements in its charter in pursuit of its mission. While all stakeholders are fully

focused on achieving the school's mission, the school board and leadership have not yet established measurable objectives for determining if the school is successful in attaining the goal of its mission to prepare all students to enter and succeed in college.

Based on limited available data, parents are satisfied with Rochester Prep. While the school does not have a process in place for evaluating parent satisfaction, at the time of the renewal visit a group of interviewed parents expressed general satisfaction with the school. Parents are appreciative of the school's high expectations, structured environment, and teacher communication. They feel welcome to express concerns to teachers and school leaders; however, those interviewed seemed unaware of their ability to provide input at the school's board of trustee meetings. Based on a student interview, students are satisfied with their experience, notably the relationships they have developed with their teachers and with the school's focus on high expectations.

Rochester Prep has established a well-functioning organizational structure in which staff, systems, and procedures fully support the implementation of the academic program. The structure is comprised of distinct lines of accountability with clearly defined roles and responsibilities that enhance leadership opportunities by creating a system that reinforces effective professional development and school quality. Day-to-day operations are competently managed, and the priorities of the school's leadership are clearly aligned to the school's mission. The school has hired and retained quality staff. With a waiting list in each grade, the school is maintaining sufficient enrollment. The school's management network, Uncommon Schools Inc. ("USI"), effectively monitors and evaluates the school's programs and makes changes if necessary.

Rochester Prep's board of trustees has worked effectively to achieve the school's mission and provides oversight to the total educational program. The school's board of trustees has relevant skills and effective procedures to govern the school, derived from stable membership, a consistent focus, and rigorous oversight. In providing oversight, the school board utilizes a traditional committee structure, with the finance committee being the most active. The school board receives regular, comprehensive reports from the school leadership on academic performance and progress, financial stability and organizational capacity. It is relentless in holding school leaders and USI accountable for student achievement. The school board has set clear goals and priorities based on student achievement and the school's academic Accountability Plan. It evaluates the managing director and USI. As part of the evaluation process, the school board uses additional student achievement data from other network schools for comparison.

Rochester Prep's board of trustees has generally avoided creating conflicts of interest where possible, and where conflicts exist, the board has managed those conflicts in a clear and transparent manner through recusal. In material respects, the school board has implemented adequate policies and procedures to ensure the effective governance and oversight of the school. Based on the evidence available at the time of the renewal inspection visit and throughout the current charter term, the school, in all material respects, has been in general and substantial compliance with the terms of its charter, bylaws, applicable state and federal law, rules and regulations throughout the term of its charter. Minor deficiencies were noted in the areas of Freedom of Information Law ("FOIL") and federal Family Educational Rights and Privacy Act ("FERPA") compliance. The school board has made appropriate use of outside legal counsel. In early 2009, a

parent complaint alleging violations of the federal Individuals with Disabilities Education Act (the “IDEA”) was lodged against the school and investigated by the State Education Department, which the Institute also reviewed. The school was found to not have violated the IDEA through its application of classroom discipline. The case was significant because it highlighted not only the differences between the application of discipline in district and charter schools but also the full cooperation of Rochester Prep in the investigation.

Fiscal Soundness

Rochester Prep has operated pursuant to an effective long-range financial plan and has created realistic budgets over the course of the charter period that are monitored and adjusted appropriately. Annual budgets are developed as a collaborative effort between USI staff, with significant involvement of the chief financial officer, and the school’s director of operations, principal and board of trustees with the goal of creating an operational model that is sustainable based on known per-pupil funding levels. Budget variances are routinely analyzed by the school-based director of operations and variances are discussed with the principal and school board on a regular basis or when necessary. Actual expenses have been equal to or less than actual revenue over the course of the charter period with no material exceptions.

The school has adopted USI’s written fiscal policies and procedures, accurately recording and appropriately documenting transactions in accordance with the management organization’s direction. The school’s directors of operations along with the USI fiscal staff has worked effectively with the school’s principal, management team and the board to ensure that policies and procedures are documented and followed by school staff. The school’s Fiscal Year (“FY”) 2009-10 audit report of internal controls—related to financial reporting and compliance with laws, regulations and grants—disclosed no material weaknesses or instances of non-compliance. The lack of other deficiencies in the reports provides some, but not absolute, assurance that the school has maintained adequate internal controls and procedures.

The school has complied with financial reporting requirements during the charter period. Budget, quarterly and annual financial statement audit reports have been filed in a timely, accurate and complete manner. USI manages all external and internal reporting requirements for the school to ensure compliance with the charter agreement and to further develop efficiency at making school-level operational decisions. Each of the school’s annual financial audits indicates that the reports have been conducted in accordance with generally accepted accounting principles and received an unqualified opinion, indicating that, in the auditor’s opinion, the school’s financial statements and notes fairly represent, in all material respects, the school’s financial position, changes in net assets, and cash flows. The school board reviews and approves various monthly and quarterly reports along with the annual financial audit report.

The school has maintained adequate financial resources to ensure stable operations and has monitored and successfully managed cash flow. The school completed FY 2009-10 in fairly stable financial condition, slightly increasing the school’s cash reserves and total net assets.

