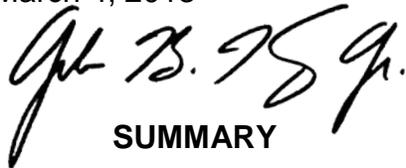




TO: P-12 Education Committee
FROM: Ken Slentz 
SUBJECT: Renewal Decisions for Charter Schools Authorized by the Board of Regents: Niagara Charter School and Rochester Academy Charter School

DATE: March 4, 2013

AUTHORIZATION(S):


SUMMARY

Issue for Decision

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

1. Niagara Charter School (Niagara-Wheatfield Central School District)
2. Rochester Academy Charter School (Rochester City School District)

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 March meeting of the Board of Regents.

Procedural History

Niagara Charter School

Initial Charter Term: July 8, 2005 through June 30, 2010

1st Renewal Charter Term: July 1, 2010 through June 30, 2013 (three-year)

Rochester Academy Charter School

Initial Charter Term: January 15, 2008 through January 14, 2013

1st Renewal Charter Term: January 15, 2013 through June 30, 2013¹

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

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 and June 2011, Department staff described significant improvements in charter school oversight and accountability work to implement a new charter school application review process. 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 site visits, 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 renewal 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 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 two 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 processes applicable to these schools were 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

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.

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.

Attached to this item are summary tables reflecting the material terms of each school's charter. Summary information about the two schools' Renewal Applications, including academic and operational performance over the previous charter terms, are included in the attached Renewal Recommendation Reports.

Recommendation

VOTED: That the Board of Regents finds that, the **Niagara 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 Niagara Charter School and that a renewal charter be issued, and that its provisional charter be extended for a term up through and including June 30, 2014.

VOTED: That the Board of Regents finds that, the **Rochester Academy 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 Rochester Academy Charter School and that a renewal charter be issued, and that its provisional charter be extended for a term up through and including June 30, 2014.

Timetable for Implementation

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

Attachments

Attachment A: Charter School Material Terms

Name of Charter School	Niagara Charter School
Lead Applicant(s)	James C. Muffoletto, Board Chair
District of Location	Niagara Wheatfield Central School District
Districts Served	Niagara Falls City School District, Niagara Wheatfield Central School District, North Tonawanda City School District, Tonawanda City School District, Sweet Home Central School District, Lewiston-Porter Central School District, Starpoint Central School District
Charter Term	1 year—July 1, 2013, through June 30, 2014
Facilities	2077 Lockport Road, Niagara Falls; private rental facility
Current Maximum Enrollment and Grade Span	Maximum enrollment of 350 students in grades K through 6
Mission Statement	“The mission of the Niagara Charter School is to provide students with the knowledge, skills, character and disposition to meet and exceed New York State standards and give them the resources to lead and succeed in the school and community at large. Students are offered academic, social, and life skills through various projects using traditional and non-traditional methodologies and technological enhancements. The Niagara Charter School implements New York State standards using various methods influenced heavily by the Expeditionary Learning/Outward Bound school design.”

Name of Charter School	Rochester Academy Charter School
Lead Applicant(s)	Mahmut Gedemenli, Board President
District of Location	Rochester City School District
Districts Served	Rochester City School District
Charter Term	1 year—July 1, 2013, through June 30, 2014
Facilities	841 Genesee Street, Rochester and 901 Portland Avenue, Rochester (both are leased from private landlord)
Current Maximum Enrollment and Grade Span	Maximum enrollment of 360 student in grades 7 through 12
Mission Statement	“...[T]o provide students in grades seven through twelve with rigorous, challenging academics through hands-on, meaningful learning opportunities that will provide them with the skills necessary to be successful academically, socially, and emotionally.”



New York State Education Department Charter School Office

Charter School Renewal Recommendation Report

Niagara Charter School
Application for Second Charter Renewal

March 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	Niagara Charter School
Lead Applicant(s)	James C. Muffoletto, Board Chair
District of Location	Niagara Wheatfield Central School District
Districts Served	Niagara Falls CSD Niagara Wheatfield CSD, North Tonawanda CSD, Tonawanda CSD, Sweet Home CSD, Lewiston-Porter CSD, Starpoint CSD
Opening Date	Fall 2006
Charter Terms	Initial Charter Term: July 22, 2005, through July 21, 2010 1st Renewal Charter Term: July 22, 2010, through June 30, 2013 (three year)
Management Company	None
Partners	Expeditionary Learning Schools
Facilities	2077 Lockport Road, Niagara Falls, NY 14304 Private rental facility
Enrollment and Grade Span during Current Charter Term	350 students in grades K through 6
Current Maximum Enrollment and Grade Span	Maximum enrollment of 350 students in grades K through 6
Mission Statement (From current charter)	“The mission of the Niagara Charter School is to provide students with the knowledge, skills, character and disposition to meet and exceed New York State standards and give them the resources to lead and succeed in the school and community at large. Students are offered academic, social, and life skills through various projects using traditional and non-traditional methodologies and technological enhancements. The Niagara Charter School implements New York State standards using various methods influenced heavily by the Expeditionary Learning/Outward Bound school design.”

Background

The Board of Regents granted an initial charter to Niagara Charter School (“Niagara” or “NCS” hereafter) on July 22, 2005. The school opened in the fall of 2006 with 264 students in grades K through 4. The school added Grade 5 in 2007-2008 and Grade 6 in 2008-2009. In December 2009, the school received a short-term renewal (three years) for a period from July 1, 2010, through June 30, 2013.¹ At the time of the renewal decision, the school was experiencing growth in student scores on the New York State Assessments, but the short-term renewal was warranted due to concerns about the Board’s lack of fiscal oversight and lack of adherence to its own internal controls. The school currently serves 350 students in grades K through 6.

Recommendation and Required Findings

After a thorough Department review of the evidence submitted by Niagara Charter School and gathered by the Department, the Department recommends that the Board of Regents approve a one year charter renewal for Niagara Charter School for the term from July 1, 2013, through June 30, 2014.

Based on the review of evidence related to the school’s performance including, but not limited to, the school’s 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 Niagara has demonstrated the ability to operate in an educationally sound manner; 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).²

In short, Niagara’s performance on New York State (NYS) English language arts (ELA) and mathematics assessments over the current charter term can be described as weak. Proficiency rates are lower than the state average and lower than the local districts comparison. However, the school has shown recent improvement, the school’s ability to operate in an organizationally and fiscally sound manner is evident, and the school is taking steps to make organizational changes.

¹ <http://www.regents.nysed.gov/meetings/2009Meetings/December2009/1209emsca9.doc>

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.

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 Trustees minutes and other documents collected by and about the school. On October 15 and 16, 2012, a Department team, including an external consultant, conducted a renewal site visit at Niagara Charter School. This was preceded by a full site visit conducted by a Department team on April 4 and 5, 2011, and a check-in visit on February 1, 2012.

Educational Soundness (Educational Record)

Evidence of Performance Related to Academic Goals

For the current charter renewal term (July 1, 2010 through June 30, 2013), Niagara articulated the following absolute, growth, and comparative goals for student performance:

- Absolute Goal: 75% of all students who have attended Niagara Charter School continually and consistently for 2 or more years will attain 3 or 4 on NYS Assessments administered in grades 3 through 6

The school did not meet its absolute goal in any year of the current term, by any of the grade level cohorts in either math or ELA. In math, students on average, fell between 17 and 35 percent below the stated goal; in 2012 students fell far short of this goal with only 51% of students achieving proficiency in grades 3 through 6. In ELA, students at Niagara fell dramatically short of the School's stated goal, with on average, students reaching proficiency at rates between 28 and 36 percent during the term of the charter. In 2012 students fell far short of this goal with only 29% of students achieving proficiency in grades 3 through 6. In both subject areas, student proficiency rates were lower in 2012 than at the beginning of the charter term.

- Growth Goal: Each grade level cohort will reduce by $\frac{1}{2}$ the gap between the cohort mean performance and 50 NCE (Normal Curve Equivalents) on the Terra Nova test

The school fell short of their goal of each grade level cohort will reducing by $\frac{1}{2}$ the gap between the cohort mean performance and 50 NCE (Normal Curve Equivalents) on the Terra Nova test. The school reported that four out of seven grade levels met the goal in 2011-2012: grades K, 1, 4, and 6.

- Comparative Goal: By the fourth year of operation, Niagara Charter School will exceed the percentage of students from Niagara Falls who score a 3 or 4 on the 4th grade State Assessments

In the Annual Report for 2011-2012, the school confirmed that it did not meet its comparative goal to exceed the percentage of students from Niagara Falls who score a 3 or 4 on the 4th grade State Assessments. Outcomes for NCS students are well below those of students in the Niagara Falls City School District. In 2012, on average, fewer than 29% of NCS grade 3 through 6 students met proficiency standards in ELA; 51% meet state standards in mathematics.

The school's overall State accountability status has remained "In Good Standing" throughout the charter term. However, the school did not meet Annual Yearly Progress (AYP) in 2011 for the All Students and African American subgroups due to poor academic performance in those accountability areas.

Evidence of Performance Related to Comparable Schools

In order to ensure the availability of a robust data set for consideration, 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 Niagara Charter School to similar public schools across New York State and to traditional public and charter schools in both Niagara Wheatfield School District (NWS) (the district of location) and Niagara Falls School District (NFS) (the district where 95% of the charter school’s students live).

This analysis includes a direct comparison of test scores to peer schools as an uncontrolled measure; and a comparison to peer schools that controlled for demographic differences in the populations served by the schools as a controlled measure (see Appendix A for the full statistical analyses).

Table 1, below, illustrates the ELA and mathematics proficiency rates for Niagara Charter School as a direct comparison to those of students schools in NWS and NFS with the same grade band (3-6) and across NYS as a whole. These findings clearly illustrate that Niagara’s proficiency rates were far below both districts and the state in both ELA and math, for each of the school years considered. In addition, in both subject areas, student proficiency rates were lower in 2012 than at the beginning of the charter term.

Table 1: Percentage of Students Scoring Level 3 and 4 on the NYS Assessments in grades 3 through 6

School Year	Tested Grades	Math Proficiency Rates (At or Above Proficiency)				ELA Proficiency Rates (At or Above Proficiency)			
		Niagara Charter School	Niagara - Wheatfield SD	Niagara Falls SD	NYS	Niagara Charter School	Niagara - Wheatfield SD	Niagara Falls SD	NYS
2012	3-6	51%	68%	56%	67%	29%	58%	45%	59%
2011	3-6	40%	69%	58%	66%	26%	57%	44%	57%
2010	3-6	58%	66%	63%	64%	38%	54%	47%	57%

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 students at Niagara Charter School that controls for an additional set of analyses that control for demographic characteristics, thus helping to ensure that truly similar schools are being compared (See Table 2, below). In comparing Niagara with the districts and similar students and schools across New York State, while controlling for poverty, disability, and limited English proficiency, the findings suggest that, with one exception in 2010, students at Niagara performed consistently worse than expected in ELA and mathematics.

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.

Table 2: Summary of Adjusted Performance Combining Tested Grades Effect Size⁴

School Year	Tested Grades	Math			ELA		
		NCS Effect Size	Niagara-Wheatfield SD Effect Size	Niagara Falls City SD Effect Size	NCS Effect Size	Niagara-Wheatfield SD Effect Size	Niagara Falls City SD Effect Size
2012	3-6	-0.2	-0.12	-0.04	-0.33	-0.18	-0.06
2011	3-6	-0.33	-0.06	0.01	-0.34	-0.11	-0.06
2010	3-6	0.05	-0.1	0.12	-0.15	-0.12	-0.02

In addition, the controlled analysis of Niagara Charter School’s math and ELA grade-level assessment data shows similar results. This downward trend appears in grade level cohorts as they transition through the grades at Niagara Charter School. Graphic depiction of these results can be found in Appendix A.

In summary, Niagara Charter School did not meet its goals for absolute and comparative performance. While its growth goals are mixed, additional Department analyses provide evidence to suggest that its performance is consistently below that of comparative schools in the Niagara area and across New York State.

Evidence of Performance Observed Through On-site School Reviews

Charter School Office staff conducted monitoring visits to the Niagara Charter School throughout the current charter term. On October 15 and 16, 2012, a CSO team, accompanied by an external consultant, conducted a renewal site visit at NCS. During this visit, the team observed classrooms, attended a Board of Trustees meeting, and interviewed members of the board of trustees, school administrators, teachers, parents, and students. This was preceded by a full site visit conducted by a Department team on April 4 and 5, 2011, and a check-in visit on February 1, 2012.

When the Department visited Niagara in 2009, the site visit team noted that the school had a well-established Expeditionary Learning program (EL) and the school was in the process of developing and expanding the integration of its components into the school’s curriculum. In the spring of 2011, the school was just in the beginning stages of exploring the Common Core State Standards (CCSS), and the school had not begun to align curriculum. During the check-in visit in February 2012, school leaders acknowledged the need to increase rigor, strengthen learning targets and use data more effectively especially in the primary grades. During the renewal site visit in October 2012, the review team noted a lack of progress in curriculum development, ineffective instructional strategies, and a lack of urgency among groups of stakeholders regarding school priorities and lackluster school performance.

In the review of curricular documents, the renewal visit team found a lack of robust curriculum that is aligned both vertically and horizontally, and that links the CCSS content and skills with the principles and practices of EL. The team also expressed concern about instructional practices such as maximizing time for learning, checks for understanding, and providing rigorous tasks for students. While evidence of

⁴ 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).

targeted attention to the implementation of EL expeditions at NCS was clear in the hallways, the renewal site visit team did not see evidence of two instructional practices considered central to the Expeditionary Learning approach--student-initiated questions and student-led investigations. Though during the check-in visit in February 2012, the CSO noted some examples of rigor and teachers planning for differentiated instruction, the renewal team found little evidence of differentiation and rigor during the October 2012 renewal visit.

The CSO has communicated concern over the school's low academic performance throughout the current charter term, most recently in a check-in visit memo dated March 2012. Yet, during the renewal site visit in October 2012, various stakeholder groups interviewed during the renewal site visit expressed misperceptions of the school's effectiveness. Board members, teachers, parents and students spoke positively about the school's performance, despite strong evidence that the school's achievement is well below that of both host districts and the State. While there was much praise and pride about community service activities and the students' presentation at the City Council, there was a striking lack of urgency about the inadequate academic performance of its students for a school in its eighth year of operation.

Throughout the charter term, the CSO has been concerned about Niagara's use of data for instructional decision making and the declining student performance results. The school's Business Manager created a database for the school to identify individual student skills that were lacking, however, it is unclear how the school supports the instructional and programmatic changes, curricular decisions and instructional practices, based on this database. At the time of renewal visit school leaders indicated that there are future plans to compare individual student performance on the school's various assessments.

Over the course of charter, NCS has invested time, energy and resources to build a school community that all stakeholders agree is safe, orderly, and provides for the physical, emotional and social well-being of the students. NCS employs a counselor, a nurse, and a community liaison to address the social, emotional and health needs of students and foster a positive connection with their families. Niagara Charter School has established procedures that ensure the safety of the students and staff at the school. Parents interviewed at the renewal visit spoke favorably about the school's culture of safety and respect; they mentioned the upcoming bullying awareness walk which had a large level of involvement by NCS families, staff and students last year. Students affirmed that the school is safe from bullying, with only modest complaints about bus behavior and the strict bus monitors.

Organizational Soundness

Evidence of Organizational Capacity

In 2010, the Regents granted Niagara a short term (three years) renewal for reasons that centered on the organizational, governance and fiscal operations at the school. During this charter term, most of these issues have been addressed. A 2011 CSO site visit report noted that, since August 2010, Niagara's Board of Trustees (BOT) had formed governance and finance committees, obtained training in fiscal stewardship, EL, charter school law and code of ethics, and had clearly defined roles and responsibilities. The renewal team found that the school conducts a comprehensive evaluation of staff but found no evidence that a formal assessment of the quality, rigor and effectiveness of the school's program and practices are in place.

In the current three year term, Niagara has had three school leaders—one of whom was in place for less than a full year. The current leader was promoted from within, and the school has had little turnover in the school staff. In 2009 the school restructured and removed the Chief Executive Officer (CEO) and distributed the responsibilities among the other staff. The school's leadership structure includes a Chief Academic Officer (CAO) and a Chief Financial Officer (CFO) who report directly to the board, and an

Assistant Academic Officer (AAO) who reports to the CAO. During the renewal site visit, reasonable procedures were in place to manage the day-to-day operations at the school and build community partnerships; this is consistent with previous CSO visit reports.

Evidence of Board Oversight and Governance

The renewal visit team observed a Board meeting and noted that the meeting operated according to accepted standards of practice in its governance activities. The current committee structures align Board member interest and expertise with critical issues, including Finance, Academics, and Governance. The BOT legal counsel attends Board meetings.

During the 2011-2012 school year, the BOT contracted with an external consultant to conduct a comprehensive Board audit. The visiting team did not examine the results of that audit, but during the renewal site visit, Board members reported that the audit offered valuable feedback concerning both governance and operations at NCS. However, the timing of this audit—eight years into the school’s operation—is concerning as it demonstrates a lack of urgency to identify the policies, programs or practices contributing to the significant weaknesses in student achievement. These weaknesses in achievement have been chronic over the current charter term and the Board has not yet demonstrated its ability to fulfill the commitments to NCS students and families declared in its mission.

The Board of Trustees indicated it has not yet completed its self-assessment for this year. During the October 2012 BOT meeting, there was a renewed call for submission of self-assessment surveys to be compiled and examined. The BOT cited clean financial audits as evidence of its effectiveness. Unsatisfactory student academic outcomes were not mentioned as a factor in the BOT’s self-evaluation.

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-term⁵ and long-term⁶ 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 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

⁵ 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.

⁶ 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.

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.

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.

For the fiscal year ending June 30, 2012, the school received an unqualified audit of its financial statements. Auditors found no material weaknesses or significant deficiencies when reviewing the internal controls of the school. Auditors found no instances of noncompliance with Government Auditing Standards.

In 2011-2012, Niagara Charter School maintained a low-risk financial position with a current ratio of 2.28. This ratio has improved in each of the past four years; and the ratio has doubled in each of the past three years. Cash available to the school increased over 2010-2011. Unrestricted net assets also grew significantly in 2011-2012 to more than \$1.1M. The school has access to capital beyond tuition payments from state and federal sources. At the end of the past two fiscal years, NCS maintained lines of credit with no outstanding balances.

For the fiscal year ending June 30, 2011, Niagara had a financial composite score of 2.90. The school had a low debt-to-asset ratio of 0.53, and a total margin of 13.9 percent. In addition, the school ran an operating surplus of \$623,324. 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 rapidly declining debt⁸, alignment between enrollment and operating expenses⁹, and modest increases to days cash on hand.

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

Faithfulness to the Charter

Niagara Charter School has been not fully faithful to its mission, vision, and educational philosophy, specifically in the aim of meeting and exceeding NY state standards. The school aims to achieve its mission of “providing students the resources to lead and succeed through various projects” by implementing the Expeditionary Learning school design. Many of the EL design principles focus on how learning is inspired and nurtured. The school, in its eighth year of operation, has yet to successfully create an educational system that faithfully fulfills its commitments.

Niagara Charter School maintains its belief that the Expeditionary Learning model will lead to the attainment of the school’s mission. Implementation of Expeditionary Learning remains a work in progress at NCS, with some elements in place and well understood, and other components less fully realized. Overall, Niagara Charter School has made progress toward implementation of the EL model and is taking steps to incorporate the expectations of the Common Core State Standards. These steps, though intentional and targeted, have not yielded the level of student achievement for which the school is responsible. NCS has not led “all students to succeed” as pledged in the school’s mission.

⁷ <http://www.p12.nysed.gov/psc/csdirectory/NiagaraCharterSchool/home.html>

⁸ See “Current Ratio/Debt to Asset Ratio” graph in Appendix B.

⁹ See “Enrollment vs. Operating Expenses” graph in Appendix B.

Plans for the Next Charter Term

Niagara Charter School proposes to expand to serve grades 7 and 8 if its charter is renewed. 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. The School’s academic program lacks coherence and its instructional practices lack rigor. The absence of a clear academic scope and sequence plan, ensuring that students are provided opportunities to acquire essential skills and knowledge, reduces the likelihood that NCS will meet expected targets for student performance in the expanded grades. The school’s inability to meet targets for its current students suggests it does not have the capacity to successfully expand at this time.

Summary of Public Comment

As required by the Act, the Department notified the Niagara Wheatfield School District and public and non-public schools in the same geographic area as Niagara Charter School about the submission of the school’s Renewal Application. The district held the required hearing on October 3, 2012. According to the minutes of the meeting, two comments were made, one in favor of charter schools in general and one from the Niagara Falls School District Superintendent, who requested that the charter not be renewed. No other public comments were received.

Additional Information

Student Demographics

Table three (3) summarizes the student demographic profile for Niagara as compared to the Niagara Wheatfield School District and the Niagara Falls City School District for the past three academic years.

Table 3: Student Demographic Profile for Niagara Charter School and NWS and NFSD 2009-2012

	2009-2010			2010-2011			2011-2012		
	Niagara Grades K-6	Niagara- Wheatfield SD Grades K-6	Niagara Falls City SD Grades K-6	Niagara Grades K-6	Niagara- Wheatfield SD Grades K-6	Niagara Falls City SD Grades K-6	Niagara Grades K-6	Niagara- Wheatfield SD Grades K-6	Niagara Falls City SD Grades K-6
Special Populations									
Free Lunch	88%	20%	51%	90%	19%	56%	90%	N/A	N/A
Reduced Lunch	8%	7%	11%	7%	6%	9%	7%	N/A	N/A
Limited English Proficient	1%	0%	1%	0%	0%	1%	0%	1%	1%
Students with Disabilities	13%	22%	22%	13%	24%	24%	13%	10%	15%
Race/Ethnic Origin									
Native American	2%	7%	4%	3%	7%	4%	3%	7%	1%
African American	81%	3%	36%	79%	3%	35%	79%	3%	34%
Hispanic or Latino	4%	1%	3%	4%	1%	3%	4%	2%	1%

Enrollment Targets

The 2010 amendments to the New York State Charter Schools Act, (Education Law §2851(4)(e) and §2852(9-b)), require the Board of Regents and the Board of Trustees of the State University of New York (SUNY) to prescribe enrollment and retention targets for charter schools for students with disabilities, English language learners, and students who are eligible applicants for the free and reduced priced lunch program. The Regents and the SUNY Trustees developed a methodology for calculating targets that are comparable to the enrollment and retention figures for these categories of students within the public school district of location. In the table below, the enrollment targets are compared to Niagara’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 350 students in grades K through 6 in the Town of Niagara Wheatfield. (see Table 4).

Table 4: Enrollment Targets for Niagara Charter School

	Unadjusted Target	Effective Target¹⁰	NCS%
Free/Reduced Price Lunch	43.2%	38.9%	38%
English language learners	1.1%	0.5%	0%
Students with Disabilities	9.9%	7.6%	Did not report

The percentage of students who qualify for free/reduced lunch at Niagara Charter School (NCS) meets the target for a charter school of its size and location. The students with disabilities population was not reported by the school for the 2012 – 2013 school year so no comparison is available. Although the effective target for enrollment of English language learners is minimal, NCS reports no ELL population.

Board of Trustees

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

Name	Position on Board	Committee Affiliation	Area of expertise, and/or additional role	Term Information
William Bradberry	At-Large	Finance		Elected 6/10, serving first term
Olga Camacho	Teacher	Governance	Education/ Literacy	Elected 6/10, serving third one-year term
Dominic DeBose	Parent		Parent	Elected 6/08, serving fifth one-year term
Richard D. Hague, Jr.	Secretary	Academic and Governance		Elected 9/06, serving second three-year term following two

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.

Name	Position on Board	Committee Affiliation	Area of expertise, and/or additional role	Term Information
				one-year terms
Dr. Letitia Hahn	At-Large	Academic	Higher Education/ Education	Elected 6/10, serving first three-year term, following one two-year term
Janet Hill	Teacher	Governance	Education	Elected 6/07, serving sixth one-year term
James C. Muffoletto	President	Executive and Finance	Business	Elected 6/06, serving second three-year term, following one one-year term
James Phillips	At-Large	Governance	Parent	Elected 6/09, serving first three-year term, following three one-year terms
Mary J. Scheeler	At-Large	Academic	Elementary Education	Elected 6/09, Serving first three-year term, following one one-year term
Ricky Scott	Treasurer	Finance	Finance	Elected 6/08, serving second three-year term
LaKea A. Strong	Parent	Academic	Business	Elected 6/11, serving second one-year term

School Leader History

Gary Stillman, Chief Executive Officer	September 2006 – February 2010
Karen (Brown) Marchioli, Chief Academic Officer	February 2010 – August 2011
Darci Novak, Chief Academic Officer	August 2011 - Present

Niagara Charter School

Elementary School Results in the
Niagara-Wheatfield Central School
District

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

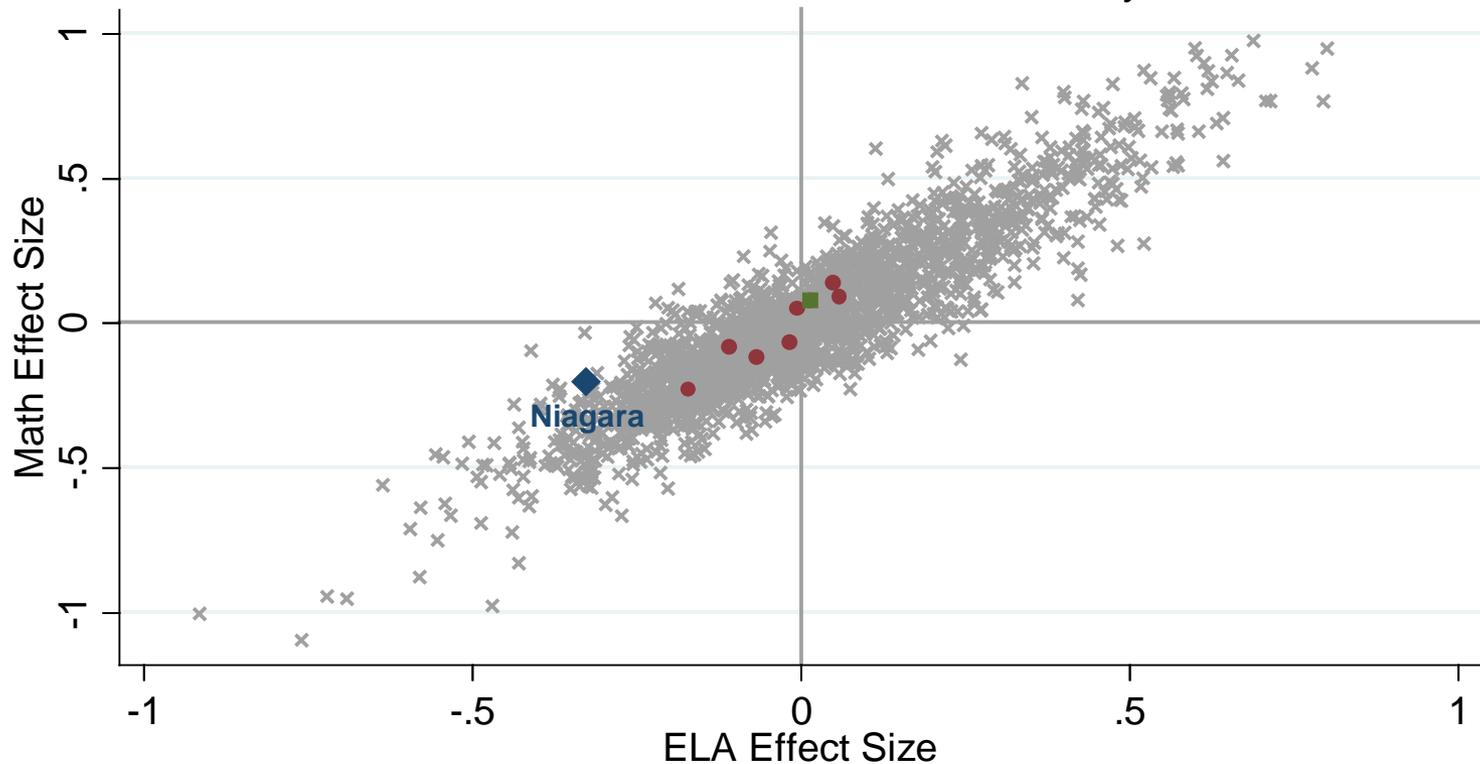
**REGRESSION RESULTS
(COMBINING ALL TESTED GRADES,
COMPARED TO STATE AND DISTRICT
AVERAGES)**

Summary of Adjusted Performance Combining Tested Grades

			Math		ELA		Number of Students in Analysis		
Charter Up for Renewal	School Year	Tested Grades	Effect Size	District Effect Size	Effect Size	District Effect Size	School	District	State
Niagara Charter	2012	3-6	-0.20	-0.04	-0.33*	-0.06	202	2199	546278
Niagara Charter	2011	3-6	-0.33*	0.01	-0.34*	-0.06	198	2195	551278
Niagara Charter	2010	3-6	0.05	0.12	-0.15	-0.02	199	2149	546719

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

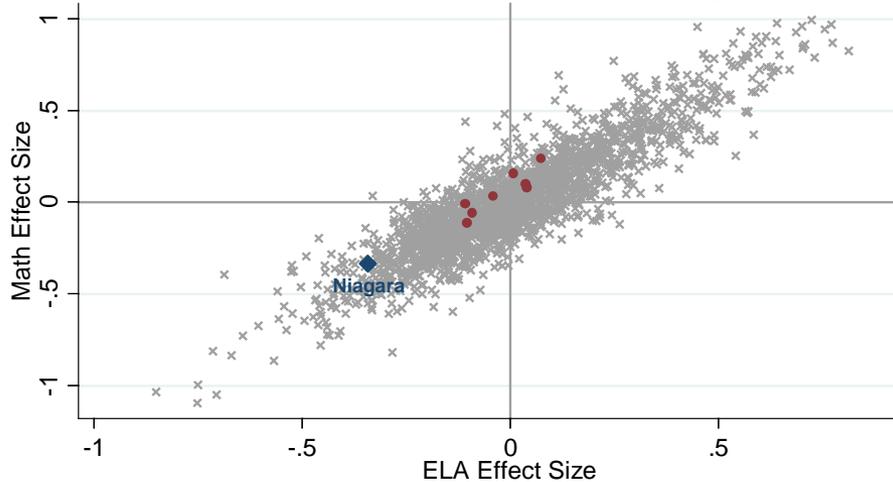
Controlled: Difference between Actual and Predicted Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2012



- Niagara Falls CSD School
- Charter School in District
- × Other New York School
- ◆ Charter Up for Renewal

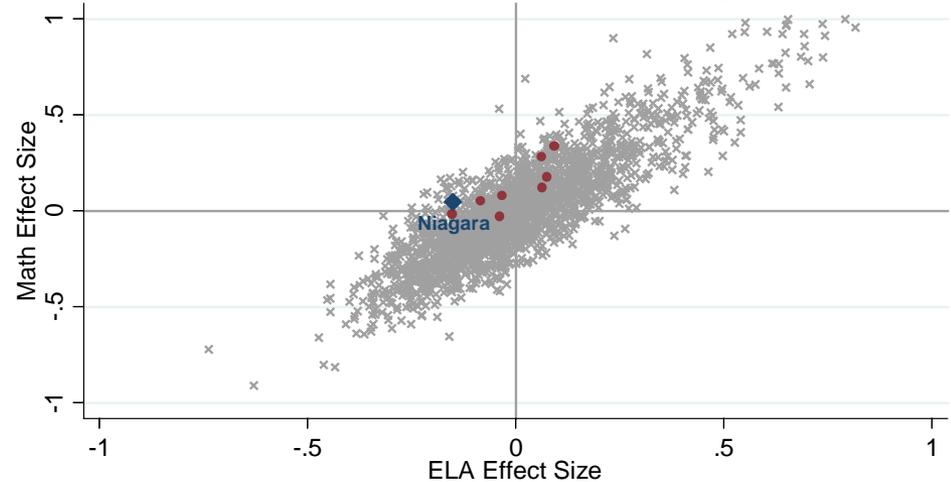
Math and ELA Adjusted Performance Compared to All NY Elementary Schools 2011 and 2010

Controlled: Difference between Actual and Predicted Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2011



- Niagara Falls CSD School
- × Other New York School
- Charter School in District
- ◆ Charter Up for Renewal

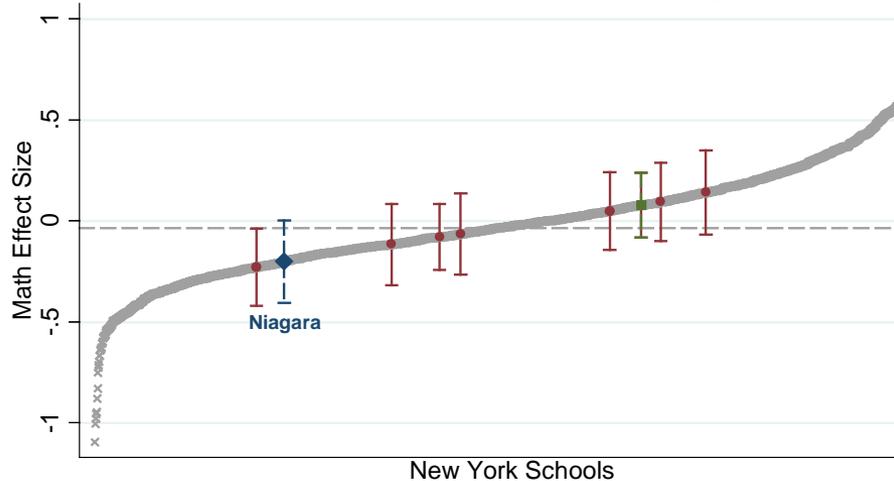
Controlled: Difference between Actual and Predicted Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2010



- Niagara Falls CSD School
- × Other New York School
- Charter School in District
- ◆ Charter Up for Renewal

