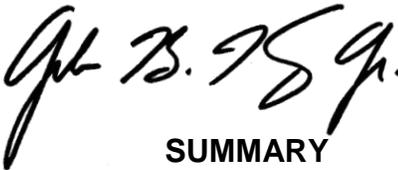




THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

TO: P-12 Education Committee
FROM: Ken Slentz 
SUBJECT: Renewal Decisions for Charter Schools Authorized by the Board of Regents
DATE: March 6, 2014

AUTHORIZATION(S): 
SUMMARY

Issue for Decision

Should the Regents approve the proposed renewal charters for the following charter schools authorized by the Board of Regents pursuant to Article 56 of the Education Law (the NYS Charter School Statute):

- Evergreen Charter School (Hempstead UFSD)
- Health Sciences Charter School (Buffalo City SD)
- Riverhead Charter School (Riverhead CSD)

Reason(s) for Consideration

Required by State Statute.

Proposed Handling

This issue will be before the Regents P-12 Education Committee and the Full Board for action at the March 2014 Regents meeting.

Procedural History

Evergreen Charter School

Initial Charter issued by the Board of Regents in January 2009

Renewal Charter issued in December 2013 (short term charter to align charter expiration date with end of the 2013-14 academic year).

Health Sciences Charter School

Initial Charter issued by the Board of Regents in September 2009

Charter Revision approved by the Board of Regents to relocate the School from the Tonawanda CSD to the Buffalo CSD in April 2011

Riverhead Charter School

Initial Charter issued by the Board of Regents in January 2001

First Renewal Charter issued in December 2005 (2 ½ year renewal term)

Second Renewal Charter issued in May 2008 (1 year renewal term)

Third Renewal Charter issued in April 2009 (5 year renewal term)

Background Information

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

- (a) the charter school described in the application meets the requirements set out in this article and all other applicable laws, rules and regulations;
- (b) the applicant can demonstrate the ability to operate the school in an educationally and fiscally sound manner;
- (c) granting the application is likely to improve student learning and achievement and materially further the purposes set out in subdivision two of section twenty-eight hundred fifty of this article; and
- (d) in a school district where the total enrollment of resident students attending charter schools in the base year is greater than five percent of the total public school enrollment of the school district in the base year (i) granting the application would have a significant educational benefit to the students expected to attend the proposed charter school or (ii) the school district in which the charter school will be located consents to such application.

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

The charter renewal decision is based on a 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 review of the information presented by each school in its Renewal Application, a specific fiscal review, a two-day renewal site visit conducted by a Department team during the fall of 2013, comprehensive analysis of achievement data and consideration of public comment. The attached Renewal Recommendation Reports provide summary information about each of the Renewal Applications that are before the Regents for action today as well as performance over the previous charter terms, including specific analyses of academic performance.

The Department recommends the following:

- (1) That Evergreen Charter School, Health Sciences Charter School and Riverhead Charter School receive three-year renewal terms which would end on June 30, 2017.
- (2) That Evergreen Charter School's request to expand by adding Grade 6 not be approved for this renewal term.
- (3) That a small expansion in the approved maximum enrollment for Riverhead Charter School (from 400 to 414 students) be approved for the renewal term to address an expected reduction in student attrition as they complete the full, previously approved grade span of K-8.

Recommendation

VOTED: That the Board of Regents finds that, the **Evergreen 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 Evergreen Charter School and that a renewal charter be issued, and that is provisional charter be extended for a term up through and including June 30, 2017. The request to expand the grades served by the school to include sixth grade is not approved.

VOTED: That the Board of Regents finds that, the **Health Sciences 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 Health Sciences Charter School and that a renewal charter be issued, and that is provisional charter be extended for a term up through and including June 30, 2017.

VOTED: That the Board of Regents finds that, the **Riverhead 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 Riverhead Charter School and that a renewal charter be issued, and that is provisional charter be extended for a term up through and including June 30, 2017. The maximum approved enrollment for the School is increased from 400 to 414 for the renewal charter term.

Timetable for Implementation

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

Attachments



New York State Education Department

***Charter School Renewal Recommendation Report
Application for 1st Charter Renewal***

Evergreen Charter School

March 10, 2014

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

Opening Information

Date Initial Charter Approved by Board of Regents	January 13, 2009
School Opening Date	September 2009
Charter Terms	January 13, 2009 – January 12, 2014

Location

School Year(s)	Location(s)	Grades at Location	District of Location	Districts Served
2009-2014	605 Peninsula Blvd., Hempstead, NY 11550	K-5	Hempstead UFSD	Hempstead

Partner Organizations

Partner Name	Partnership Type	Dates of Service
Circulo de Hispanidad	Institutional	2009 – present

Current Mission Statement

The mission of the Evergreen Charter School is to nurture the intellectual, physical, and social development of children through a comprehensive program that promotes academic excellence and prepares its students for success in school and in life.

Current Key Design Elements

<ul style="list-style-type: none">● Second language instruction in Spanish for all grades
<ul style="list-style-type: none">● Integration of Ecology throughout the curriculum and culture with the recurring theme of “reduce, reuse, recycle”
<ul style="list-style-type: none">● To foster healthy life choices within a child-centered, environmentally friendly school
<ul style="list-style-type: none">● Integration of Hispanic Culture and respect for diverse cultures through experiential activities and classroom instruction
<ul style="list-style-type: none">● Planning and instruction utilizing the Workshop Model of instruction

School Characteristics

School Year	Chartered Enrollment	Actual Enrollment	Grades Served
2009-2010	100	96	K-1
2010-2011	150	147	K-2
2011-2012	200	197	K-3
2012-2013	250	248	K-4
2013-2014	300	300	K-5
Maximum enrollment: 400			

Student Demographics of ECS Compared to District of Location¹

	Evergreen Charter School Enrollment		District of Location Enrollment	
	Total	%	Total	%
2011-12 Grades K-3				
<i>All Students</i>	196		2,067	
American Indian/Alaska Native	--	--	--	--
Asian/Pacific Islander	1	0.5%	14	0.7%
Black	69	35.2%	645	31.2%
Hispanic	120	61.2%	1,267	61.3%
Migrant	--	--	--	--
Multiracial	4	2.0%	3	0.1%
White	2	1.0%	126	6.1%
Economically Disadvantaged	165	84.2%	1,712	82.8%
Limited English Proficient	65	33.2%	869	42.0%
Students with Disabilities	12	6.1%	148	7.2%
2012-13 Grades K-4				
<i>All Students</i>	249		2,711	
American Indian/Alaska Native	4	1.6%	18	0.7%
Asian/Pacific Islander	1	0.4%	19	0.7%
Black	84	33.7%	845	31.2%
Hispanic	146	58.6%	1,667	61.5%
Migrant	--	--	--	--
Multiracial	4	1.6%	3	0.1%
White	10	4.0%	159	5.9%
Economically Disadvantaged	174	69.9%	2,315	85.4%
Limited English Proficient	71	28.5%	1,082	39.9%
Students with Disabilities	16	6.4%	285	10.5%

¹ District level enrollment and demographics are reflective only of those grades served by the charter school. Enrollment and demographic data sourced from the Student Information Repository System (SIRS).

Current Board of Trustees

Board Member Name	Term	Position
Gil Bernardino	3	Chairperson
Sarah Brewster	2	Vice-chairperson
Jose Canosa	1	Treasurer
Gladys Rodriguez	2	Secretary
Nancy Iglesias	1	Trustee
Yvonne Mowatt	3	Trustee
Luis Ras	2	Trustee
Ariel Sotelo	3	Trustee

School Leader(s)

School Year	School Leader(s) Name and Title
2009-2011	Rosa Escota, Principal
2011- present	Maritza Meyers, Principal

School Visit History

School Year	Visit Type	Evaluator (CSO/External)	Date
2010-2011	Check-In	CSO	June 16, 2011
2011-2012	Full	CSO	December 11, 2011
2011-2012	Check-In	CSO	June 14, 2012
2012-2013	Check-In	CSO	December 4, 2012
2013-2014	Renewal	CSO	October 8-9, 2013

Background

The Board of Regents granted an initial charter to Evergreen Charter School (“ECS” or “the School,” hereafter), located within the Hempstead Unified School District, on January 13, 2009. The School opened in September 2009 serving 96 students in kindergarten and grade 1. The School currently serves 300 students in Grades K through 5.

Department's Renewal Recommendation

Based upon the evidence outlined below, the Department recommends a three-year charter renewal for Evergreen Charter School. The renewal period would commence on July 1, 2014 and end on June 30, 2017. The Department also recommends that the School's expansion request not be approved for this renewal period.

Summary of Evidence

The summary of evidence presented below is drawn from the school's record over the term of the charter including: New York State assessment data, the renewal application, renewal and monitoring site-visit findings, annual reports, independent fiscal audits, Board of Trustees minutes and other documents collected by and about the school.

Department's Analysis of Student Performance

New York State Testing Program (NYSTP) Proficiency

In 2011-12, ECS's third grade students outperformed the Hempstead school district in math by 37 points, and in English language arts (ELA) by 16 points. The School did not meet its goal of 75% proficiency in ELA (see section on *School Goals*). In 2011-12, the School surpassed the NYS average for 3rd grade math by 18 points, yet fell below the NYS average in math by 7 points².

In 2012-13, the NYS assessments were aligned to the Common Core Learning Standards, creating a new baseline for the exams. Evergreen tested its 3rd and 4th grade classes and mirrored the trend of the district by falling in both ELA and math from the previous year. ECS scored four points above the district average in math, and 20 points below the state average. In ELA, ECS's scores fell three points below the district average, and 25 points below the state average.

ECS's economically disadvantaged students performed at or above the state average in 2011-12 in both ELA and math. However, the School's ELA proficiency for students in poverty fell below the state average and the district average. Math performance for students in poverty was 5 points above the Hempstead average, but below the state.

English Language Learners at Evergreen showed strong proficiency in math in 2011-12; 43 points above the state average. The School was only 2 points above the district in ELL performance on the ELA exam and 8 points below the state. In 2012-13, 0% of the ELL students at Evergreen passed the ELA and math exam.

Evergreen did not have enough students in the 3rd or 4th grade to calculate students with disabilities proficiency rates compared to the district or the state averages.

² See Appendix A for detailed histograms of the school's proficiency outcomes on the NYS ELA and mathematics exams.

Table 1: Evergreen CS NYSTP Proficiency Variance Compared to the District of Location and NYS³

Subject	Charter School		Hempstead		NYS	School Comparison to:	
	N	%	N	%	%	Hempstead +/-	NYS +/-
2011-12 Gr. 3	47	48.9%	473	32.8%	55.5%	16.2	-6.6
	47	78.7%	480	42.1%	61.2%	36.6	17.5
2012-13 Gr. 3-4	95	6.3%	946	9.0%	30.7%	-2.7	-24.4
	95	14.7%	962	10.9%	35.3%	3.8	-20.6

Growth

In 2011-12, Evergreen Charter School tested its first third grade class in the New York State testing program in English Language Arts (ELA) and math. In 2012-13, the school added a 4th grade class, thus, providing two years of testing data to apply to the 4-8 growth model⁴.

The 2012-13 growth model accounted for similar tested student characteristics at Evergreen Charter School: 23.4% English Language Learners (ELL), 8.5% students with disabilities (SWD), and 61.7% economically disadvantaged (poverty). Of the similar elementary schools in the Hempstead School District (district of location), the average demographic composition of tested students was recorded as 31.1% ELL, 12.3% SWD, and 88.9% poverty. Two similar charter schools within the district were also compared to Evergreen, with average demographics of tested students reported as 2.8% ELL, 2.7% SWD, and 53.3% poverty.

Compared to similar schools across the state and within the district, Evergreen Charter School demonstrated lower than expected in growth in 2012-13 ELA and math. The school's combined growth score of 26 indicates that ECS's students grew less than students in similar schools, with similar students. However, many of the similar schools in the district also did not demonstrate adequate growth as expected, though Evergreen showed the least amount of growth from the prior year.

It should be noted that 2012-13 is the first year of reported growth scores for Evergreen Charter School.

Evidence of Performance Related to Academic Goals

Evergreen Charter School set academic goals for the duration of its charter term as required by Education Law. The following outlines the school's self-reported progress⁵ toward meeting these goals:

³ Table 1 shows district and state level percent of students scoring proficient (level 3 & 4) on the NYSTP ELA and math exams. These scores are reflective of grades served by the target school in that year, thus, district and state percentages only reflect those grades as well.

Data shown in table 1 is from verified reports in the Student Information Repository System (SIRS).

⁴ See Appendix A for detailed scatterplots depicting the school's growth.

⁵ Data on charter school progress toward goals are reported in the school's application for renewal.

- *Absolute Proficiency*

Evergreen Charter School set an absolute proficiency goal for ELA and mathematics to have 75% of 3rd graders proficient in ELA and mathematics on the New York State 3rd grade exams⁶. The school did not meet its goal for ELA (48% proficient), but met its goal for mathematics (79% proficient).

- *Diagnostic Tools*

Evergreen set a goal for 75% of students in grades K-2 to score proficiently on the reading-based *Fox in the Box* assessment. In the aggregate, students met this goal from 2010-11 through 2012-13 school year. However, students showed lowest performance in grades 1-2.

The School evaluates the reading level of its students using *Fountas and Pinnell*. The School set a goal for 75% of students in grades K-4 to score proficiently on this assessment. In the aggregate, students met this goal from 2010-11 through 2012-13.

Both diagnostic assessments showed low performance in first and second grades in 2011-12; a precursor to these students needing focused intervention in ELA. However, in 2012-13, the third grade performed below the district on the ELA assessment. A more complete trend of diagnostic and intervention will be seen in the 2013-14 ELA outcome of the 2011-12 first grade class.

- *Growth*

Evergreen set a goal for students in grades 1-3 who have attended Evergreen Charter School for two years to decrease the gap by one half from the prior year performance in reading and math, by student cohort, on the *Iowa Test of Basic Skills (ITBS)*. In ELA, the School did not meet this goal from 2010-11 through 2012-13 for all three cohorts. In math, the School did not meet the goal for the 2010-11 and 2011-12 goal for any cohort, however, two of the three cohorts did meet this goal in 2012-13.

- *Comparative*

Evergreen set a goal for its 3rd grade students to outperform the Hempstead School District in ELA and math on the New York State exams. In 2011-2012 the School outperformed the district average in ELA, but did not in 2012-2013. In math, the school's 3rd graders outperformed the district's average in both 2011-12 and 2012-13.

⁶ Due to the dramatic changes in cut scores on the 2012-13 Common Core-based exams, the Department did not evaluate the 2012-13 goal against the 75% proficient rate as this goal was set under the previous testing versions using a different baseline of student achievement.

Evidence of Performance Observed through On-site School Reviews

The CSO site visit teams conducted monitoring visits to the School throughout this current charter term (June 30, 2009- June 30, 2014). On October 8-9, 2013, a Department team conducted a renewal site visit at ECS. In addition, the Department conducted check-in visits on December 4, 2012, June 14, 2012, and June 16, 2011. A full site visit was conducted on December 11, 2011. During these visits, the team interviewed the Board of Trustees, school administrators, teachers, parents and students, and observed classroom instruction. Three guiding questions serve as a lens to direct the review of the charter term:

1. Is the school an academic success and able to operate in an educationally sound manner?
2. Is the school organizationally viable and able to operate in a fiscally sound manner?
3. Is the school faithful to the terms of its charter and has it adhered to applicable laws and regulations?

Educational Soundness

Curriculum and Instruction

At the time of the renewal visit to ECS, the CSO team found curriculum and instruction a relative strength of the school. The School has begun to align the School's curriculum with the Common Core Learning Standards (CCLS). The School uses successful strategies to engage students such as co-teaching, the use of teaching assistants, and differentiation of instruction. At the beginning of the visit, the school leader described what the team should expect to see in classroom observations. She identified the following: workshop instructional model, differentiation of instruction, and engaging students in higher order thinking skills. These elements were observed unevenly throughout the classrooms.