As indicated within the school's fiscal dashboard, which appears as an appendix at the end of this report,⁶ Rochester Prep has demonstrated a 'fiscally strong' financial responsibility-composite-score over the current charter term, indicating a consistent level of fiscal stability. This composite score assists in measuring the financial health of a school using a blended score that measures the school's performance on key financial indicators. The school has averaged a 'medium risk/good' capital ratio which indicates the school generally has had enough short term assets to cover immediate liabilities and/or short-term debt. The school has averaged a 'medium risk/good' debt to asset ratio, indicating the proportion of debt the school maintains relative to its assets. While the school has no long-term debt, it does have a short-term debt payable to USI related to a line of credit agreement, which is interest free and payable in full when the school's cash flow has reached a level where it can cover at least two months of annual expenses. The school has averaged a 'high risk/poor' cash ratio, demonstrating it has had less than the suggested three months of annual expenses in reserves. The school has no major investments and all cash is left in savings and/or money market accounts to ensure the school has sufficient cash available to pay current bills and other payables that are shortly due.

The school averaged slightly over 90 percent of all expenses allocated to program services over the current charter term and has had an average of 13 percent of revenue exceeding expenses over the course of the charter period, which indicates the school has implemented an adequate operational plan on a year-to-year basis.

Based on all of the foregoing the school has demonstrated fiscal soundness over the course of its charter term.

Plans for the Next Charter Period

The school has provided all of the key structural elements for a renewal charter and its plans are deemed to be reasonable, feasible and achievable. The school would maintain the following mission for the term of the renewal charter:

The mission of True North Rochester Preparatory Charter School is to prepare all students to enter and succeed in college through effort, achievement and the content of their character. All Rochester Prep students will demonstrate excellence in reading, writing, math, science, and history, while consistently exemplifying the virtues of diligence, integrity, responsibility, compassion, perseverance and respect.

The school, which currently provides instruction to students in Kindergarten and 1st grade and 5th through 8th grade, would continue to add elementary grades throughout the proposed renewal charter period until the full grade span of Kindergarten through 8th grade is met in the third year of the renewal charter period. As a result, student

⁶ The Institute's Fiscal Dashboard, which provides a detailed financial analysis of each school authorized by the SUNY Trustees, is available at: <http://www.newyorkcharters.org/FiscalDashboard.htm>. A memo explaining the metrics used within the dashboard is also available at that web address.

enrollment levels would gradually increase during the first three years of the proposed charter period, beginning with 514 students in the first year and reaching 664 students in the third year and beyond. The school year would consist of 195 instructional days and the school day would last from 7:25 a.m. to 3:35 p.m. on Monday through Thursday of each week, with early student dismissal at 1:45 p.m. on Fridays to allow faculty to participate in regular professional development activities.

The school does not propose to make significant changes to its educational program and would continue to enhance programs already in place. Proposed key design elements for the next charter period would include the following: standards-driven instruction and the systematic use of objective student performance data to inform decision-making; intensive training and professional development support for all teachers; maximizing instructional time, including two 75 minute English language arts classes each day and one two-hour long mathematics class four times each week; use of quality diagnostic assessments; rigorous behavioral standards and the implementation of a school culture that inspires students to seek excellence; teachers empowered with the responsibility for and authority over their classrooms; an academic advisor for each student; shared decision-making opportunities for faculty members; and a character education program.

The school would maintain its current management relationship with the True North division of USI, a not-for-profit charter management organization. The principals of the elementary grades and middle school grades would serve as the chief officer of their respective academies and report to both the school's board of trustees and the managing director of USI. A director of operations, responsible for all non-academic operations of the school, would report to the chief operating officer of the True North network. The middle school grades leadership team would also include three deans of students who would report to the principal; two focused on instructional support and one dedicated to managing school culture and student discipline. The elementary grades leadership team would include one dean of students in the first two years of the charter period and add a second dean of students as enrollment increases in the third year of the renewal charter period.

Members of the current board of trustees expressed their interest in continuing their service to the school. The school board would maintain its existing structure to carry out its responsibilities, including committees for Program, Finance, Development, and Trusteeship. Finally, the school intends to remain in its current facility locations, where there is more than adequate space for the school to continue implementing the educational program as proposed.

Rochester Prep has presented a reasonable and appropriate fiscal plan for the term of the next charter that is likely achievable, including an adequate budget that will need to be closely monitored to ensure continued fiscal stability. The school has taken a strong strategic and conservative approach to budgeting and planning for the next charter period. Due to State deficit challenges, and the uncertainty of per-pupil funding, the school has developed a working budget that shows funding remaining constant to the 2009-10 funding levels in the first year of the next charter period and increasing three percent each year thereafter. This plan projects a minor operating and cash flow surplus in each year, contingent on the school continuing to meet enrollment goals which it has historically demonstrated the ability to do. These surpluses will further strengthen the school's fiscal stability. Long-range fiscal projections are more susceptible to error than those for a single year. Such projections are subject to revision due to changes in local

conditions, objectives, laws and state funding. The school will be required to continually develop and adopt annual budgets based on known per pupil amounts for the district(s) from which it draws enrollment.

It should be noted that the 2010-11 per-pupil rate for the school's primary district, Rochester, is 14.3 percent higher than the 2009-10 rate. The school and USI have chosen to use the 2009-10 per pupil amount as a starting point due to the uncertainty around whether or not the 2010-11 per pupil rate will be reduced. Using the 2009-10 rate, the school has projected surpluses during the next charter term and if the 2010-11 rate remains it would be a greater benefit for the school. Using this conservative method while budgeting will help the school generate additional revenue and will further efforts to reach its goal of being funded completely on operating revenue alone while being able to further build school reserves and add to program services.

Financial needs of the school are dependent on student enrollment, including during the school's planned expansion to a full Kindergarten through 8th grade program during the next charter. Based on past success, the enrollment targets presented in the school's Application for Renewal are reasonable and achievable. Based on the foregoing fiscal information and the school's fiscal track record to date, the Institute finds that the school has demonstrated the ability to operate in a fiscally sound manner during the next charter term.