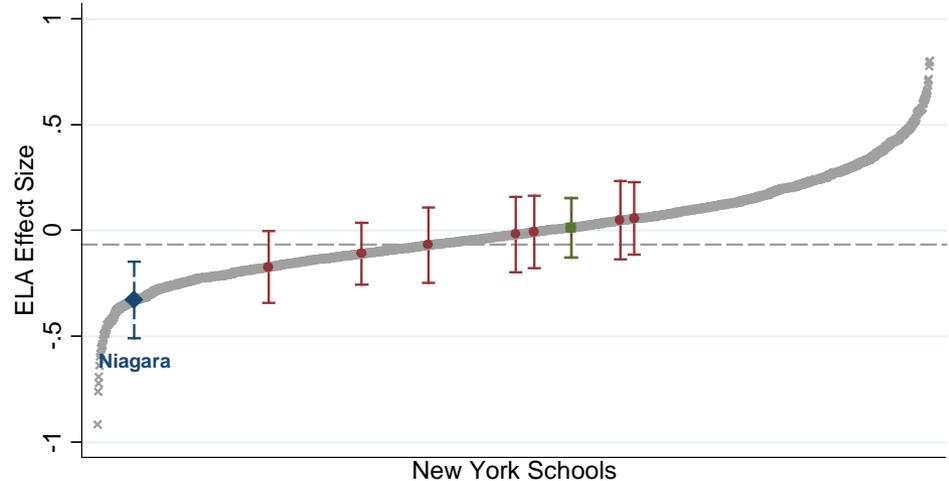
Math and ELA Adjusted Performance, 2012 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2012



- Niagara Falls CSD School
- Charter School in District
- × Other New York School
- ◆ Charter Up for Renewal

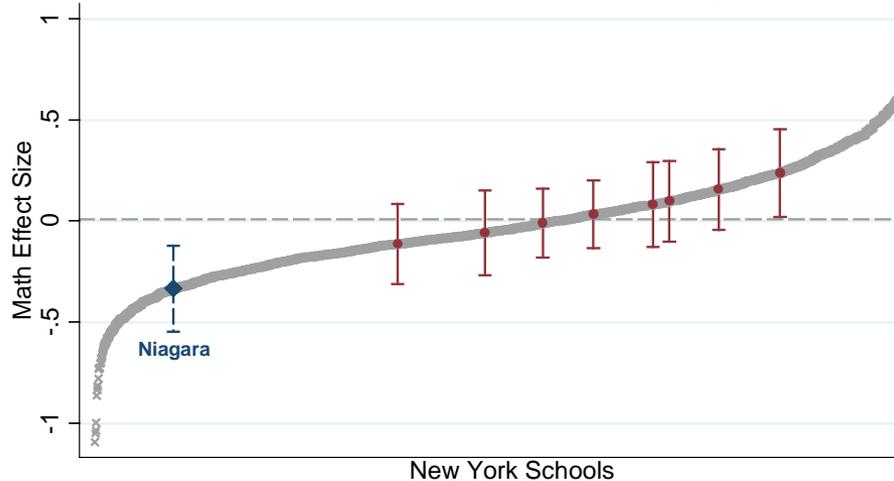
Controlled: Difference between Actual and Predicted ELA Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2012



- Niagara Falls CSD School
- Charter School in District
- × Other New York School
- ◆ Charter Up for Renewal

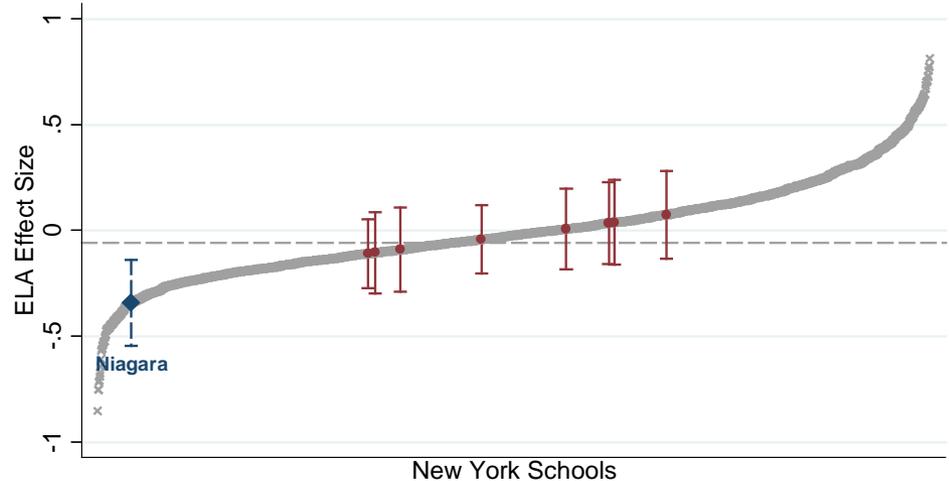
Math and ELA Adjusted Performance, 2011 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2011



- Niagara Falls CSD School
- × Other New York School
- Charter School in District
- ◆ Charter Up for Renewal

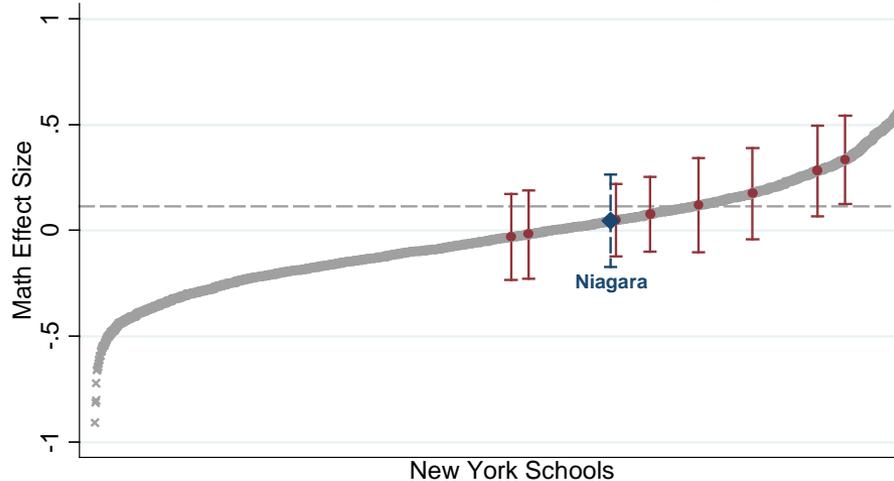
Controlled: Difference between Actual and Predicted ELA Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2011



- Niagara Falls CSD School
- × Other New York School
- Charter School in District
- ◆ Charter Up for Renewal

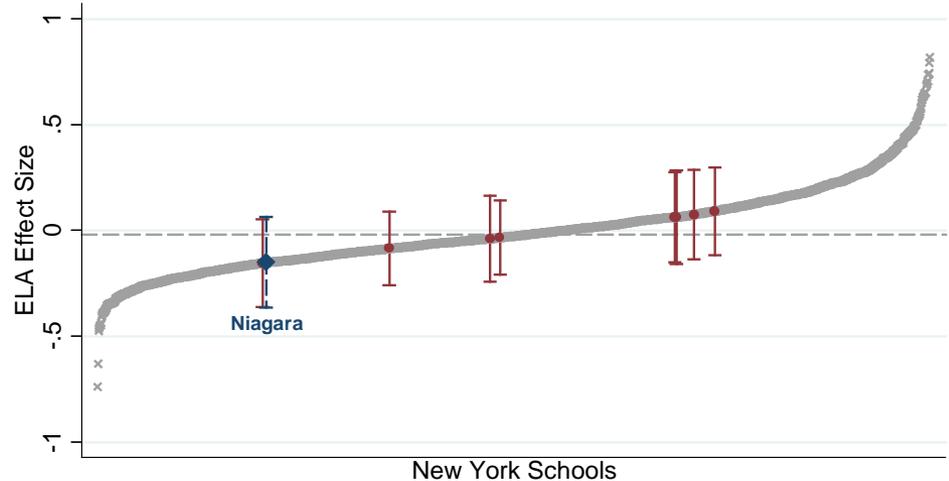
Math and ELA Adjusted Performance, 2010 Compared to the District (Dashed Line)

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



- Niagara Falls CSD School
- Charter School in District
- × Other New York School
- ◆ Charter Up for Renewal

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



- Niagara Falls CSD School
- Charter School in District
- × Other New York School
- ◆ Charter Up for Renewal

Percent at or above proficiency

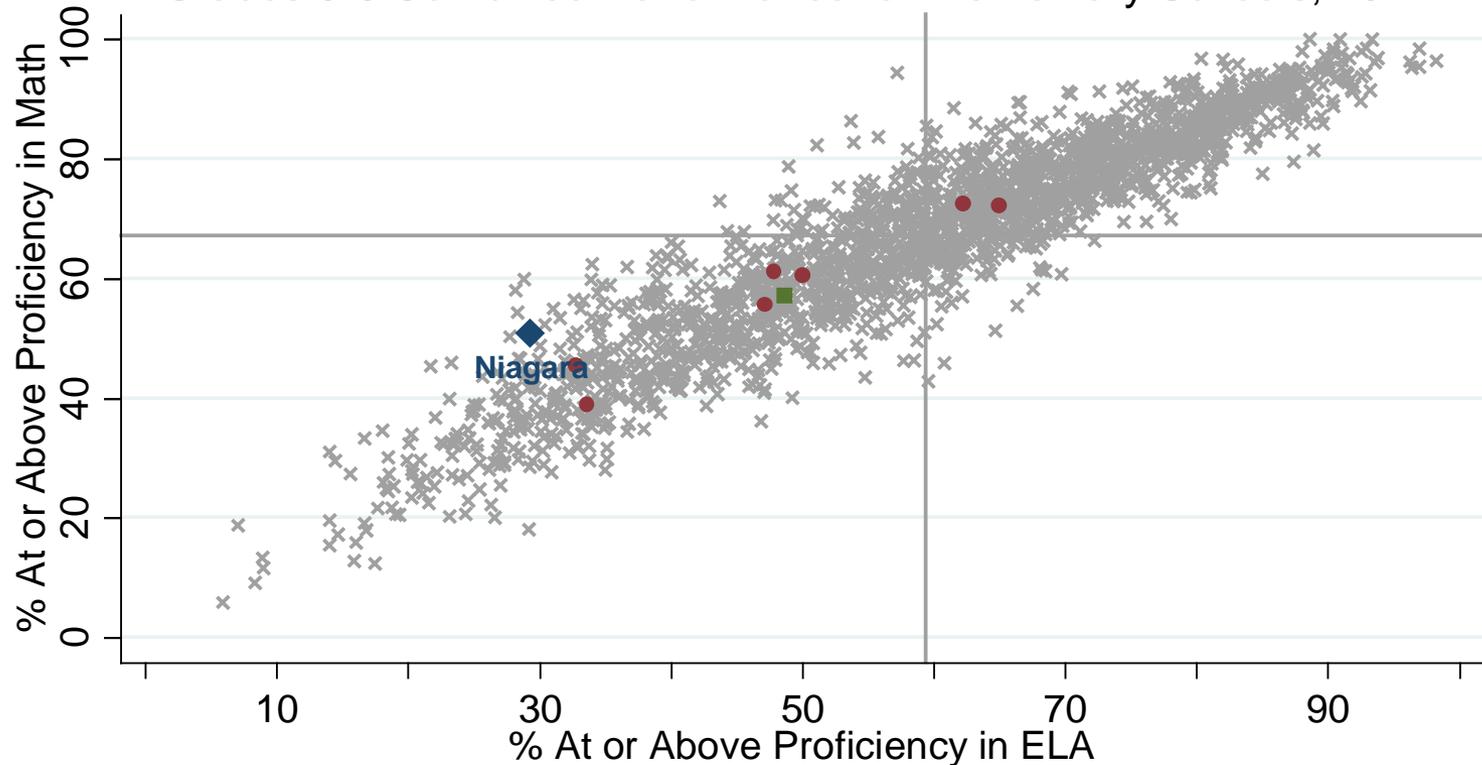
**UNCONTROLLED PERFORMANCE RESULTS
(COMBINING ALL TESTED GRADES,
COMPARED TO STATE AND DISTRICT
AVERAGES)**

Summary of Uncontrolled Performance Combining Tested Grades

Charter Up for Renewal	School Year	Tested Grades	Math Proficiency Rates (At or Above Proficiency)			ELA Proficiency Rates (At or Above Proficiency)		
			Charter	District	State	Charter	District	State
Niagara Charter	2012	3-6	51%	56%	67%	29%	45%	59%
Niagara Charter	2011	3-6	40%	58%	66%	26%	44%	57%
Niagara Charter	2010	3-6	58%	63%	64%	38%	47%	57%

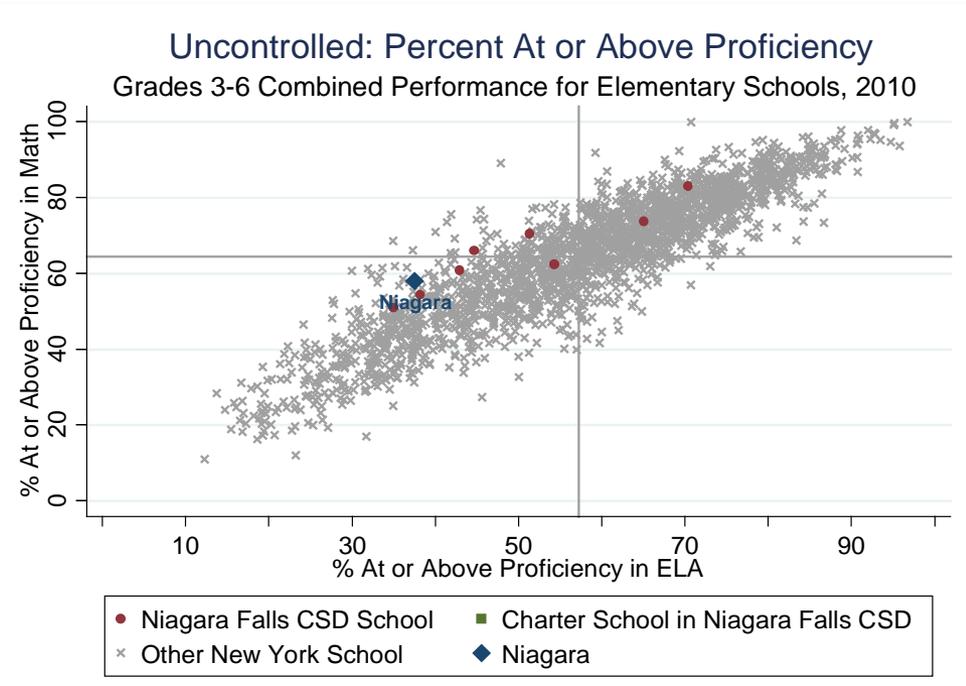
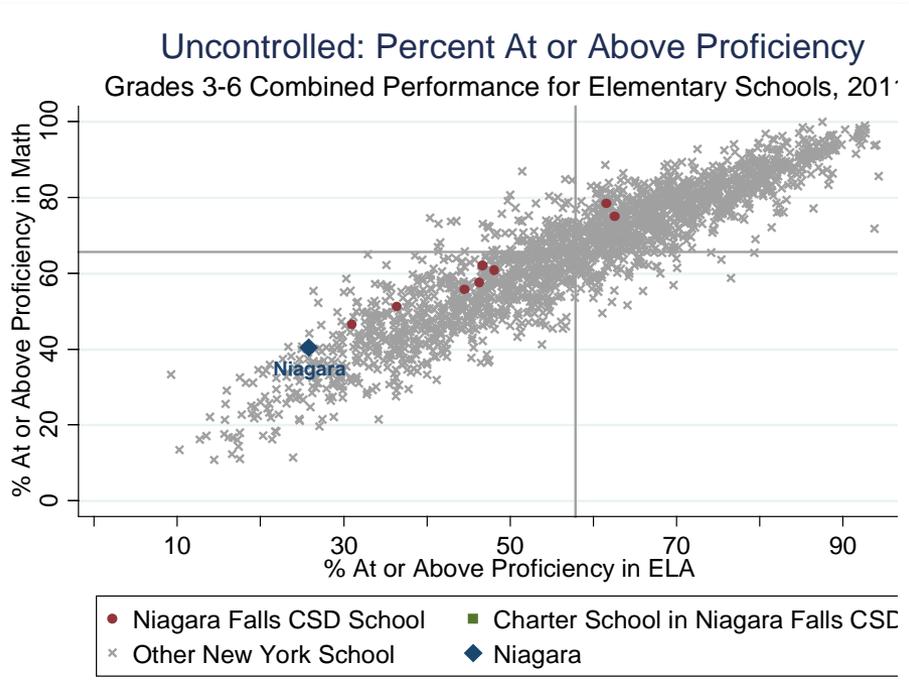
Math and ELA Proficiency Rates Compared to All NY Elementary Schools, 2012

Uncontrolled: Percent At or Above Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2012



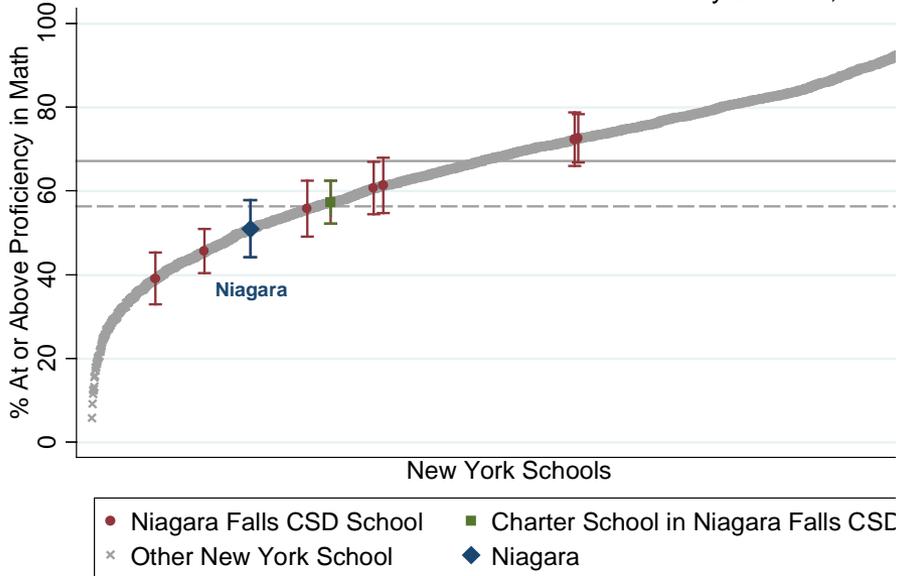
- Niagara Falls CSD School
- Charter School in Niagara Falls CSD
- × Other New York School
- ◆ Niagara

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

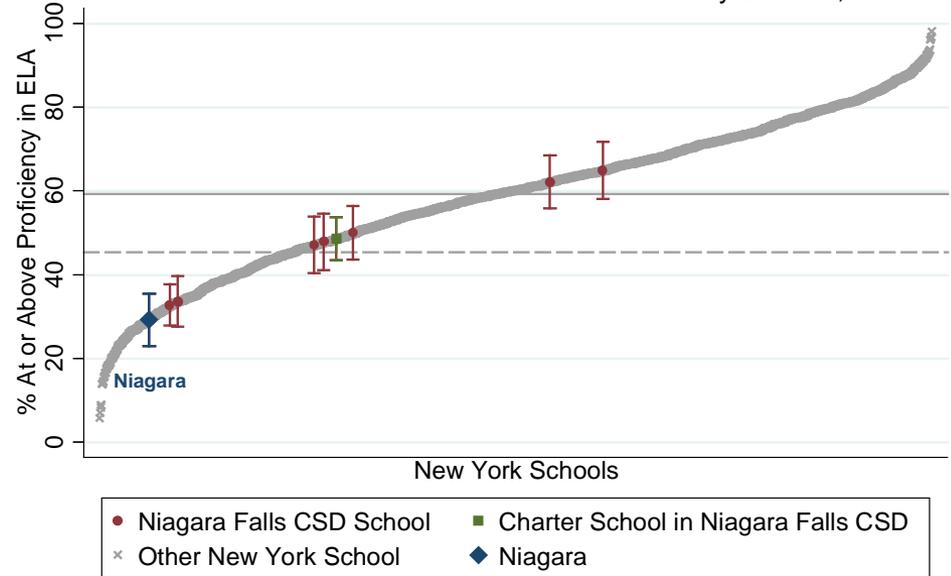


Math and ELA Proficiency Rates, 2012 Compared to the District (Dashed Line)

Uncontrolled: Percent At or Above Math Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2012

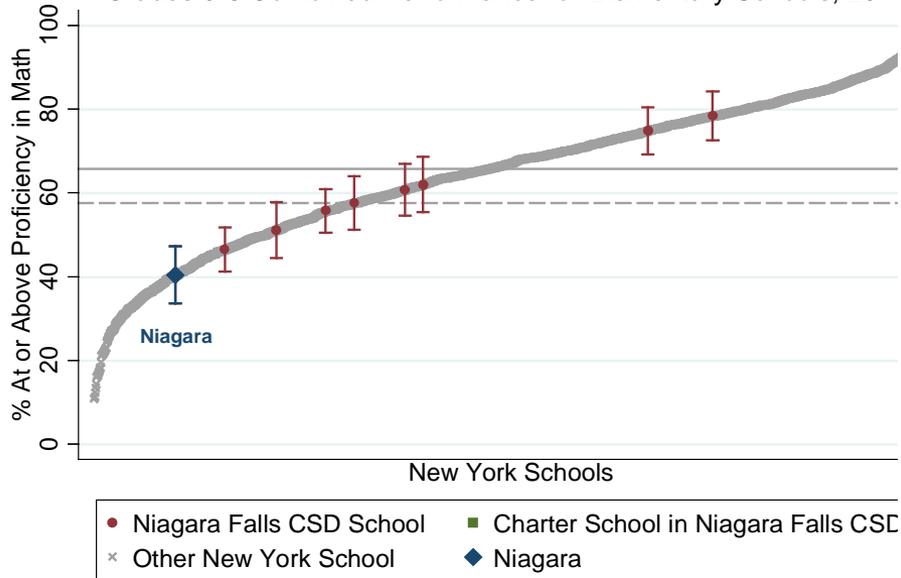


Uncontrolled: Percent At or Above ELA Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2012

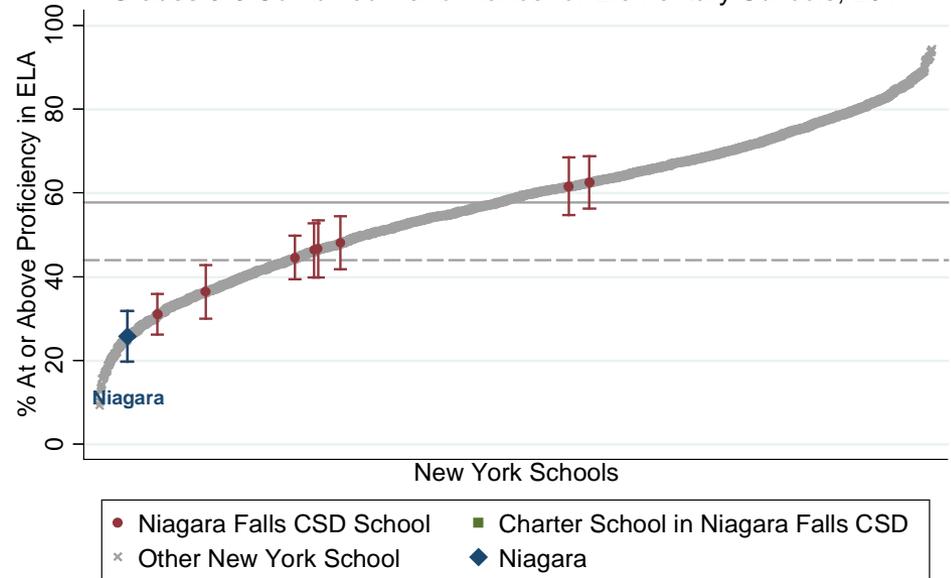


Math and ELA Proficiency Rates, 2011 Compared to the District (Dashed Line)

Uncontrolled: Percent At or Above Math Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2011

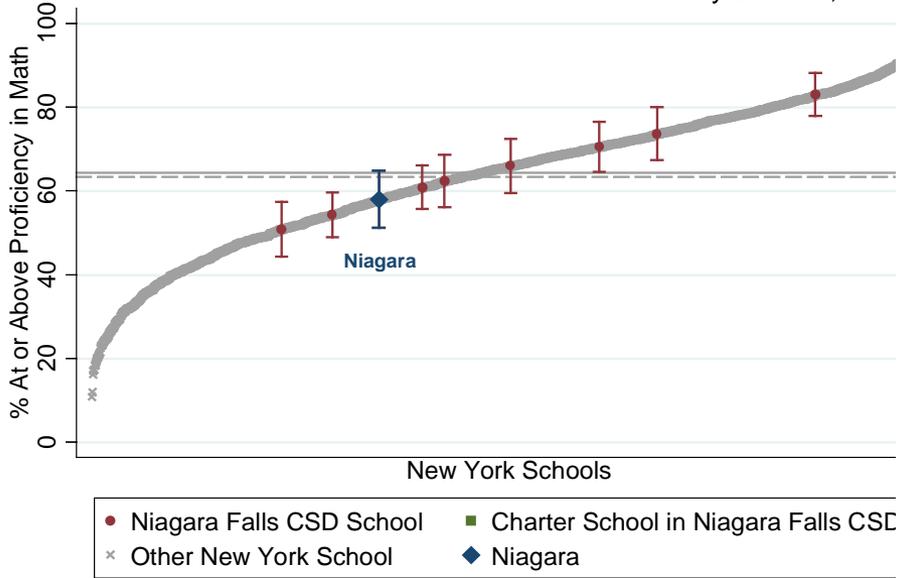


Uncontrolled: Percent At or Above ELA Proficiency
Grades 3-6 Combined Performance for Elementary Schools, 2011

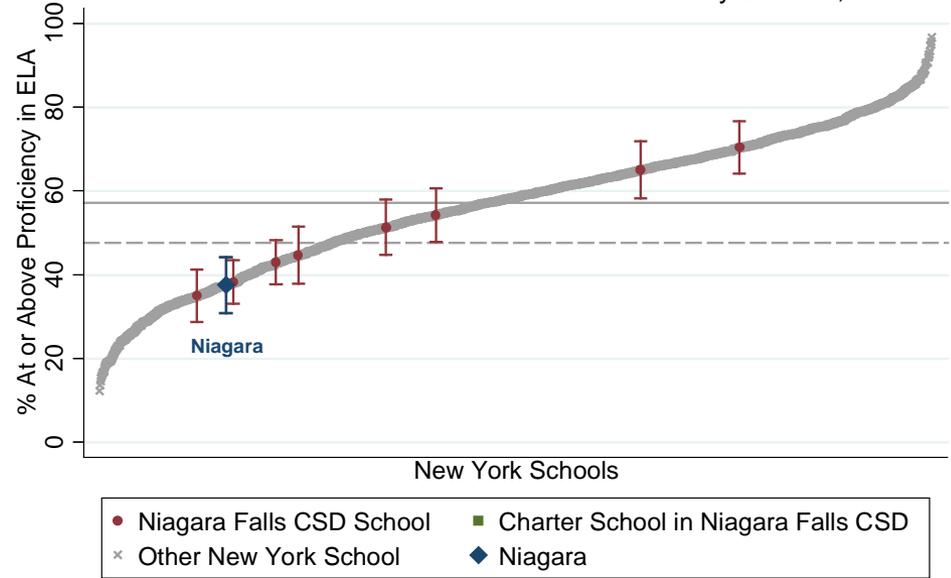


Math and ELA Proficiency Rates, 2010 Compared to the District (Dashed Line)

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



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



APPENDIX

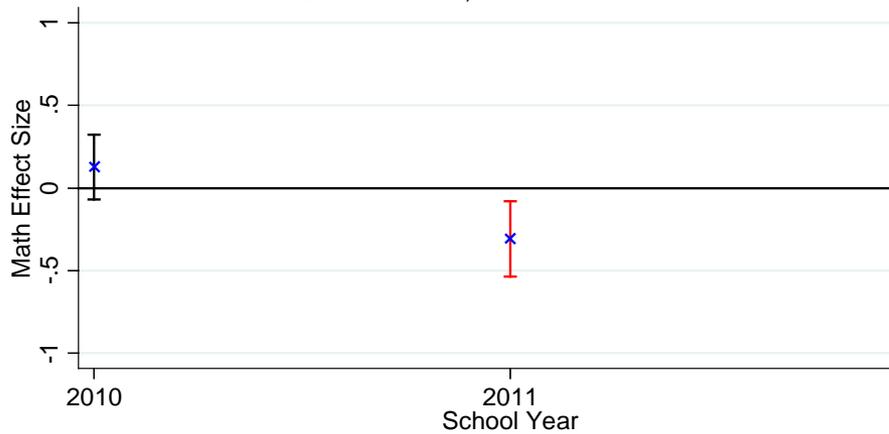
Controlling for students' poverty, LEP, and special education status

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

Math and ELA Adjusted Performance Trends

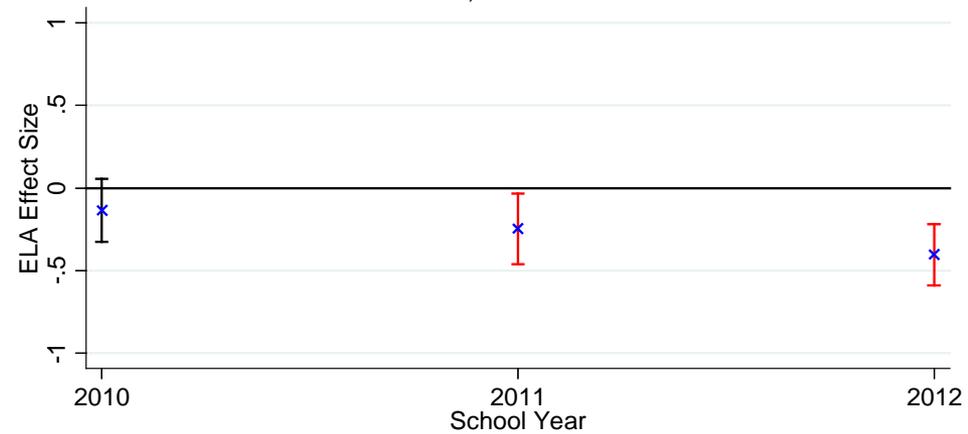
Grade 3

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



Performs as expected
Performs higher than expected
Performs lower than expected

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

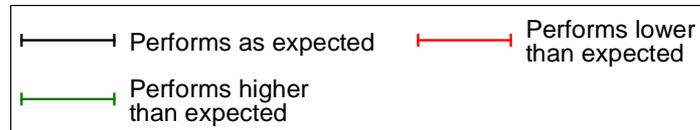
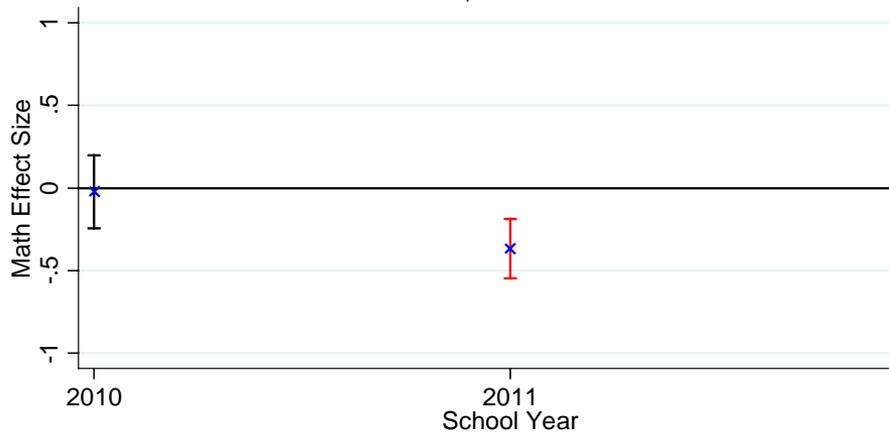


Performs as expected
Performs higher than expected
Performs lower than expected

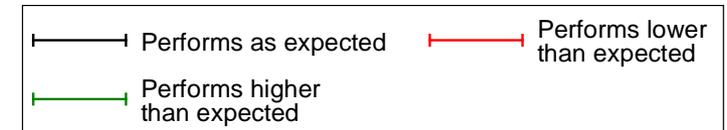
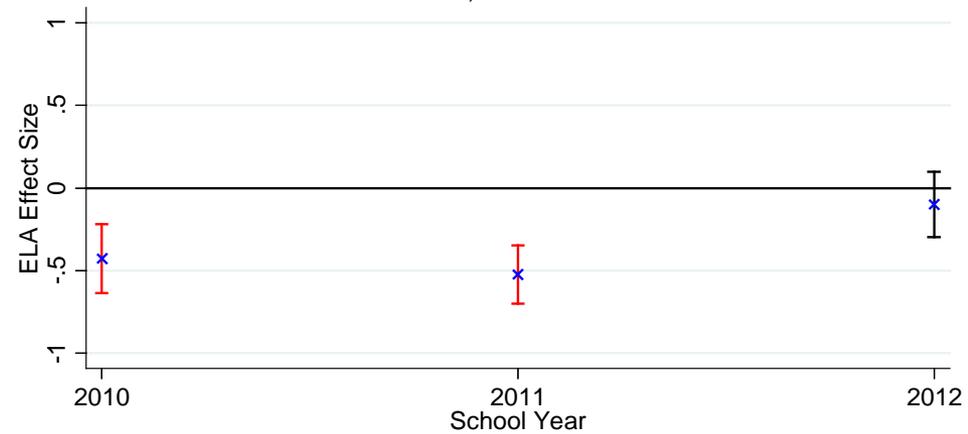
Math and ELA Adjusted Performance Trends