Both supervisors and teachers reported that the teachers, with the help of a consultant, rewrote pacing guides and curriculum maps during the past summer. The mathematics curriculum maps clearly tie instruction to the CCLS. The math curriculum maps are very extensive, but the ELA maps need further development to create a more definitive yearlong focus and rigorous instructional units. Most lesson plans that were reviewed did not include higher order thinking skill questions nor essential questions to help teachers monitor the delivery of rigorous instruction. All lesson plans included content and language objectives, but language objectives were not posted in the classrooms.

Elements of the workshop model of instruction were used in all classrooms, but most classrooms did not show evidence of using all elements of the workshop model. In most classrooms, objectives (teaching points) were direct and relevant (i.e. "I can explain how a seed germinates"). However, in others they were not concise (i.e. "Students will use words that have more than one meaning and they will compare and contrast to infer what characters think and predict what characters do"). Some objectives were incorrect (i.e. "I can describe how living things grow", when lesson was about animal traits). Multiple classrooms did not have an objective posted.

Most teachers modeled for the students before independent or group work, but some either did not model or focused on elements not directly contained in the objective. All observed classrooms used turn and talk, sharing out, independent, paired and/or group work and a short "share out" at the end. Some classrooms tie instruction to real life situations.

Differentiation of instruction was evident in all classrooms. All teachers use guided group instruction to address the learning needs of their students. Simultaneously, other students were working in small groups, pairs or independently. Many teachers had students working with manipulatives, and some teachers showed evidence of differentiated products and presentations to address student needs. Math is taught utilizing the RDW (Read, Draw, Word Sentence) strategy, giving the teachers a valuable tool to assess individual student understanding. The school differentiates instruction in Spanish for native and second language learners.

The use of higher thinking skills questioning was uneven and many teachers worked mainly on remembering, understanding and applying. In many classrooms there was a preponderance of “what” questions.

The curriculum at ECS is developed with its intended focus on the CCLS. Teachers have participated in multiple professional development sessions on the CCLS. Evergreen uses *GO* for supplementing math instruction. The English Language Arts (ELA) curriculum utilizes *Journeys* and implements a guided reading approach.

Teachers plan lessons using a template adapted from the Charlotte Danielson framework with a focus on aligning with the CCLS and delivering instruction with the workshop model. They are required to formally turn in lesson plans each Monday. The principal and/or assistant principal review the plans and teachers receive feedback on their planning, but not in a formal and uniform manner. A high level of collaboration among teachers results in instruction that is horizontally aligned. Efforts are now focused on vertical alignment. Teachers have common prep periods two-three times a week and meet to in grade level teams twice a month along with support staff (Special Education teacher, ESL teacher, Reading coach). Supervisors do not regularly meet with the teachers during these periods. During this time, they are able to provide feedback to one another, plan strategies and discuss individual student needs. Every Tuesday, Child Study Teams meet to analyze both formal and informal data on individual children. During these meetings they discuss the progress of students and how to target students who need intervention. Two consultants (math and ELA) work with teachers on curriculum and classroom instructional. They model, observe and provide feedback for the teachers. The consultants use a feedback form that critically reviews the lesson and provides next steps. The consultants meet twice a month with the teacher and supervisors to review findings and progress. The supervisors observe teachers informally throughout the year and provide verbal feedback. The principal formally observes all of the teachers at least twice per year. Final performance ratings include all observations, feedback from the consultants and performance data from standardized testing.

Multiple professional development opportunities are available to teachers. Professional development was provided during this past summer on scaffolding instruction, the *Journeys* Reading program (Houghton Mifflin Harcourt), writing informational text, pre- and post- assessment, tying instruction to the CCLS, and the Sheltered Instruction Observation Protocol (SIOP). The professional development calendar for the year lacks any focus. Dates for professional development are listed with a content subject (i.e. ELA), but targeted professional development is listed for only five of these dates throughout the school year.

In previous years, CSO team members made similar findings regarding the overall quality of instruction. During the December 2012 check-in visit, teachers were observed providing instructions which students were able to follow. Students were organized in small and large groups and routines appeared to be well

established. Most classroom observations were conducted during the literacy block and, in various grade levels, instruction was observed in beginning letter/sound connections, letter recognition, development of oral vocabulary, mechanics of writing and comprehension strategies. The content was meaningful and students were generally engaged in lessons. Many teachers routinely checked for understanding and provided students with feedback.

Assessment and Instructional Decision-Making

ECS faculty and administrators state they use formative and summative assessments and evaluative data to inform instructional decisions. However, it was observed that data is used unevenly and does not always guide and improve instructional practice. Data is not always item-specific or disaggregated.

Using formative and summative assessments—both formal and informal—teachers assess student progress throughout the course of the school year. Informally, teachers use running records, take anecdotal notes and observations during classroom instruction. Formally, students are assessed using the *Iowa Test of Basic Skills (ITBS)* two times a year in ELA, Math, Science and Social Studies. The *Developmental Indicators for the Assessment of Learning (DIAL)* in ELA and Math readiness are administered annually to Kindergarteners. *Fountas and Pinnell* benchmark assessments in ELA are administered in kindergarten through grade five every six weeks. *Fox in the Box* in ELA is administered in grades kindergarten through grade two every six weeks (diagnostic and formative). Teachers use data from formal and informal assessments to group students. These groups are flexible and constantly changing. As aforementioned in the previous section, the school's use of these diagnostics to provide intervention services is not yet appearing in their grade level proficiency outcomes in ELA.

The school leader uses data from assessments to monitor the effectiveness of instruction across the School. There has been an intensive focus on improving mathematics instruction during the 2013-2014 school year. The afternoon classroom study period is mainly used for math intervention.

While student achievement data are shared with the staff, several steps are being taken to make this process more efficient. The School has hired a new Data Coordinator and is in the process of implementing eDoctrina to help teachers to use data to help drive their instruction. This program allows teachers to scan and directly input data and to link assessments to the CCLS. It has the ability to analyze data by generating various reports to help teachers create goals and action plans to aid in their planning of unit and lesson plans and to create appropriate rubrics. Currently, teachers have assessment binders, but statistical information is often not broken down into item analysis reports and hampers teachers from using data more effectively.

Teachers provide feedback to students through written comments on homework and informal classroom check-ins on a daily basis. Report cards grades are presented as rubric scores. These scores are used to provide information to parents regarding their child's performance on specific learning targets in each discipline.

In December 2012, CSO noted that ECS had adopted new core instructional programs in reading (Journeys) and math (Envision and Go Math). Other program changes include the purchase and use of eDoctrina and the hiring of a Learning/Data Specialist to improve data driven instruction; scheduling changes that include block scheduling in literacy and math, as well as daily teacher prep time; weekly grade level planning meetings, house meetings, and professional development. Coaching is provided to

teachers in reading, math and differentiation of instruction by school administrators and staff, as well as by Aussie literacy and math coaches.

Classroom management and organizational practices at the Evergreen Charter School are characterized by differentiation to address diverse learning needs using small/large group instruction with center activities for independent practice and paired and independent learning, clear routines and efforts to maximize instructional time, and high levels of student engagement.

When CSO conducted its full site visit in December 2011, it was noted that third grade students required additional support in math and reading. Over the past two years, the administrators and trustees at ECS focused extensively on these areas of concern by modifying the instructional program, changing staffing patterns, and increasing support for teachers.

Climate, Culture and Safety

Overall, students report feeling safe at the School. Programs exist to develop a culture of respect and safety amongst students. There is a conflict resolution program for all students that focuses on different ways of managing conflict and avoid confrontational situations. To ensure safety, the school has a full time security guard outside the entrance that is used for all visitors to enter the building. All visitors are signed in at the security desk at the main entrance of the school.

The site visit team observed students interacting respectfully with teachers and peers. There are structured expectations for student behavior and a behavior management chart is used in all classes. Teachers provide clear rules and guidelines for behavior, including techniques in their classrooms and common chants and signals throughout the school. There are structures in place if a student must be disciplined outside of the classroom.

A strong climate and culture—for both teachers and students—is present throughout the school. Amongst teachers there is a culture of feedback and collaboration, where teachers openly give one another feedback and collaborate on lessons. Teachers treat students with respect, and focus on the social-emotional needs of all children. Teachers and students get to know one another deeply, which promotes a feeling of safety and security for students. Students and teachers have a strong and positive relationship. Teachers communicate with the parents informally during pick up and through various other contacts. Teachers often contact parents for positive and negative feedback and some utilize the internet, websites and communication notebooks on a regular basis. Throughout the School, character education is emphasized and staff, students, and parents are aware of and involved in the program. A different character trait—such as courage—is focused upon each month. Students communicated their mission in the school was “to succeed in life and school.” The students related that they always feel safe in the school and that the teachers care for them and their problems. They spoke of how teachers work with students during their lunchtime. Parents also spoke of how they felt that the school was a safe place and that their children’s educational, emotional and social needs were being met. Key design principles, such as success and failure, diversity and inclusion, and responsibility for learning, are also taught to students. Through report cards, students are assessed on character development using the character traits emphasized through the curriculum. Students reflect on their own character development when working on individual and group projects through prompts and rubrics.

According to the school parent survey, ninety-seven percent of parents at ECS are satisfied with communication at the School. This satisfaction was reiterated during the parent focus group that was attended by approximately sixty-five parents. Parents were pleased with the communication from school leadership and teachers, and appreciated the use of multiple communication methods. Parents are contacted by school personnel quite frequently either by the school leader or teachers. Communication methods include: communication notebooks, “backpack mail,” phone calls, email, and various letters. All letters are translated into Spanish and other languages as needed. Parents at the focus group indicated that they feel they can approach the school leadership team with any issues they might have.

Parents feel that the needs of all students, especially those with special needs, are fully addressed and met. They appreciate that the needs of all students—including special education and more academically advanced students—are met. They feel the teachers address different styles of learning: Teachers are seen as flexible, as they tailor instruction to meet the needs of individual students. Parents appreciate that multiple learning modalities are addressed through different teaching styles and project choices, and a caring and nurturing attitude.

Student attendance for the 2012-13 school year was 92 percent, and ECS has a retention rate at the school of 94 percent. Teacher turnover rate is also relatively low with three teachers leaving after 2012-13 or at the beginning of 2013-2014.

Organizational Soundness

Evidence of Organizational Capacity

As of October 2013, the organizational chart at ECS was clear and accurately reflected the observed structure and practice at the School. The principal oversees all instructional and operational positions. The assistant principal, literacy coach, and special education teacher support the school leader in overseeing ECS. Additionally, the School utilizes two consultants for Math and ELA instruction. They visit the School on a regular basis and provide support in tying the curriculum to the Common Core Learning Standards.

The School successfully recruits, hires, and retains key personnel, and provides individualized attention to teachers who aren’t effective. Teacher turnover has stabilized and only three teachers left after the last school year (85 percent retention).

Teachers play an integral role in shaping policies and procedures at ECS. They provide input on the professional development sessions offered at the school. For example, teachers work with the consultants to plan professional development sessions. In addition to the coaching they receive from the ELA and math consultants, teachers are also coached by the ELA coach, assistant principal and school leader. No teachers have been removed because of ineffective practice; however, procedures are in place to provide additional support to teachers who need it.

The board of trustees systematically assesses the performance of the school leader. The board evaluates the school leader using an evaluation tool for school leaders that focuses on Instructional Leadership, Rigorous Academic Assessment and Teaching, Caring Culture of Commitment, Operations and Financials,

and Good Governance. At the end of every year, the board receives reports that include information from data walls, state test summaries, and other school-wide data.

The school leader formally and informally evaluates teachers. Evaluation and feedback is differentiated depending on individual teacher needs. All teachers are evaluated, and teachers work with either the curriculum specialist or school leader during this process. Currently, all teachers are formally evaluated twice a year. Teachers are also developed through coaching cycles throughout the school year where consultants observe, evaluate, model and give specific feedback for next steps. ECS utilizes a Teacher Evaluation form with multiple rating areas including: Attendance and Punctuality, Classroom Climate, Instructional Management, Student Progress, Communication, and Professional Work Habits. The school also utilizes a Teacher Assistant Evaluation rating chart that includes: Attendance and Punctuality, Working with Students, Working with Co-Workers, and Performance of Tasks.

In 2011, ECS changed instructional and operational leadership. The board of trustees sought to make changes amid charges of malfeasance by staff, which were later substantiated by an external consultant. During the transition period, CSO staff conducted a full site visit and observed an organizational leadership team in flux. Findings at the time noted the challenges with respect to communication, expectations, and decision-making. At that time, a number of parents have had ongoing conflicts with the administration and Board of Trustees. Communication or the lack thereof is seemingly the issue. For example, a handful of parents indicated that they receive no information from the school unless it comes from the parent association; some parents are unaware of the Green or Red folders that are backpacked home with their children; some parents learned that their children were receiving ESL services but had not be notified nor received the information. Sufficient examples were presented to affirm that communication or the lack thereof to parents from the School is a major area of concern. Since that time, however, ECS has established a more coherent organizational feel, and parent sentiment toward the administration and trustees has shifted dramatically.

Moreover, the school leader uses multiple modalities to communicate with families and across the school community. She communicates with parents through methods such as phone calls, email, Parent Teacher Association meetings, Board of Trustees meetings and school events including Curriculum Night. The school leader communicates with teachers through grade-level meetings and meetings with the entire staff. The school leader has an “open-door” policy for all stakeholders.

The school leader’s communication style is characterized by various constituency groups (board of trustees, teachers, parents) as effective and hands-on. The school leader provides leadership, instructional oversight and feedback, operations leadership, and community engagement. The school leader also monitors the effectiveness of the school’s academic program and operation. However, instructional leadership seems to be lacking targeted and direct oversight. Professional development is offered frequently, but a clear focus and specific dates for training in targeted areas is not evident. Review and oversight of instructional planning is lacking formal structure. For example, teachers are informally observed very frequently, but feedback is not captured in a formal framework to improve instruction. Feedback is mostly verbal and no structure is in place for teachers and school leaders to chart recommendations to ensure implementation. Lesson plans are collected weekly, but teachers report that feedback is minimal. Various school and classroom structures are inconsistent. For example, objectives are not posted in all classrooms. Class schedules and daily schedules are not uniformly posted in classrooms. Student portfolios are kept, but their use is inconsistent and the school leader acknowledges, “we are not proud of them.” Additionally, the school leader and the Board of Trustees

acknowledge the achievement of English Language Learners and African American students as an area in need of improvement. The staff received some training in the Sheltered Instruction Observation Protocol (SIOP), but there is no specific follow up training scheduled at this time. Teachers use only a few of the recommended practices in their classrooms. Practices that were observed included sufficient wait time, pair – square, and the use of manipulatives. Language objectives were included in lesson plans, but were not posted when teaching. Although the achievement of African American students is also a targeted area, no findings or recommendations have been made or pursued by either the Board of Trustees or the school leadership and thus no strategies have been implemented.

The school leader is open to feedback and communicates frequently with teachers. Staff feels that the school leader is approachable and that all school information and decisions are readily communicated. Teachers are integral to the purchasing decisions for resources, decisions on the use of instructional flex time in the morning and afternoon, and the reorganization of classes for the ensuing school year.

Currently, the school leader and curriculum specialists provide feedback to teachers, observing in the classrooms almost every day. Consultant curriculum specialists in ELA and math provide immediate feedback utilizing a standard form to inform practice and note next steps. The consultants meet with the school leader for an exit conference to review their work and teacher progress. The school leader and assistant principal provide verbal feedback during informal classroom visits and formal write ups for full observations twice a year.