Grade 4

Controlled: Trends for Niagara Charter School
Grade 4 Math, 2009-10 to 2011-12

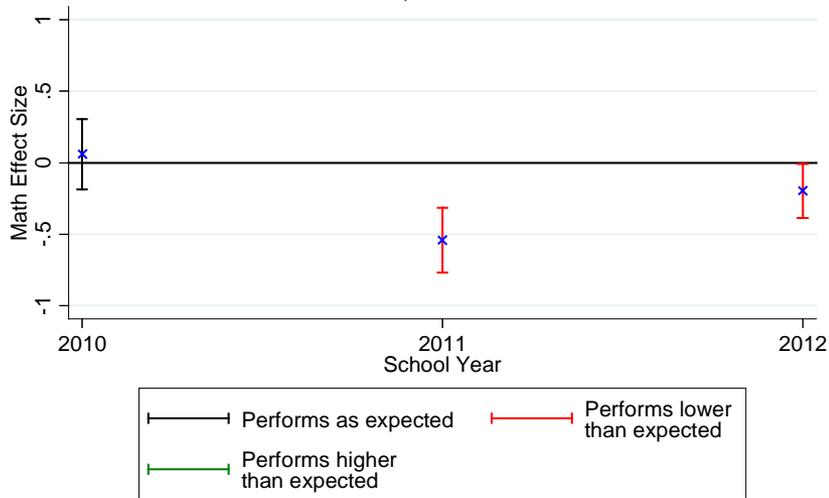


Controlled: Trends for Niagara Charter School
Grade 4 ELA, 2009-10 to 2011-12

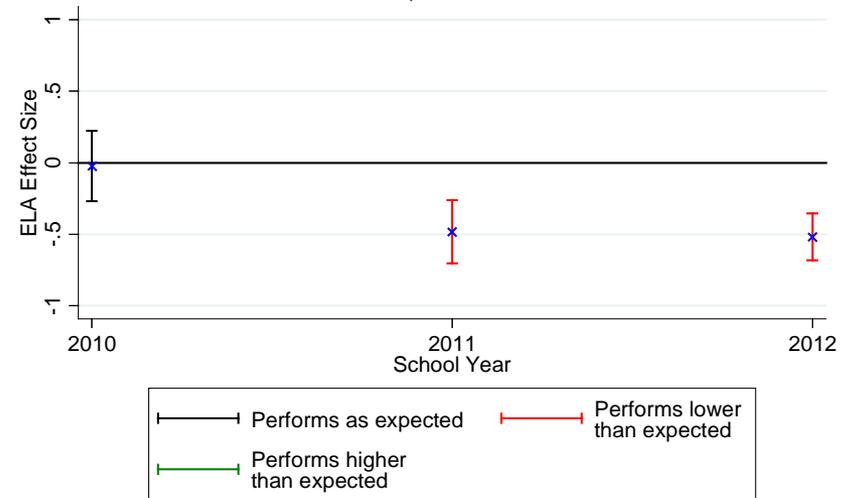


Math and ELA Adjusted Performance Trends Grade 5

Controlled: Trends for Niagara Charter School
Grade 5 Math, 2009-10 to 2011-12



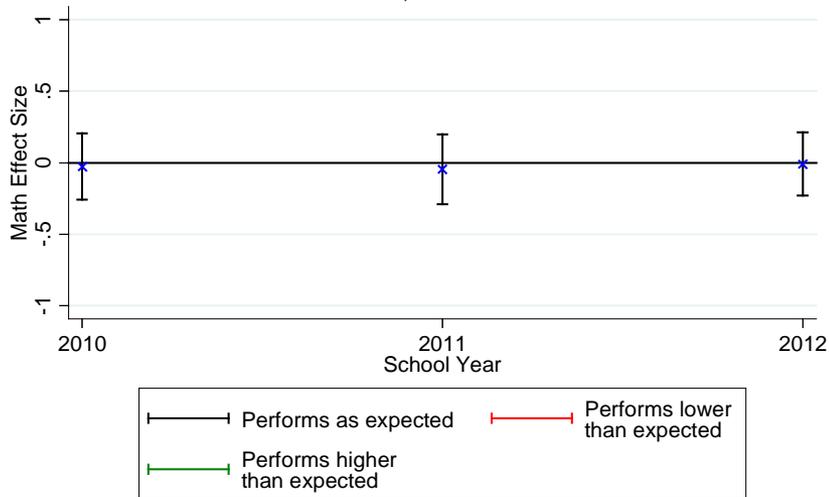
Controlled: Trends for Niagara Charter School
Grade 5 ELA, 2009-10 to 2011-12



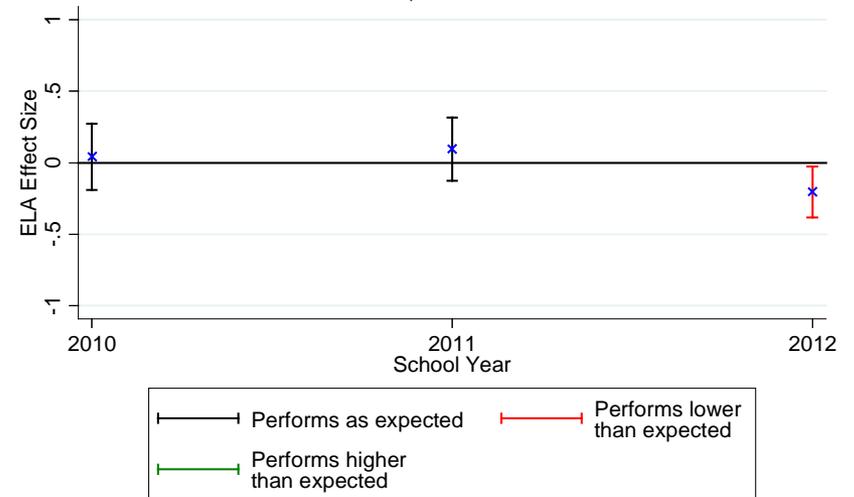
Math and ELA Adjusted Performance Trends

Grade 6

Controlled: Trends for Niagara Charter School
Grade 6 Math, 2009-10 to 2011-12



Controlled: Trends for Niagara Charter School
Grade 6 ELA, 2009-10 to 2011-12



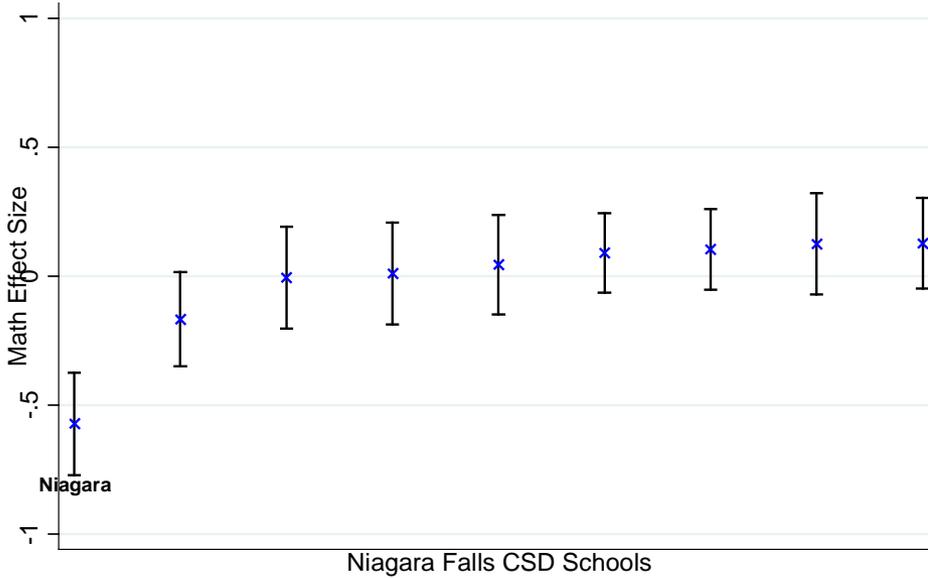
Controlling for students' poverty, LEP, and special education status

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

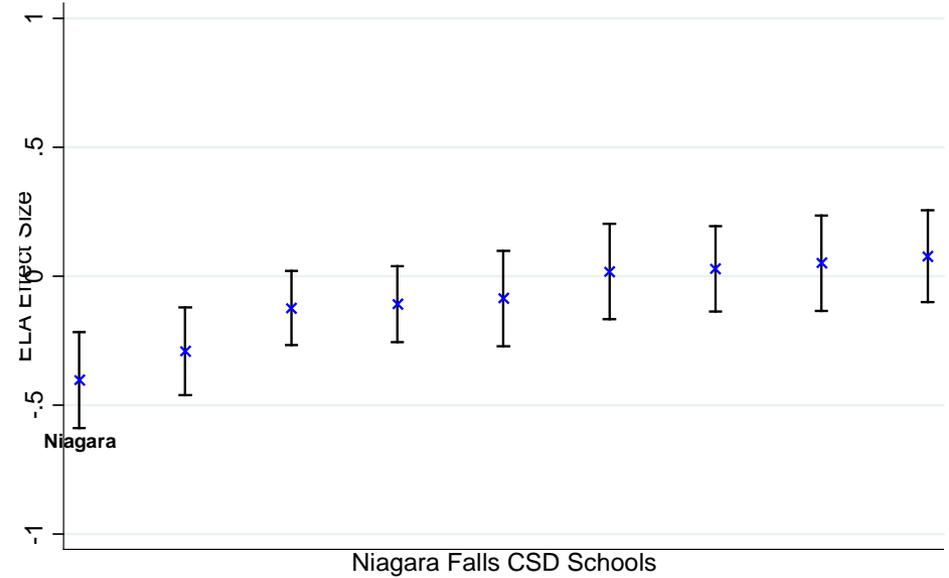
Math and ELA Adjusted Performance Compared to Other District Schools Grade 3, 2012

Under and Overperformance, Niagara Falls CSD Elementary Schools and Under and Overperformance, Niagara Falls CSD Elementary Schools

Grade 3 Math, 2012



Grade 3 ELA, 2012

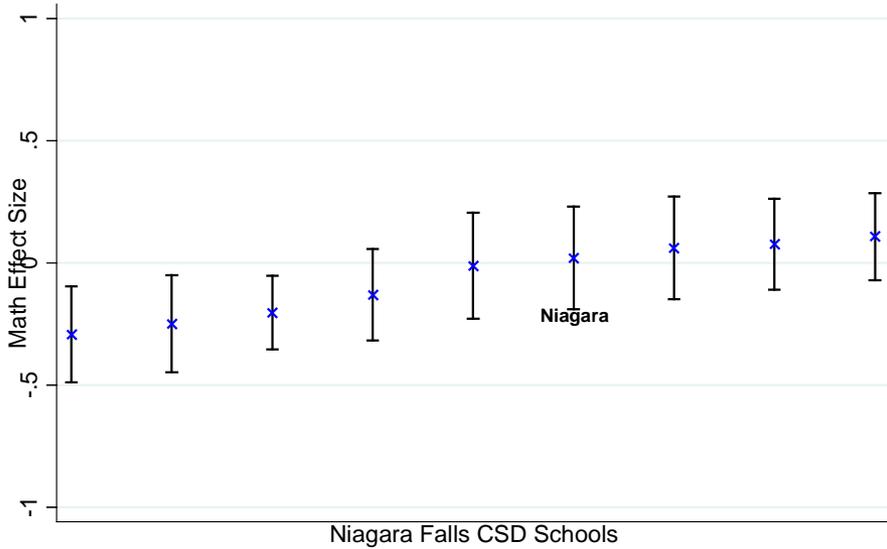


Math and ELA Adjusted Performance Compared to Other District Schools

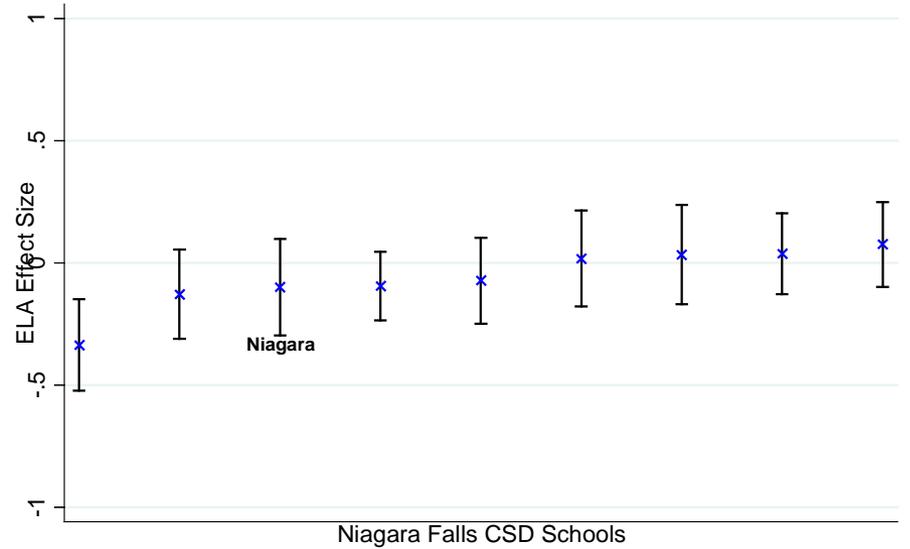
Grade 4, 2012

Under and Overperformance, Niagara Falls CSD Elementary Schools

Grade 4 Math, 2012



Grade 4 ELA, 2012

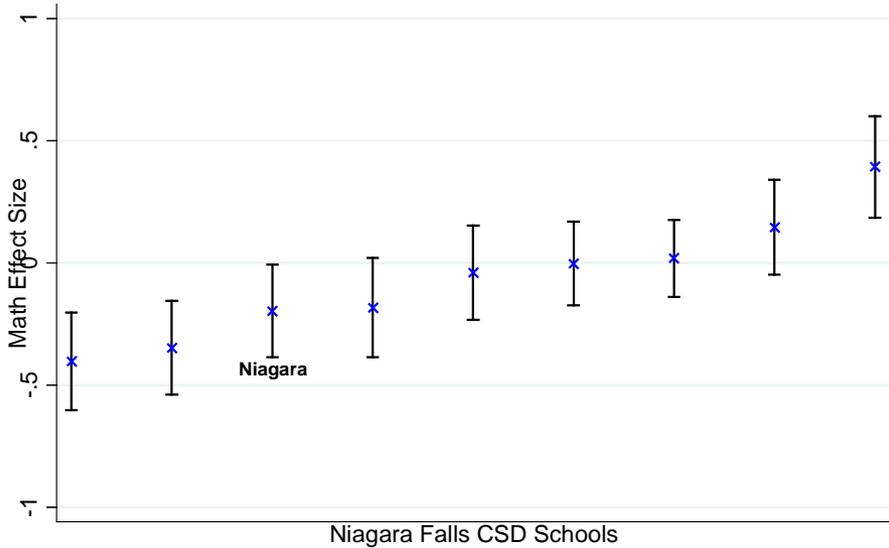


Math and ELA Adjusted Performance Compared to Other District Schools

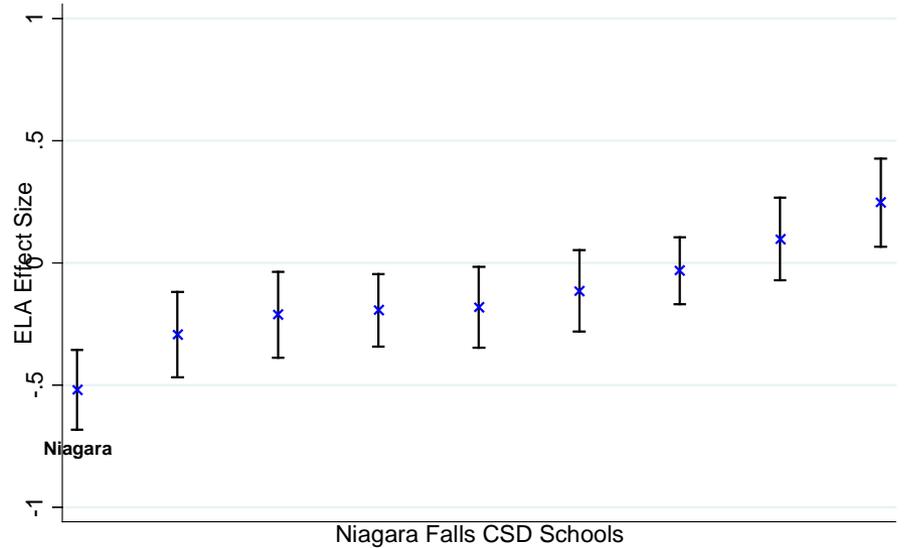
Grade 5, 2012

Under and Overperformance, Niagara Falls CSD Elementary Schools

Grade 5 Math, 2012



Grade 5 ELA, 2012

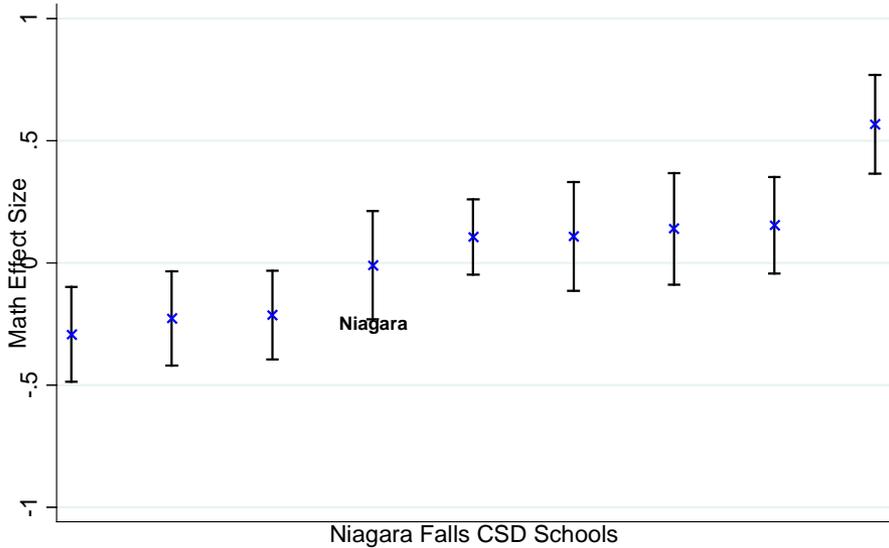


Math and ELA Adjusted Performance Compared to Other District Schools

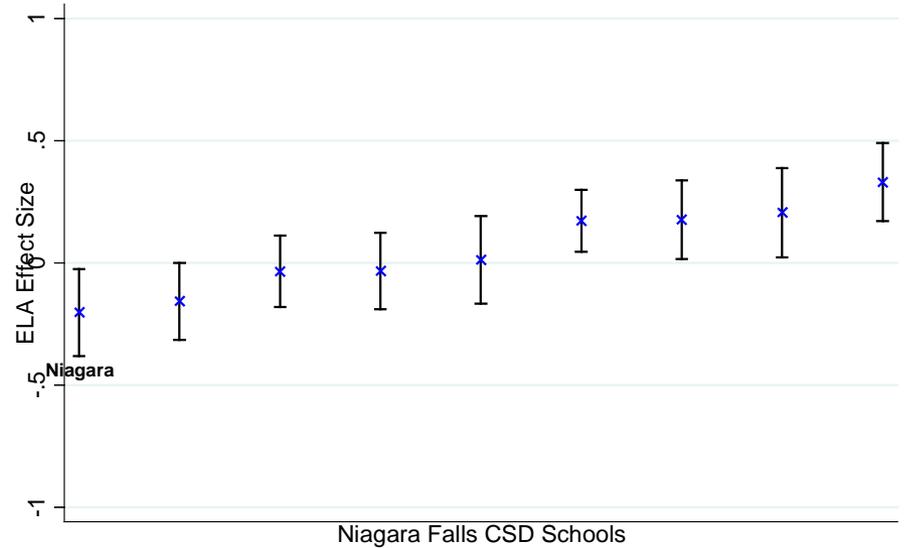
Grade 6, 2012

Under and Overperformance, Niagara Falls CSD Elementary Schools

Grade 6 Math, 2012



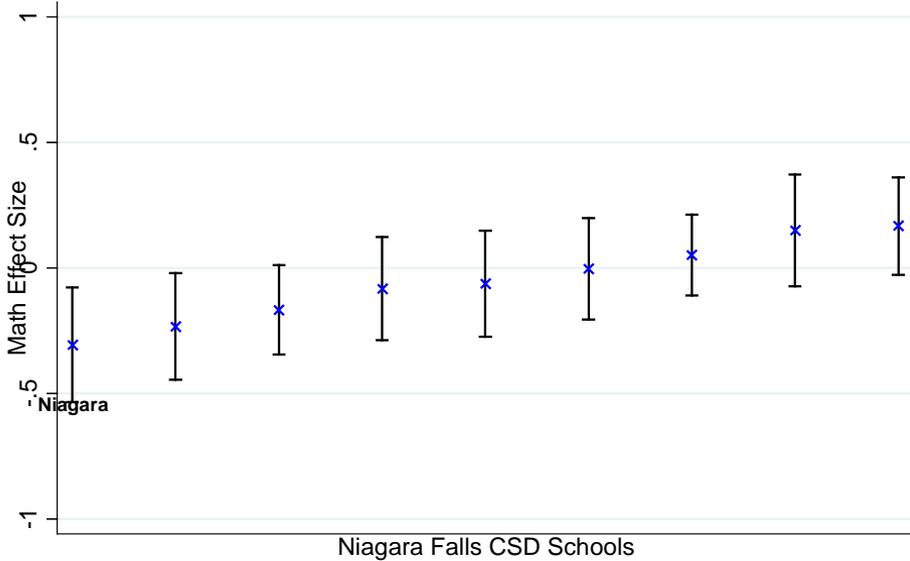
Grade 6 ELA, 2012



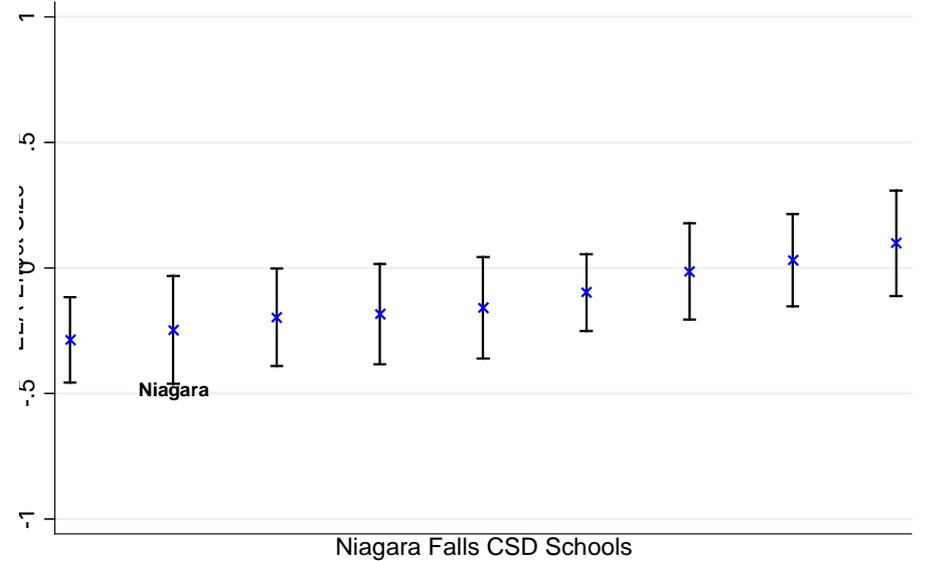
Math and ELA Adjusted Performance Compared to Other District Schools Grade 3, 2011

Under and Overperformance, Niagara Falls CSD Elementary Schools and Overperformance, Niagara Falls CSD Elementary Schools

Grade 3 Math, 2011



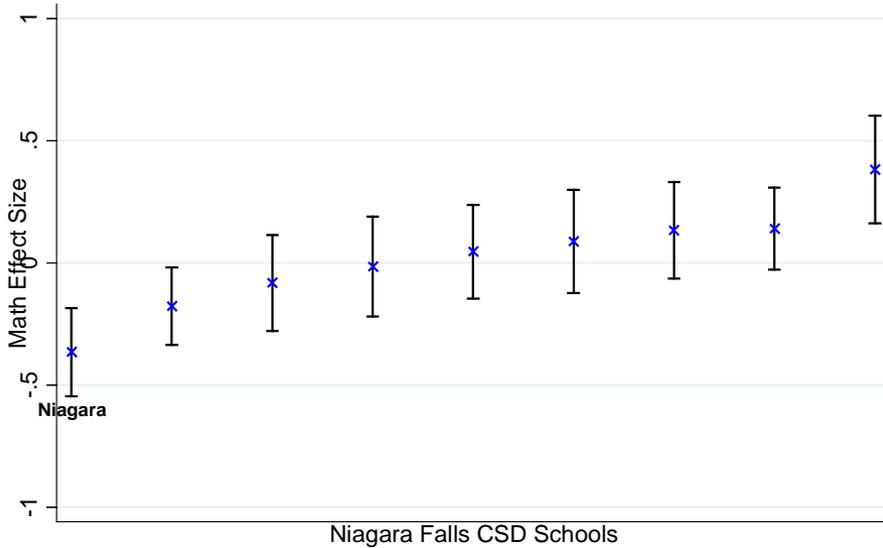
Grade 3 ELA, 2011



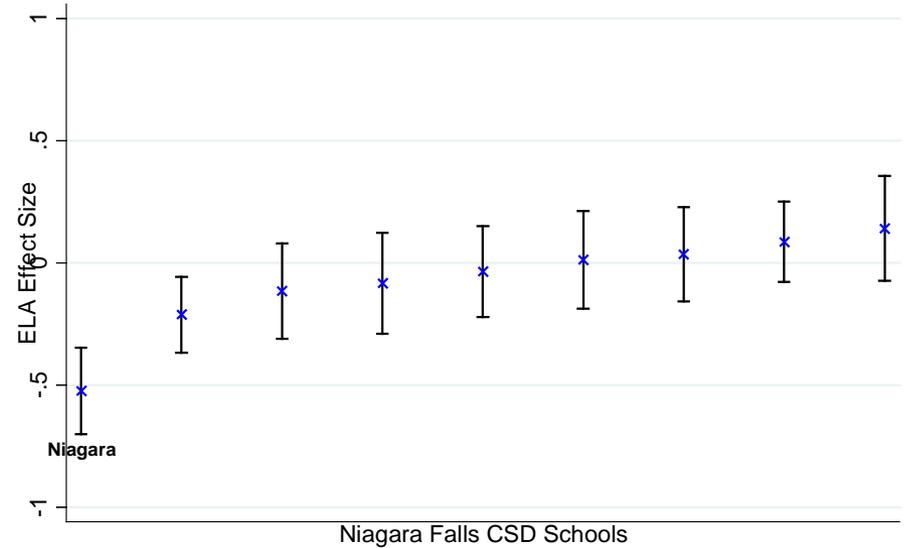
Math and ELA Adjusted Performance Compared to Other District Schools Grade 4, 2011

Under and Overperformance, Niagara Falls CSD Elementary Schools

Grade 4 Math, 2011

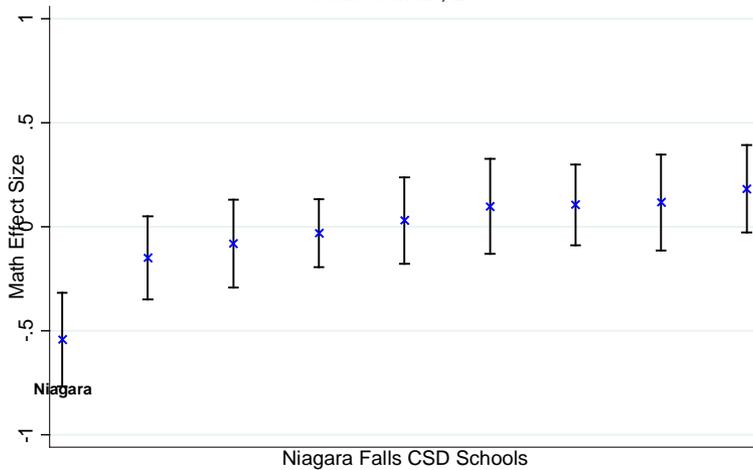


Grade 4 ELA, 2011

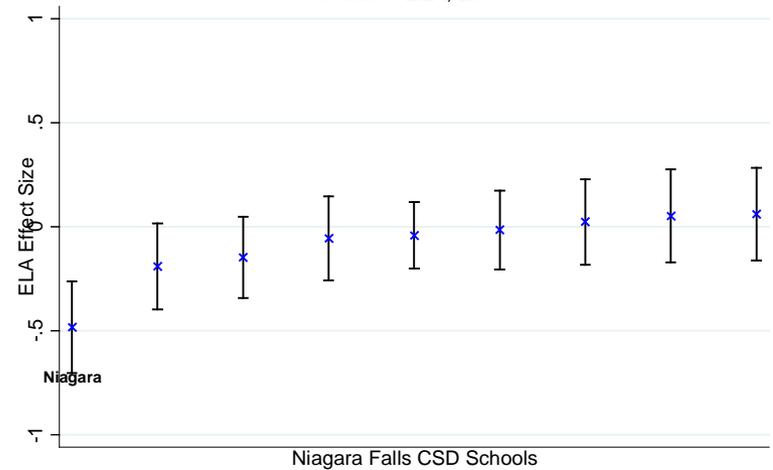


Math and ELA Adjusted Performance Compared to Other District Schools Grade 5, 2011

Under and Overperformance, Niagara Falls CSD Elementary Schools
Grade 5 Math, 2011



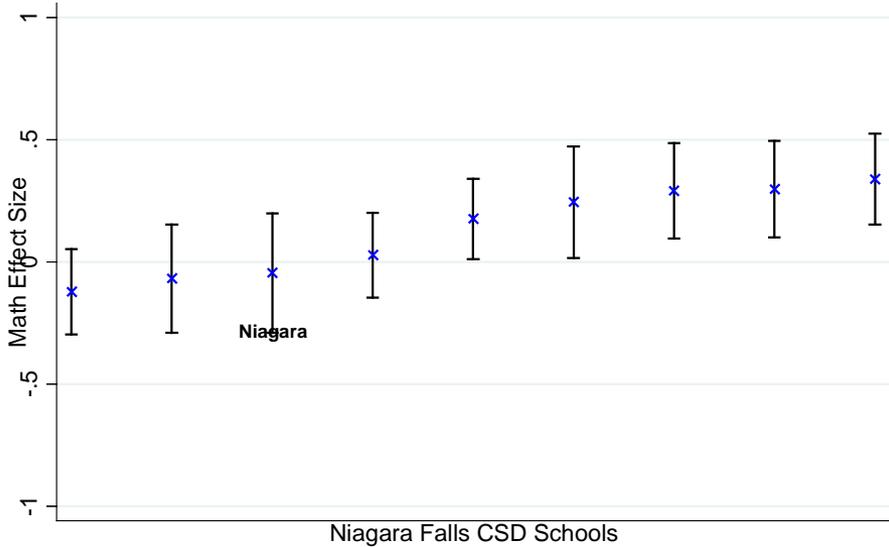
Under and Overperformance, Niagara Falls CSD Elementary Schools
Grade 5 ELA, 2011



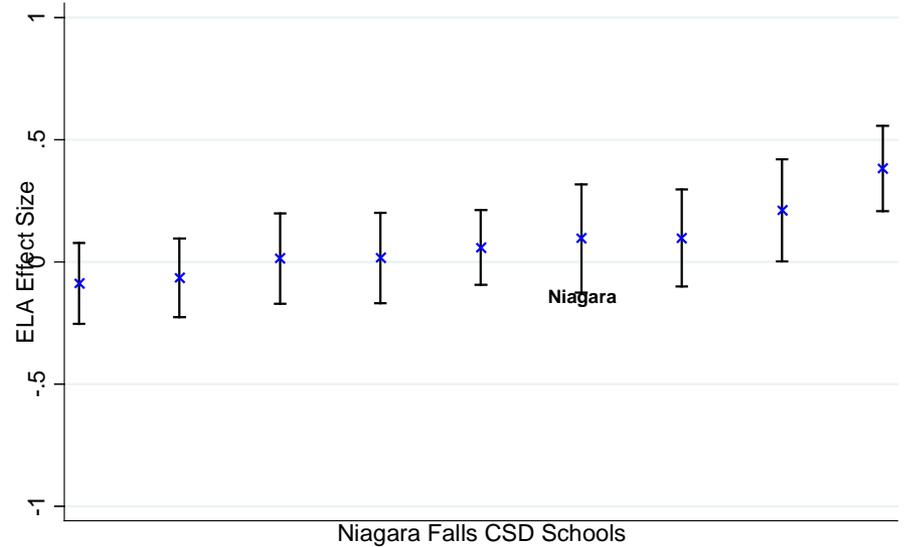
Math and ELA Adjusted Performance Compared to Other District Schools Grade 6, 2011

Under and Overperformance, Niagara Falls CSD Elementary Schools Under and Overperformance, Niagara Falls CSD Elementary Schools

Grade 6 Math, 2011

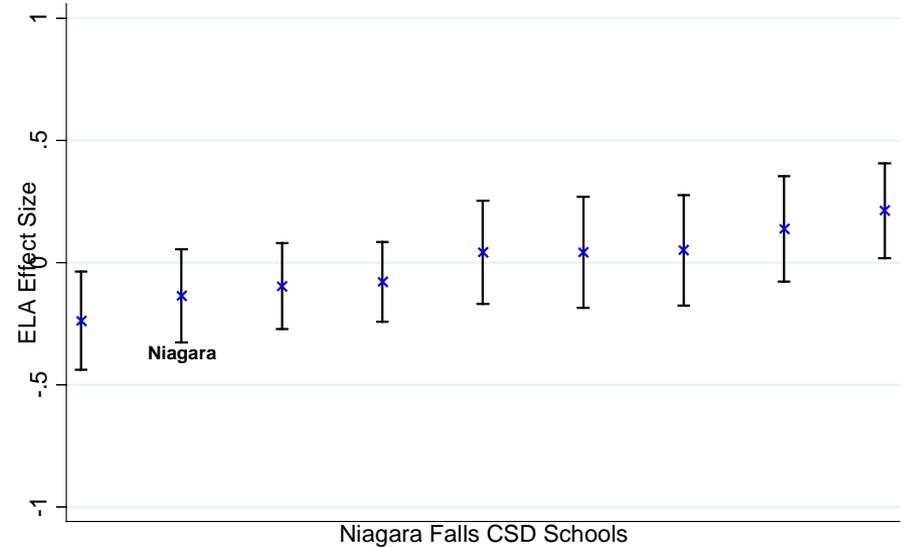
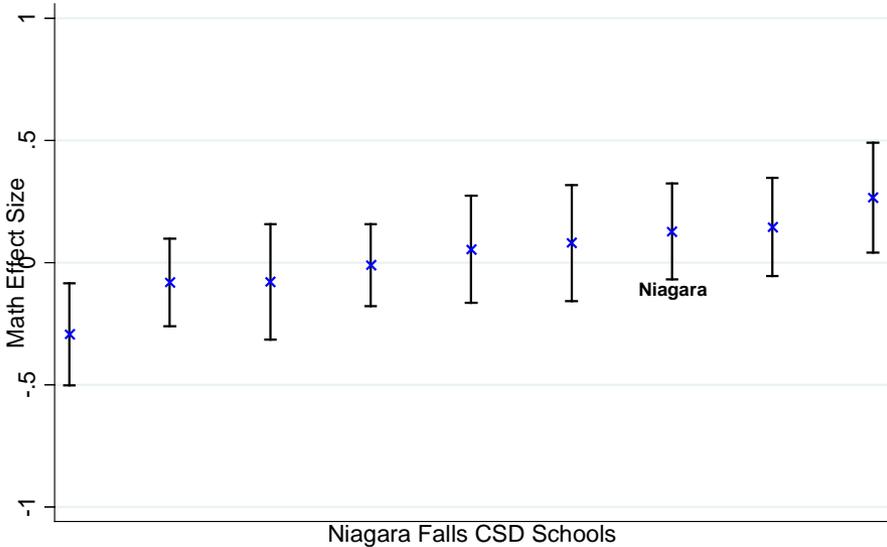