Evidence of Board Oversight and Governance

Turnover among the board members has been reasonable. Over the charter term since 2009 three board members have left and been replaced according to the charter. The board has recruited and selected board members that maintain adequate skills sets. The board evaluates the resumes of new candidates to determine if their skills match the needs of the board. These candidates are then interviewed and given a tour of the school to determine how well they match the needs of the board and the schools vision. The board evaluates its own effectiveness.

The board has set goals in its renewal application for student performance and for other school initiatives. The instructional goals include increasing differentiated instruction, greater use of data decision-making, attaining student computers, and developing curriculum maps. Other areas of focus include a sustainable Parent Teacher Association, expansion of the music program to include a greater variety of instrumental music instruction and the possible expansion and improving parental communication and participation.

The board has engaged Elevate Charter Schools to help in strategic planning for the school. For example, one of the top priorities of the board this year was the expansion of facilities to accommodate a sixth grade next year and possibly grades seven and eight in the near future. The purchase of a nearby property and a construction of a new building are under consideration.

Ongoing communication exists between teachers and board members. Two teacher representatives serve on the board, and are a part of committees including Nominating, Finance, Personnel, Discipline, and Renovation. Teachers present at the monthly meetings of the Board on such topics as arts integration, math culture, or progress on student academic achievement. These presentations provide a way for board members to stay informed on what is happening at the School. Board members attend

school events. The Board also receives a number of reports on academic achievement. End of the year reports are supported by input from staff as well as school leadership. Data points, trends, and focus areas, and the EL Implementation Checklist are included in the end of year report.

Fiscal Soundness

ECS meets standards for fiscal performance and management established by CSO. The School has assets in place to support the instructional program as outlined in the charter. The School also has policies, procedures, staff, and external consultants in place to oversee, analyze, and report on the fiscal and operational condition.

As part of its close and long-standing relationship with Circulo de Hispanidad (a not-for-profit community-based organization from which Evergreen Charter School rents space), the School has taken on significant expenses over time to make leasehold improvements to the property located at 605 Peninsula Boulevard. Pursuant to an SED recommendation, the School and the CBO commissioned an impartial rent study to determine fair market value of the property, and to renegotiate lease terms based on the findings. The School will pay an increase rental fee for use of the building, which is aligned to its formal expansion and the inclusion of grade 5 within the building, as per the term of the original charter.

The Department reviews the financial performance and management of charter schools using quantitative and qualitative methods. Quantitative reporting is done through the fiscal dashboard (See Appendix B).

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

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

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

Overall Financial Outlook

As part of its close and long-standing relationship with Circulo de Hispanidad (a not-for-profit community-based organization from which Evergreen Charter School rents space), the School has taken on significant expenses over time to make leasehold improvements to the property located at 605 Peninsula Boulevard. Pursuant to a NYSED recommendation, the School and the CBO commissioned an impartial rent study to determine fair market value of the property, and to renegotiate lease terms based on the findings. The School will pay an increase rental fee for use of the building, which is aligned to its formal expansion and the inclusion of grade 5 within the building, as per the term of the original charter.

Based on an analysis of short-term and long-term indicators, Evergreen received a composite score of 1.7 for 2012-13, demonstrating strong financial health. The **Composite Score** is an overall measure of financial health calculated by the NYSED Office of Audit Services. This score is based on a weighting of primary reserves, equity and net income. A charter school with a score between 1.5 and 3.0 is considered in strong financial health. Since 2011, Evergreen's composite score has remained strong, as highlighted in the following table.⁹

Year	Composite Score
2010-11	1.8
2011-12	1.7
2012-13	1.7

Near Term Indicators

Although the school is overall financially strong, the current ratio for 2012-13 is 0.90, a slight increase from the prior year value of 0.87. The **current ratio** is a financial ratio that measures whether or not a school has enough resources to pay its debts over the next 12 months. It compares the school's Current Assets to Current Liabilities. The current ratio is an indication of liquidity and ability to meet creditor's demands. Acceptable ratios are generally between 1.5 and 3 which would indicate good short term strength. If current liabilities exceed current assets (the current ratio is below 1), then the school may have difficulties meeting its short term obligations.

For fiscal year 2012-13, Evergreen operated with 28 days unrestricted cash, an improvement from 2011-12 levels of 22 days. **Unrestricted cash** measures in days whether the school can meet operating expenses without receiving new income. Schools typically strive to maintain at least 90 days cash on hand.

For 2012-13, enrollment stability was at 100 percent, which was the same measure in 2011-12. **Enrollment stability** measures whether or not a school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations. Schools typically strive to have low variability in enrollment over time. Actual enrollment that is over 85 percent is considered reasonable.

⁹ Source: NYSED Office of Audit Services

Long Term Indicators

For 2012-13, Evergreen's debt to asset ratio was 0.41, a slight improvement from 0.36 in 2011-12. A school's **debt to asset ratio** measures the extent to which the school relies on borrowed funds to finance its operations. It is calculated as total liabilities divided by total assets. A ratio of 0.9 or less meets a standard of low risk.

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. Total margin is calculated as net income divided by total revenue. For 2012-13, Evergreen's total margin was 4.4 percent, an increase of one full percent from 3.4 percent in 2011-12.

Cash flow is an assessment of change in cash from operations, financing and investing over a given period. For the 2012-13 period, Evergreen ran an operating surplus of \$210,731. This reflects an approximate 61 percent increase from 2011-12 surplus levels of 131,052, according to the school's 2012-13 audited financial statements.

For additional information regarding these metrics and figures, the CSO staff has prepared a series of graphs to illustrate the long-term (three-year trend analysis from FY 2008 through FY 2011) performance of the school (See Appendix B).

Faithfulness to the Charter and Law

ECS appears to implement its mission with fidelity. The vision and educational philosophy of the school remains consistent with that of the founders. The school makes hiring decisions based on alignment of candidates to the stated mission of the school. Parents report that the school has fulfilled its mission by providing students with exposure to the arts, focus on healthy living and the environment and the teaching of Spanish and Hispanic culture. Parents and students also emphasize their feelings of comfort and safety in a school environment that is nurturing and caring. Students reported that the school fulfills the mission of ensuring that "everyone succeeds in life and school." Students report that they enjoy being able to participate in music, physical education gardening, healthy living choices and hands-on classroom activities.

Overall, school wide instructional practice reflects school design characteristics. The school has a focus on Hispanic culture and the teaching of Spanish to all students. For example, each class is studying a different Hispanic country and culture and all students receive instruction in Spanish. The use of differentiated instruction was evident throughout every classroom. ECS has implemented healthy living through classroom instruction and a cafeteria program where students' meals are prepared by a chef who concentrates on healthy food choices. The School has also focused on the environment and preserving resources. Students and parents are aware of and involved in these initiatives. Integration of the arts is evident throughout the school with students receiving instrumental instruction and even dance instruction.

Several areas of focus have been effectively implemented. Guided reading, leveled libraries, and differentiation are apparent in all classrooms. However, other areas of focus are not consistent from classroom to classroom. Questioning techniques do not consistently lead to rigor and higher order thinking skills. Alignment of curriculum to the CCLS is also inconsistent.

Students have opportunities to develop their character, both explicitly and implicitly. Character traits—such as success and failure, diversity and inclusion, courage, responsibility for learning, conflict resolution, and teamwork—are engrained in the curriculum and also taught organically when situations or problems are presented in real time. They are taught to reflect on their behavior and actions, and self-evaluate themselves in classrooms. Students also receive marks on their report cards for character development focusing on the character traits introduced each month.

Plans for the Next Charter Term

ECS requested an enrollment and grade expansion to add a 6th grade cohort.

Summary of Public Comment

As required by the Charter School Act, the Department notified the Hempstead Unified 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 October 3, 2013. There were approximately 60 signatures on the hearing sign-in sheet. According to the minutes of the hearing, there were a few questions about the renewal process, how the financing of charter schools works and two parents made statements; one parent spoke in favor of the renewal of Evergreen's charter, and one parent indicated that he/she would prefer if his/her school taxes did not go to the public schools.

Appendix A



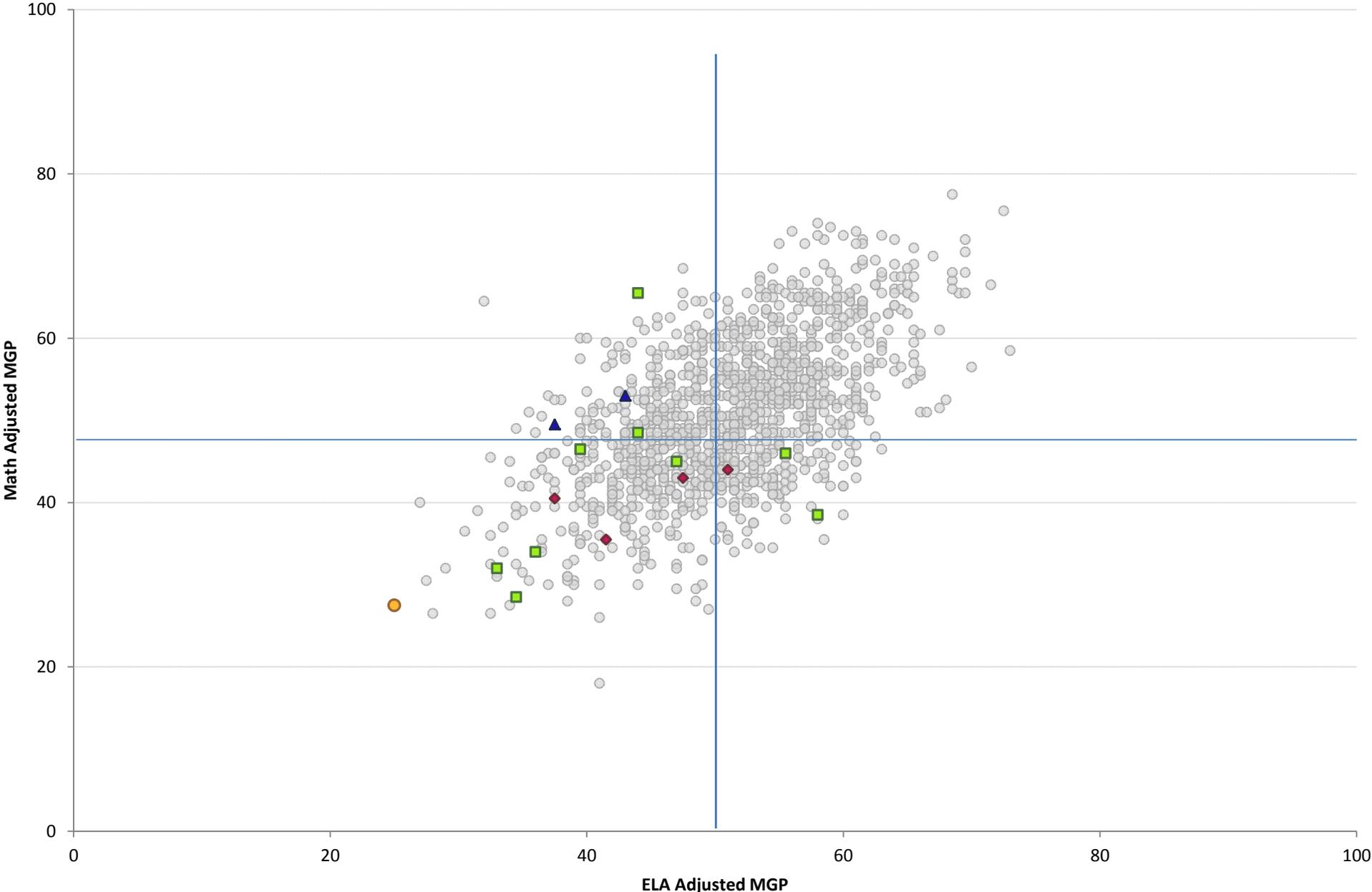
Evergreen Charter School

2014 Regents Authorized Charter School Academic Analysis

Student Performance and Growth
Compared to the District and the State

The Regents of The University of the State of New York
Charter School Office
89 Washington Avenue
Albany, New York 12234
charterschools@mail.nysed.gov
518-474-1762

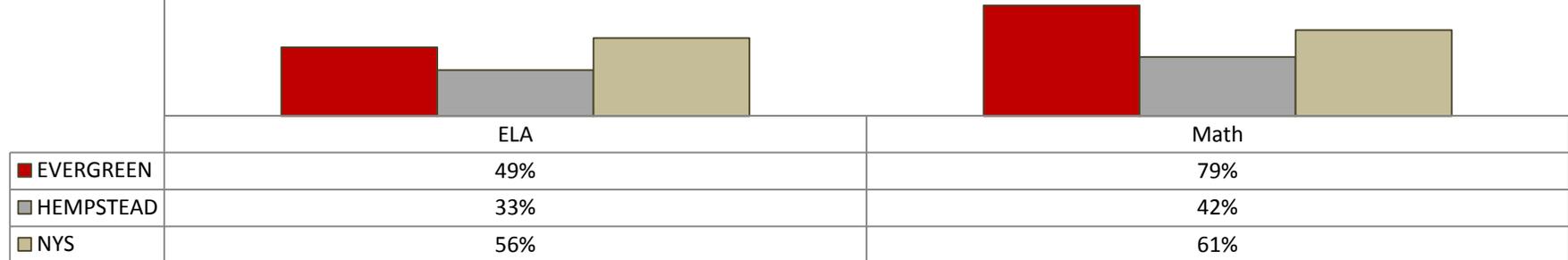
2012-13 ELA and Math Adjusted Mean Growth Percentile: *Evergreen Charter School Compared to Similar Schools within Hempstead SD and New York State*



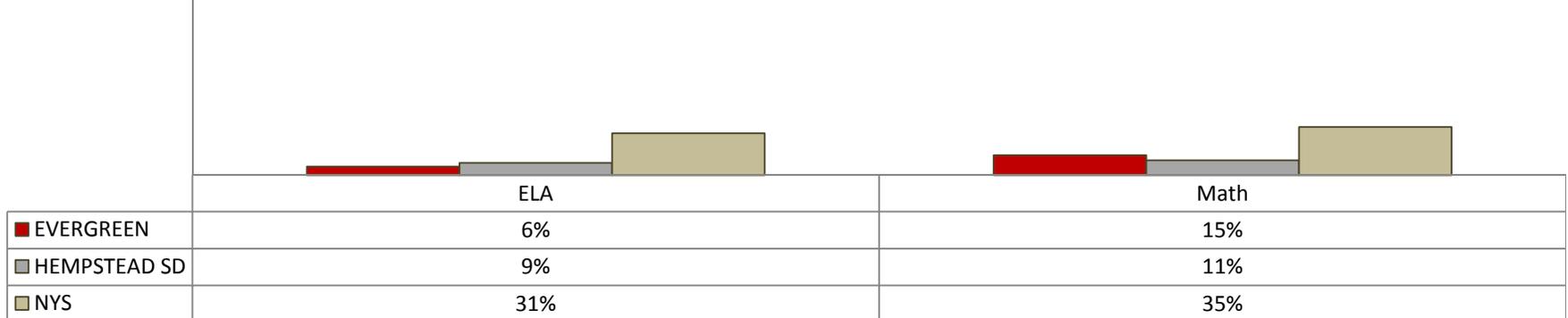
○ NYS ■ SIMILAR CHARTER SCHOOLS IN NYS ◆ HEMPSTEAD SD ▲ SIMILAR CHARTER SCHOOLS IN DISTRICT ● EVERGREEN CHARTER SCHOOL

Evergreen Charter School Proficiency of All Students Compared to District and State Averages

**2011-12
Grade 3**



**2012-13
Grades 3-4**

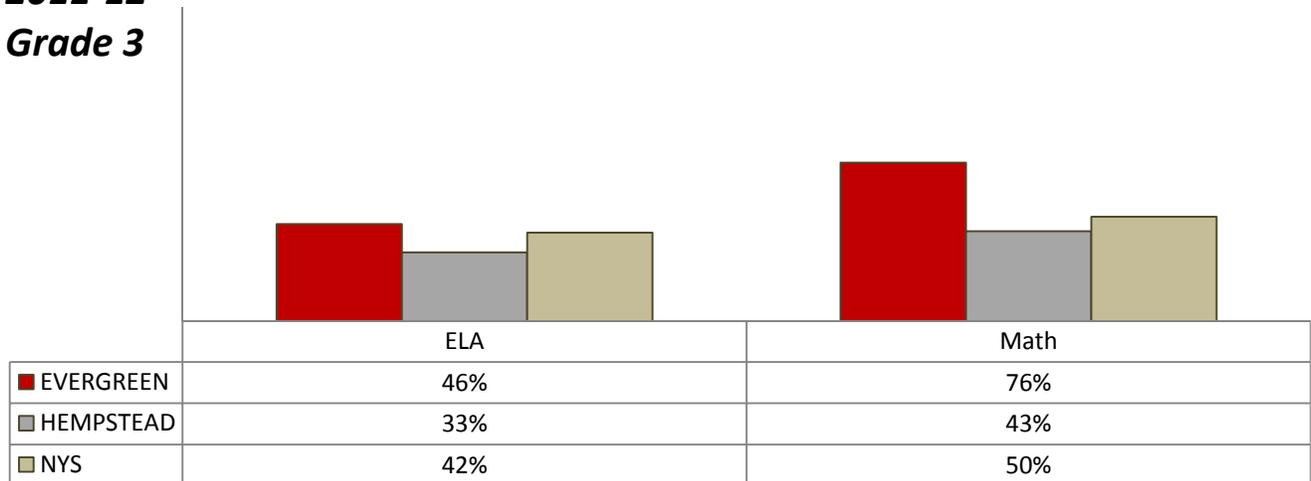


Note: For this renewal period, Evergreen CS will only have NYS testing data from 2011-12 and 2012-13 due to the introduction of the 3rd and 4th grade in those years, respectively.