Grade 6 ELA, 2011



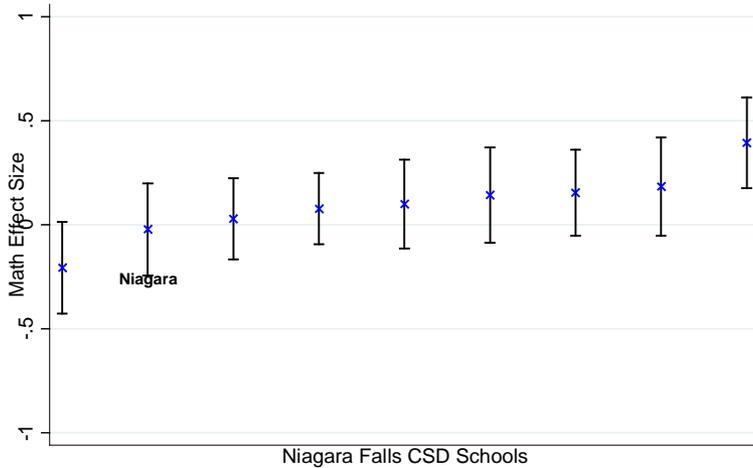
Math and ELA Adjusted Performance Compared to Other District Schools Grade 3, 2010

Under and Overperformance, Niagara Falls CSD Elementary Schools Under and Overperformance, Niagara Falls CSD Elementary Schools

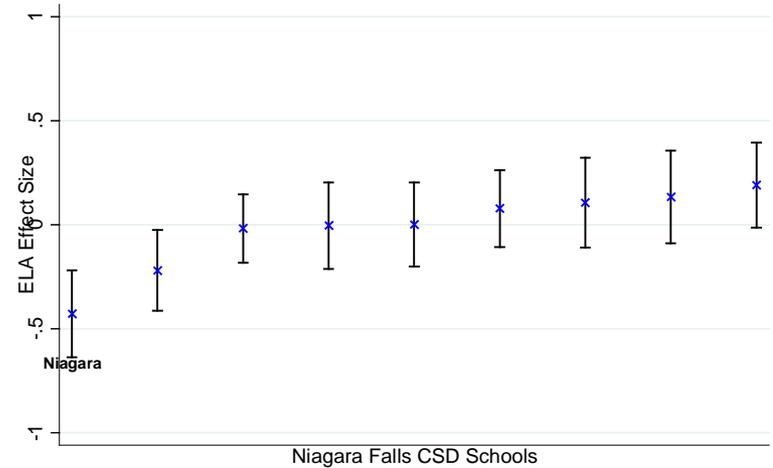


Math and ELA Adjusted Performance Compared to Other District Schools Grade 4, 2010

Under and Overperformance, Niagara Falls CSD Elementary Schools
Grade 4 Math, 2010



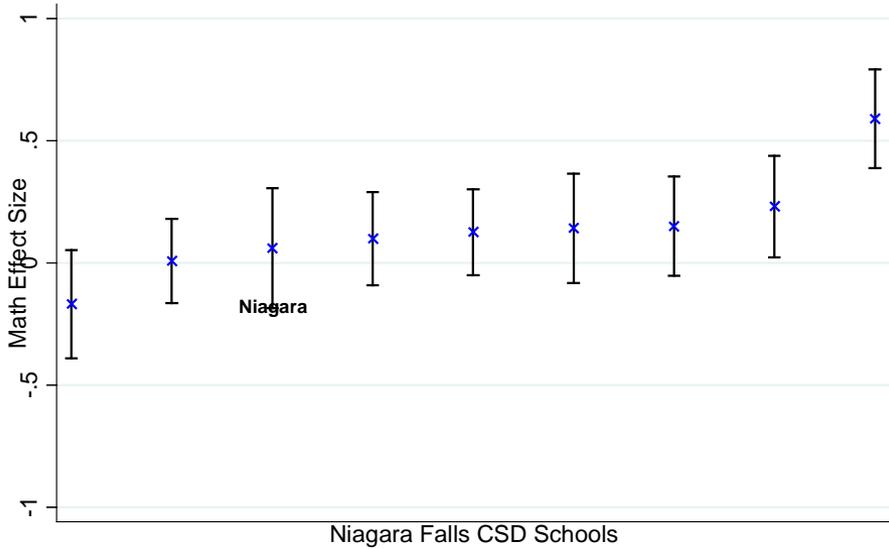
Under and Overperformance, Niagara Falls CSD Elementary Schools
Grade 4 ELA, 2010



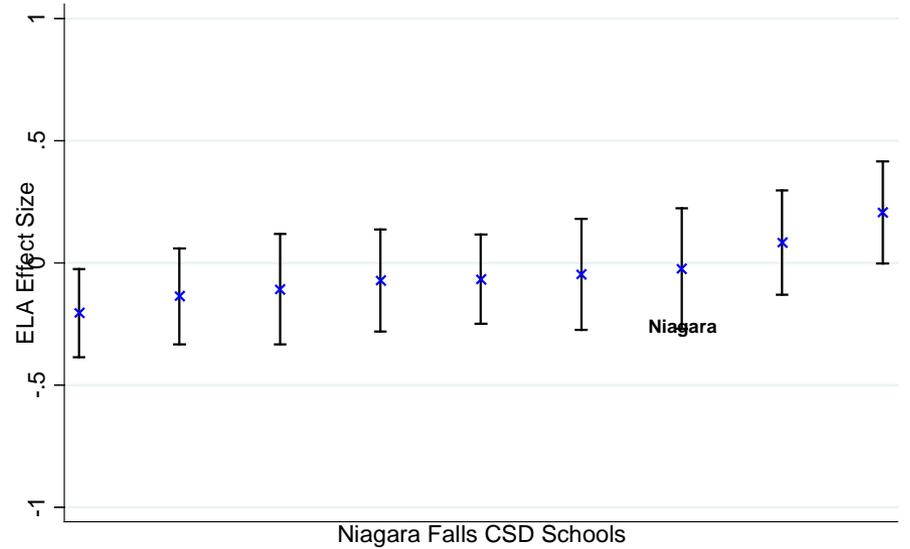
Math and ELA Adjusted Performance Compared to Other District Schools Grade 5, 2010

Under and Overperformance, Niagara Falls CSD Elementary Schools Under and Overperformance, Niagara Falls CSD Elementary Schools

Grade 5 Math, 2010



Grade 5 ELA, 2010

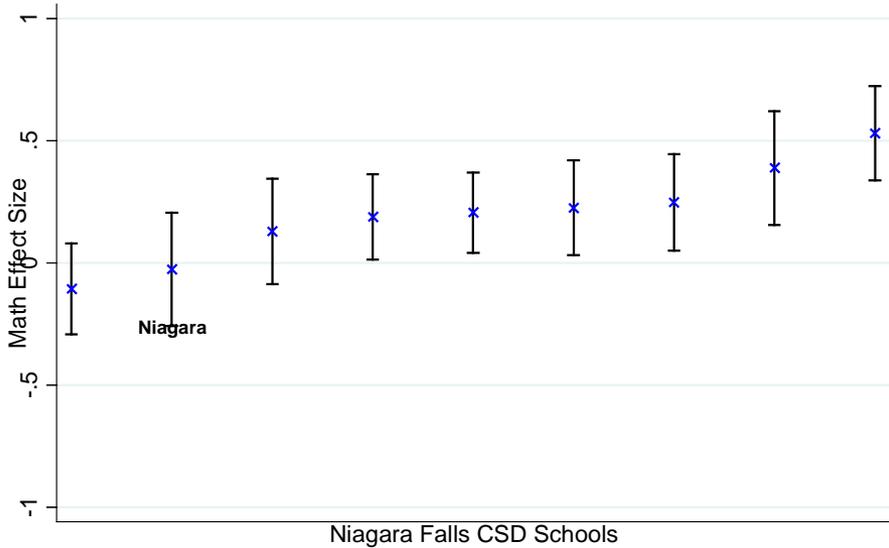


Math and ELA Adjusted Performance Compared to Other District Schools

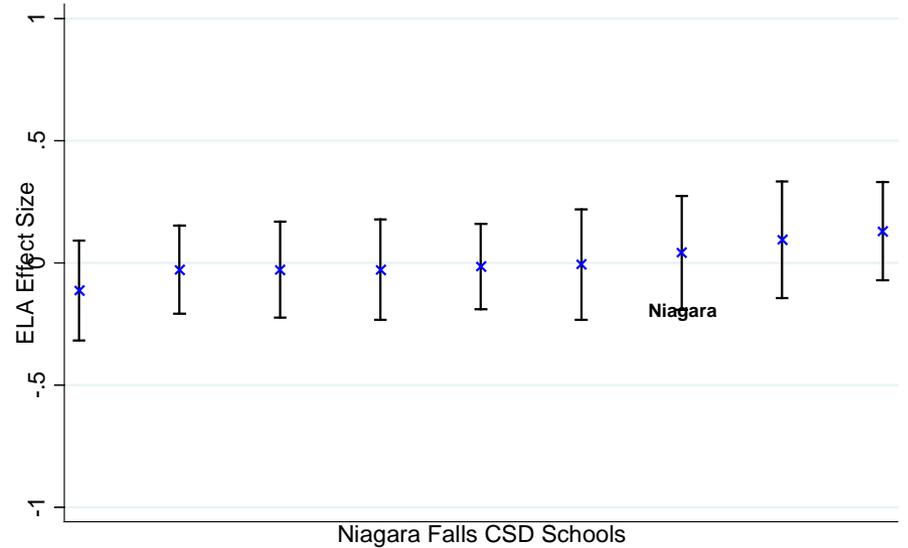
Grade 6, 2010

Under and Overperformance, Niagara Falls CSD Elementary Schools Under and Overperformance, Niagara Falls CSD Elementary Schools

Grade 6 Math, 2010



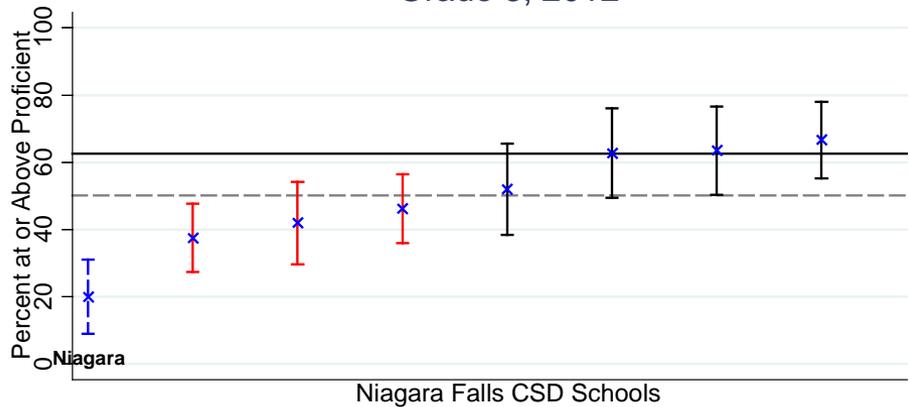
Grade 6 ELA, 2010



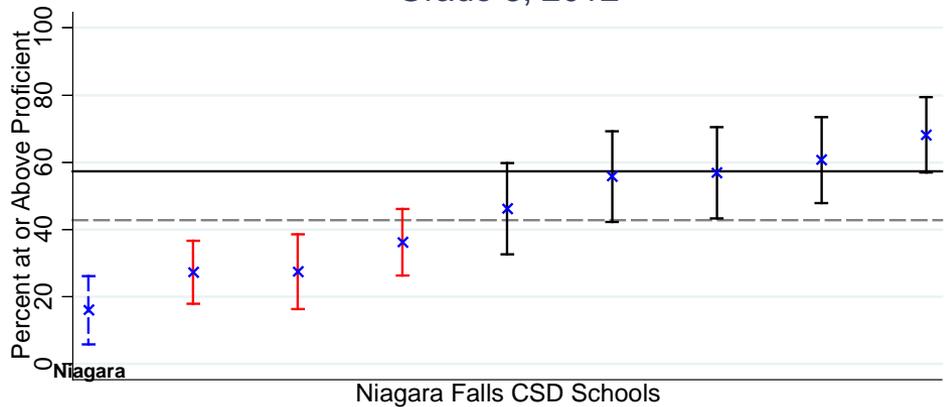
Percent at or above proficient

**UNCONTROLLED PERFORMANCE
(GRADES SEPARATELY,
COMPARED TO DISTRICT)**

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



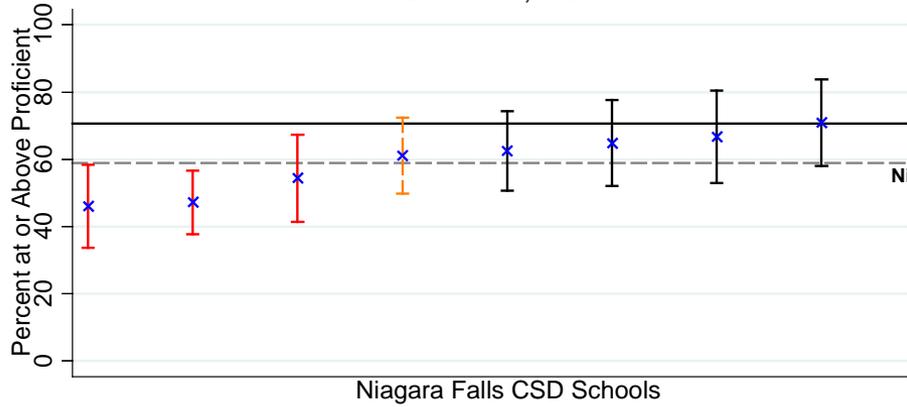
Percent At or Above ELA Proficiency, Elementary Schools
Grade 3, 2012



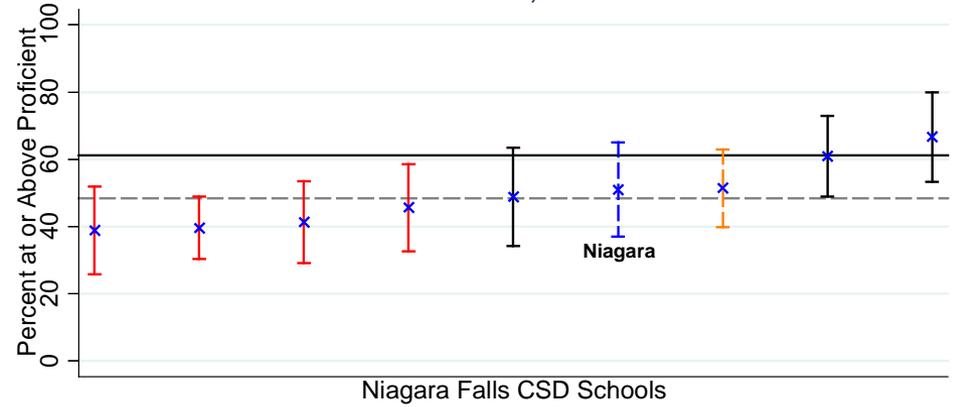
Performs at state average	Performs lower than state average
Performs higher than state average	Charter up for renewal
Other Charter in District	

Performs at state average	Performs lower than state average
Performs higher than state average	Charter up for renewal
Other Charter in District	

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



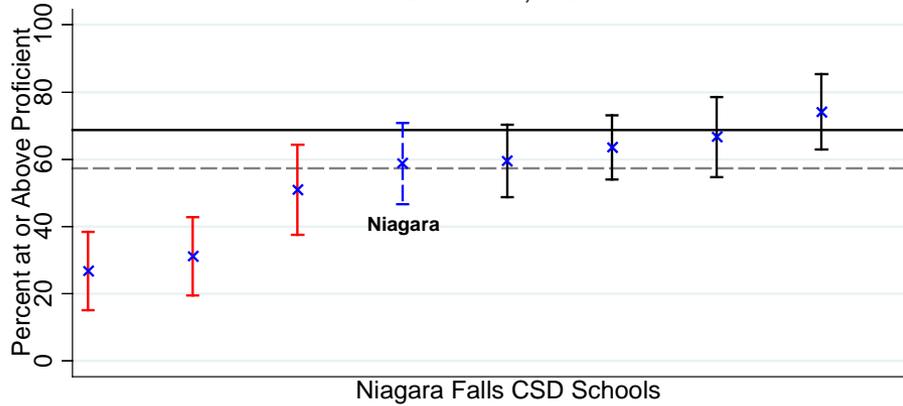
Percent At or Above ELA Proficiency, Elementary Schools
Grade 4, 2012



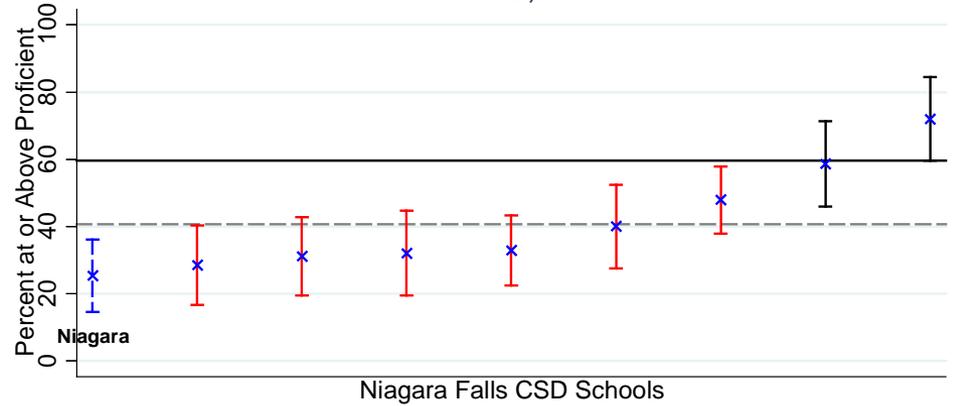
- Performs at state average
- Performs higher than state average
- - - Other Charter in District
- Performs lower than state average
- - - Charter up for renewal

- Performs at state average
- Performs higher than state average
- - - Other Charter in District
- Performs lower than state average
- - - Charter up for renewal

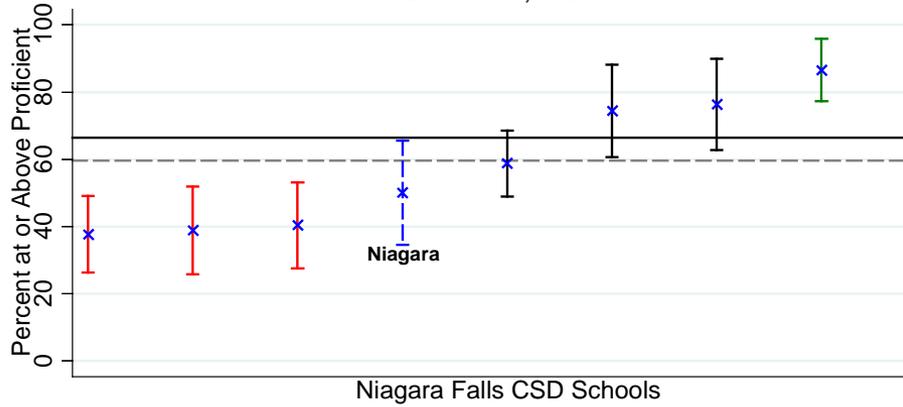
Percent At or Above Math Proficiency, Elementary Sch
Grade 5, 2012



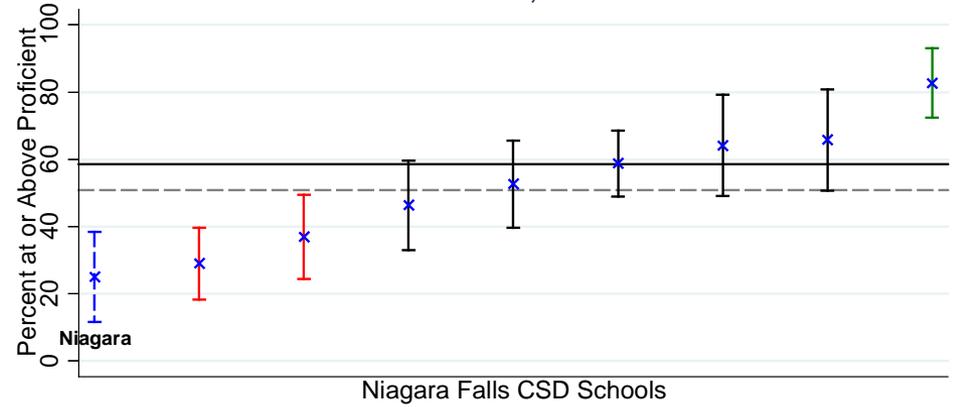
Percent At or Above ELA Proficiency, Elementary Schools
Grade 5, 2012



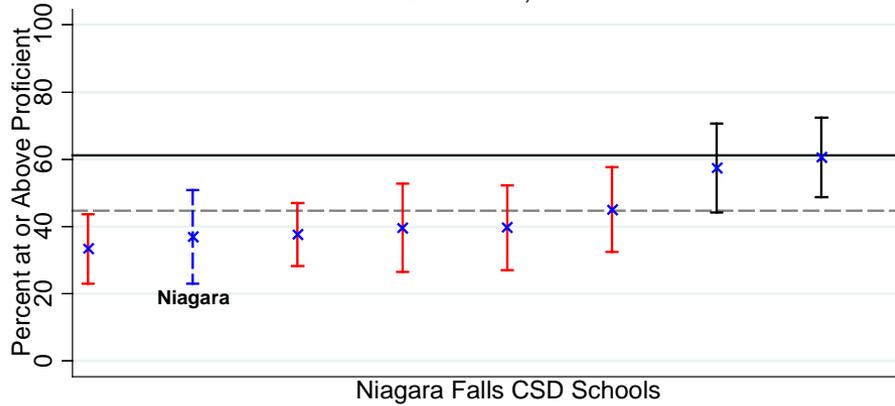
Percent At or Above Math Proficiency, Elementary Sch
Grade 6, 2012



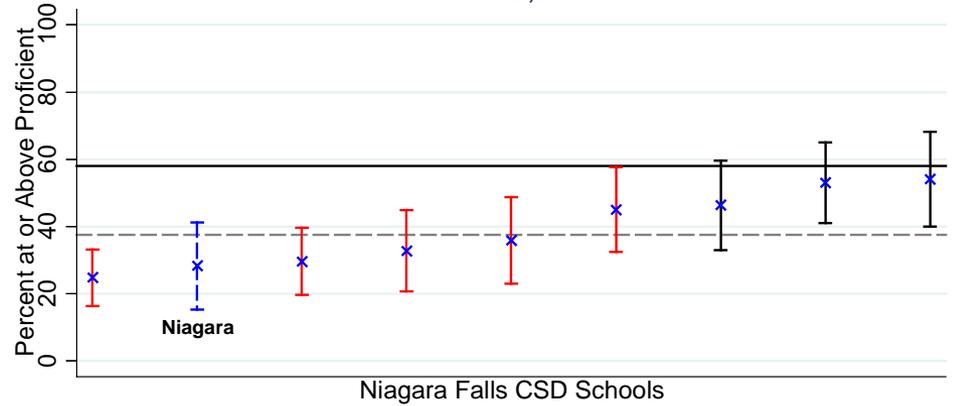
Percent At or Above ELA Proficiency, Elementary Schools
Grade 6, 2012



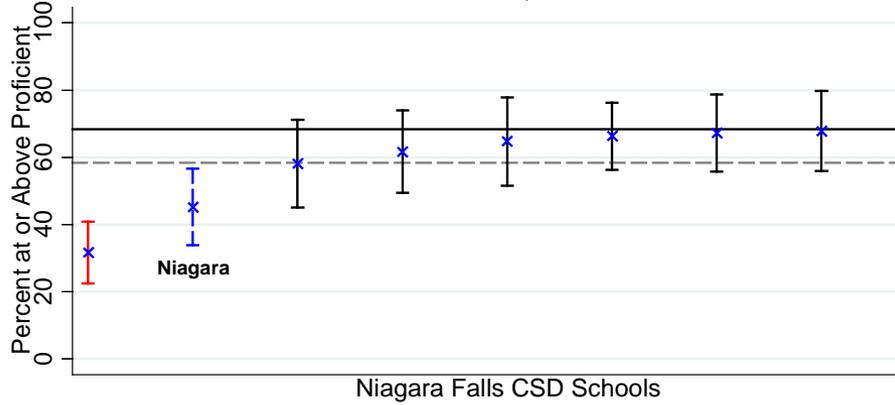
Percent At or Above Math Proficiency, Elementary Sch
Grade 3, 2011



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



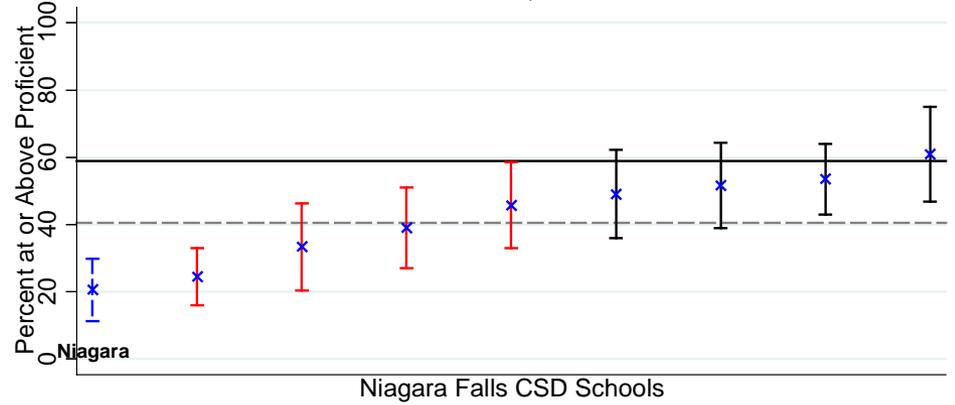
Percent At or Above Math Proficiency, Elementary Sch
Grade 4, 2011



Niagara Falls CSD Schools



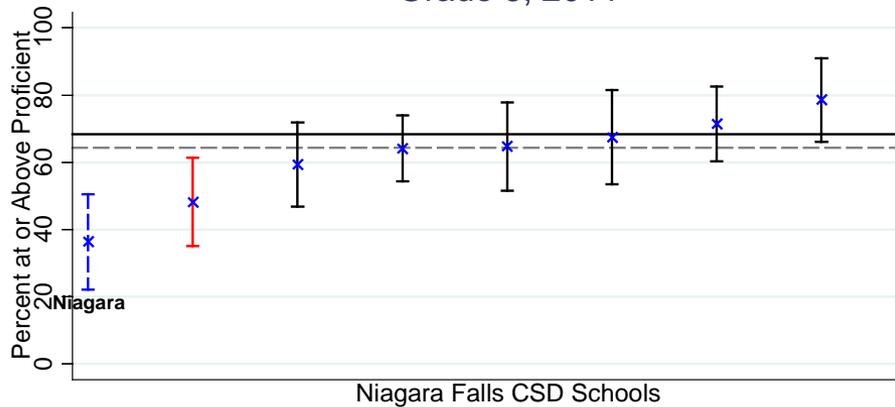
Percent At or Above ELA Proficiency, Elementary Schools
Grade 4, 2011



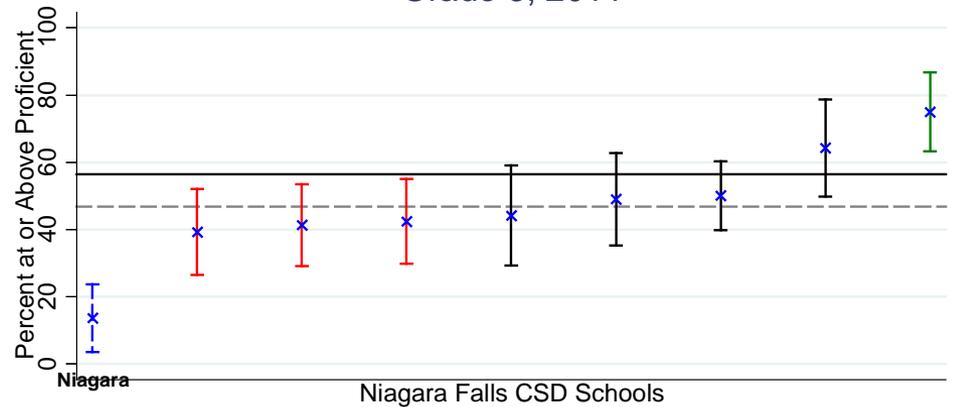
Niagara Falls CSD Schools



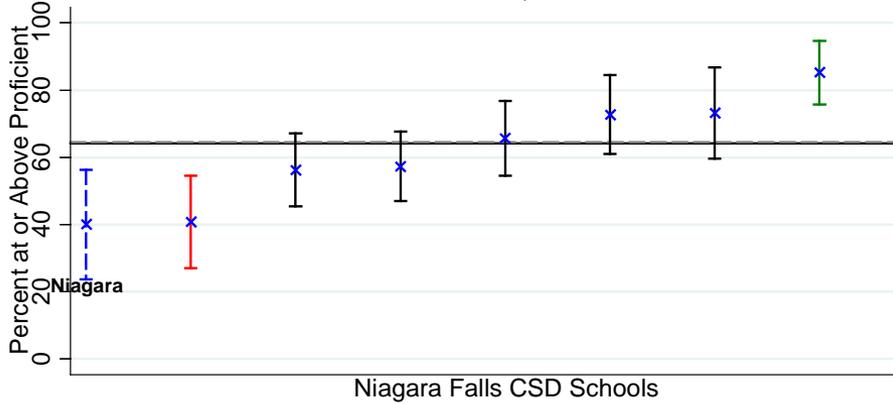
Percent At or Above Math Proficiency, Elementary Sch
Grade 5, 2011



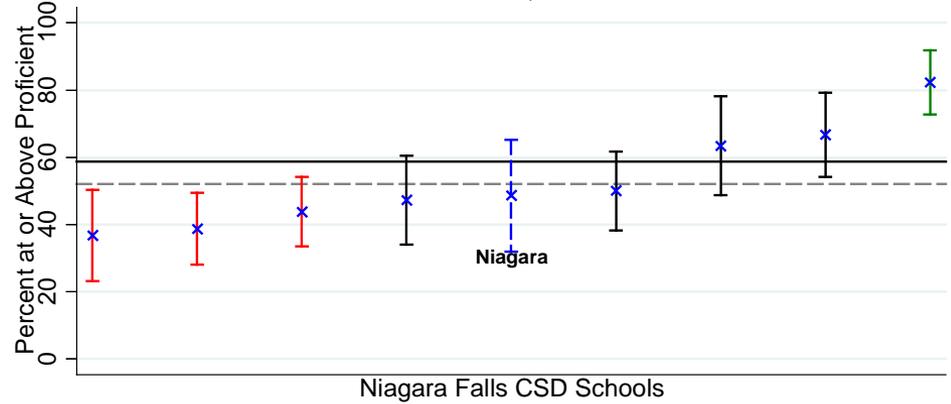
Percent At or Above ELA Proficiency, Elementary Schools
Grade 5, 2011



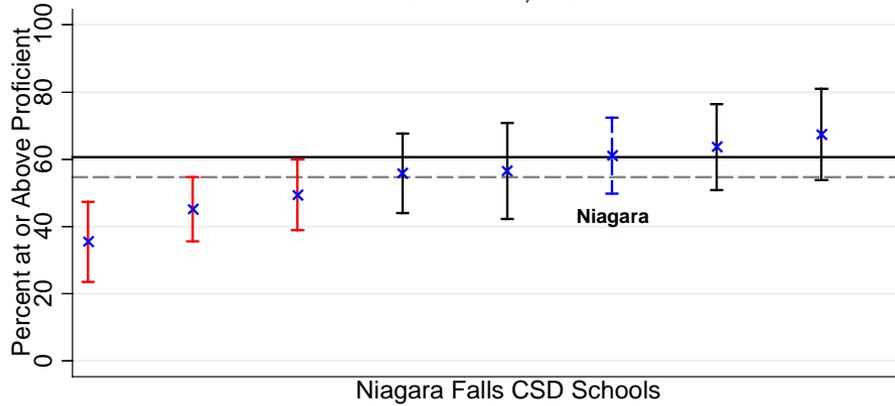
Percent At or Above Math Proficiency, Elementary Sch
Grade 6, 2011



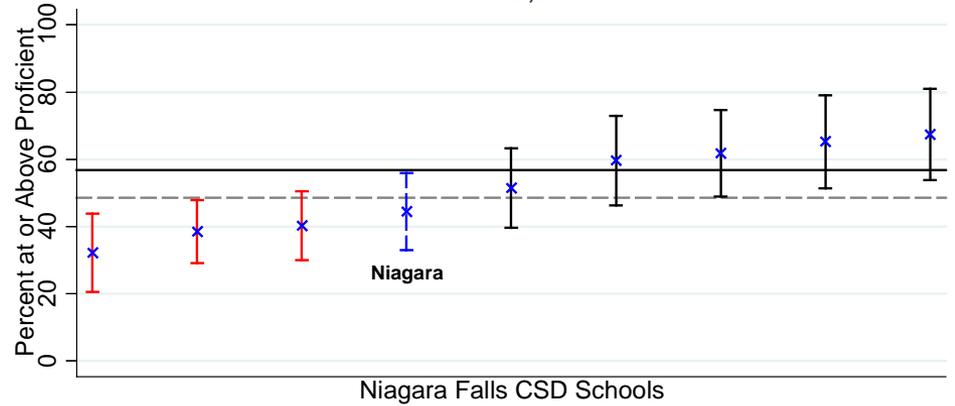
Percent At or Above ELA Proficiency, Elementary Schools
Grade 6, 2011



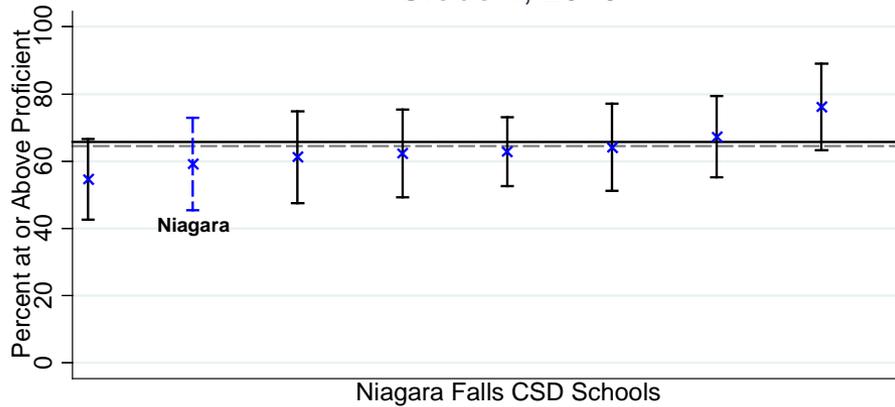
Percent At or Above Math Proficiency, Elementary Sch
Grade 3, 2010



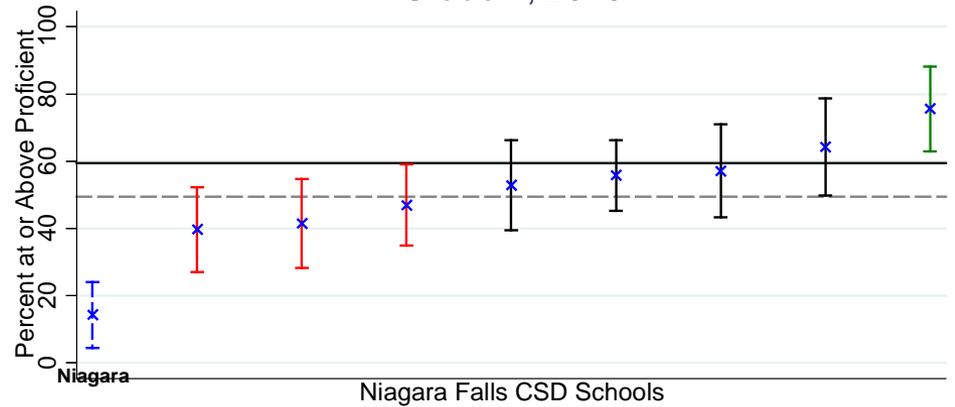
Percent At or Above ELA Proficiency, Elementary Schools
Grade 3, 2010



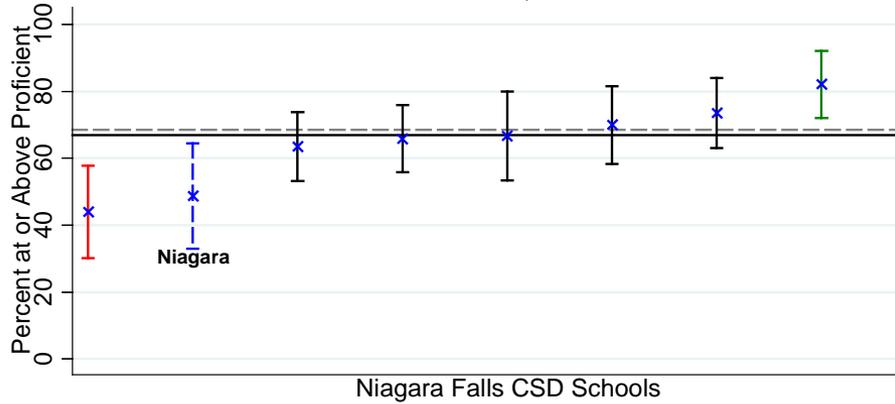
Percent At or Above Math Proficiency, Elementary Sch
Grade 4, 2010



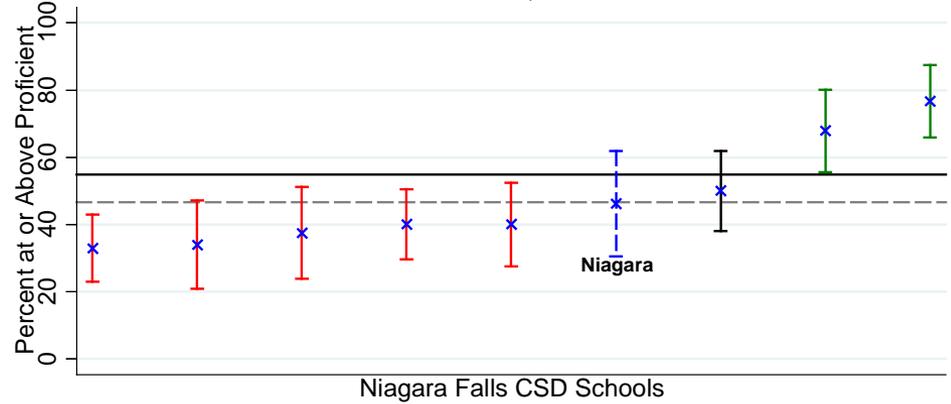
Percent At or Above ELA Proficiency, Elementary Schools
Grade 4, 2010



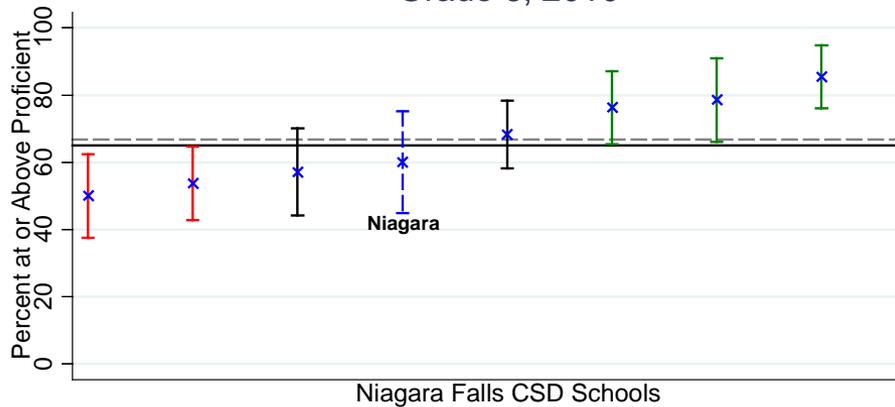
Percent At or Above Math Proficiency, Elementary Sch
Grade 5, 2010



Percent At or Above ELA Proficiency, Elementary Schools
Grade 5, 2010



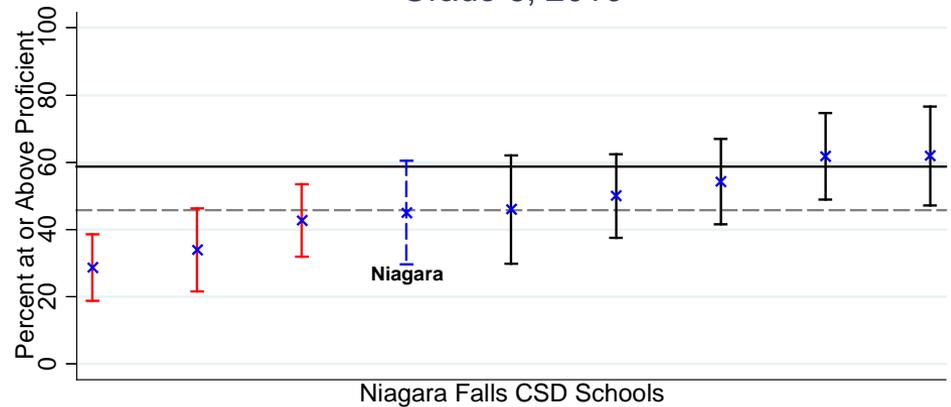
Percent At or Above Math Proficiency, Elementary Sch
Grade 6, 2010



Niagara Falls CSD Schools



Percent At or Above ELA Proficiency, Elementary Schools
Grade 6, 2010



Niagara Falls CSD Schools



Appendix B: Niagara Charter School Fiscal Dashboard

Charter School:	Niagara Charter School
<i>Report as of:</i>	<i>2011</i>

General Information:					
Contact Info:		Years in Operation:	7	Enrollment:	350
Region:	Niagara-Wheatfield	Grades Served:	K-6	Max Enrollment:	350

Income Statement:

Revenues:	
State/Local Operating	\$4,036,623
Federal Sources	0
State/Local Grants	414,665
Other	18,249
Total Revenues:	\$4,469,537

Expenses:	
Total Program Services	\$3,112,033
Management and General	734,180
Fundraising	0
Total Expenses:	\$3,846,213

Ops. Surplus/(Deficit)	\$623,324
-------------------------------	------------------

Balance Sheet & Cash Flow:

Assets:	
Cash	\$634,779
Total Current Assets	896,670
Investments & PP&E	482,106
Total Assets:	\$1,378,776

Liabilities:	
Current Liabilities	\$733,036
Total Debt	0
Total Liabilities:	733,036
Net Assets:	645,740
Total Liab. & Net Assets:	\$1,378,776

Change in Cash	\$476,695
-----------------------	------------------

Key Performance Metrics:

Near-Term Metrics:	
Current Ratio	1.2x
Unrestricted Days Cash	61.3
Enrollment Stability	100.0%
Total Revenue Per Student:	\$12,770
Total Expenses Per Student:	\$10,989

Sustainable Metrics:	
Total Margin	13.9%
Debt to Asset Ratio	0.53x
Cash Flow	\$476,695
Debt Service Coverage Ratio	N/A
Composite Score	2.90
Composite Strength	Strong

Appendix B: Niagara Charter School Fiscal Dashboard

Symbol Legend:

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

Key Inputs:

Target School:	Niagara Charter School
Time Period:	2011

Financial Indicator:

Target: Niagara Charter School

Near-Term Indicators:

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

Current Metric:	Performance:
1.2x	
61.3	
100.0%	

Financial Composite Score:

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

Current Metric:	Performance:
2.90x	

Long-Term Indicators:

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

Current Metric:	Performance:
13.9%	
0.53x	
\$476,695	
N/A	

Appendix B: Niagara Charter School Fiscal Dashboard

	2011	2010	2009	Average
1a. Current Ratio	1.22x	0.55x	0.31x	0.69x
<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	61.3	2.1	(15.1)	16.1
<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):
X	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:
	Less than 15 Days Cash

	2011	2010	2009	Average
1c. Enrollment Stability	100.0%	100.0%	100.0%	100.0%
<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	2.90
<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
X	Composite Score Range of 1.5-3.0.
	Fiscally Adequate
	Composite Score Range of 1.0-1.4.
	Requires Review: Fiscally Needs Monitoring
	Composite Score Range of -1.0-0.9.

Appendix B: Niagara Charter School Fiscal Dashboard

	2011	2010	2009	Average
2a. Total Margin	13.9%	4.3%	4.4%	7.5%
<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	0.53x	0.94x	1.56x	1.01x
<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	\$476,695	\$95,844	\$9,147	\$193,895
<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

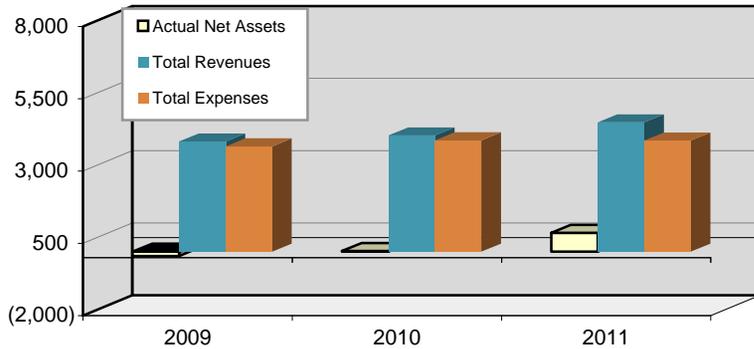
Appendix B: Niagara Charter School Fiscal Dashboard

Charter School: Niagara Charter School

Report as of: 2011

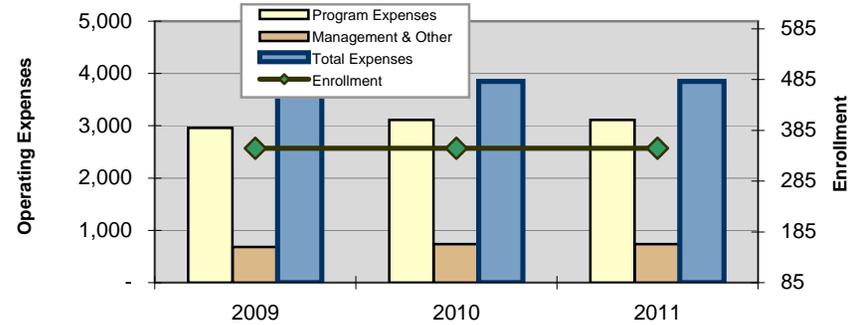
(\$'s in thousands)

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.

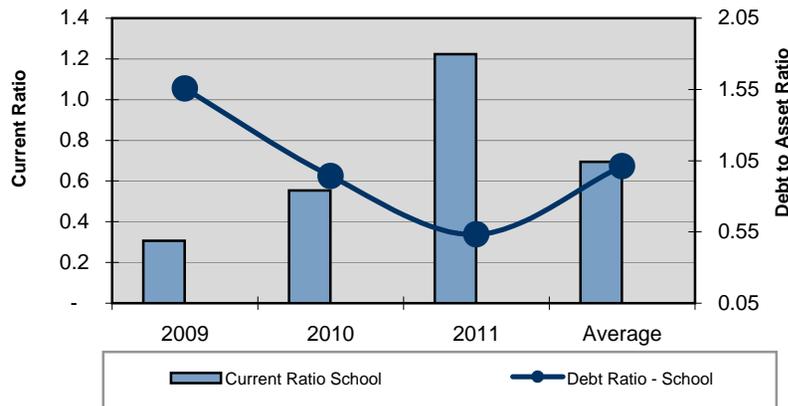
Enrollment vs. Operating Expenses



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

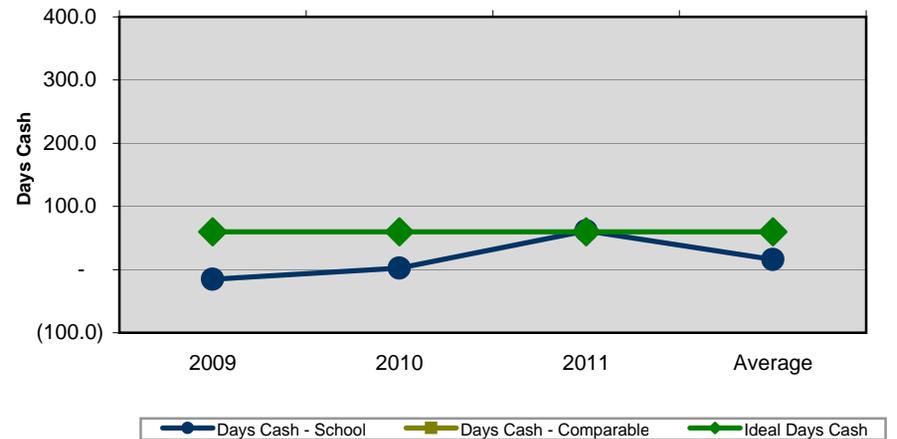
Current Ratio / Debt to Asset Ratio

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 /



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

Rochester Academy Charter School
Application for First Charter Renewal

March 2013

Introduction

This report is the primary means by which the Charter School Office 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	Rochester Academy Charter School
Lead Applicant(s)	Mahmut Gedemenli, Board President
District of Location	Rochester City School District
Districts Served	Rochester City School District
Opening Date	September 8, 2008
Charter Terms	Initial Charter Term: January 15, 2008 through January 14, 2013 1st Renewal Charter Term: January 15, 2013 through June 30, 2013 ¹
Management Company	None
Partners	None
Facilities	841 Genesee Street, Rochester and 901 Portland Avenue, Rochester (both are leased from private landlord)
Enrollment and Grade Span during Current Charter Term	155 students in grades 7 through 9 in 2008 - 2009 206 students in grades 7 through 10 in 2009 - 2010 260 students in grades 7 through 11 in 2010 - 2011 283 students in grades 7 through 12 in 2011 - 2012 320 students in grades 7 through 12 in 2012 – 2013
Current Maximum Enrollment and Grade Span	Maximum enrollment of 360 student in grades 7 through 12
Mission Statement	“...[T]o provide students in grades seven through twelve with rigorous, challenging academics through hands-on, meaningful learning opportunities that will provide them with the skills necessary to be successful academically, socially, and emotionally.”

Background

The Board of Regents granted an initial charter to Rochester Academy Charter School (“RACS” hereafter) in January 2008. The school opened in September 2008, with 180 students in grades 7 through 9. The school expanded one grade each subsequent year with grade 12 added in school year 2011-12. The school currently enrolls 320 students in grades 7 through 12 although full capacity is 360 students. The school is housed on two separate campuses. Prior to this year, one campus housed grades 7 through 9

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.

while the other campus grades 10 through 12. This school year the structure changed so that one campus has grades 7 through 8 and the other campus has grades 9 through 12.

Recommendation and Required Findings

After a thorough Department review of the evidence submitted by Rochester Academy Charter School (RACS) and gathered by the Department, the Department recommends that the Board of Regents approve a one year charter renewal for Rochester Academy Charter School for the term from July 1, 2013, through June 30, 2014.

Based on the review of evidence related to the school's performance including, but not limited to, the school's 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 RACS has demonstrated the ability to operate in an educationally sound manner; 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).²

However, as discussed below, the school's educational record currently does not warrant a full five-year renewal term. The educational record of Rochester Academy Charter School is mixed and based on a limited amount of data, especially at the high school level. While the school has met some of its growth goals, and has met its comparative goals most years, the School failed to meet its absolute performance goal outlined in its initial charter application. Further, RACS outperforms the local school district but consistently performs below state average in both ELA and math.

Of significant note, on February 6, 2013, department staff made an unannounced visit to the middle school and found RACS to be an unsafe and disorganized learning environment; calling into question the school's ability to maintain a safe environment for children and maintain an environment conducive to learning for all students over the long term. On February 15, 2013, the department sent a letter to the school outlining several concerns related to school safety, climate and culture and directing the school to develop and implement a corrective action plan to address those concerns. The school responded to the department's letter and provided a corrective action plan that they have begun to implement. The department will be making unannounced visits to the school to assess the implementation and success of the corrective action plan.

Therefore, the Department recommends that the Board of Regents approve the Renewal Application of RACS and renew its charter for the term from July 1, 2013, through June 30, 2014, with authority to provide instruction to students in grade 7 through 12 with a maximum enrollment of 360 throughout the renewal charter term, and consistent with the other terms set forth in the renewal charter agreement.

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.

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, New York State assessment data, Board of Trustees minutes and other documents collected by and about the school. On October 17 and 18, 2012, a Department team, including an external consultant, conducted a renewal site visit at RACS. In addition, the Department conducted a full site visit on June 6, 2012, and three monitoring site visits (April 7, 2011; May 13, 2009; and October 8, 2008).

Educational Soundness (Educational Record)

Evidence of Performance Related to Academic Goals

For the current charter term (January 15, 2008 through January 14, 2013), RACS articulated the following absolute, growth, and comparative goals for student performance:

- **Absolute Goal:** By the end of the fourth year (2011-2012), 49% of all eighth grade students will score at or above level 3 on the NYS English Language Arts assessment and 45% of all eighth grade students will score at or above level 3 on the NYS math assessment.

The Department's analysis finds that 43% of Grade 8 students scored at or above level 3 on the NYS ELA assessment in 2011-2012 and 38% of RACS students in Grade 8 scored at or above level 3 on the NYS math assessment, therefore neither goal has been met. The school's 2011-2012 Annual Report confirms these results.

- **Growth Goal:** To increase student performance on the NYS English Language Arts assessment and the NYS math assessment by 7% and 9% respectively.

With regard to the ELA goal, the Department finds that the school has met their ELA goal in the past two years (in 2010-2011 and in 2011-2012). Regarding their math goal, the Department's analysis indicates that from 2009-2010 to 2010-2011 the school's math proficiency rates increased by 25%, exceeding the goal, but the school did not meet their stated goal in 2011-12.

- **Comparative Goal:** Rochester Academy Charter School will outperform Rochester City School District by at least 5% on the eighth grade English Language Arts and math assessments.

RACS meets the comparative goal in both Math and ELA the last two years of the charter term (2010-11, 2011-12), but did not in 2009-2010 when the cut scores were changed.

- **Growth Goal:** Secondary level students will increase student performance by 9% on NYS math exam and 7% on the NYS ELA exam.

The school does not provide results for this goal because it only has one year of Regents data and growth could not be assessed.

- **Comparative Goal:** By the end of the fourth year of the charter, the percent of students performing at or above 65% on Regents exams in English and math will surpass those of the Rochester City School District by at least 5%.

RACS reports that in the 2010-2011 school year, it outperformed Rochester City School District in English and Math. Additional analysis, comparing New York State assessment data in the Rochester Academy Charter School to schools with similar demographics, is presented in the *Department's Analysis of Student Performance* section of this report.

- Graduation Rate Goal: Graduation rate from Rochester Academy Charter School will exceed New York State average by the end of 2011 – 2012.
- Dropout Rate Goal: Rochester Academy Charter School dropout rate will be below the state norm by the end of 2010 – 2011.

In the renewal application, the school reports no information for these two goals. To date, RACS has had one graduating class of 22 students. The 2011-2012 4-year graduation cohort rate calculated by the Department is 90.9%. The dropout rate for RACS is 0% compared to 2.7% statewide in 2010-2011.

Under New York State’s differentiated accountability system, Rochester Academy Charter School was identified as a school in need of improvement (Improvement Year 1, comprehensive) for failure to meet Adequate Yearly Progress (AYP) for students in ELA in 2009-2010 and 2010-2011. Under the Department’s Elementary, Secondary, and Continuing Education Act (ESEA) waiver, RACS has been designated as a Focus School, which means the school is among the lowest achieving schools in the state in terms of proficiency for subgroups on statewide assessments, and that the school has not made sufficient growth between 2009-2010 and 2010-2011.

Note: When the CSO site team visited in June 2012, RACS leadership informed the team that there was a problem with the 2009-10 student information data they reported. Therefore, the school report cards do not indicate any student performance data for 2009-10. Upon request, the school provided uncertified data to the CSO in November 2012.

Evidence of Performance Related to Comparable Schools

In order to ensure the availability of a robust data set for consideration, and to supplement the basic assessment data and renewal application, the Department conducted an additional set of statistical analyses that compares the academic performance of RACS middle school to traditional public and charter schools in Rochester City School District (RCSD) 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 RACS compared to proficiency rates for students in the same grade band (7-8) and at schools in RCSD and across NYS as a whole. The findings are as follows:

The 2011-12 ELA and math proficiency rates for 7th-8th grade students at RACS are substantially higher than the district but lower than NYS for similar grade bands.

Table 1: Percentage of Students Scoring Level 3 or Above on the NYS Assessments

		Math Proficiency Rates (At or Above Proficiency)			ELA Proficiency Rates (At or Above Proficiency)		
School Year	Tested Grades	RACS	District	State	RACS	District	State
2012	7-8	41%	23%	57%	43%	28%	49%
2011	7-8	37%	26%	60%	19%	18%	48%
2010	7-8	12%	18%	55%	12%	20%	51%

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 RACS and that controls for demographic characteristics, thus helping to ensure truly similar schools are being compared. The results show that after controlling for such variables, RACS performs worse than the local district and well below its expected performance in both ELA and mathematics consistently during the current term. The discrepant effect sizes for the school are shown in comparison to the district in Table 2 below.

Table 2: Controlled Comparison of Student Performance

		Math		ELA	
School year	Tested Grades	RACS Effect Size	District Effect Size	RACS Effect Size	District Effect Size
2011-2012	7-8	-0.07	-0.13	-0.06	-0.09
2010-2011	7-8	-0.04	-0.05	-0.15	-0.09
2009-2010	7-8	-0.32	-0.11	-0.32	-0.08

In addition to the middle school analysis, the Department also conducted a high school analysis using a similar metric to evaluate Rochester Academy Charter School’s performance on the New York State Regents Exams relative to other traditional public high schools⁴

The analysis tracks a comparison of demographically similar schools’ average performance on the New York State Regents over a two year period from 2009-10 through 2010-11. These figures are specific to subject: English and Integrated Algebra.⁵ Variables relating to student demographics (students poverty, English language proficiency, and special education status) were controlled for when comparing across charter schools and public schools to eliminate variations in student demography.

The results from the controlled comparative analysis show that, even withholding variation in student demographics, Rochester Academy Charter School’s high school program has consistently performed below the expected rate in math with statistically significant negative⁶ effect sizes in all years tested, especially the 2010 Integrated Algebra decline in expected performance (effect size = -1.17) despite a 16% increase from 2009 scores. Additionally, RACS dipped considerably in English performance in comparison to the prior year (see Table 3).

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.

⁴ The meta-analysis examines the impact of controlling for student poverty, English language learners, and students with disabilities across similar high schools and their outcome on Regents exams. These results were expressed as effect sizes, which quantify the difference between these schools over time using New York State averages as a comparison point.

⁵ English and Integrated Algebra Regents scores were used in this analysis to mirror the ELA and math analysis conducted at the middle school level. However, only two years of data were available for English while three years of data were available for Integrated Algebra.

⁶ The effect sizes were calculated by taking the difference between a school’s mean Regents scores and the NYS mean Regents scores divided by the average standard deviation. Since effect size is not a precise measure of true impact when attempting to control for student demographics, a confidence interval was applied to describe the level of uncertainty (or error) of inferring the true value. An effect size difference greater than 0.05 between the charter school and peer school is statistically significant.

Table 3: RACS Secondary Level Adjusted Performance on Regents Exams Compared to Peer Schools⁷

	English					Integrated Algebra				
	RACS		Peer Schools		NYS	RACS		Peer Schools		NYS
	Effect Size	Sample	Effect Size	Sample	Sample	Effect Size	Sample	Effect Size	Sample	Sample
2011	-0.31	25	-0.52	4,107	238,650	-0.62*	103	-0.49	5,391	284,004
2010	0.14	3	-0.58	3,147	227,805	-1.17*	126	-0.51	4,231	275,712

*Indicates an effect size difference between the charter school and peer schools to be statistically significant ($p > 0.05$)

Graphic depiction of these analyses and a further breakdown of the results by grade level can be found in Appendix A.

Though Rochester Academy showed some growth over the years by marginally increasing Integrated Algebra and US History Regents passing scores, the school has largely shown a deficit in achievement with stunted growth in areas of science and mathematics (see table and graph below). It should be noted that in 2009-10, RACS Regents scores are self-reported due to an error in data. Additionally, only three students took the English Regents exam in that year and all three passed the exam in the Level 3 (65-84%) range, causing the rate of growth for 2010-11 to be exponentially difficult to attain with a larger cohort of students.

Moreover, Rochester Academy is showing marked underperformance in comparison to the Rochester City School District in living environment, geometry, and global history Regents exam passing rates. Regents exams such as English, physics, and earth science show greater gains in academic performance at RACS compared to Rochester City Schools, yet these figures still fall well below the state average (see Table 4 below).

Table 4: RACS Academic Growth in Regents Passing Rate Compared to District for 2009-11

	2009			2010			2011		
	RACS	RCSD	District Comp	RACS	RCSD	District Comp	RACS	RCSD	District Comp
English	N/A	63%		100%	66%	34%	81%	70%	11%
Integrated Algebra	24%	43%	-19%	40%	45%	-5%	53%	45%	8%
Algebra 2/Trig.	N/A	N/A		N/A	28%	N/A	N/A	25%	N/A
Geometry	N/A	54%		70%	41%	29%	21%	41%	-20%
Living Environment	31%	62%	-31%	42%	53%	-11%	37%	56%	-19%
Physics	N/A	27%		50%	40%	10%	50%	32%	18%
Earth Science	N/A	39%		66%	46%	20%	66%	36%	30%
Global History	N/A	44%		42%	45%	-3%	41%	42%	-1%
US HISTORY	N/A	61%		28%	67%	-39%	56%	46%	10%

⁷ 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.

Evidence of Performance Observed Through On-site School Reviews

The mission of RACS includes the aim to provide a rigorous academic environment with an instructional focus on math and science. Because of low test scores in 2009-2010, the school refocused its efforts to improve student proficiency in math and ELA. During the current term, RACS has provided opportunities for students to participate in Olympiads and other competitions in math and science, and has provided summer and after school literacy and math programs. The school has made efforts to implement a rigorous curriculum aligned to standards, although during the 2011 site visit, board members discussed the challenges inherent in meeting academic weaknesses with a rigorous program that expanded a grade level each year.

When asked what the renewal team should expect to observe in practice, the school leadership team provided the school's standards for instruction that include differentiation, rigor and frequent checks for understanding. Over the current term, RACS has taken steps toward strengthening lesson plans, providing professional development for teachers, and using data to inform practice. The school has employed instructional coaches and academic deans to help teachers set goals and increase the academic rigor at the school. Members of the renewal team conducted over thirty classroom visits, including every grade level and major subject area and found instructional practices to be inconsistent with the school's standards across the buildings in terms of quality, rigor and differentiation. Teachers did not consistently require students to perform rigorous tasks, think critically, and be actively engaged in lessons. Teachers were, however, observed checking for understanding. Additionally, the school lacked essential instructional materials, i.e., textbooks and science equipment, and the use of technology was negligible. The lack of materials and use of technology was also noted in June 2012, when teachers expressed concern that the school's science focus was weakened by the lack of facilities and equipment needed to conduct proper laboratory experiences.

In 2011-2012, the leadership team included a data coordinator; however, in 2012-2013 the data coordinator position was eliminated and the data responsibilities were divided among existing staff. At the renewal site visit, data was reported to be "in the database" but was not easily accessible. Administrators were unable to describe the use of data aggregated across the whole school to inform decisions about the effectiveness of the core academic programs, the impact of the school's academic interventions, trends in disciplinary actions, or student attrition. Disaggregated data was also lacking. Although the school is creating a system of benchmarks to assess student performance, the use of data for programmatic decision making was not evident.

The department has significant concerns about the learning environment at the school. At the beginning of the charter term (2008-09), the school struggled with creating a safe learning environment and establishing the school culture. (The Department reports noted observations of students' use of profanity, disorderly transitions, dress code violations, and throwing of objects.) The school reports having made significant progress in both of these areas by establishing school-wide behavioral expectations, providing staff development to faculty, being consistent, and following through with consequences. This improvement was noted during a site visit in June 2012. During the site renewal visit in October 2012, all stakeholder groups stated (and the site visit team agreed) that Rochester Academy Charter School has established an orderly and safe environment. However, during an unannounced visit to the middle school in February 2013, department staff found the school unsafe and unruly. As a result of their visit, the department issued a corrective action letter on February 15, 2013 requiring a plan to remedy the unsafe learning environment.

Organizational Soundness

Evidence of Organizational Capacity

Over the term of the charter, RACS has had two school leaders and has grown the school leadership team. The school's current organizational chart, revised after the submission of the renewal application, accurately describes the administrative staffing structure. Areas of responsibility for each of the five administrators are outlined in the renewal application, but coordination among this relatively large leadership team was less evident during the site visit. Criteria and strategies for the recruitment, selection and retention of key professional staff are vaguely noted and continuing weaknesses in school performance raise concerns about the effectiveness of this organizational capacity.

Evidence of Board Oversight and Governance

The Board of Trustees by-laws allows for five members. The Board has a limited capacity for effective governance with limited evidence of transparency and proactive policy development. A review of board minutes (28 sets), ranging from July 23, 2008, through November 19, 2012, show that the full board has never attended a meeting. Board minutes reveal that either 3 or 4 members were present at each meeting, which constitutes a quorum, and that all voting resulted in approval by all. Other than the meeting dates and times, the board does not have board information posted on their website.

During the Board of Trustees focus group on April 7, 2011, the board acknowledged its need to strategically plan, engage in professional development, and to expand its membership. During subsequent visits by the Department, the board repeated these same specific needs. Minimal action has been taken toward achieving any of these self-acknowledged deficits.

The board minutes demonstrate a lack of attention to detail and documentation of board decisions. There were errors noted in some approved board minutes and standard governance practice was not adhered to. Although board minutes in 2012 reflect a discussion to recruit new board members, the Vice-President's term has expired and there has been no request by the board to add a new member. The board did not display an understanding of basic board governance as it relates to their bylaws and best practices. A new discipline policy developed and implemented in the 2012-2013 school year is not reflected in the board minutes as having been approved.

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-term⁸ and long-term⁹ financial performance indicators. These

⁸ 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.

⁹ 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"

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 2011-2012.¹⁰ 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, Rochester Academy Charter School (RACS) received an unqualified opinion on its audited financial statements. Auditors made no findings of material weaknesses or significant deficiencies on internal control. The School maintained a low-risk financial position with a current ratio of 3.97.

Enrollment dipped, however, to 89 percent of the projected total (311 enrolled, 360 projected). The current enrollment figures could pose a moderate risk to the long-term financial stability of the School and its educational program. This risk is mitigated, however, by annual operating surpluses and reserves maintained by the School. RACS reported net assets of \$1,452,444 at the end of the most recent fiscal year.

For fiscal year 2010-2011, RACS recorded a total margin of 13.9 and operated with more than 100 days unrestricted cash. Enrollment stability was below the 95 percent benchmark applied by CSO, but reserves were strong. The School attained a Financial Composite Score of 3.0.

The School had a low debt-to-asset ratio of 0.21, and a total margin of 14.2 percent. In addition, the School ran an operating surplus of \$368,023. In the previous year, RACS' operating surplus was \$731,451. CSO staff have 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 debt,¹¹ alignment between enrollment and operating expenses,¹² and increases to days cash on hand that exceed the CSO benchmark.