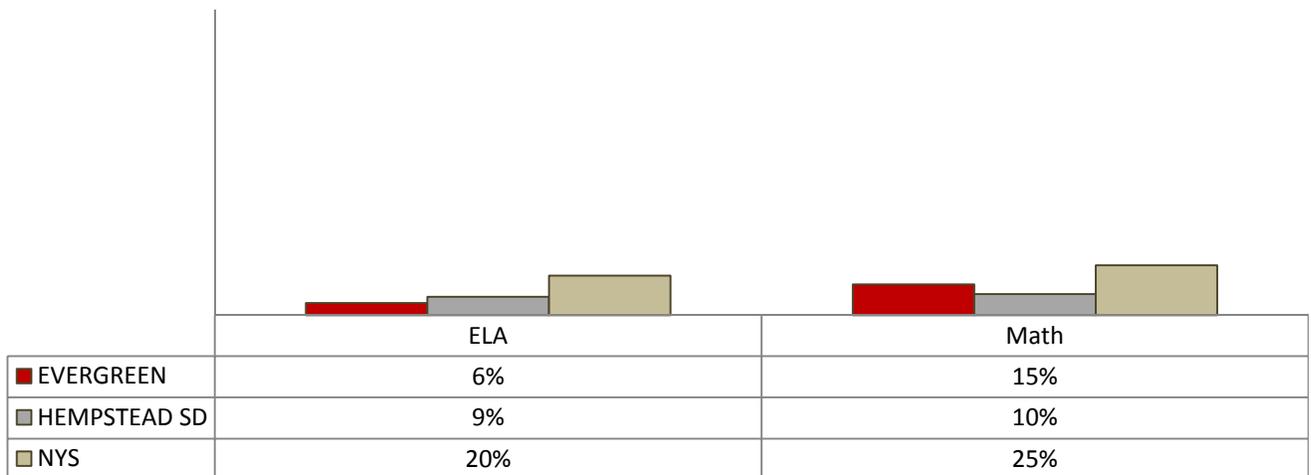
2012-13 grades 3-8 science proficiency data is embargoed until the school report card release.

Evergreen Charter School Proficiency of At-Risk Populations Compared to District and State Averages: *Economically Disadvantaged*

2011-12 Grade 3



2012-13 Grades 3-4



Note: For this renewal period, Evergreen CS will only have NYS testing data from 2011-12 and 2012-13 due to the introduction of the 3rd and 4th grade in those years, respectively.

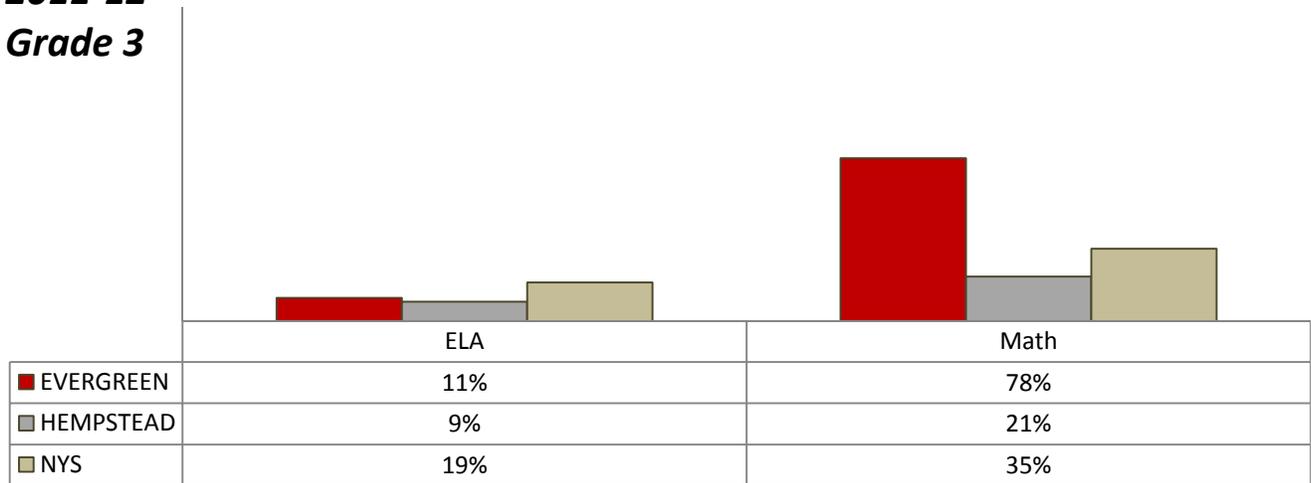
2012-13 grades 3-8 science proficiency data is embargoed until the school report card release.

Evergreen Charter School Proficiency of At-Risk Populations Compared to District and State Averages: *Students with Disabilities*

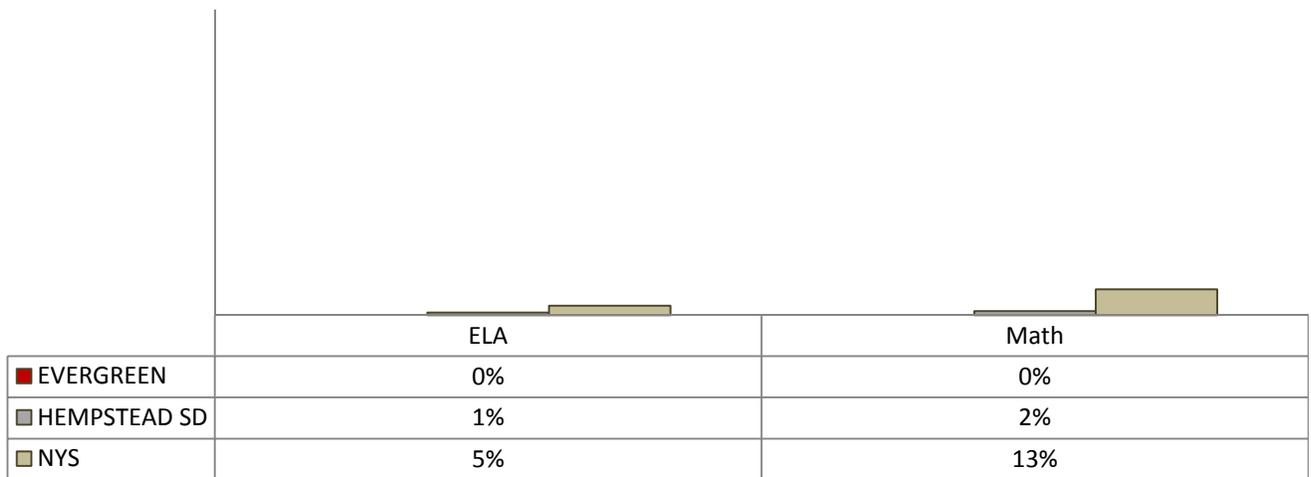
Note: To maintain consistency with statewide averages, student populations of less than 5 students at the district and school level are not included in this analysis, which constitutes exclusion of the students with disabilities population at Evergreen Charter School for the 2011-12 and 2012-13 school years.

Evergreen Charter School Proficiency of At-Risk Populations Compared to District and State Averages: *English Language Learners*

2011-12 Grade 3



2012-13 Grades 3-4



Note: For this renewal period, Evergreen CS will only have NYS testing data from 2011-12 and 2012-13 due to the introduction of the 3rd and 4th grade in those years, respectively.

2012-13 grades 3-8 science proficiency data is embargoed until the school report card release.

Appendix B



Evergreen Charter School

2014 Regents Authorized Charter School Fiscal Analysis

School Income Statement, Balance Sheet & Cash Flow and
Financial Performance Metrics

The Regents of The University of the State of New York
Charter School Office
89 Washington Avenue
Albany, New York 12234
charterschools@mail.nysed.gov
518-474-1762

Charter School:	Evergreen Charter School
Report as of:	2013



General Information:					
Contact Info:	Maritza Meyers	Years in Operation:	4	Enrollment:	300
Region:	Hempstead USD	Grades Served:	K-5	Max Enrollment:	300

Income Statement:		Balance Sheet & Cash Flow:		Key Performance Metrics:	
Revenues:		Assets:		Near-Term Metrics:	
State/Local Operating	\$4,506,574	Cash	\$353,815	Current Ratio	0.9x
Federal Sources	135,716	Total Current Assets	522,786	Unrestricted Days Cash	28.3
State/Local Grants	109,226	Investments & PP&E	891,205	Enrollment Stability	100.0%
Other	18,399	Total Assets:	\$1,413,991	Total Revenue Per Student:	\$15,900
Total Revenues:	\$4,769,915			Total Expenses Per Student:	\$15,197
Expenses:		Liabilities:		Sustainable Metrics:	
Total Program Services	\$3,875,014	Current Liabilities	\$583,595	Total Margin	4.4%
Management and General	684,170	Total Debt	0	Debt to Asset Ratio	0.41x
Fundraising	0	Total Liabilities:	583,595	Cash Flow	\$134,828
Total Expenses:	\$4,559,184	Net Assets:	830,396	Debt Service Coverage Ratio	N/A
		Total Liab. & Net Assets:	\$1,413,991	Composite Score	1.70
Ops. Surplus/(Deficit)	\$210,731	Change in Cash	\$134,828	Composite Strength	Strong



Performance Evaluation Master

Symbol Legend:

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

Key Inputs:

Target School:	Evergreen Charter School
Time Period:	2013

Financial Indicator:

Target: Evergreen Charter School

Near-Term Indicators:	
1a.	Current Ratio
1b.	Unrestricted Days Cash
1c.	Enrollment Stability

Current Metric:	Performance:		
0.9x			
28.3			
100.0%			

Financial Composite Score:	
1d.	Composite Score

Current Metric:	Performance:		
1.70x			

Long-Term Indicators:	
2a.	Total Margin
2b.	Debt to Asset Ratio
2c.	Cash Flow
2d.	Debt Service Coverage Ratio

Current Metric:	Performance:		
4.4%			
0.41x			
\$134,828			
N/A			

Near-Term Performance Evaluation: Evergreen Charter School

	2013	2012	2011	Average
1a. Current Ratio	0.90x	0.87x	1.08x	0.95x

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.

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

	2013	2012	2011	Average
1b. Unrestricted Days Cash	28.3	21.6	19.5	23.1

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).

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

	2013	2012	2011	Average
1c. Enrollment Stability	100.0%	100.0%	100.0%	100.0%

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.

	Meets Standard - Low Risk:
	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: Evergreen Charter School

2 Financial Composite Score	Current 1.70
------------------------------------	-------------------------------

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.

	Meets Standard: Fiscally Strong
	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.

Long-Term Performance Evaluation: Evergreen Charter School

	2013	2012	2011	Average
2a. Total Margin	4.4%	3.4%	10.7%	6.2%

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.

- 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%

	2013	2012	2011	Average
2b. Debt to Asset Ratio	0.41x	0.36x	0.40x	0.39x

Explanation: Measures the extent to which the school relies on borrowed funds to finance its operations. Calculated as Total Liabilities divided by Total Assets.

- Meets Standard - Low Risk:**
 - Debt to Asset Ratio is less than 0.90
- FOR SCORE (car 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

	2013	2012	2011	Average
2c. Cash Flow	\$134,828	\$74,951	\$78,225	\$96,001

Explanation: Cash flow is an assessment of change in cash from operations, financing, and investing over a given period.

- 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

	2013	2012	2011	Average
2d. Debt Service Coverage Ratio	N/A	N/A	N/A	N/A

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).

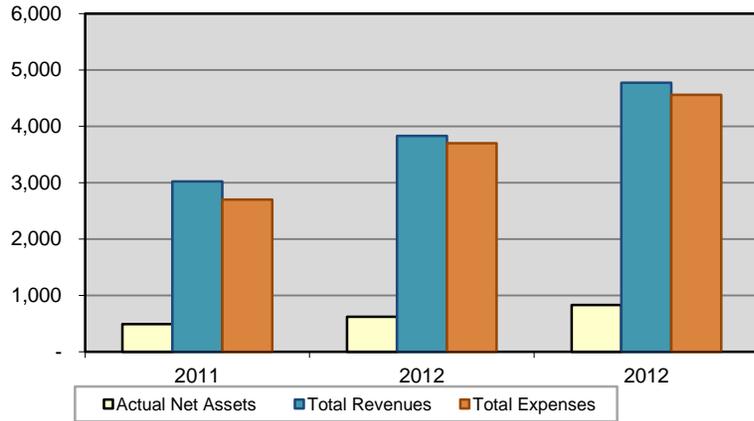
- Meets Standard - Low Risk:**
 - Debt Service Coverage Ratio is equal to or exceeds 1.10
- Adequate - Moderate Risk:**
 - Debt Service Coverage Ratio is less than 1.10
- Requires Review - High Risk:**
 - Debt Service Coverage Ratio is less than 0.90

Charter School: Evergreen Charter School



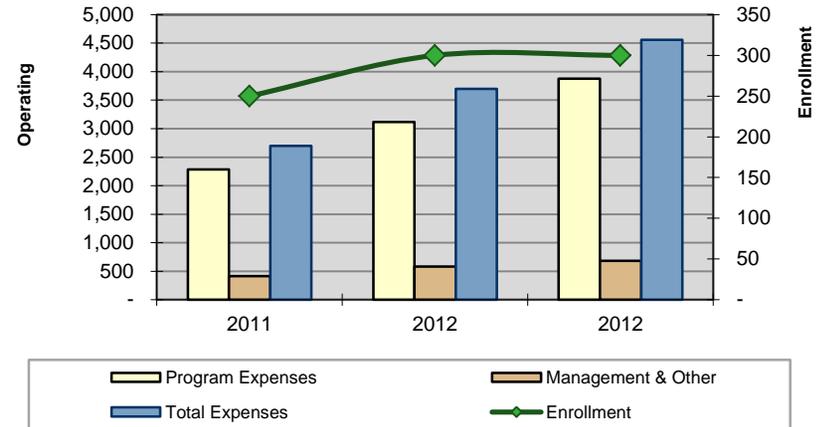
(\$'s in thousands)

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.