Both short-term and long-term quantitative indicators indicate the School is fiscally strong. However, enrollment stability is an area of concern. Based on the findings of independent annual audits, the fiscal management of the School is fiscally sound.

RACS has submitted independent auditors' reports for 2009, 2010, 2011, completed by Heveron & Heveron, CPA, P.C. Each year's report states, "The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards."

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.

¹⁰ <http://www.p12.nysed.gov/psc/csdirectory/RochesterAcademyCharterSchool/home.html>

¹¹ See "Current Ratio/Debt to Asset Ratio" graph in Appendix B.

¹² See "Enrollment vs. Operating Expenses" graph in Appendix B.

Faithfulness to the Charter

In addition to the school mission's to provide rigorous, challenging academics through hands-on, meaningful learning opportunities, the School's key design elements include:

- Provide students with the skills and experiences necessary that will help them master the knowledge detailed in the NYS Core Curriculum Learning Standards.
- Provide a strong focus on math and science and use national competitions and science fairs to motivate students
- Build a strong supervisory and monitoring system that will provide individualized attention to each student
- Provide broad tutoring services that will help students address learning needs and/or issues with specific content
- Build strong parent/student/school relationships
- Require enhanced professional development for staff members
- Build partnerships with community organizations and other educational institutions

The board readily admits it underestimated the enormity of the task of starting a school and has at times struggled with faithfulness to the mission and charter. The school has shifted its focus from science, math, and technology to math and English language arts because of proficiency concerns. The site visit teams noted that although the school continues to strive and implement the charter's key design elements, the school's ability to actualize the mission has diminished. At the renewal site visit in October 2012, stakeholder groups did not share a common interpretation of the mission.

Plans for the Next Charter Term

Rochester Academy Charter School is requesting an expansion to become a school that serves grades K through 12. The proposed expansion would begin in school year 2013-2014 by adding kindergarten and grade 6. The following year the school would add grades 1 and 5, and finish the proposed expansion in 2015-2016. The proposed expansion would increase the capacity of the school to 780 students from its current capacity of 360. The school's rationale for the expansion is based on a desire to provide an elementary program so the students do not enter grade 7 with the educational deficits of the current students.

The requested expansion is not supported by evidence. The school has a history of under enrollment, limited board capacity, and inconsistent student performance.

Summary of Public Comment

As required by the Charter School Act, the Department notified the Rochester 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 August 23, 2012. According to the minutes of the hearing, a brief informational presentation about the school was made by a District staff person, and there were no representatives from Rochester Academy present. There were no public comments received and the hearing was terminated.

Additional Information

Student Demographics

	2009-2010		2010-2011		2011-2012	
	RACS Charter Enrollment	Rochester CSD Enrollment in Grades 7-12	RACS Charter Enrollment	Rochester CSD Enrollment in Grades 7-12	RACS Charter Enrollment	Rochester CSD Enrollment in Grades 7-12
Race/Ethnic Origin						
Native American	0%	0%	1%	0%	1%	0%
African American	78%	64%	80%	63%	80%	62%
Hispanic or Latino	10%	23%	8%	23%	8%	24%
Asian or Pacific Islander	1%	3%	0%	3%	0%	3%
White	8%	11%	7%	10%	7%	10%
Multiracial	3%	0%	3%	0%	3%	0%
Special Populations						
Free Lunch	88%	79%	65%	79%	65%	N/A
Reduced Lunch	4%	6%	10%	5%	10%	N/A
Limited English Proficient	5%	10%	8%	11%	8%	12%
Students with Disabilities	1%	21%	5%	20%	9%	20%

Enrollment Targets

The 2010 amendments to the New York State Charter Schools Act, (Education Law §2851(4)(e) and §2852(9-b)), require the Board of Regents and the Board of Trustees of the State University of New York (SUNY) to prescribe enrollment and retention targets for charter schools for students with disabilities, English language learners, and students who are eligible applicants for the free and reduced priced lunch program. The Regents and the SUNY Trustees developed a methodology for calculating targets that are comparable to the enrollment and retention figures for these categories of students within the public school district of location (see Table below).

It should be noted that in 2013 the Rochester Academy Charter School (RACS) did not report data for free/reduced price lunch or students with disabilities so a comparison can not occur. The enrollment of English language learners is approximately two-thirds of the adjusted targets. In the table below, the enrollment targets, adjusted and unadjusted, are compared to RACS' 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 7 - 12 student population of 339 students in the City of Rochester.

	Unadjusted Target	Effective Target ¹³	RACS%
Free/Reduced Price Lunch	87.4%	84.1%	Did not report
English language learners	11.7%	9.1%	6%
Students with Disabilities	18.9%	15.6%	Did not report

¹³ 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.

Board of Trustees

Name	Position on Board	Committee Affiliation(s)	Area of expertise, and/or additional role	Term Information
Mahmut Gedemenli	President	Educational Excellence	Education	Founding board member. 2 nd term at 3 years each. Expiration 2014.
Cheryl Sampson	Treasurer	Financial, Audit	Finance	Founding board member, 2 nd term at 3 years each. Expiration 2014.
William Middleton	Secretary	Educational Excellence	Education	Founding board member, 2 nd term, first term was 2 years, 2 nd term is 3 years. Expiration 2013.
Mustafa Guler	Trustee	Financial, Audit	Finance	Elected 2011. 1 term at 2 years. Expiration 2013.
Marat Khafizov	Vice-president		Education	Founding board member. 2 nd term at 2 years each. Expiration 2012. Now vacant.

School Leader History

Name	Term
Ercan Tozan, Principal	2008 – August 2011
Mehmet Demirtas, Principal	August 2011 - Present

Rochester Academy Charter School

Middle School* Results in the
Rochester School District

* For the purpose of the analyses of RACS, we limited our comparison schools to other schools starting in seventh grade.

Controlling for prior performance (6th grade), students' poverty, LEP, and special education status

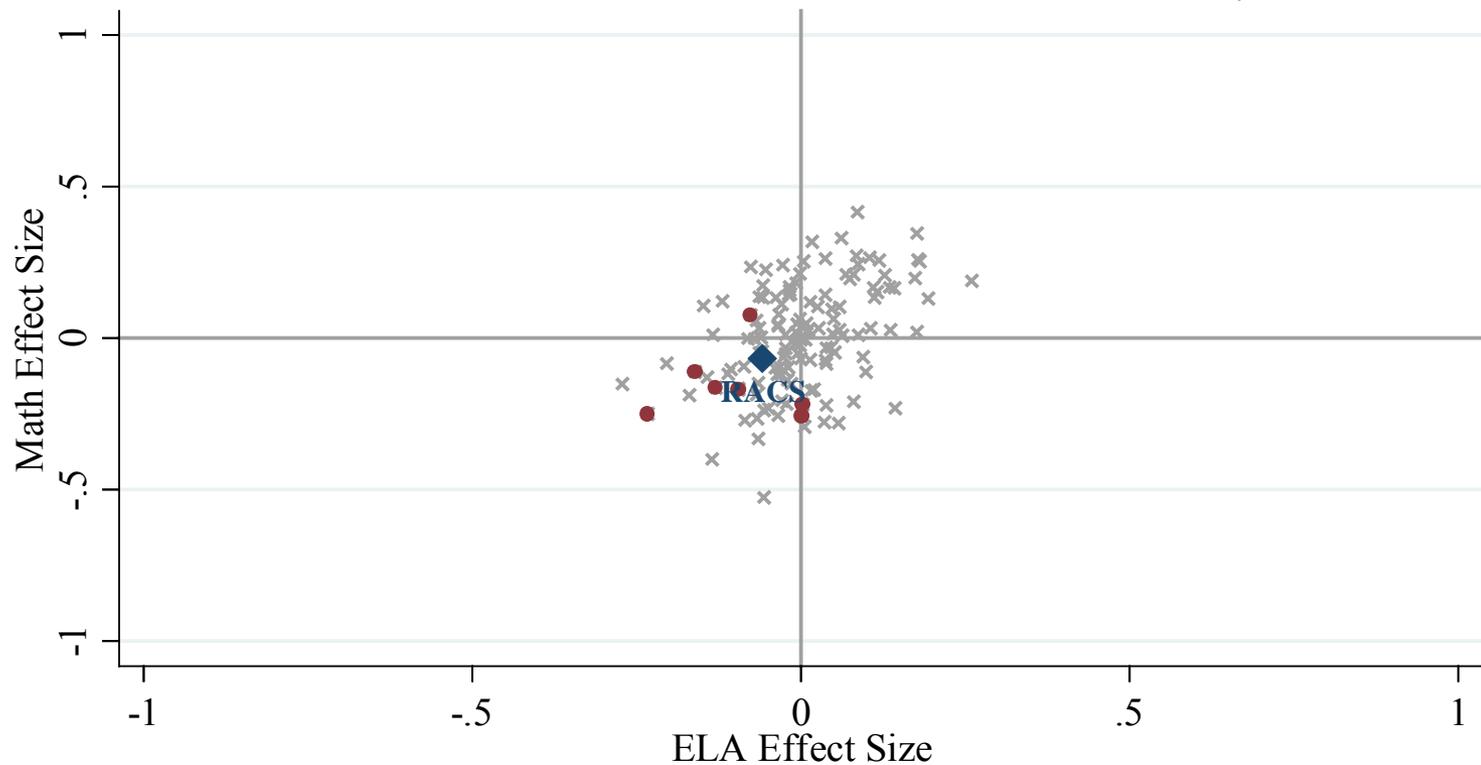
**REGRESSION RESULTS
(COMBINING ALL TESTED GRADES,
COMPARED TO STATE AND DISTRICT
AVERAGES)**

Summary of Adjusted Performance Combining Tested Grades

			Math		ELA		Number of Students in Analysis		
Charter Up for Renewal	School Year	Tested Grades	Effect Size	District Effect Size	Effect Size	District Effect Size	School	District	State
Rochester Academy	2012	7-8	-0.33	-0.14	-0.32	-0.09	232	8318	47888
Rochester Academy	2011	7-8	-0.06	-0.05	-0.15	-0.08	230	6024	44806
Rochester Academy	2010	7-8	-0.07	-0.15	-0.06	-0.09	234	5012	53430

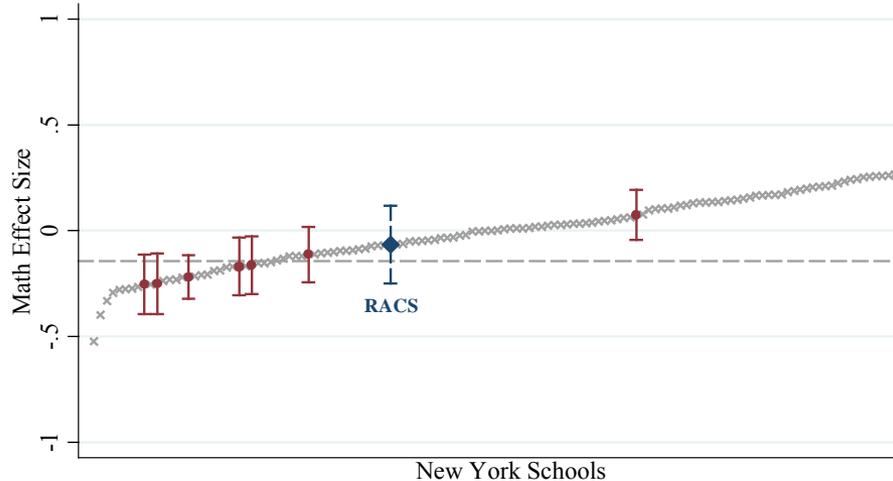
Math and ELA Adjusted Performance Compared to All NY Elementary Schools, 2012

Controlled: Difference between Actual and Predicted Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2012



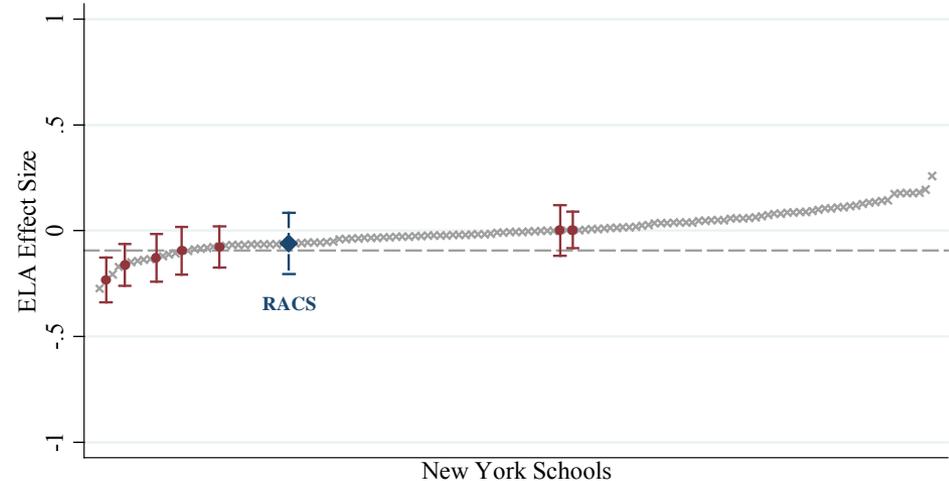
Math and ELA Adjusted Performance, 2012 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2012



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

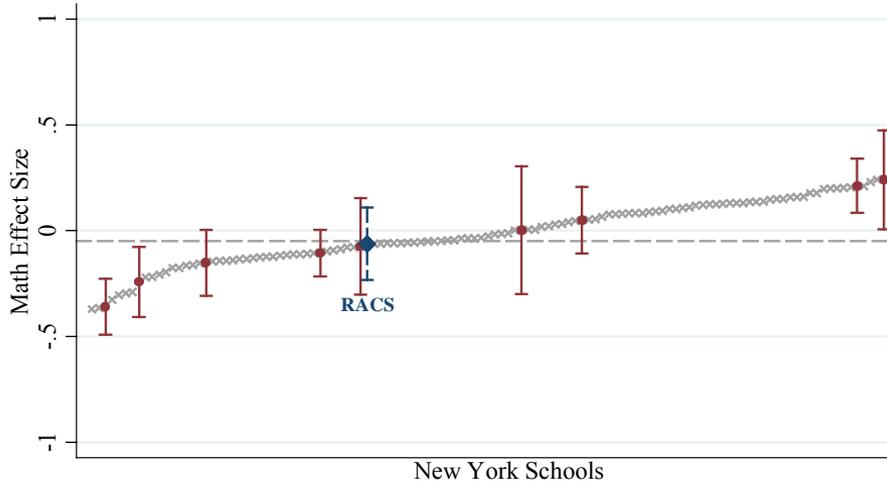
Controlled: Difference between Actual and Predicted ELA Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2012



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

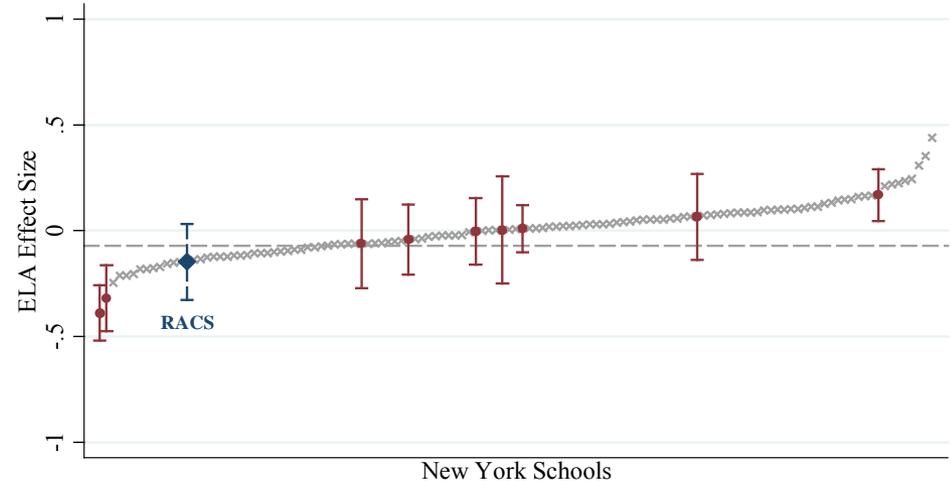
Math and ELA Adjusted Performance, 2011 Compared to the District (Dashed Line)

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



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

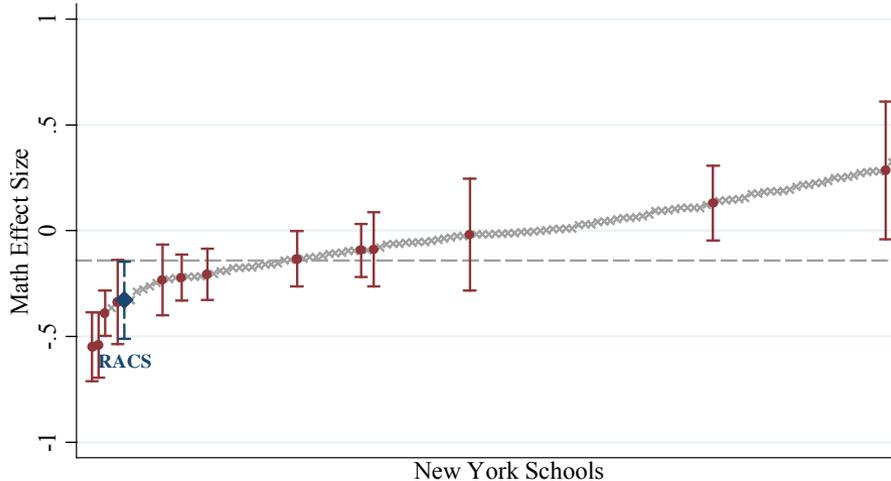
Controlled: Difference between Actual and Predicted ELA Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2011



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

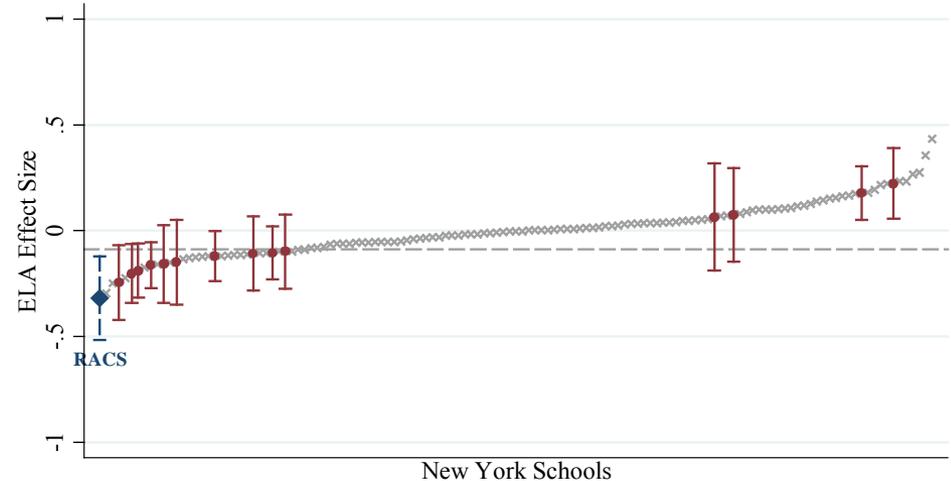
Math and ELA Adjusted Performance, 2010 Compared to the District (Dashed Line)

Controlled: Difference between Actual and Predicted Math Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2010



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

Controlled: Difference between Actual and Predicted ELA Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2010



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

Percent at or above proficiency

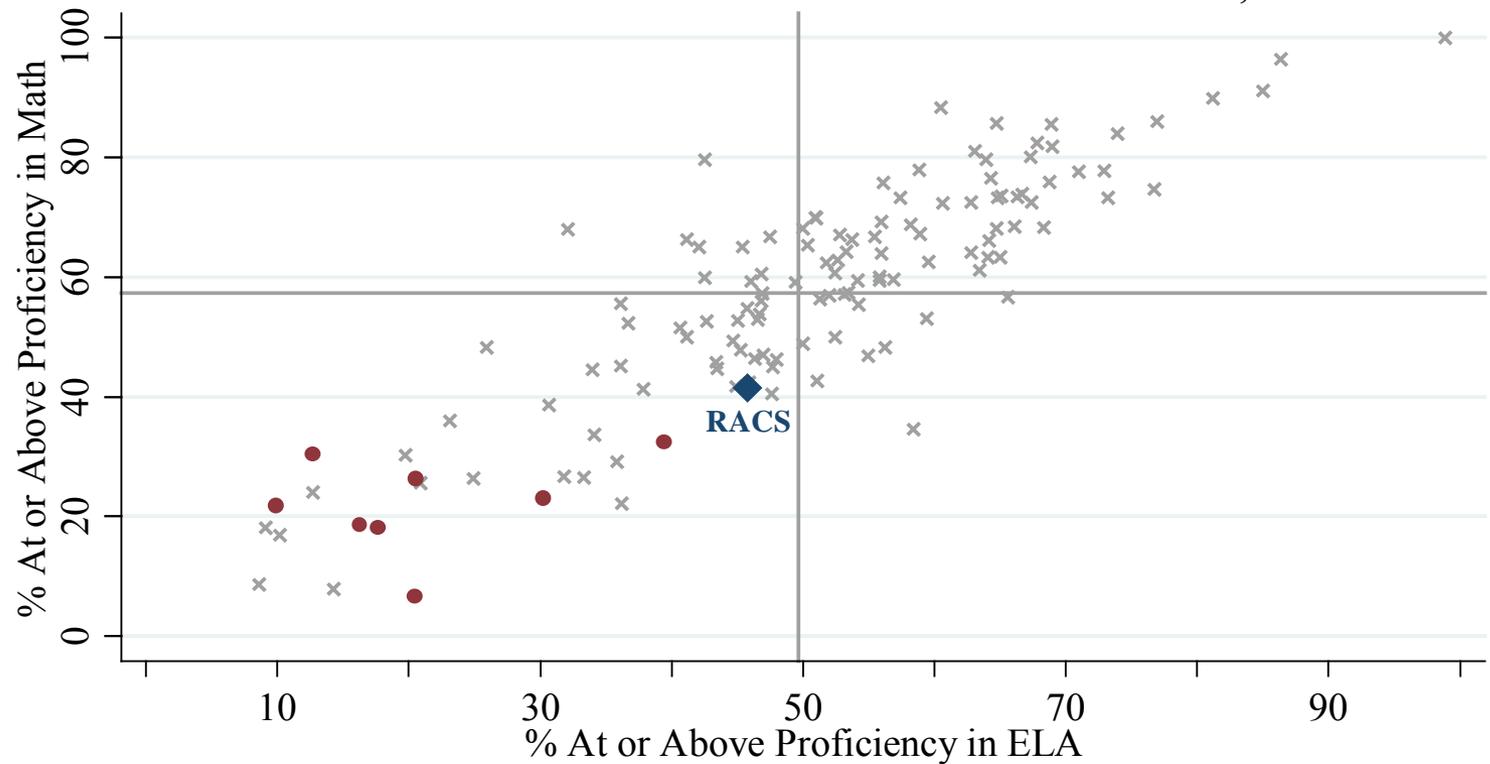
**UNCONTROLLED PERFORMANCE RESULTS
(COMBINING ALL TESTED GRADES,
COMPARED TO STATE AND DISTRICT
AVERAGES)**

Summary of Uncontrolled Performance Combining Tested Grades

Charter Up for Renewal	School Year	Tested Grades	Math Proficiency Rates (At or Above Proficiency)			ELA Proficiency Rates (At or Above Proficiency)		
			Charter	District	State	Charter	District	State
Rochester Academy	2012	7-8	41%	23%	57%	43%	28%	49%
Rochester Academy	2011	7-8	37%	26%	60%	19%	18%	48%
Rochester Academy	2010	7-8	12%	18%	55%	12%	20%	51%

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

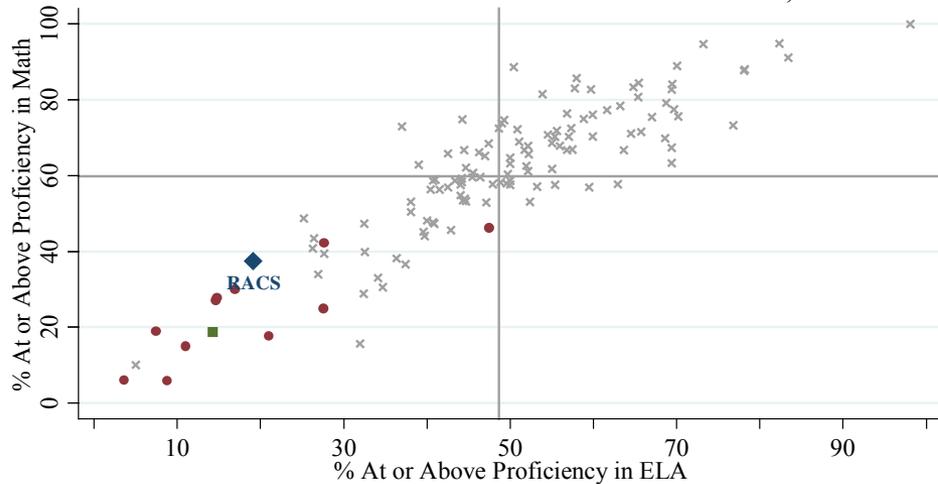
Uncontrolled: Percent At or Above Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2012



- Rochester CSD School
- Charter School in Rochester CSD
- × Other New York School
- ◆ RACS

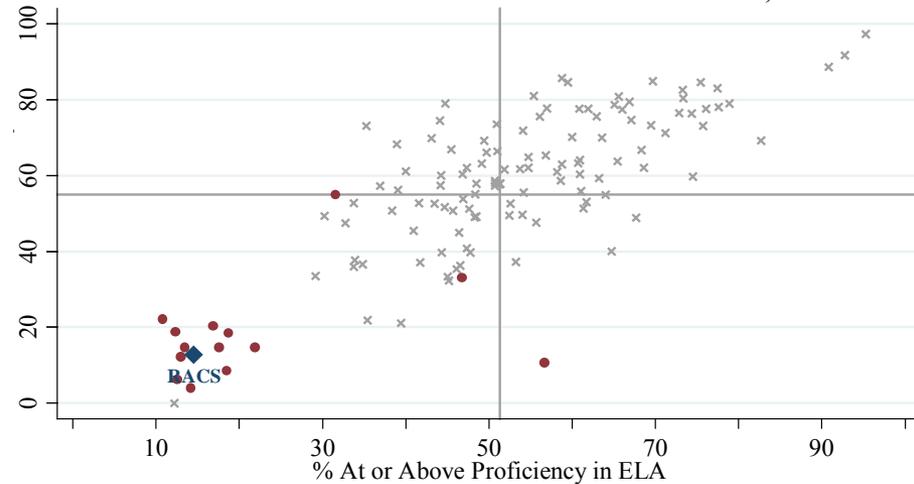
Math and ELA Proficiency Rates Compared to All NY Elementary Schools 2011 and 2010

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



- Rochester CSD School
- Charter School in Rochester CSD
- × Other New York School
- ◆ BACS

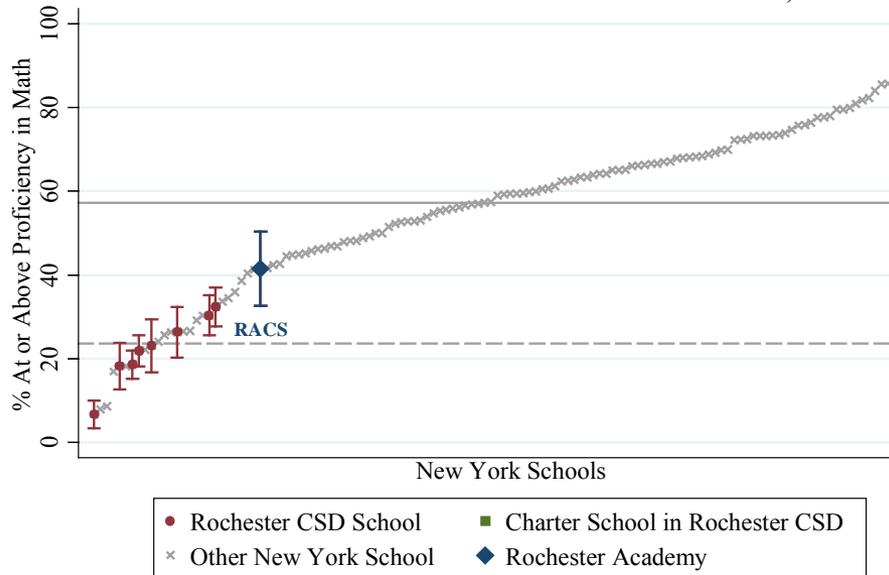
Uncontrolled: Percent At or Above Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2010



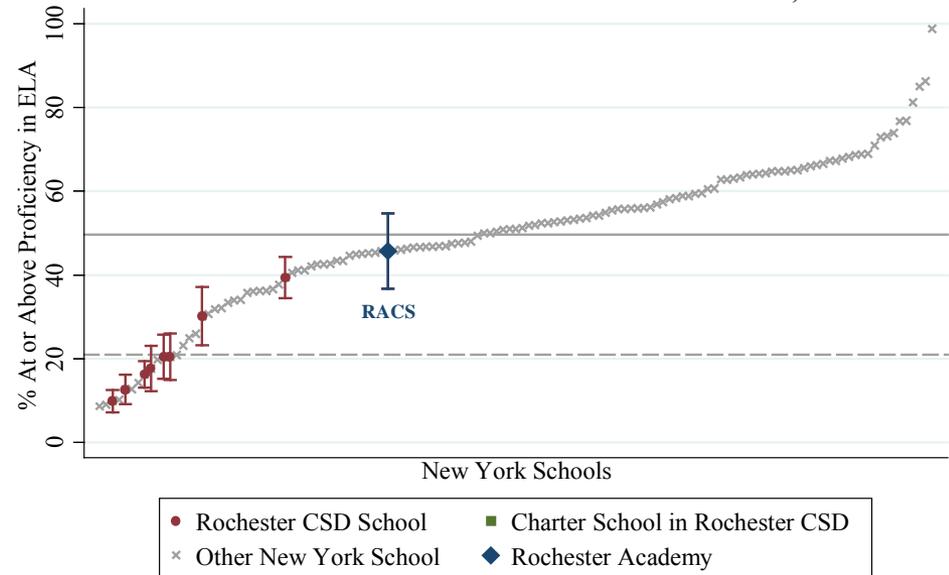
- Rochester CSD School
- Charter School in Rochester CSD
- × Other New York School
- ◆ BACS

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

Uncontrolled: Percent At or Above Math Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2012

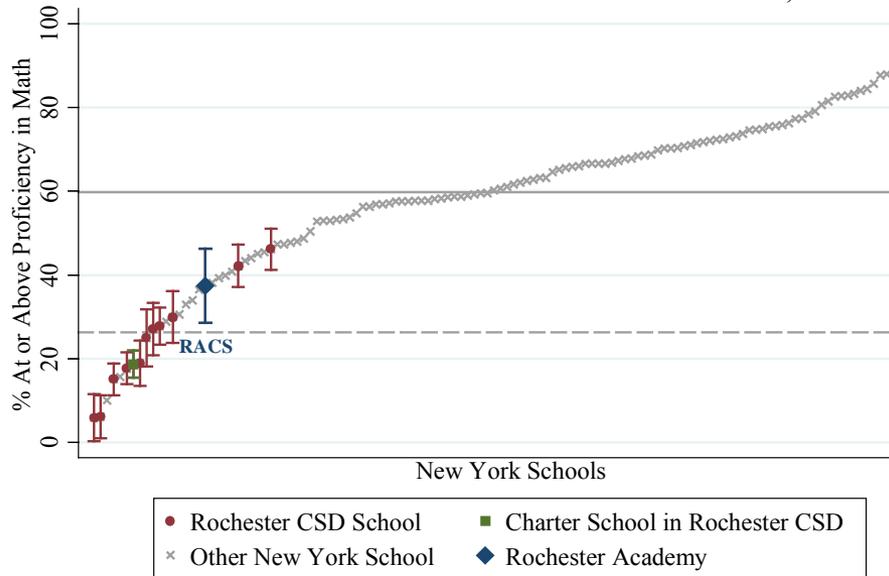


Uncontrolled: Percent At or Above ELA Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2012

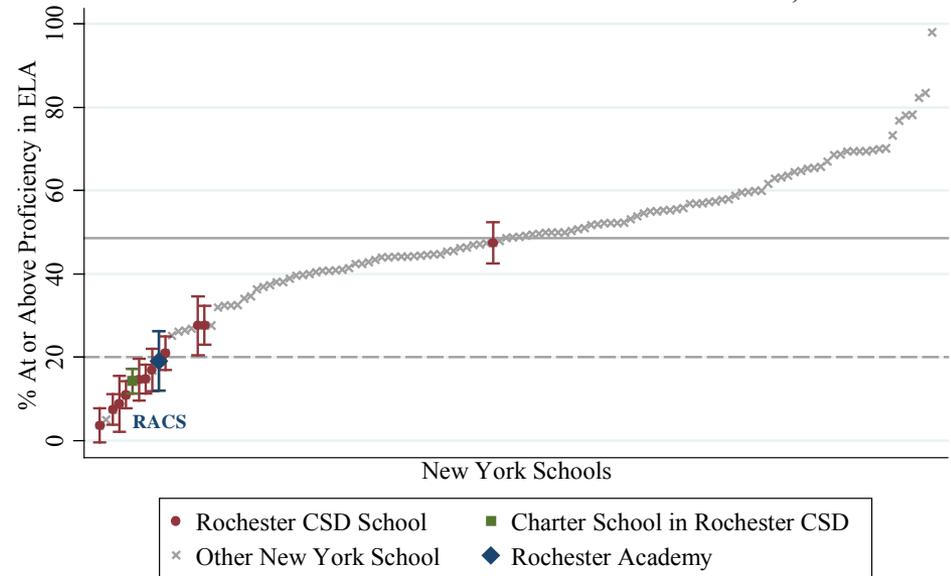


Math and ELA Proficiency Rates, 2011 Compared to the District (Dashed Line)