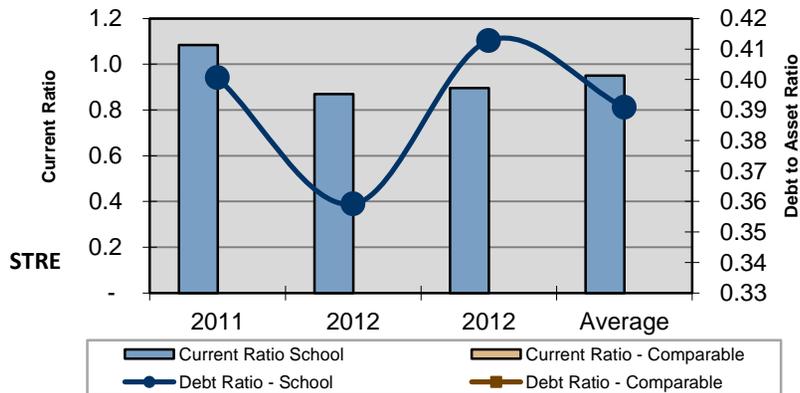
Enrollment vs. Operating Expenses



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

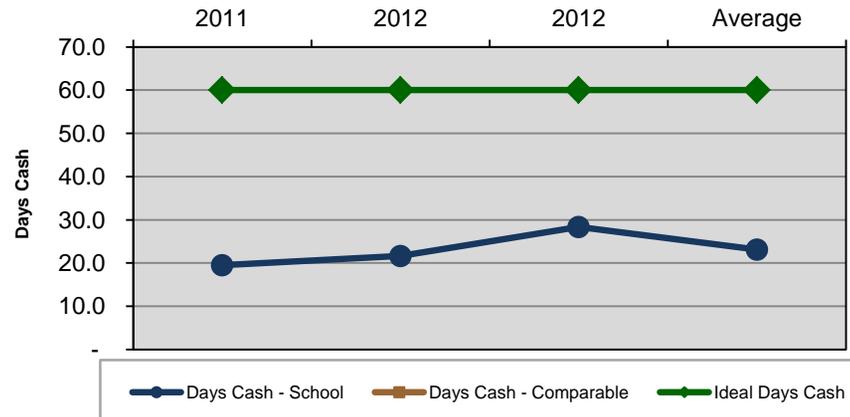
Current Ratio / Debt to Asset Ratio

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.



School		Evergreen Charter School
COMPOSITE SCORE:		1.7
PRIMARY RESERVE RATIO	Unrestricted Net Assets	\$ 830,396.00
	ADD: Temporarily Restricted Net Assets	\$ -
	LESS: Net Property, Plant and Equipment	\$ (891,205.00)
	ADD: Long-term debt	\$ -
	EXPENDABLE NET ASSETS	\$ (60,809.00)
	DIVIDE BY: TOTAL EXPENSES	\$ 4,559,184.00
	PRIMARY RESERVE RATIO:	-0.013x
EQUITY RATIO	Unrestricted Net Assets	\$ 830,396.00
	ADD: Temporarily Restricted Net Assets	\$ -
	MODIFIED NET ASSETS	\$ 830,396.00
	DIVIDE BY: MODIFIED ASSETS	\$ 1,413,991.00
	EQUITY RATIO:	0.587x
NET INCOME RATIO:	CHANGE IN UNRESTRICTED NET ASSETS	\$ 210,731.00
	DIVIDE BY: TOTAL UNRESTRICTED REVENUE	\$ 4,769,915.00
	NET INCOME RATIO:	0.044x
STRENGTH FACTOR SCORE (cannot be <-1 or >3)	PRIMARY RESERVE strength factor score = 10 x Primary Reserve ratio result	(0.130)
	EQUITY strength factor score = 6 x Equity ratio result	3.000
	Net Income strength factor score = 1 + (25 x Net Income Ratio Result) IF Negative Net Inc.	0.000
	Net Income strength factor score = 1 + (50 x Net Income Ratio Result) IF Positive Net Inc.	3.000
	NET INCOME Strength Factor:	3.000
WEIGHTED AND COMPOSITE SCORE	Primary Reserve Weighted Score = 40% x Primary Reserve Strength Factor Score:	(0.052)
	Equity Weighted Score = 40% x Equity Strength Factor Score:	1.200
	Net Income Weighted Score = 20% x Net Income Strength Factor:	0.600
	Composite Score = Sum of ALL Weighted Scores	1.748
	Round to one digit after the decimal to determine the final score:	1.7
Performance Based on Composite Score		Strong

COMPOSITE SCORE EXPLANATION:

- ➔ Accounting for an Institution's Total Financial Condition. We evaluate the financial health of charter schools using a blended score that measures institutions' performances on key financial indicators. The blended score allows a school's sources of financial strength to offset areas of financial weakness.
- ➔ **How the Rule Works.** Charter schools are measured on three financial ratios that are blended to produce a single composite score. The ratios and composite scores address and adjust for differences across business sectors. The model used by NYSED is weighted for "private, non-profit" institutions. The formula may be modified to analyze schools using different financial models.
- ➔ Institutions earning a high composite score are considered financially responsible and may continue to operate without additional monitoring from CSO.
- ➔ Institutions with low composite scores are not financially responsible and may be subjected to additional monitoring and oversight from CSO.
- ➔ Schools between high and low scores are considered to be "in the zone" of uncertain financial responsibility. They are financially responsible but are subject to additional monitoring and closer scrutiny to protect the interests of students and taxpayers. The zone alternative may only be used for three consecutive years.
- ➔ The ratio methodology combines elements from the audited financial statement into a single blended composite score. The regulatory result depends on the composite score, as illustrated in the following table.

Understanding COMPOSITE SCORES

Regulatory Result	Composite Score Range	Interpretation of Score Range
Financially Responsible	1.5 to 3.0	School is financially healthy enough to operate without additional monitoring
Not Financially Responsible	1.0 to 1.4	In the zone, additional monitoring needed by CSO
Not Financially Responsible	-1.0 to 0.9	School is not financially healthy enough to be considered financially responsible

4 Steps to Calc. COMPOSITE SCORES

Step 1: Calculate Three Financial Ratios from Financial Statements

Primary Reserve Ratio	Equity Ratio	Net Income Ratio
Expendable Net Assets / Total Expenses	Modified Net Assets / Modified Assets	Change in Unrestricted Net Assets / Total Unrestricted Revenue

Step 2: Convert Ratio Results to Strength Factor Scores

Strength Factor Score	Interpretation of Score	Primary Reserve Ratio		Equity Ratio		Net Income Ratio	
		Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary
-1	Liabilities exceed resources	(0.10)	(0.05)	(0.17)	(0.17)	(0.08)	(0.06)
0	No demonstrable net resources	0.00	0.00	0.00	0.00	(0.04)	(0.03)
1	Minimal resources, but not enough for clear financial health	0.10	0.05	0.17	0.17	0.00	0.00
1.5	Minimal level of resources to indicate financial health	0.15	0.08	0.25	0.25	0.01	0.02
3	Clearly financially healthy on that resource	0.30	0.15	0.50	0.50	0.04	0.06

Step 3: Multiply the Strength Factor Scores by a Weighting Factor

Charter School Educational Sector	Primary Reserve Strength Factor	Equity Strength Factor	Net Income Strength Factor
Private Non-profit	40%	40%	20%
Proprietary	30%	40%	30%

Step 4: Add the Weighted Strength Factor Scores to Obtain the Composite Score



New York State Education Department

***Charter School Renewal Recommendation Report
Application for First Charter Renewal***

Health Sciences Charter School

March 10, 2014

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

Opening Information

Date Initial Charter Approved by Board of Regents	September 15, 2009
School Opening Date	August 18, 2010
Charter Terms	Expires June 30, 2014

Location

School Year(s)	Location(s)	Grades at Location	District of Location	Districts Served
2011-14	1140 Ellicott Street, Buffalo, NY 14209	9-12	Buffalo	Buffalo
2010-11	169 Sheridan Parkside Drive, Tonawanda, NY 14150	9	Kenmore Tonawanda School District	Buffalo

Partner Organizations

Partner Name	Partnership Type	Dates of Service
Blue Cross/ Blue Shield of WNY Catholic Health System Communications Workers of America Community Health Center of Buffalo Erie Community College Erie County Medical Center Independent Health Association Kaleida Health System Roswell Park Cancer Institute	Founding	2009-Present

Partner Name	Partnership Type	Dates of Service
All Founding Partners AHRM, Inc. American Red Cross Buffalo Hearing and Speech Canisius College Catholic Charities Center for Educational Innovation Closing the Gap Cornell ILR D'Youville College Daemen College Erie 1 BOCES Hauptman Woodward Institute Hilbert College Medaille College Niagara Community College Say Yes to Education Trocaire College United Way of Buffalo and Erie county Univera Healthcare University at Buffalo Upstate New York Transplant Services Veterans Hospital WNY AmeriCorps Women's & Children's Hospital	Education/Experience Collaborators	

Current Mission Statement

To provide high-school age youth with an academically challenging learning environment that prepares them to communicate effectively, think and reason critically, value diversity, engage in service learning, pursue academic excellence, obtain sustainable and quality careers in the healthcare industry and become productive and valued members of the community.

Current Key Design Elements

<ul style="list-style-type: none"> • Year-round instruction
<ul style="list-style-type: none"> • State-of-the-art laboratory instruction
<ul style="list-style-type: none"> • Industry-specific curriculum
<ul style="list-style-type: none"> • Dual college credit courses
<ul style="list-style-type: none"> • Mentoring
<ul style="list-style-type: none"> • Service learning
<ul style="list-style-type: none"> • Internships
<ul style="list-style-type: none"> • Individual career guidance
<ul style="list-style-type: none"> • Hands-on instruction from leading industry and educational professionals
<ul style="list-style-type: none"> • Wellness emphasized throughout all facets of classroom instruction

School Characteristics

School Year	Chartered Enrollment	Actual Enrollment	Grades Served
2013-14	480	437	9-12
2012-13	360	325	9-11
2011-12	240	221	9-10
2010-11	120	83	9
Maximum enrollment: 480			

Student Demographics¹

	HSCS Charter School Enrollment		District of Location Enrollment	
	Total	%	Total	%
2011-12				
<i>All Students</i>	221		4,816	
Black	172	77.8%	2,517	52.3%
Hispanic	13	5.9%	771	16.0%
Multiracial	5	2.3%	29	0.6%
White	31	14.0%	1,086	22.5%
Economically Disadvantaged	165	74.7%	4,179	86.8%
Limited English Proficient	3	1.4%	608	12.6%
Students with Disabilities	27	12.2%	874	18.1%
2012-13				
<i>All Students</i>	325		8,670	
Black	260	80.3%	4,516	52.1%
Hispanic	20	6.2%	1,349	15.6%
Multiracial	9	2.8%	75	1.9%
White	35	10.8%	1,985	22.9%
Economically Disadvantaged	271	83.4%	6,360	73.4%
Limited English Proficient	2	0.6%	974	11.2%
Students with Disabilities	42	12.9%	1,445	16.7%

The school recognizes that it must improve its recruitment and retention efforts for English Language Learners and continue to make efforts to increase their population of Students with Disabilities. The Charter School Office will be monitoring these efforts toward meeting their enrollment and retention efforts over the next charter term.

¹ District level enrollment and demographics are reflective only of those grades served by the charter school.

Current Board of Trustees

Board Member Name	Term Expires	Position/Committees
David A. Palmer	August 31, 2015	President
Marsha D. Jackson, Ph.D.	August 31, 2015	Vice President
Cynthia A. Schwartz	August 31, 2015	Secretary
Michael J. Faso, CPA	August 31, 2014	Treasurer
Donna M. Brown	August 31, 2016	Board member
Lisa A. Coppola, Esq.	August 31, 2014	Board member
Thomas A. Fentner	August 31, 2014	Board member
John Gillepsie, M.D.	August 31, 2014	Board member
Michael J. Moley	August 31, 2015	Board member
Bharat Kohli, M.D., MBA	August 31, 2014	Board member
Richard P. Vienne, Jr., D.O.	August 31, 2016	Board member

School Leader(s)

School Year	School Leader(s) Name and Title
2010-Present	Dr. Hank Stopinski

School Visit History

School Year	Visit Type	Evaluator (Institute/External)	Date
2013-14	Renewal Site Visit	NYSED CSO	October 22 & 23, 2013
2012-13	New Building Site Visit	NYSED CSO	July 9, 2012
2011-12	Full Site Visit	NYSED CSO	May 16, 2012
2010-11	Check-in Visit	NYSED CSO	May 16 & 19, 2011
2009-10	Pre-opening Site Visit	NYSED CSO	April 13, 2010

Background

The charter for Health Sciences Charter School (“HSCS” or “the School”, hereafter) was approved by the Board of Regents at its July, 2009 meeting and issued in September 2009. The School opened for instruction in August, 2010 in the Kenmore Tonawanda Union Free School District with a planned enrollment of 120 ninth grade students and the intention of adding 120 per year to a maximum of 480 students. Now in its fourth year, HSCS currently enrolls 437 students in grades 9-12. In the spring of 2011, the Board requested a revision to its charter to relocate the School to the Buffalo Public School District for several reasons, including proximity to the enrolled students’ residences and locations of internships, ease of transportation and opportunities for parent involvement.

Department’s Renewal Recommendation

Based upon the evidence outlined below, the Department recommends a three-year charter renewal for Health Sciences Charter School. The renewal period would commence on July 1, 2014 and end on June 30, 2017.

Summary of Evidence

The summary of evidence presented below is drawn from the School’s record over the term of the charter including: New York State assessment data, the renewal application, renewal and monitoring site-visit findings, annual reports, independent fiscal audits, Board of Trustees minutes and other documents collected by and about the school. On October 22 and 23, 2013, a Department team conducted a renewal site visit at HSCS. In addition, the Department conducted a new building site visit on July 9, 2012, a full site visit on May 16, 2012, an informal monitoring visit on May 16 and 19, 2011 and a pre-opening site visit on April 13, 2010.

Three guiding questions served as a lens to direct the review of the charter term:

1. Is the school an academic success and able to operate in an educationally sound manner?
2. Is the school organizationally viable and able to operate in a fiscally sound manner?
3. Is the school faithful to the terms of its charter and has it adhered to applicable laws and regulations?

Educational Soundness

Department’s Analysis of Student Performance

NYSTP Proficiency

As Health Sciences Charter School has grown in student population, student proficiency on the NYS Regents exams has declined in many key subjects. English Composition fell by 16 points in proficiency with the number of test takers increasing by 88 students between 2011-12 and 2012-13; a similar pattern appeared in Geometry, Algebra 2/Trigonometry, Biology and Global Studies. Integrated Algebra

average proficiency over three years, 2010-11 to 2012-13, has also fluctuated from year to year with the growth of the school.

In the first year of testing (2010-11), Health Sciences performed well above the Buffalo City School District in three tested Regents exams, yet fell short of the State average by an 8 and 17 point margin in Integrated Algebra and Geometry, respectively, and by 5 points in Biology. In subsequent years, the achievement gap between Health Sciences, the Buffalo City School District and the State has grown considerably, especially in the areas of math and science – an area of concern as math and science are the cornerstone of the academic program and esprit de corps at Health Sciences.

It should be noted that Health Sciences is still a relatively young high school and has not yet graduated its first full cohort of students (anticipated June 2014), a variable which generally indicates the school is still in a state of flux as it attempts to refine curriculum, instructional and intervention practices. In the school’s first year of operation, only a 9th grade class was enrolled and tested. To date, the Department has only evaluated three years of academic data with a new grade added in each year, thus unable to establish a consistent pattern of proficiency.

Table 1: Health Sciences CS Regents Proficiency Variance Compared to the District of Location and NYS²

Subject	Charter School		Buffalo		NYS	School Comparison to:		
	N	%	N	%		Buffalo +/-	NYS +/-	
2010-11 Gr. 9	Integrated Algebra	47	55.3%	5,758	45.4%	72.8%	9.9%	-17.4%
	Geometry	6	66.7%	166	32.0%	75.0%	34.7%	-8.3%
	Biology	71	76.1%	7,732	61.0%	81.0%	15.1%	-4.9%
2011-12 Gr. 9-10	English	21	81.0%	4,370	71.0%	82.4%	10.0%	-1.5%
	Integrated Algebra	108	53.7%	5,734	58.4%	71.4%	-4.7%	-17.7%
	Geometry	68	38.2%	615	37.0%	74.4%	1.2%	-36.1%
	Algebra2/Trig	9	33.3%	2,016	22.0%	63.8%	11.3%	-30.5%
	Earth Science	112	13.4%	5,121	64.2%	73.6%	-50.8%	-60.3%
	Biology	104	51.0%	7,091	55.0%	78.8%	-4.0%	-27.9%
	Global Studies	94	40.4%	4,104	48.0%	71.1%	-7.6%	-30.6%
2012-13 ³ Gr. 9-11	English	109		4,680			-0.9%	-11.8%
	Integrated Algebra	129		8,060			15.3%	-9.3%
	Geometry	105		3,990			-22.6%	-62.1%
	Algebra2/Trig	39		1,742			-23.4%	-63.1%

² Table 1 shows district and state level percent of students scoring proficient (level 3 & 4) on the Regents exams. These scores are reflective of grades served and subject tested by the target school in that year, thus, district and state percentages only reflect those grades and subjects as well.

Data shown in table 1 is from verified reports in the Student Information Repository System (SIRS).

³ 2012-13 Regents data is embargoed and will be included in the School Report Card Release this spring. Variance calculations for 2012-13 are preliminary based on student data sourced from SIRS and may be subject to change.

Earth Science	158	3,436	3.7%	-34.9%
Biology	148	6,214	-11.1%	-34.7%
Chemistry	42	1,606	-16.8%	-49.9%
Global Studies	166	6,074	-12.5%	-35.1%
US History	90	5,028	-3.8%	-17.2%

Growth

Health Sciences Charter School has only completed two consecutive years of testing students in both high school English Composition and Integrated Algebra. To determine growth in Regents ELA and math, the growth model requires three consecutive years of testing in these subjects. Therefore, due to the limited longevity of data, the Department was unable to conduct a comparative similar schools growth analysis for Health Sciences.

Evidence of Performance Related to Academic Goals

Health Sciences Charter School set academic goals for the duration of its charter term as required by Education Law § 2851(2)(b). The following outlines the school’s self-reported progress⁴ toward meeting these goals:

- *NYSTP Proficiency*

The majority of Health Sciences Charter School’s goals are measured on the percent of students scoring proficiently on the New York State Regents Exams. In 2010-11, the school opened with a 9th grade class and tested these students in Integrated Algebra, Biology, and a small student population was tested in Geometry. The school set an academic goal that 80% of students would score above 65% (proficient) on both administered math Regents and 70% of students would score proficiently on the Living Environment (Biology) Regents. The outcomes on the math Regents exams did not meet expectation (55% on Integrated Algebra and 67% on Geometry) which the school attributed to low literacy skills. The goal of 70% in Living Environment was surpassed with students scoring 76% in that year.

In 2011-12, the school added a 10th grade class and anticipated 85% of ELA and Integrated Algebra test takers would score proficiently; 80% of Geometry test takers would score proficiently; 70% in Algebra 2/Trigonometry and Living Environment; and 55% in Global History. None of these goals were met. The greatest delta in outcomes from the goal were observed in all math and science Regents exams.

The school submitted similar goals for the 2012-13 school year, however, reported the Regents outcomes incorrectly by combining the June 2013 outcomes with the August 2013 outcomes. The August 2013 Regents outcomes mark the beginning of the next academic year and cannot be included in the prior year calculation. Therefore, the school’s analysis of their outcomes cannot be evaluated based on provided data.

⁴ Data on charter school progress toward goals are reported in the school’s application for renewal as required by Education Law § 2851(4)(a).

Evidence of Performance Observed through On-site School Reviews

Curriculum and Instruction

At Health Sciences Charter School, curriculum documents guide instructional planning. Curriculum maps used to sequence instruction are developed in grade-level professional learning communities (PLCs) and housed in the assessment and curriculum management tool *Performance Plus*. Teachers use *Performance Plus* to align the curriculum horizontally and vertically. The curriculum is based on the Common Core Learning Standards in anticipation of the upcoming changes in Regents assessments at the high school level. The formative assessments teachers create in *Performance Plus* constitute a “hybrid” of the Common Core Learning Standards and previous Regents items.

Throughout the term of the charter, teachers have employed a wide variety of instructional strategies, including whole class instruction, question and answer, discussion, modeling and demonstrations, group work and independent practice. During classroom observations throughout the charter term, observers collected evidence on six elements of instructional practice: differentiation, checks for understanding, rigor, classroom climate, pacing, and student engagement. Overall, the quality of instruction varied across the School:

- **Differentiation:** At the renewal site in October 2013, site visit team members found inconsistent use of differentiation, defined by school leaders as instruction tailored to each student. The differentiation that was observed was in the form of students determining their own pace during individual or group work and/or receiving support from co-teachers.
- **Checks for understanding:** The full site visit team in May 2012 observed strong questioning techniques. The renewal site visit team in October 2013 also found evidence of checks for understanding in a majority of classrooms with the use of targeted questioning and graded assignments.
- **Rigor:** During the May 2012 visit, team members noted high levels of rigor and higher order thinking skills. In October 2013, renewal site visit team members observed mixed evidence of rigor and higher order thinking skills. Team members during the October renewal visit recorded instructional strategies that called for lower-order thinking skills such as recall, categorization, looking up terms in a textbook or packet, or following directions during an activity without having an understanding of the purpose of the activity. However, the renewal team members also observed students involving each other in conversation around assigned articles, participating in hands-on activities, and engaging in teacher-facilitated seminar-style discussions.
- **Classroom climate:** All visits to HSCS observed that classroom rules and routines were generally established. The majority of interactions observed were positive and respectful.
- **Pacing:** Team members from both the May 2012 and October 2013 site visits recorded that instructional time is not always maximized for student learning during group and independent work in terms of keeping students on task and continually challenged. However, the May 2012 visit noted clear and consistent evidence of pacing overall.
- **Student engagement:** Student engagement was observed in most classrooms during the full site visit in May 2012 and the renewal site visit in October 2013. Teachers provided multiple opportunities for student engagement and most students did what was expected by the teacher.

Assessment and Instructional Decision-Making

The School has used data to inform instruction and make programmatic changes over the term of the charter. During the full site visit in May 2012, it was noted that data regarding social and personal aspects of the student population resulted in an advisory period being incorporated into the 2012-2013 schedule. For the 2013-2014 school year, non-Regents courses have been added to the curriculum in math and science for low-skilled students to build necessary skills before taking a Regents course. In the present organizational structure, the director of curriculum monitors the effectiveness of the School's academic program by working with the grade-level professional learning communities to analyze formative and summative assessment data. He also tracks each individual student's progress toward graduation and targets students for necessary interventions. This data is presented to the principal and academic committee of the board regularly.

Climate, Culture and Safety

The climate and culture are consistent with the School's mission of providing an environment in which students will grow into productive and valued members of the community. Students who serve as school ambassadors cultivate a positive school climate and practice the hosting, speaking and networking skills involved with representing the School to guests. Career events and internships allow many students to interact with adults in other settings, providing opportunities for students to develop into productive members of the community.

HSCS maintains an environment that is free from harassment and discrimination and directly supports student learning. The School has adopted a Positive Behavioral Interventions and Supports (PBIS) system that rewards students for making the right choices. Other measures taken to ensure a safe environment include positioning greeters at train stops, offering a "safe path" in partnership with the businesses along a main street and monitoring *twitter* for bullying and harassment. Additionally, the School finds ways to promote a positive and cohesive school culture that is consistent with its focus on the healthcare industry, such as the school-wide read of *The Immortal Life of Henrietta Lacks* and career and college events.

The School effectively addresses the social, emotional and health issues of its students. A student support team, composed of guidance counselors, the social worker, assistant principal, special education teachers, PBIS staff and literacy specialists, works to create interventions and supports regarding the social, emotional and health issues of students identified by PLCs as at-risk. Partner organizations have made staff available to support the social and emotional health needs of students based on individual need and circumstances. Local universities have also committed to providing social workers and health educators. The School reports in the renewal application that with these resources and others, it has built a referral network of agencies that the social worker and guidance counselors use on a regular basis.

Organizational Soundness

Evidence of Organizational Capacity

The School has maintained a clear organizational structure throughout the term of the charter that accurately reflects school culture. The organizational chart has expanded since the first year of operation to accommodate the yearly growth of the School. The principal has transitioned from being

the instructional leader to a role that is described as eighty percent strategic planning and twenty percent operational. The following leaders report directly to the principal: director of curriculum, assistant principal, director of special education and pupil services and director of finance. The principal meets with the leadership team bi-monthly to share information and seek input on the School's strategic plan, new partnerships, on-site visitors and other potential issues or concerns.

The School has consistently followed a thorough process for evaluating teachers using the Charlotte Danielson model. Currently, the director of curriculum, assistant principal and principal perform formal announced and unannounced classroom observations as well as walk-through observations. All teachers are also evaluated against professional, leadership and personal goals they are required to set each year.

The School follows systematic processes for hiring and firing employees. The human resources department at one of the partner organizations donates assistance in screening prospective applicants. In terms of firing, the academic committee of the board receives regular updates on the effectiveness of instructional staff derived from the formal evaluation process. When necessary, ineffective teachers have been released from contract or not invited back to the School.

HSCS struggles with retaining its most experienced teachers. In the renewal application and on site, the board and the principal cited poor teacher retention as a roadblock to academic achievement. They stated they cannot compete financially with the Buffalo Public Schools and attributed the departure of several of their expert teachers last year to insufficient pay and benefits. The board is discussing ways to address teacher burnout and compensation, such as providing a career path program in the future.

Evidence of Board Oversight and Governance

The School has had a stable board with reasonable turnover over the term of the charter. New board members are chosen based on whether their skill sets will complement ongoing governance needs and undergo a formal recruitment process that involves a written portion and an interview. Board members have governance experience in the areas of healthcare, curriculum and instruction, non-profit management, medical/clinical, facilities, finance, human resources, real estate, labor relations, marketing fundraising and community relations. Many of the board members are associated with or employed by the School's partner organizations. The board is responsive to the needs of the School and utilizes its established community relationships to support the School.

The board has a clear understanding of its role in strategic planning and policy development, leaving the day-to-day operation of the School to the principal and his staff. The relationship between the board and the principal can be characterized as open, supportive and professionally respectful. The board systematically evaluates the principal using the Vanderbilt Assessment of Leadership in Education tool, which incorporates input from all board members, staff and a self-assessment. The board also makes informal observations and employs a consultant to evaluate the principal's progress toward individual and charter goals. At the end of the year, all this information is combined and translated into a HEDI score that is submitted to the state.

In addition to performance goals set forth in the charter, the School has established an Accountability Plan and created an Accountability Manual based on the five levels of accountability within the School:

students, teachers, PLCs, administration and the board of trustees. Each board committee (academic, accountability, facility, finance, marketing and personnel) reports progress toward goals defined in the Accountability Plan during the board's annual meeting. Review of these progress reports led the board to develop new goals and objectives as part of their long term plans in the areas of *Where We Want to Be, How We Will Get There, Actions We Will Take, and Measures*.

The annual schedule of monthly board meetings is posted on the School's website. Board meeting minutes are posted in a timely manner as well. All meetings are open to the public in accordance with the Open Meeting Law and the chair of the personnel committee attended a local law firm's training for charter schools about the Open Meeting Law in 2012. Disclosure forms from the Annual Reports reveal no financial conflicts of interest.

Fiscal Soundness

Health Science Charter School is in financial stress as evidenced by low performance on most key financial indicators, which are shown in Table 1.

**Table 1: Health Sciences Charter School Key Financial Indicators
(Based on 2012-2013 audited financial statements)⁵**

Near-Term Indicators:		
Measure	Result	Description
Current Ratio	0.2x	The current ratio is a financial ratio that measures whether or not a school has enough resources to pay its debts over the next 12 months. Health Sciences has a low current ratio which indicates it is having difficulty meeting current obligations.
Unrestricted Days Cash	15.5	Unrestricted days cash measures in days whether the school could meet operating expenses without receiving new income. Health Sciences has a low ratio for unrestricted days cash on hand and there is a concern with the school having enough cash on hand to meet operating expenses.
Composite Score	(0.90)	The composite score is based on a weighting of primary reserve, equity and net income. A charter school with a score of 1.5 – 3.0 demonstrates overall financial health. Health Sciences has a low composite score which indicates the need for fiscal monitoring. The composite scores for 2010-11 through 2012-13 are shown in Table 2.
Sustainability Indicators:		
Measure	Result	Description
Total Margin	(8.3%)	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. Health Sciences has a negative total margin .
Debt to Asset Ratio	1.11x	Debt to asset ratio measures the extent to which the school relies on borrowed funds to finance its operations. Health Sciences' debt to asset ratio for 2012-13 is 1.11x, which indicates that it relies on borrowed funds to finance its operations .
Cash Flow	\$163,414	The Cash Flow Statement is concerned with the flow of cash in and out of the school and reflects liquidity. More specifically it is an assessment of change in cash from operations, financing and investing over a given period. For each of the past three years Health Sciences is using more net cash for investment activities .
Debt Service Coverage Ratio	(1.7)	Debt service coverage ratio indicates a school's ability to cover its debt obligations in the current year. Health Sciences has a negative debt service coverage ratio and presents a high risk for not covering its debt obligations.

Table 2: Health Sciences Composite Scores 2010-2011 to 2012-2013⁶

Year	Composite Score
2010-2011	(.50)
2011-2012	(.68)
2012-2013	(.90)

Health Sciences Charter School's annual financial audits and an audit by the Office of State Comptroller were reviewed to determine whether the school is operating in a fiscally sound manner. We also reviewed the school's five year budget to understand the school's long-range financial plan, considered

⁵ Sources: 2012-2013 Audited Financial Statements and NYSED Office of Audit Services

⁶ Source: NYSED Office of Audit Services

whether the school had appropriate internal controls, procedures, and operated in accordance with state law and generally accepted accounting practices.

The school has two audit findings, classified as significant deficiencies that concern internal control over financial reporting. Finding #2011-2 states that internally generated financial statements may not have been accurate as certain transactions were not in accordance with generally accepted accounting practices. Finding #2013-1 states that the check signer had access to checks. Both of these findings have been corrected; however, they created a risk to the accounting system and accurate financial statements.

In October of 2013 the New York State Office of State Comptroller conducted an audit of Health Sciences Charter School's (2013M-211) procurement process, which covered the period from July 1, 2011 to May 3, 2013. They found that the board did not ensure that all contracts for goods and services were properly awarded and was unable to provide procurement procedure documentation. Based on these audit findings section 5.1 of the charter agreement was not adhered to, which states that the school shall at all times maintain appropriate governance and management procedures and financial controls.

The school has not submitted to NYSED management letters that were issued by their independent auditor for two years, 2011-2012 and 2012-2013, as required by section 5.3 of the charter agreement. Management's response to the 2011-12 Management Letter refers to 10 recommendations however we did not receive the actual 2011-12 Management Letter. The 2010-11 Management Letter included seven recommendations. (These seven recommendations were for escrow, fixed assets list not in agreement with G, 403(b) not in agreement with GL, difficulties reconciling payroll, per-pupil revenue overstated by \$36,750, cash disbursements lack approval and cash receipts not deposited timely for 3 of 15 tested.)