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

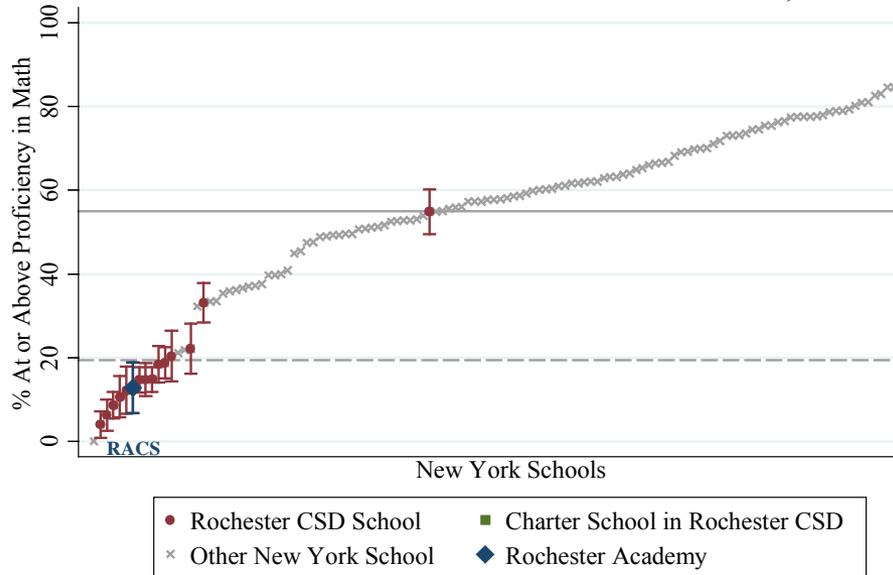


Uncontrolled: Percent At or Above ELA Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2011

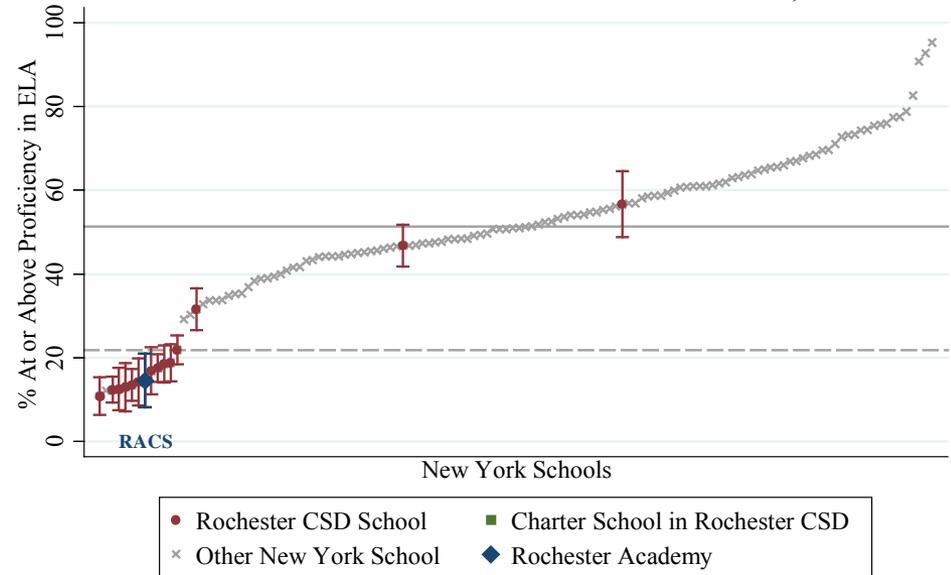


Math and ELA Proficiency Rates, 2010 Compared to the District (Dashed Line)

Uncontrolled: Percent At or Above Math Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2010



Uncontrolled: Percent At or Above ELA Proficiency
Grades 7-8 Combined Performance for Middle Schools, 2010



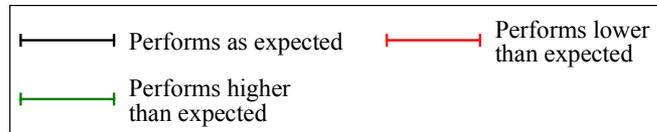
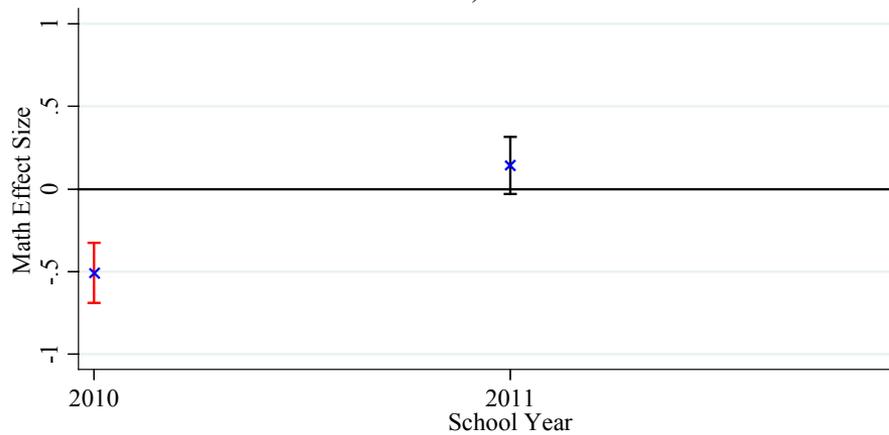
APPENDIX

Controlling for prior performance (6th grade), students' poverty, LEP, and special education status

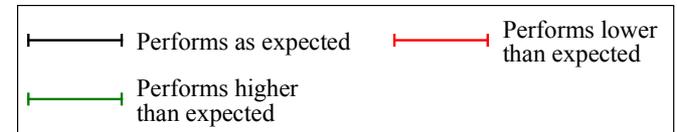
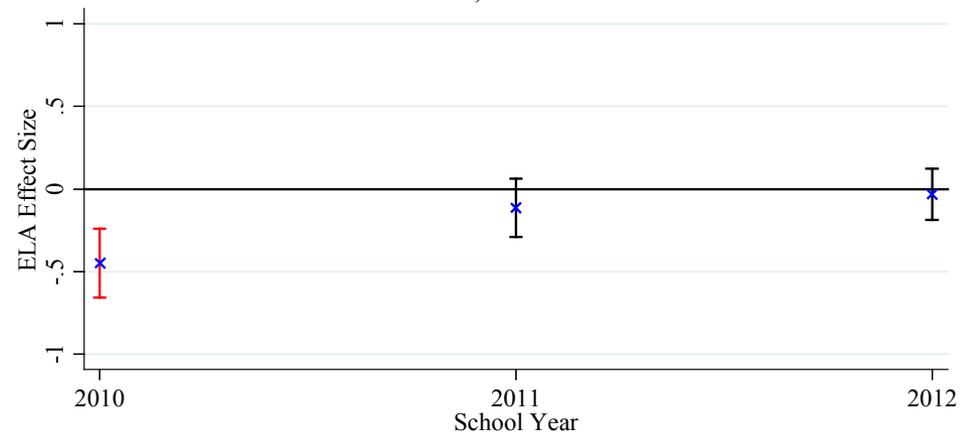
**PERFORMANCE BASED ON
REGRESSIONS
(TRENDS: GRADES SEPARATELY)**

Math and ELA Adjusted Performance Trends Grade 8

Controlled: Trends for Rochester Academy Charter School
Grade 8 Math, 2009-10 to 2011-12



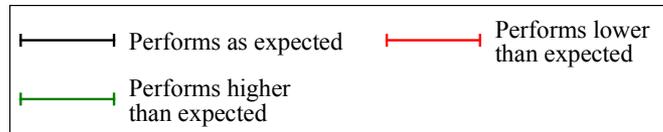
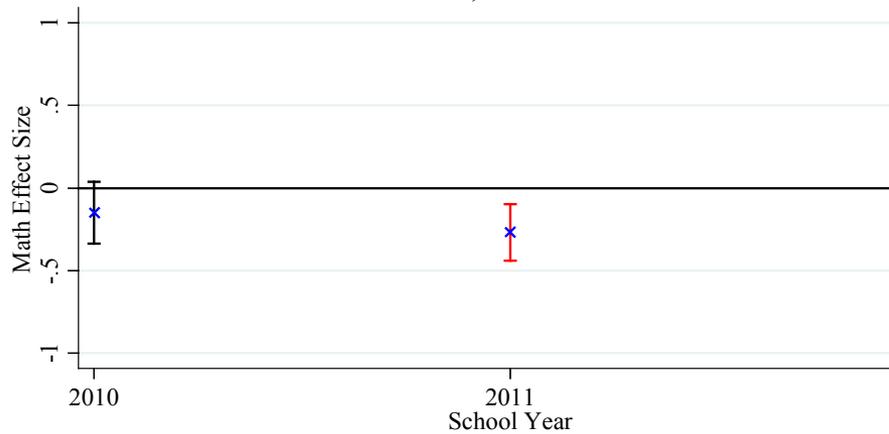
Controlled: Trends for Rochester Academy Charter School
Grade 8 ELA, 2009-10 to 2011-12



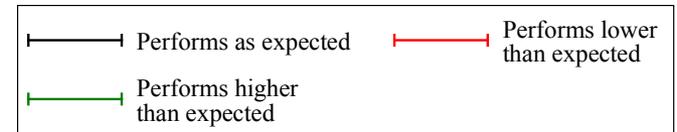
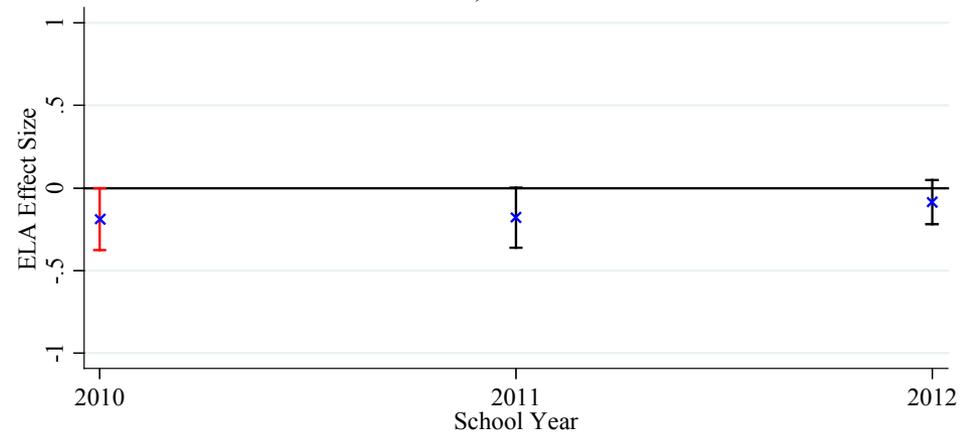
Math and ELA Adjusted Performance Trends

Grade 7

Controlled: Trends for Rochester Academy Charter School
Grade 7 Math, 2009-10 to 2011-12



Controlled: Trends for Rochester Academy Charter School
Grade 7 ELA, 2009-10 to 2011-12

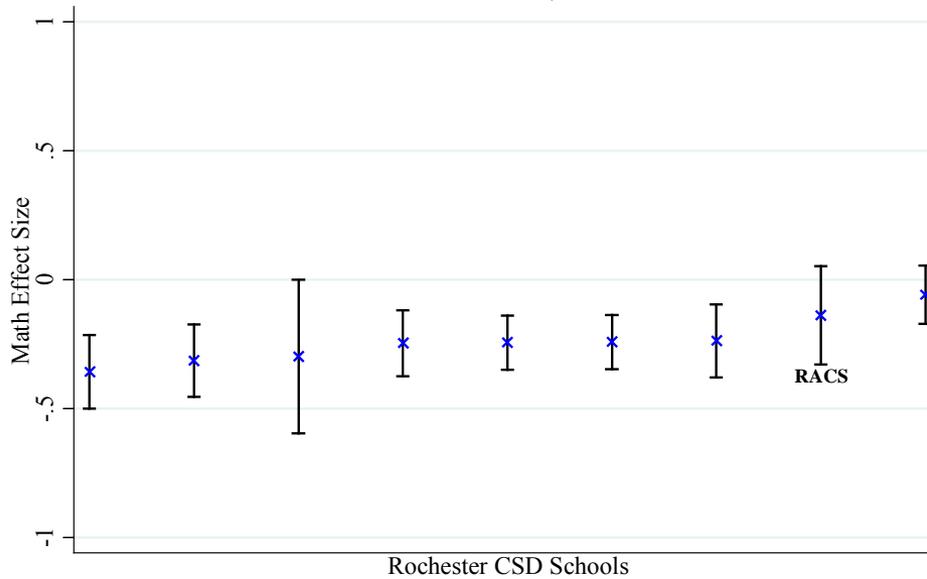


Controlling for prior performance (6th grade), students' poverty, LEP, and special education status

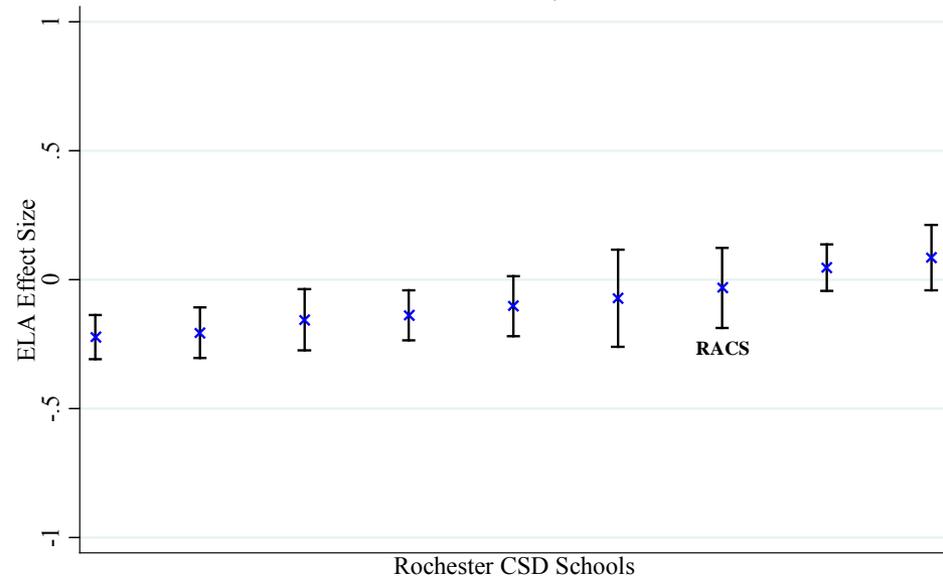
**PERFORMANCE BASED ON
REGRESSIONS
(GRADES SEPARATELY,
COMPARED TO DISTRICT)**

Math and ELA Adjusted Performance Compared to Other District Schools Grade 8, 2012

Under and Overperformance, Rochester CSD Middle Schools
Grade 8 Math, 2012

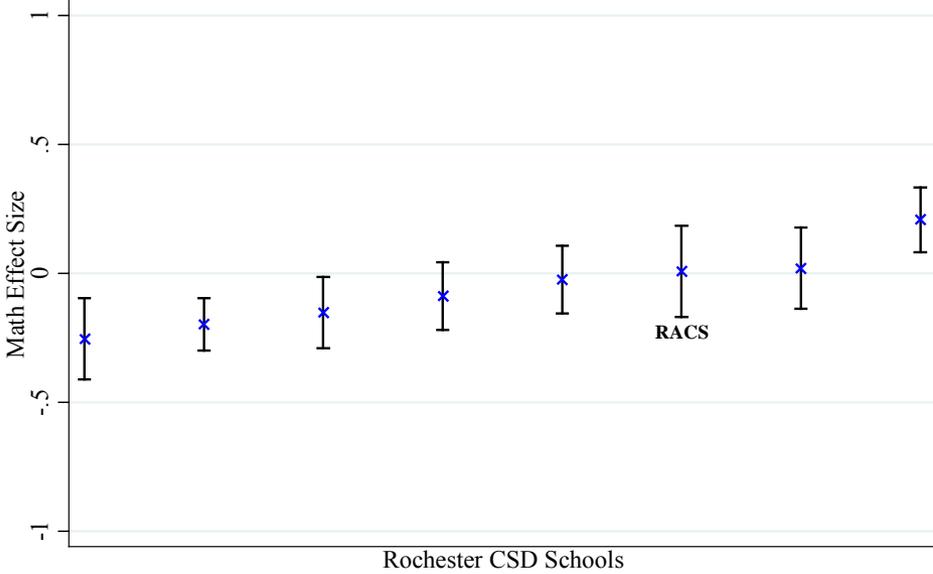


Under and Overperformance, Rochester CSD Middle Schools
Grade 8 ELA, 2012

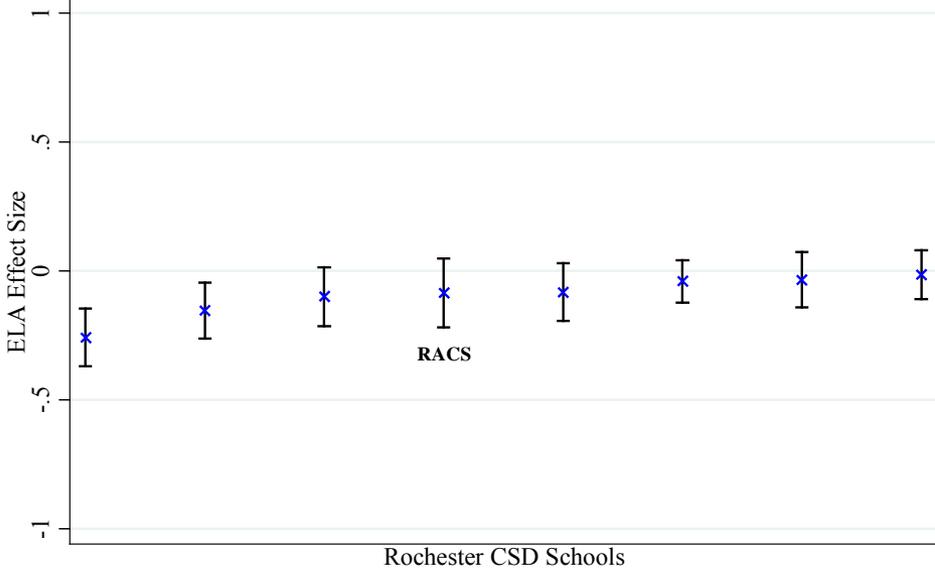


Math and ELA Adjusted Performance Compared to Other District Schools Grade 7, 2012

Under and Overperformance, Rochester CSD Middle Schools
Grade 7 Math, 2012

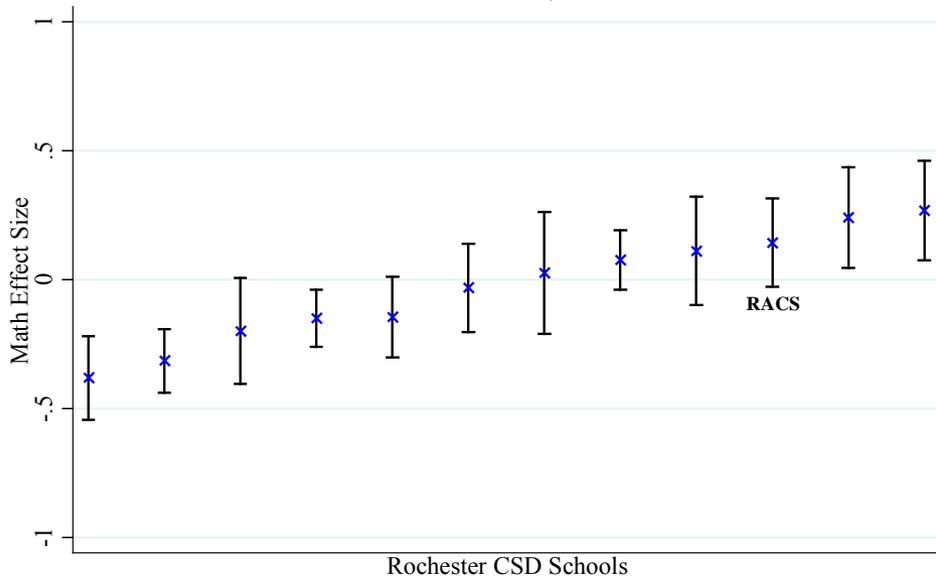


Under and Overperformance, Rochester CSD Middle Schools
Grade 7 ELA, 2012

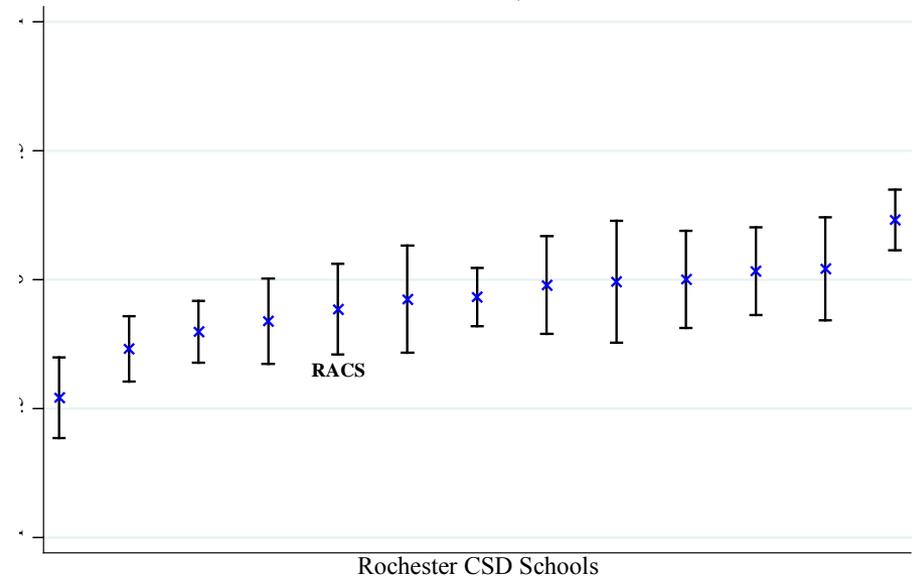


Math and ELA Adjusted Performance Compared to Other District Schools Grade 8, 2011

Under and Overperformance, Rochester CSD Middle Schools
Grade 8 Math, 2011



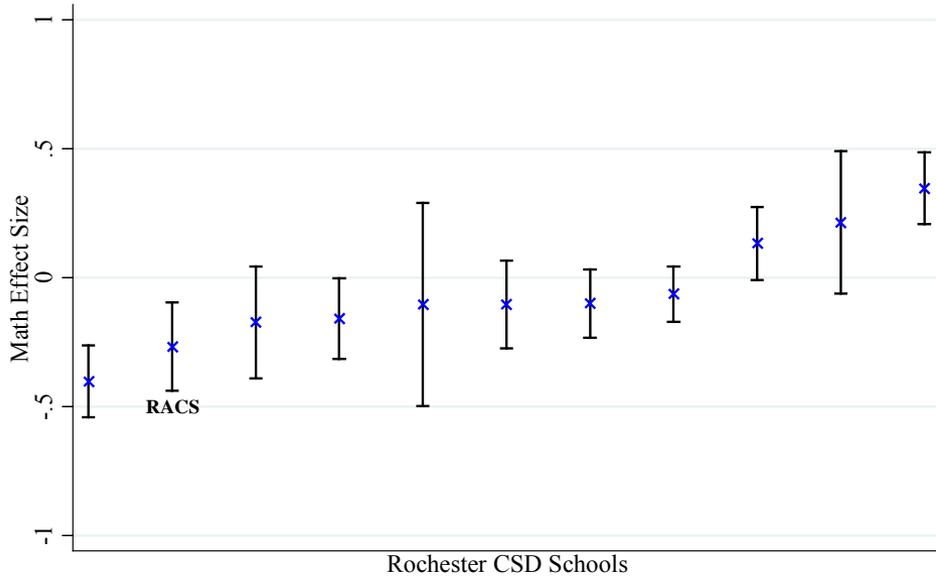
Under and Overperformance, Rochester CSD Middle Schools
Grade 8 ELA, 2011



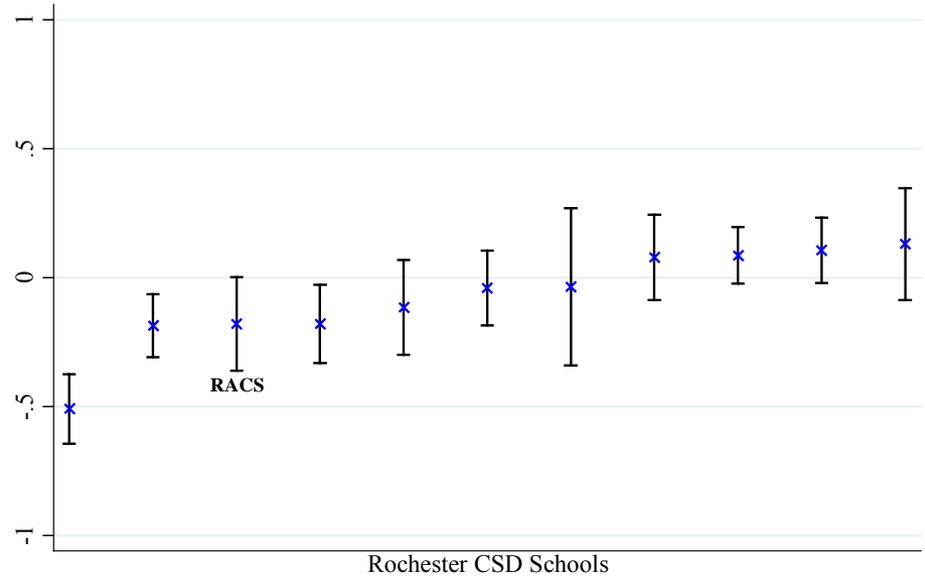
Math and ELA Adjusted Performance Compared to Other District Schools

Grade 7, 2011

Under and Overperformance, Rochester CSD Middle Schools
Grade 7 Math, 2011

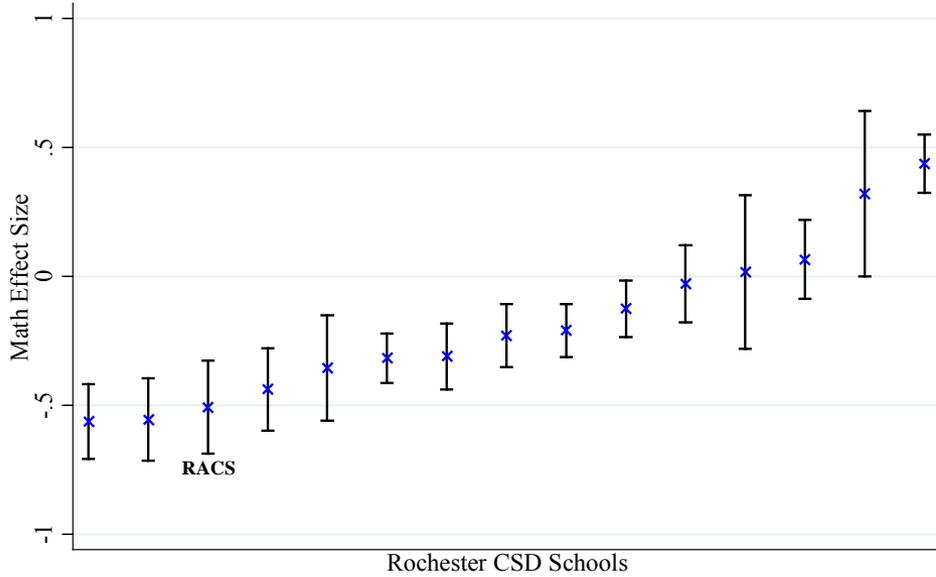


Under and Overperformance, Rochester CSD Middle Schools
Grade 7 ELA, 2011

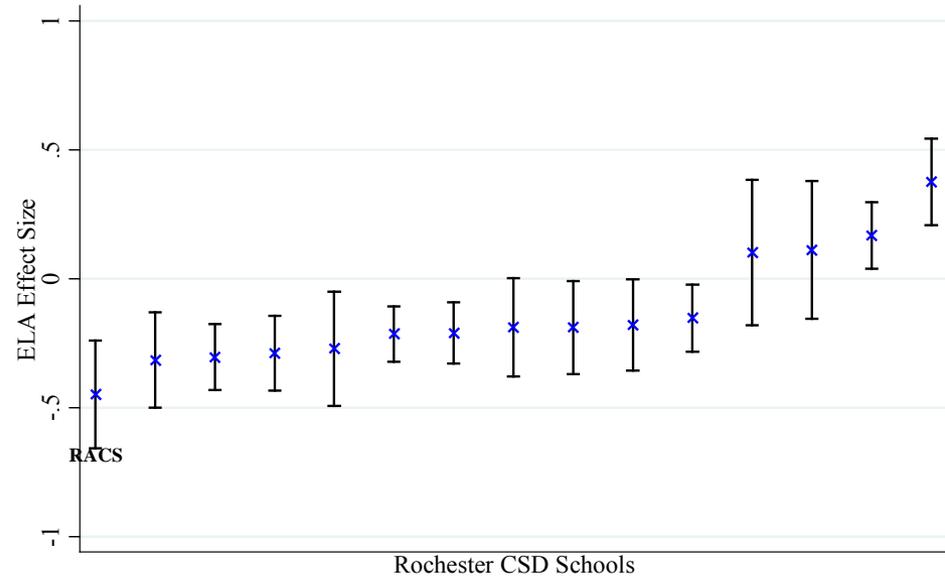


Math and ELA Adjusted Performance Compared to Other District Schools Grade 8, 2010

Under and Overperformance, Rochester CSD Middle Schools
Grade 8 Math, 2010

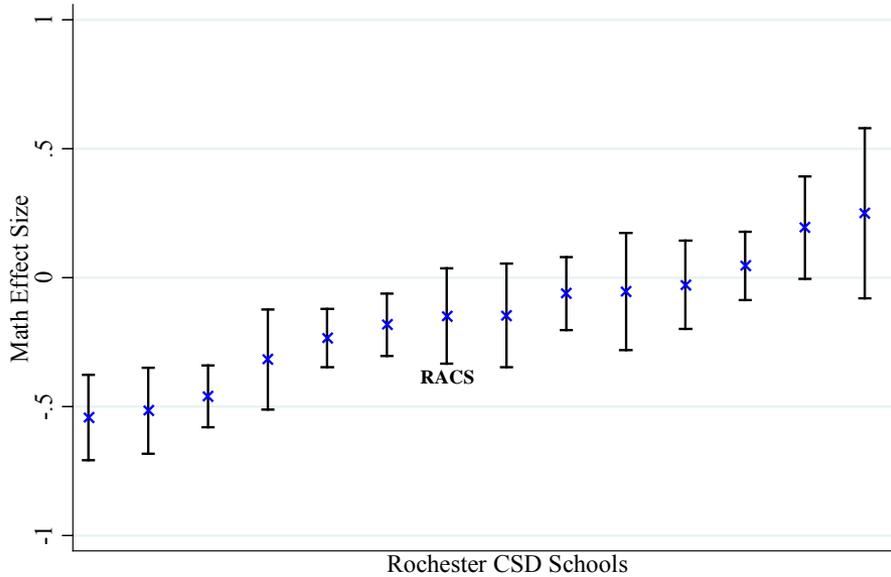


Under and Overperformance, Rochester CSD Middle Schools
Grade 8 ELA, 2010

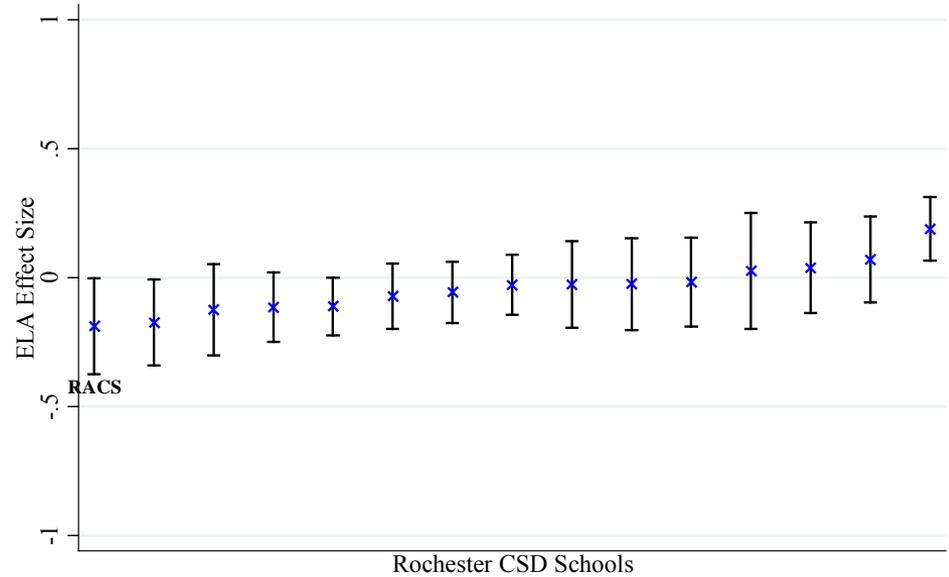


Math and ELA Adjusted Performance Compared to Other District Schools Grade 7, 2010

Under and Overperformance, Rochester CSD Middle School
Grade 7 Math, 2010



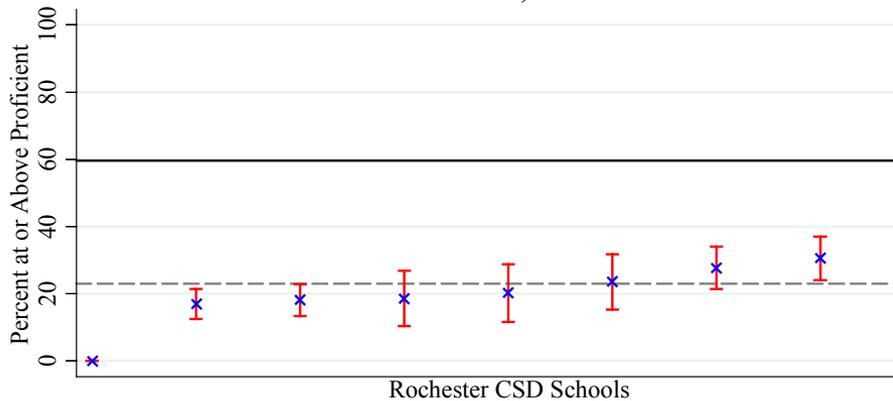
Under and Overperformance, Rochester CSD Middle Schools
Grade 7 ELA, 2010