The school has not demonstrated the ability to prepare and adhere to reasonable budget objectives as it has had a net deficit for each of the past three years as follows: 2012-2013 (773,339), 2011-2012 (\$309,042) and 2010-2011 (\$65,840). While running net deficits the school is considering the purchase of 1291 Ellicott St. for \$1.5 million which will make it harder to operate with a surplus. In addition, the school has not demonstrated that it has access to capital to pay for prior capital obligations it has already incurred. The school has not prepared a five year pro-forma budget that shows a plan to eliminate net deficits.

The school had a grant related finding (#2011-1) in the 2011-2012 annual financial audit with a \$10,385 questioned cost. The finding states that there appears to be grant expenditures in excess of allowable budgeted expenditures for certain budget categories. We have requested but not received details from the school on the general ledger amounts that do not reconcile to the final grant expenditure report.

The school has an unqualified audit opinion and does not have a going concern disclosure in the 2012-2013 financial statements, however note 12- Economic Conditions is concerning, which states:

Recurring losses in past years have resulted in an accumulated deficit of (\$773,339). Management believes that plans to sustain enrollment and monitor the budget will alleviate the deteriorating financial condition although they can offer no assurances. The financial statements have been prepared assuming the School continues to operate.

Faithfulness to the Charter and Law

Throughout the term of its charter, the School has been faithful to the mission, vision and educational philosophy defined in the charter. The School is faithful to its mission in terms of preparing students to “communicate effectively . . . value diversity, engage in service learning . . . (and) obtain sustainable and quality careers in the healthcare industry and become productive and valued members of the community.” The School teaches soft skills such as social skills, tenacity and comportment through its climate and culture, school ambassadors, career exposure events and formal internship course. Students have multiple opportunities to practice these skills while attending MASH camps or during paid and unpaid internships. Providing “high-school age youth with an academically challenging learning environment that prepares (students) to think and reason critically,” as put forth in the mission statement, was partially supported by the data gathered by the renewal site visit team in October 2013 and fully supported by the observations of the full site visit team in May 2012. Additionally, the School provides students with opportunities to “pursue academic excellence” through college coursework.

All of the key design elements of the School have been thoroughly implemented.

- **Year-round instruction** has been accomplished through the completion of two four-week and one five-week summer programs as well as a 191 day school year.
- **State-of-the-art laboratory instruction** occurs within the School and during some internships and career exposure events. The School has state-of-the-art laboratories that are set up to stream live feed for instruction from other locations.
- **Industry-specific curriculum** is provided through the partner organizations, which contribute staff time to perform in-class presentations relevant to ongoing coursework in science classes. Teachers also make curricular connections to the healthcare industry.
- **Dual college credit courses** are made available to students. At the time of the renewal application, students had earned a total of 368 college credits by participating in college coursework on-site at a college, off-site at Health Sciences Charter School or through partially online classes.
- **Mentoring** is being provided to students with the *Adopt-a-Junior* program, in which faculty and staff “adopt” an at-risk junior, and the program *Success Looks Like Me*, which provides low-income youth of color with opportunities to interact with successful adults who reflect the diversity of Western New York and beyond. Additionally, board members provide career mentorship to some students.
- **Service learning** is required of all students. One hundred hours of community service must be completed prior to graduation. All stakeholders during the May 2012 full site visit noted the link with the United Way for purposes of accessing opportunities as well as tracking hours. Some students are provided service learning opportunities at the School.
- **Internships** are offered to students earning at or near an eighty percent average in coursework. Students have completed the internship course that involves going to an internship site three days per week for two hours after school as well as paid summer internships. To date, 111 internships have been completed.
- **Individual career guidance** is provided through guidance counselors and the college and career coordinator who matches students with the right internships, teaches the internship course and manages the overall process. Additionally, mentors are provided within internship sites.

- **Hands-on instruction from leading industry and educational professionals** is provided through the partner organizations, which contribute staff time to perform in-class presentations relevant to ongoing coursework in science classes. The School reports that over 700 career events have been completed through participation in six MASH camps over the past three years. The MASH camps provide students with daylong, hands-on career explorations in the health sciences industry. Other career events have included Visiting Doctors presentations from SUNY Buffalo Medical School, viewing live brain surgery at the Gates Vascular Institute, standing in to observe knee surgery, attending lectures at SUNY Buffalo Medical School, and attending the SUNY Buffalo Science and Technology Enrichment Program (STEP).
- **Health and wellness** is reflected throughout the curriculum. For example, the School is engaging in a school-wide read of *The Immortal Life of Henrietta Lacks* by Rebecca Skloot to promote literacy and school cohesiveness. All subject areas, even Spanish and art, are making interdisciplinary connections to the book.

Plans for the Next Charter Term

The School did not include any requests for revision in the charter renewal application.

Summary of Public Comment

As required by the Charter School Act, the Department notified the Buffalo 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 January 22, 2013. A member of the Board of Trustees for Health Sciences Charter School presented an overview of the School's progress, goals and current status. Members of the Buffalo Board of Education asked questions on a variety of topics, including: graduation rates, internships, test score results, food service, summer session, literacy, special needs students, etc. No public comment was noted in the minutes of the hearing.

Appendix A



Health Sciences Charter School

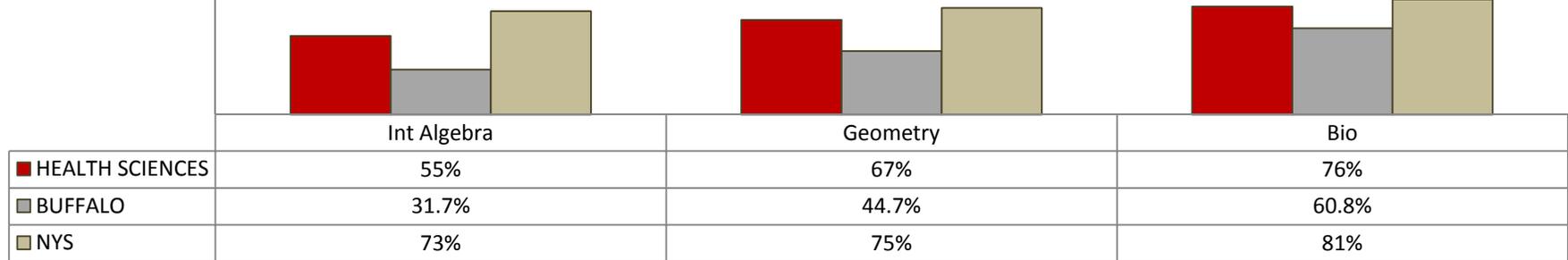
2014 Regents Authorized Charter School Academic Analysis

Student Performance and Growth
Compared to the District and the State

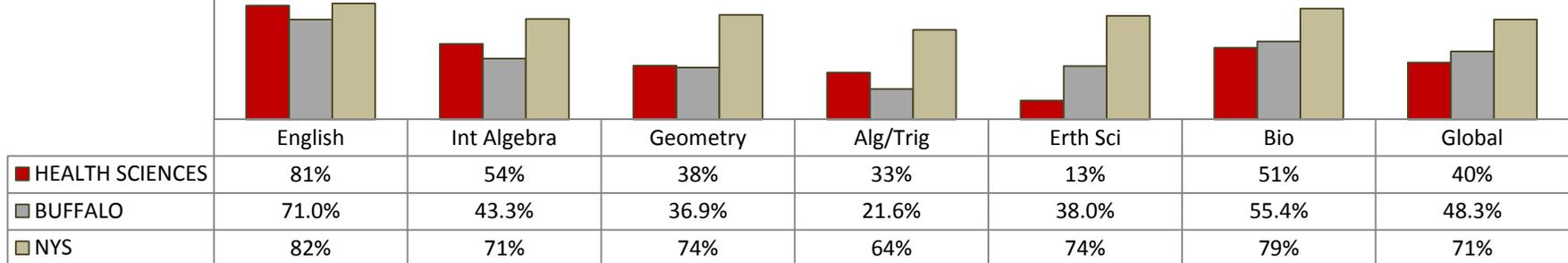
The Regents of The University of the State of New York
Charter School Office
89 Washington Avenue
Albany, New York 12234
charterschools@mail.nysed.gov
518-474-1762

Health Sciences Charter School Proficiency of All Students Compared to District and State Averages

**2010-11
Grade 9**



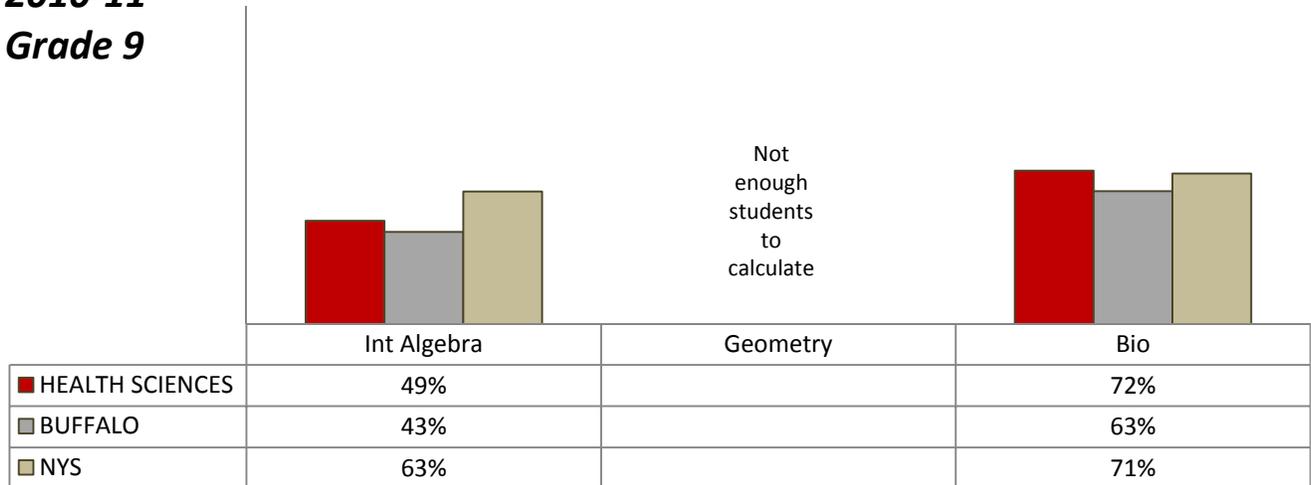
**2011-12
Grades 9-10**



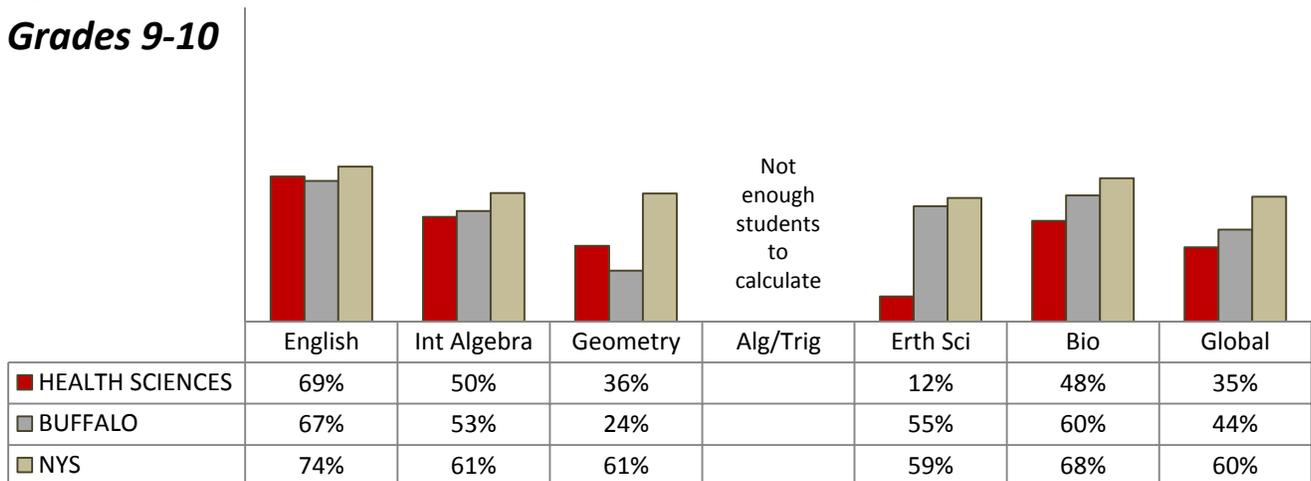
Note: 2012-13 high school Regents proficiency data is embargoed until the school report card release.

Health Sciences Charter School Proficiency of At-Risk Populations Compared to District and State Averages: *Economically Disadvantaged*

2010-11 Grade 9



2011-12 Grades 9-10

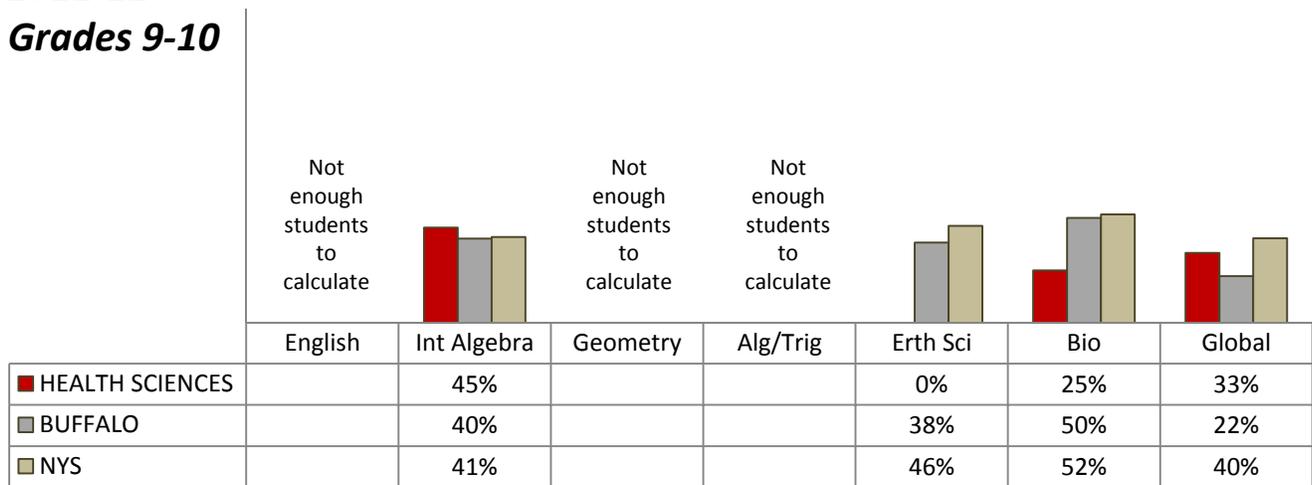


Note: 2012-13 high school Regents proficiency data is embargoed until the school report card release.

Health Sciences Charter School Proficiency of At-Risk Populations Compared to District and State Averages: Students with Disabilities

Note: To maintain consistency with statewide averages, student populations of less than 5 students at the district and school level are not included in this analysis, which constitutes exclusion of the students with disabilities population at Health Sciences Charter School for the 2010-11 school year.

2011-12 Grades 9-10



Note: 2012-13 high school Regents proficiency data is embargoed until the school report card release.

Health Sciences Charter School Proficiency of At-Risk Populations Compared to District and State Averages: *English Language Learners*

Note: To maintain consistency with statewide averages, student populations of less than 5 students at the district and school level are not included in this analysis, which constitutes exclusion of the ELL population at Health Sciences from 2010-11 through the 2012-13 school years.

Note: 2012-13 high school Regents proficiency data is embargoed until the school report card release.