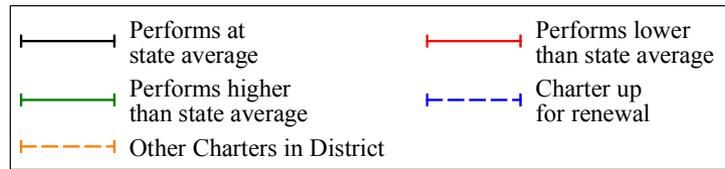
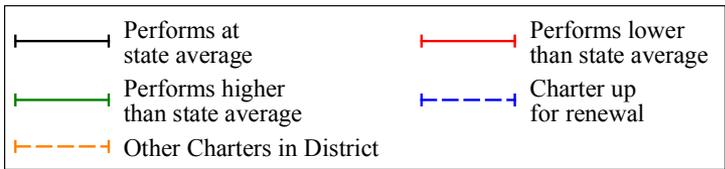
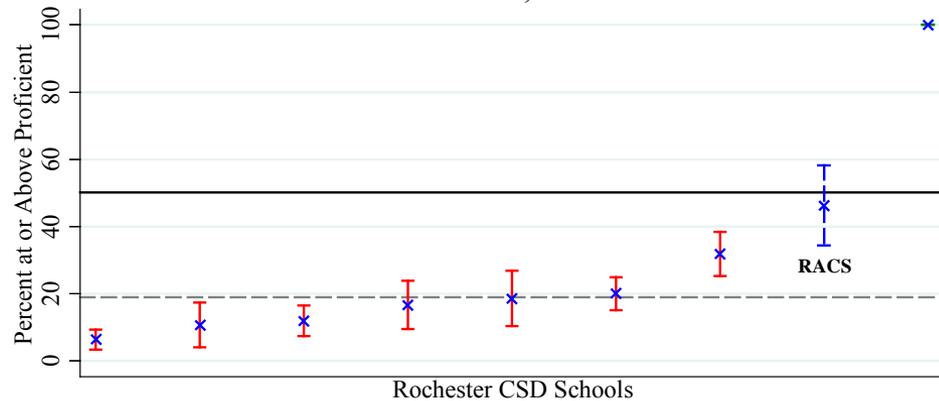
Percent at or above proficient

**UNCONTROLLED PERFORMANCE
(GRADES SEPARATELY,
COMPARED TO DISTRICT)**

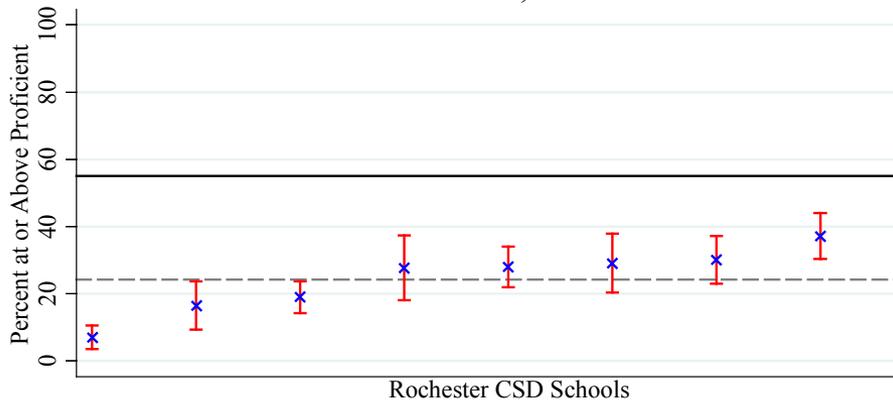
Percent At or Above Math Proficiency, Middle Schools
Grade 7, 2012



Percent At or Above ELA Proficiency, Middle Schools
Grade 7, 2012



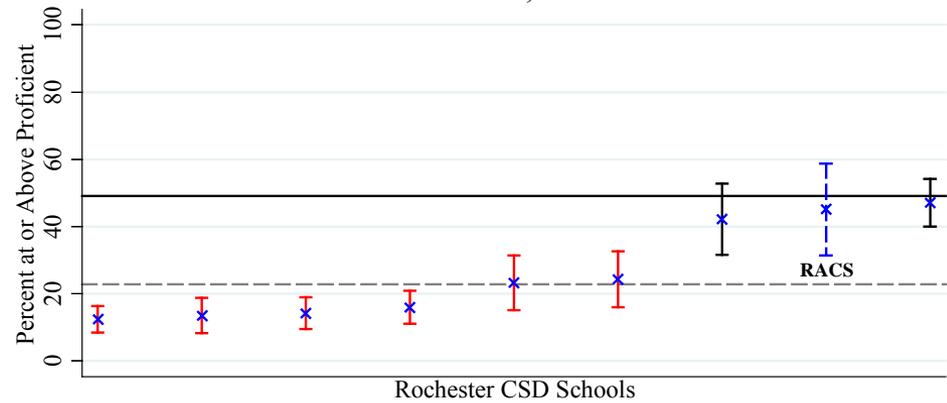
Percent At or Above Math Proficiency, Middle Schools
Grade 8, 2012



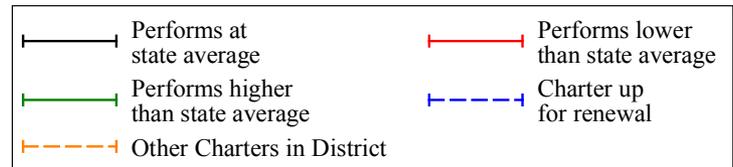
Rochester CSD Schools



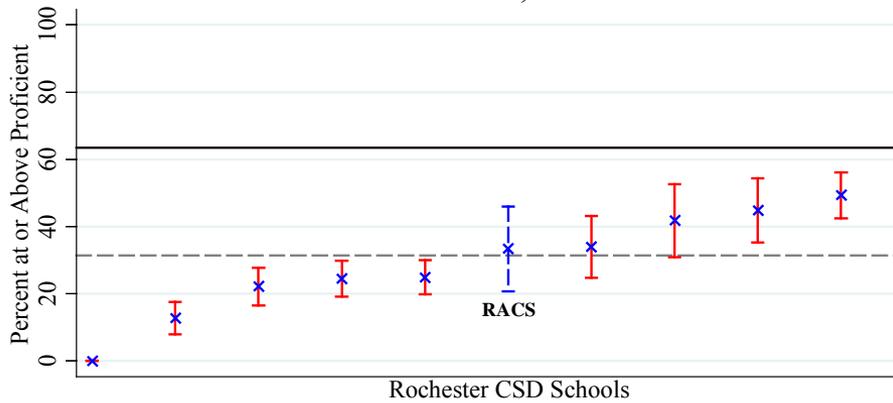
Percent At or Above ELA Proficiency, Middle Schools
Grade 8, 2012



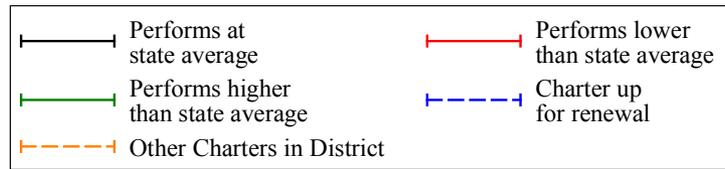
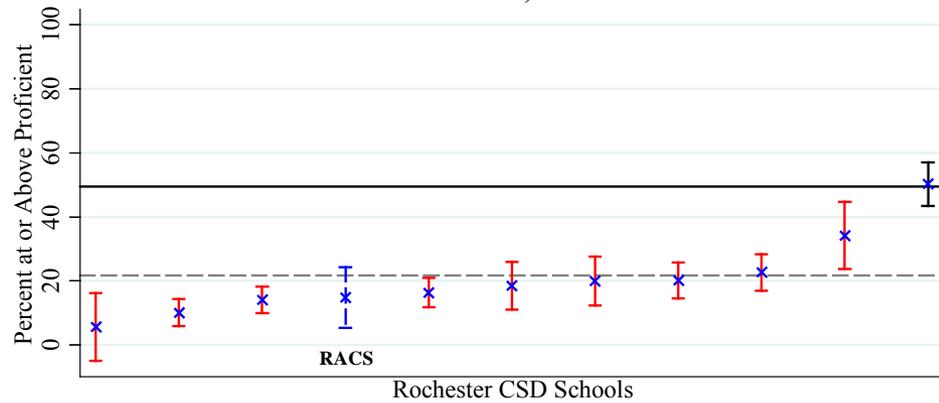
Rochester CSD Schools



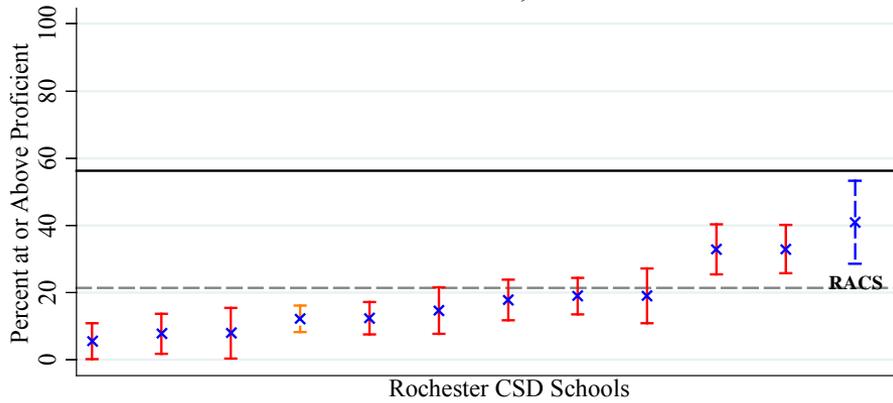
Percent At or Above Math Proficiency, Middle Schools
Grade 7, 2011



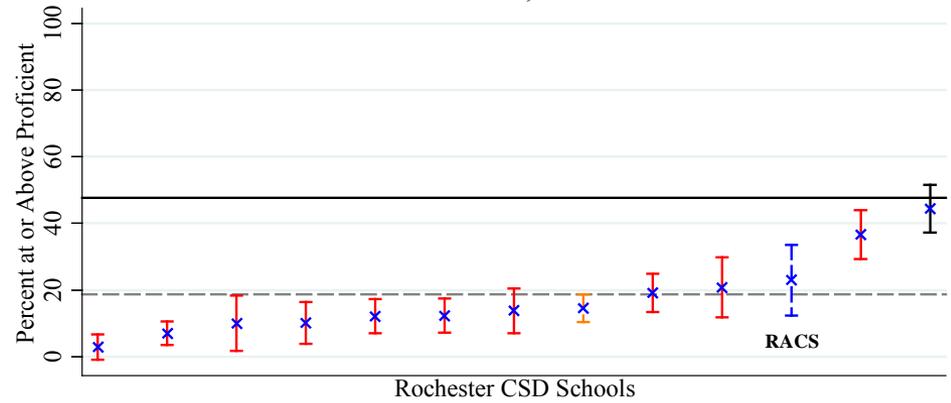
Percent At or Above ELA Proficiency, Middle Schools
Grade 7, 2011



Percent At or Above Math Proficiency, Middle Schools
Grade 8, 2011



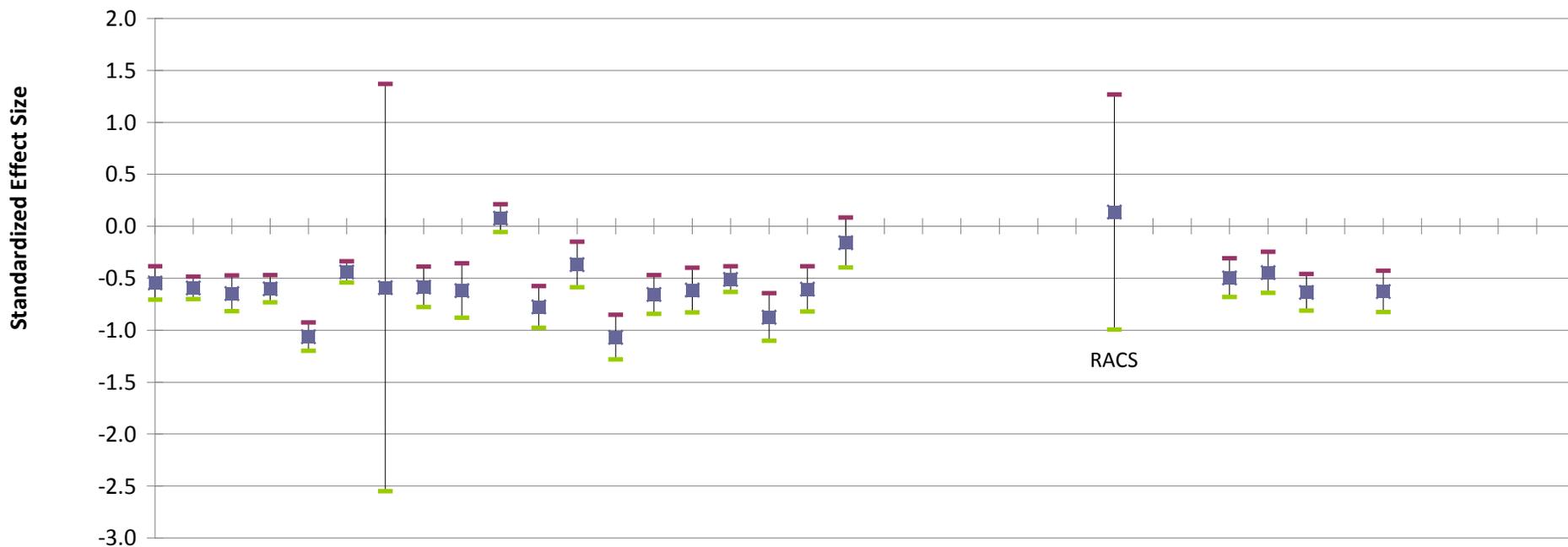
Percent At or Above ELA Proficiency, Middle Schools
Grade 8, 2011



Comparative Performance to the State for Rochester Academy Charter School and Peer Schools

ELA Regents Effect Sizes, 2010

- Upper confidence limit
- Lower confidence limit
- Effect size estimate

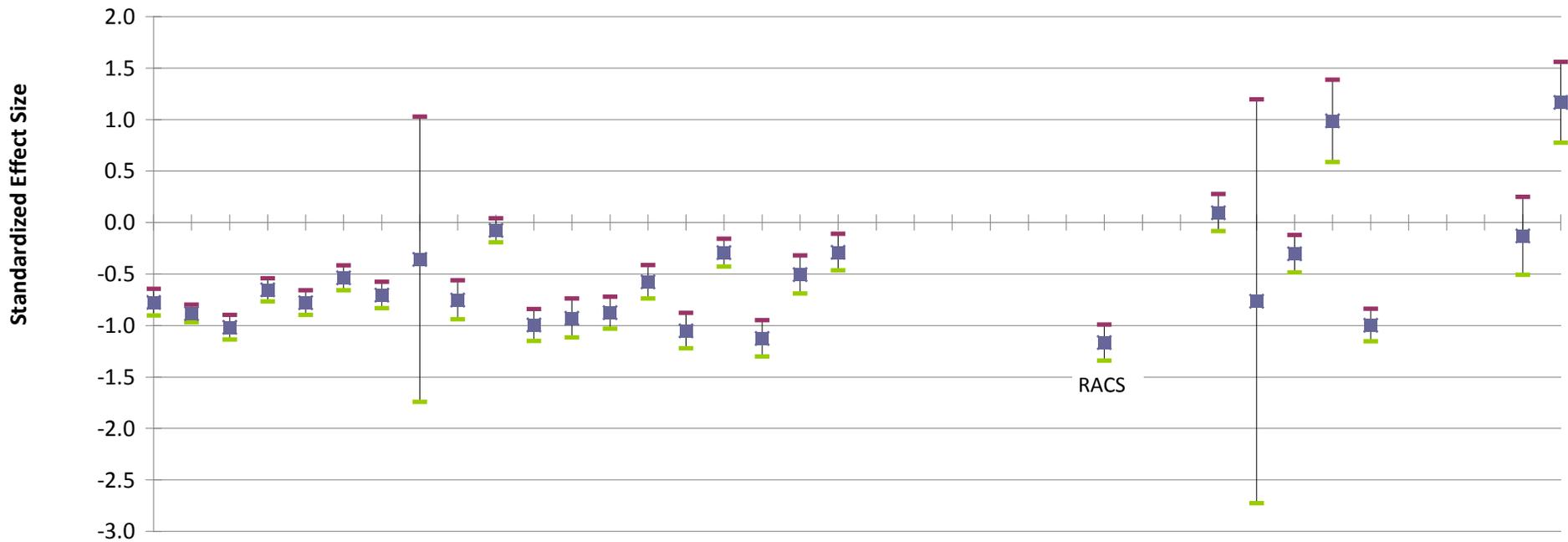


Note: Controlling for student demographic characteristics. Compared to other demographically comparable schools with students tested in NYS high schools. An effect size above 0.0 indicates the school performed better than the NYS mean scores. Due to data errors, 2010 data for RACS was self-reported by the school.

Comparative Performance to the State for Rochester Academy Charter School and Peer Schools

Integrated Algebra Regents Effect Sizes, 2010

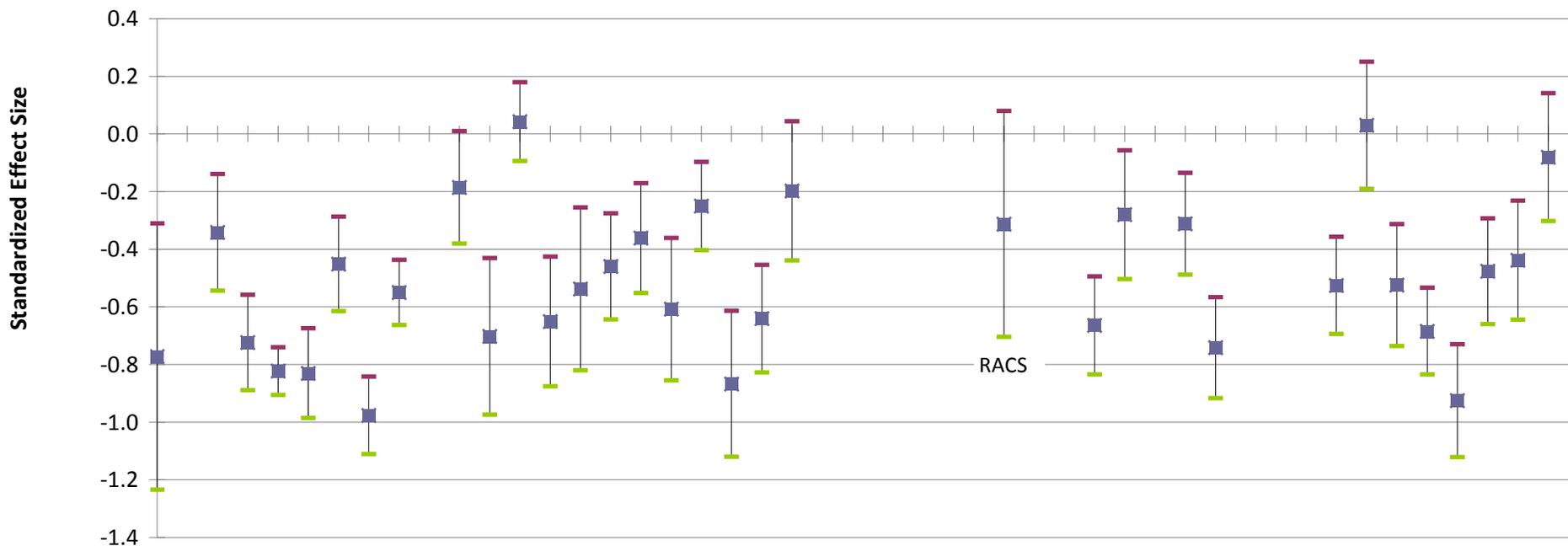
- Upper confidence limit
- Lower confidence limit
- Effect size estimate



Note: Controlling for student demographic characteristics. Compared to other demographically comparable schools with students tested in NYS high schools. An effect size above 0.0 indicates the school performed better than the NYS mean scores. Due to data errors, 2010 data for RACS was self-reported by the school.

Comparative Performance to the State for Rochester Academy Charter School and Peer Schools ELA Regents Effect Sizes, 2011

- Upper confidence limit
- Lower confidence limit
- Effect size estimate

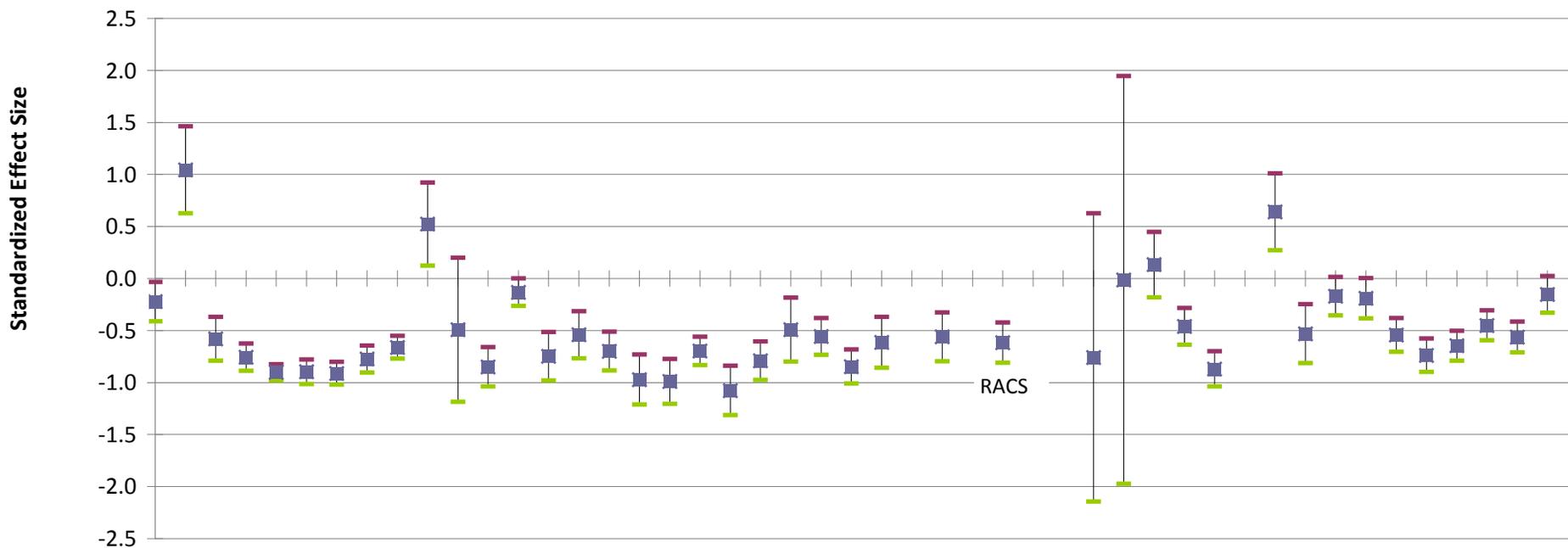


Note: Controlling for student demographic characteristics. Compared to other demographically comparable schools with students tested in NYS high schools. An effect size above 0.0 indicates the school performed better than the NYS mean scores.

Comparative Performance to the State for Rochester Academy Charter School and Peer Schools

Integrated Algebra Regents Effect Sizes, 2011

- Upper confidence limit
- Lower confidence limit
- Effect size estimate

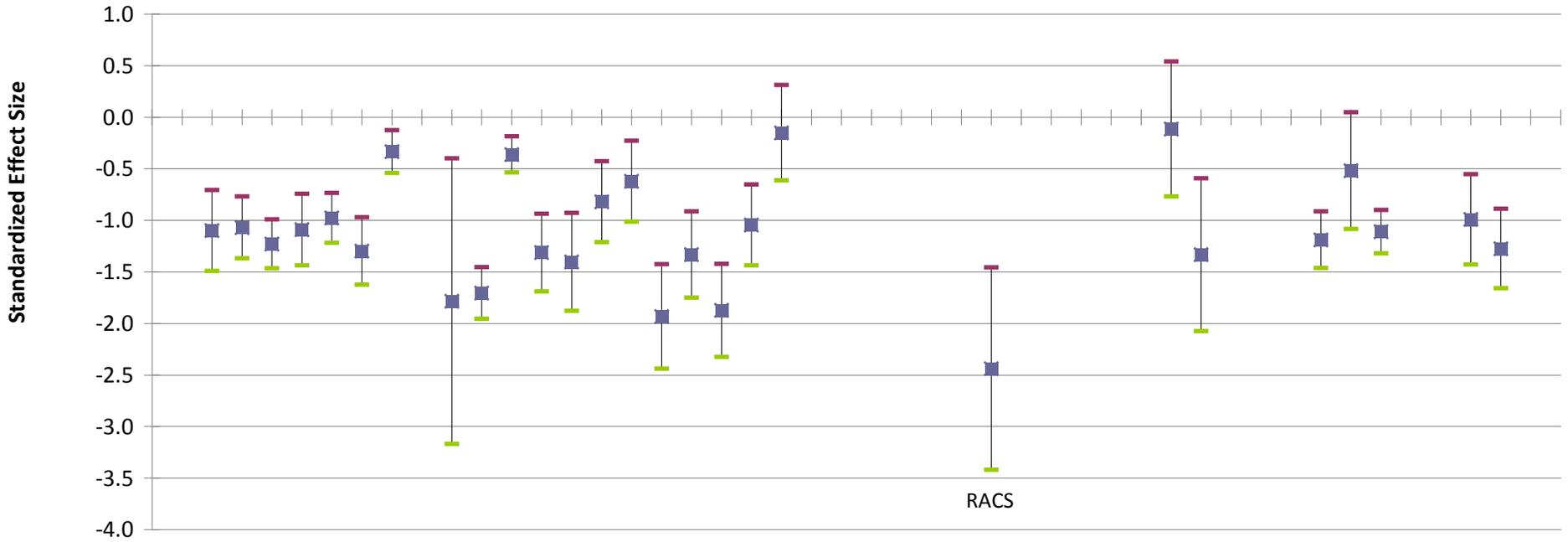


Note: Controlling for student demographic characteristics. Compared to other demographically comparable schools with students tested in NYS high schools. An effect size above 0.0 indicates the school performed better than the NYS mean scores.

Comparative Performance to the State for Rochester Academy Charter School and Peer Schools

Algebra2/Trigonometry Regents Effect Sizes, 2011

- Upper confidence limit
- Lower confidence limit
- Effect size estimate



Note: Controlling for student demographic characteristics. Compared to other demographically comparable schools with students tested in NYS high schools. An effect size above 0.0 indicates the school performed better than the NYS mean scores.

Appendix B: Rochester Academy Charter School Fiscal Dashboard

Charter School:	Rochester Academy
<i>Report as of:</i>	2011

General Information:			
Contact Info:		Years in Operation:	5
Region:	Rochester City	Grades Served:	7-12
		Enrollment:	274
		Max Enrollment:	300

Income Statement:

Revenues:	
State/Local Operating	\$2,992,288
Federal Sources	0
State/Local Grants	346,951
Other	12,959
Total Revenues:	\$3,352,198

Expenses:	
Total Program Services	\$2,461,553
Management and General	462,215
Fundraising	0
Total Expenses:	\$2,923,768

Ops. Surplus/(Deficit)	\$428,430
-------------------------------	------------------

Balance Sheet & Cash Flow:

Assets:	
Cash	\$741,111
Total Current Assets	790,417
Investments & PP&E	282,529
Total Assets:	\$1,083,946

Liabilities:	
Current Liabilities	\$232,943
Total Debt	0
Total Liabilities:	232,943
Net Assets:	851,003
Total Liab. & Net Assets:	\$1,083,946

Change in Cash	\$597,816
-----------------------	------------------

Key Performance Metrics:

Near-Term Metrics:	
Current Ratio	3.4x
Unrestricted Days Cash	106.2
Enrollment Stability	91.3%
Total Revenue Per Student:	\$12,234
Total Expenses Per Student:	\$10,671

Sustainable Metrics:	
Total Margin	14.2%
Debt to Asset Ratio	0.21x
Cash Flow	\$597,816
Debt Service Coverage Ratio	N/A
Composite Score	3.00
Composite Strength	Strong

Appendix B: Rochester Academy Charter School Fiscal Dashboard

Symbol Legend:

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

Key Inputs:

Target School:	<i>Rochester Academy</i>
Time Period:	2011

Financial Indicator:

Target: Rochester Academy

Near-Term Indicators:

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

Current Metric:	Performance:		
3.4x			
106.2			
91.3%			

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:		
14.2%			
0.21x			
\$597,816			
N/A			

Appendix B: Rochester Academy Charter School Fiscal Dashboard

	2011	2010	2009	Average
1a. Current Ratio	3.39x	2.02x	1.61x	2.34x
<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	106.2	55.9	48.4	70.2
<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):
X	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:
	Less than 15 Days Cash

	2011	2010	2009	Average
1c. Enrollment Stability	91.3%	92.5%	97.8%	93.9%
<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:
	Enrollment Variance equals or exceeds 95% in most recent year
	Adequate - Moderate Risk (if satisfies any of the following two):
X	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	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
X	Composite Score Range of 1.5-3.0.
	Fiscally Adequate
	Composite Score Range of 1.0-1.4.
	Requires Review: Fiscally Needs Monitoring
	Composite Score Range of -1.0-0.9.

Appendix B: Rochester Academy Charter School Fiscal Dashboard

	2011	2010	2009	Average
2a. Total Margin	14.2%	6.0%	12.5%	10.9%
<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	0.21x	0.29x	0.41x	0.30x
<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 checked="" 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 type="checkbox"/>	Debt to Asset Ratio is greater than 1.0

	2011	2010	2009	Average
2c. Cash Flow	\$597,816	(\$47,773)	\$181,884	\$243,976
<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>				

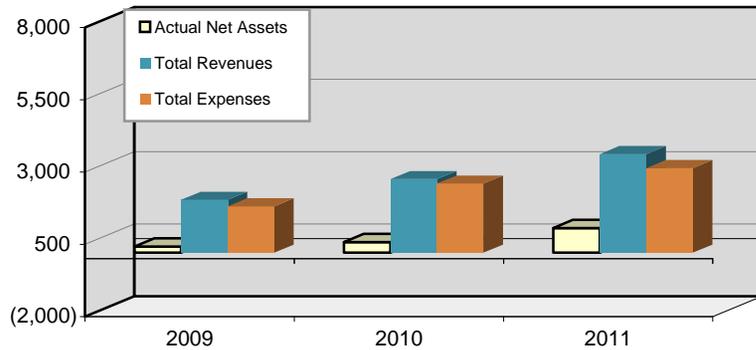
	Meets Standard - Low Risk:
<input checked="" type="checkbox"/>	Debt Service Coverage Ratio is equal to or exceeds 1.10
	Adequate - Moderate Risk:
<input type="checkbox"/>	Debt Service Coverage Ratio is less than 1.10
	Requires Review - High Risk:
<input type="checkbox"/>	Debt Service Coverage Ratio is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

Appendix B: Rochester Academy Charter School Fiscal Dashboard

Charter School: Rochester Academy
Report as of: 2011

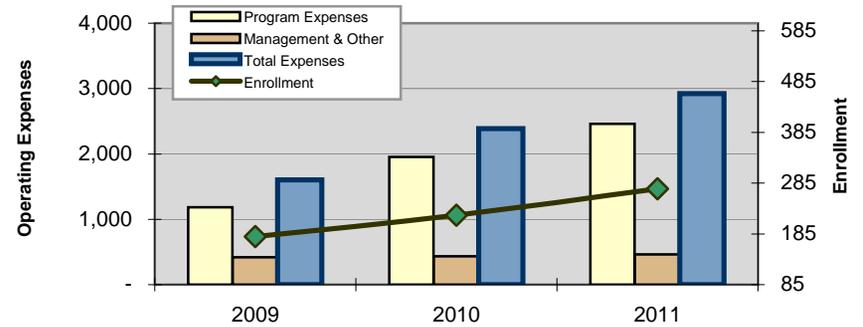
(\$'s in thousands)

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.

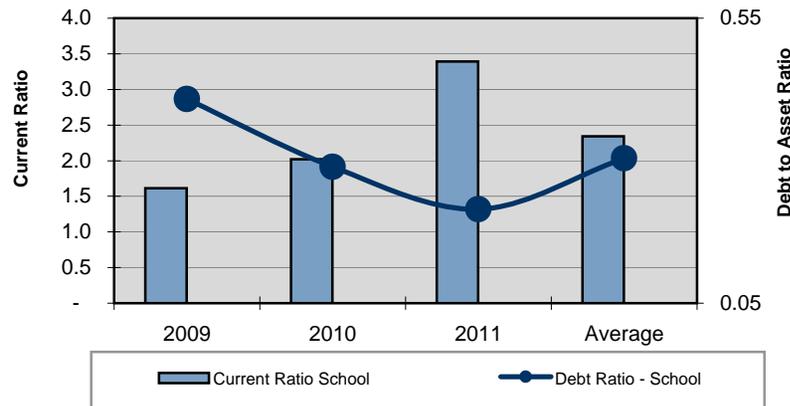
Enrollment vs. Operating Expenses



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

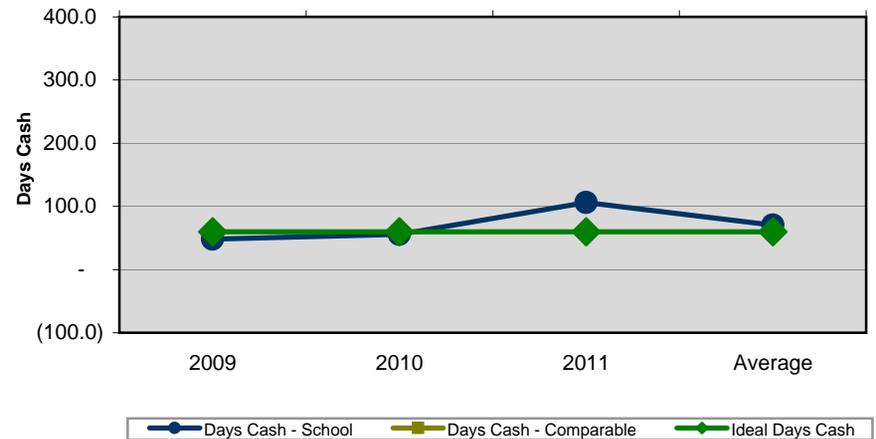
Current Ratio / Debt to Asset Ratio

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.