Appendix B



Health Sciences Charter School

2014 Regents Authorized Charter School Fiscal Analysis

School Income Statement, Balance Sheet & Cash Flow and
Financial Performance Metrics

The Regents of The University of the State of New York
Charter School Office
89 Washington Avenue
Albany, New York 12234
charterschools@mail.nysed.gov
518-474-1762

Charter School:	Health Sciences Charter School
Report as of:	2013



General Information:			
Contact Info:	Dr. Hank Stopinski	Years in Operation:	4
Enrollment:			440
Region:	Buffalo	Grades Served:	9 thru 11
Max Enrollment:			480

Income Statement:		Balance Sheet & Cash Flow:		Key Performance Metrics:	
Revenues:		Assets:		Near-Term Metrics:	
State/Local Operating	\$3,788,676	Cash	\$220,689	Current Ratio	0.2x
Federal Sources	266,329	Total Current Assets	287,018	Unrestricted Days Cash	15.5
State/Local Grants	460,449	Investments & PP&E	6,978,611	Enrollment Stability	97.8%
Other	278,701	Total Assets:	\$7,265,629	Total Revenue Per Student:	\$10,896
Total Revenues:	\$4,794,155			Total Expenses Per Student:	\$11,801
Expenses:		Liabilities:		Sustainable Metrics:	
Total Program Services	\$3,665,711	Current Liabilities	\$1,518,650	Total Margin	(8.3%)
Management and General	1,526,901	Total Debt	783,851	Debt to Asset Ratio	1.11x
Fundraising	0	Total Liabilities:	8,038,968	Cash Flow	\$163,414
Total Expenses:	\$5,192,612	Net Assets:	(773,339)	Debt Service Coverage Ratio	(1.7)
		Total Liab. & Net Assets:	\$7,265,629	Composite Score	(0.90)
Ops. Surplus/(Deficit)	(\$398,457)	Change in Cash	\$163,414	Composite Strength	Needs Monitoring



Performance Evaluation Master

Symbol Legend:

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

Key Inputs:

Target School:	Health Sciences Charter School
Time Period:	2013

Financial Indicator:

Target: Health Sciences Charter School

Near-Term Indicators:

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

Current Metric:	Performance:		
0.2x			
15.5			
97.8%			

Financial Composite Score:

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

Current Metric:	Performance:		
-0.90x			

Long-Term Indicators:

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

Current Metric:	Performance:		
(8.3%)			
1.11x			
\$163,414			
-1.75x			

Near-Term Performance Evaluation: Health Sciences Charter School

	2013	2012	2011	Average
1a. Current Ratio	0.19x	0.10x	0.05x	0.11x

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.

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

	2013	2012	2011	Average
1b. Unrestricted Days Cash	15.5	6.0	5.2	8.9

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).

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

	2013	2012	2011	Average
1c. Enrollment Stability	97.8%	88.9%	100.0%	95.6%

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.

	Meets Standard - Low Risk:
	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: Health Sciences Charter School

2 Financial Composite Score	Current (0.90)
------------------------------------	---------------------------------

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.

	Meets Standard: Fiscally Strong
	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.

Long-Term Performance Evaluation: Health Sciences Charter School

		2013	2012	2011	Average
2a. Total Margin		(8.3%)	(9.7%)	(3.2%)	(7.1%)

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.

- 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%

		2013	2012	2011	Average
2b. Debt to Asset Ratio		1.11x	1.05x	1.05x	1.07x

Explanation: Measures the extent to which the school relies on borrowed funds to finance its operations. Calculated as Total Liabilities divided by Total Assets.

- 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

		2013	2012	2011	Average
2c. Cash Flow		\$163,414	\$26,869	\$30,406	\$73,563

Explanation: Cash flow is an assessment of change in cash from operations, financing, and investing over a given period.

- 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

		2013	2012	2011	Average
2d. Debt Service Coverage Ratio		-1.75	-4.82	(7.3)	(4.61)

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).

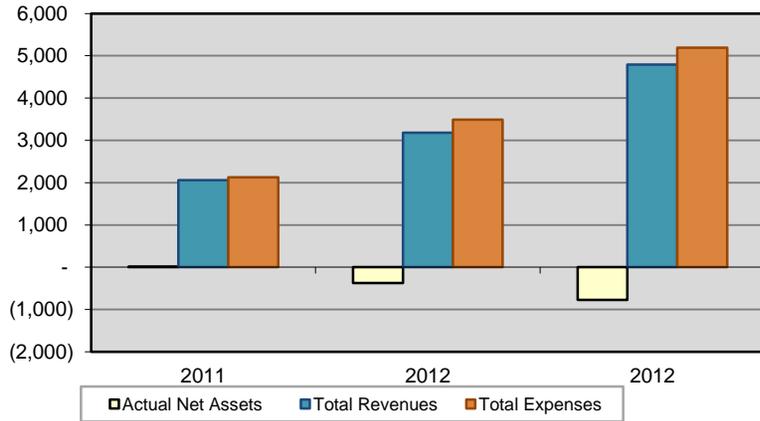
- Meets Standard - Low Risk:**
 - Debt Service Coverage Ratio is equal to or exceeds 1.10
- Adequate - Moderate Risk:**
 - Debt Service Coverage Ratio is less than 1.10
- Requires Review - High Risk:**
 - Debt Service Coverage Ratio is less than 0.90

Charter School: Health Sciences Charter School



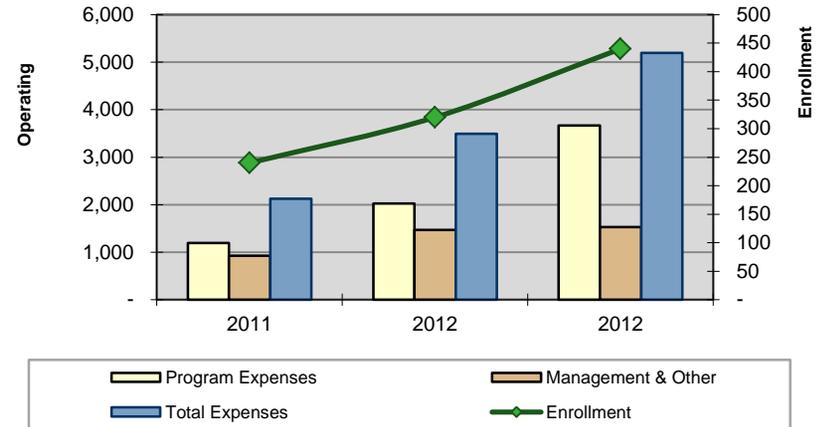
(\$'s in thousands)

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.

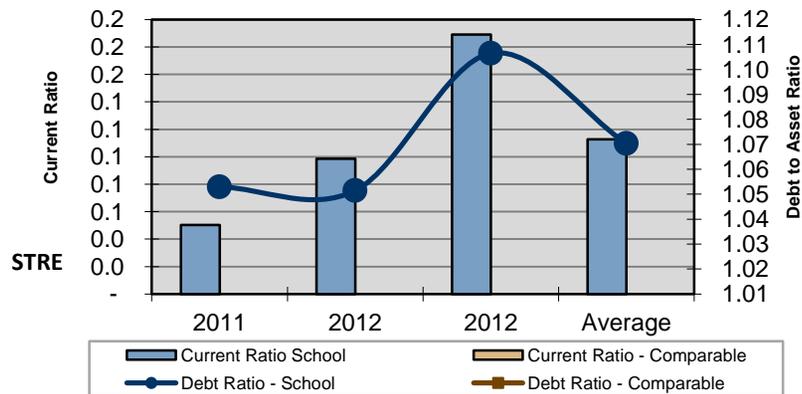
Enrollment vs. Operating Expenses



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

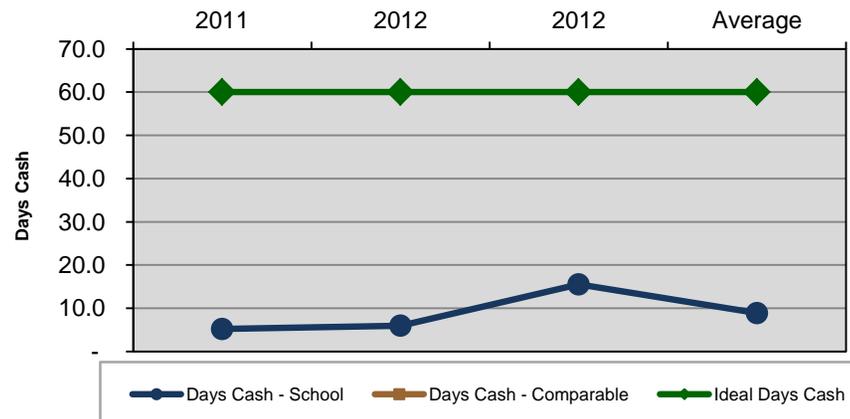
Current Ratio / Debt to Asset Ratio

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.



School		Health Sciences Charter School
COMPOSITE SCORE:		(0.9)
PRIMARY RESERVE RATIO	Unrestricted Net Assets	\$ (773,339.00)
	ADD: Temporarily Restricted Net Assets	\$ -
	LESS: Net Property, Plant and Equipment	\$ (6,978,611.00)
	ADD: Long-term debt	\$ 1,003,825.00
	EXPENDABLE NET ASSETS	\$ (6,748,125.00)
	DIVIDE BY: TOTAL EXPENSES	\$ 5,192,612.00
	PRIMARY RESERVE RATIO:	-1.300x
EQUITY RATIO	Unrestricted Net Assets	\$ (773,339.00)
	ADD: Temporarily Restricted Net Assets	\$ -
	MODIFIED NET ASSETS	\$ (773,339.00)
	DIVIDE BY: MODIFIED ASSETS	\$ 7,265,629.00
	EQUITY RATIO:	-0.106x
NET INCOME RATIO:	CHANGE IN UNRESTRICTED NET ASSETS	\$ (398,457.00)
	DIVIDE BY: TOTAL UNRESTRICTED REVENUE	\$ 4,794,155.00
	NET INCOME RATIO:	-0.083x
STRENGTH FACTOR SCORE (cannot be <-1 or >3)	PRIMARY RESERVE strength factor score = 10 x Primary Reserve ratio result	(1.000)
	EQUITY strength factor score = 6 x Equity ratio result	(0.636)
	Net Income strength factor score = 1 + (25 x Net Income Ratio Result) IF Negative Net Inc.	(1.000)
	Net Income strength factor score = 1 + (50 x Net Income Ratio Result) IF Positive Net Inc.	0.000
	NET INCOME Strength Factor:	(1.000)
WEIGHTED AND COMPOSITE SCORE	Primary Reserve Weighted Score = 40% x Primary Reserve Strength Factor Ccore:	(0.400)
	Equity Weighted Score = 40% x Equity Strength Factor Score:	(0.254)
	Net Income Weighted Score = 20% x Net Income Strength Factor:	(0.200)
	Composite Score = Sum of ALL Weighted Scores	(0.854)
	Round to one digit after the decimal to determine the final score:	(0.9)
Performance Based on Composite Score		Needs Monitoring

COMPOSITE SCORE EXPLANATION:

- ➔ Accounting for an Institution's Total Financial Condition. We evaluate the financial health of charter schools using a blended score that measures institutions' performances on key financial indicators. The blended score allows a school's sources of financial strength to offset areas of financial weakness.
- ➔ **How the Rule Works.** Charter schools are measured on three financial ratios that are blended to produce a single composite score. The ratios and composite scores address and adjust for differences across business sectors. The model used by NYSED is weighted for "private, non-profit" institutions. The formula may be modified to analyze schools using different financial models.
- ➔ Institutions earning a high composite score are considered financially responsible and may continue to operate without additional monitoring from CSO.
- ➔ Institutions with low composite scores are not financially responsible and may be subjected to additional monitoring and oversight from CSO.
- ➔ Schools between high and low scores are considered to be "in the zone" of uncertain financial responsibility. They are financially responsible but are subject to additional monitoring and closer scrutiny to protect the interests of students and taxpayers. The zone alternative may only be used for three consecutive years.
- ➔ The ratio methodology combines elements from the audited financial statement into a single blended composite score. The regulatory result depends on the composite score, as illustrated in the following table.

Understanding COMPOSITE SCORES

Regulatory Result	Composite Score Range	Interpretation of Score Range
Financially Responsible	1.5 to 3.0	School is financially healthy enough to operate without additional monitoring
Not Financially Responsible	1.0 to 1.4	In the zone, additional monitoring needed by CSO
Not Financially Responsible	-1.0 to 0.9	School is not financially healthy enough to be considered financially responsible

4 Steps to Calc. COMPOSITE SCORES

Step 1: Calculate Three Financial Ratios from Financial Statements

Primary Reserve Ratio	Equity Ratio	Net Income Ratio
Expendable Net Assets / Total Expenses	Modified Net Assets / Modified Assets	Change in Unrestricted Net Assets / Total Unrestricted Revenue

Step 2: Convert Ratio Results to Strength Factor Scores

Strength Factor Score	Interpretation of Score	Primary Reserve Ratio		Equity Ratio		Net Income Ratio	
		Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary
-1	Liabilities exceed resources	(0.10)	(0.05)	(0.17)	(0.17)	(0.08)	(0.06)
0	No demonstrable net resources	0.00	0.00	0.00	0.00	(0.04)	(0.03)
1	Minimal resources, but not enough for clear financial health	0.10	0.05	0.17	0.17	0.00	0.00
1.5	Minimal level of resources to indicate financial health	0.15	0.08	0.25	0.25	0.01	0.02
3	Clearly financially healthy on that resource	0.30	0.15	0.50	0.50	0.04	0.06

Step 3: Multiply the Strength Factor Scores by a Weighting Factor

Charter School Educational Sector	Primary Reserve Strength Factor	Equity Strength Factor	Net Income Strength Factor
Private Non-profit	40%	40%	20%
Proprietary	30%	40%	30%

Step 4: Add the Weighted Strength Factor Scores to Obtain the Composite Score



New York State Education Department

***Charter School Renewal Recommendation Report
Application for 3rd Charter Renewal***

Riverhead Charter School

March 10, 2014

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

Opening Information

Date Initial Charter Approved by Board of Regents	February 2001
School Opening Date	September 1, 2001
Charter Terms	Initial Charter Term: February 1, 2001- July 10, 2005 1 st term: November 30, 2005-May 9, 2008 2 nd term: July 10, 2008-June 30, 2009 3 rd term: June 30, 2009- June 30, 2014

Location

School Year(s)	Location(s)	Grades at Location	District of Location	Districts Served
2001-2013	3685 Middle Country Road Calverton, NY 11933-1801	K-7	Riverhead Central School District	Multiple ¹

Partner Organizations

Partner Name	Partnership Type	Dates of Service
None		

Current Mission Statement

The mission of Riverhead Charter School is to create a school environment that fosters the development of academic skills, intellectual habits and character traits necessary for students to maximize their potential in high school, college and the world beyond.
--

Current Key Design Elements

<ul style="list-style-type: none"> • Project based learning • Culture and character education • Differentiated and individualized instruction and co-integrated classrooms • Technology integration • Continuous staff development • Departmentalized instruction beginning in Grade 4
--

School Characteristics

School Year	Chartered Enrollment	Actual Enrollment	Grades Served
2013-2014	332	299	K-7
2012-2013	280	281	K-6
2011-2012	280	271	K-6
2010-2011	280	262	K-6
2009-2010	280	233	K-6
Maximum enrollment: 332			

Student Demographics: RCS Compared to District of Location

	Riverhead Charter School Enrollment		District of Location Enrollment	
	Total	%	Total	%
2011-12				
<i>All Students</i>	271		2770	
Asian/Pacific Islander	10	3.6%	42	1.5%
Black	96	34.3%	460	16.6%
Hispanic	87	31.1%	865	31.2%
Migrant	1	0.4%	--	--
Multiracial	6	2.1%	23	0.8%
White	81	28.9%	1371	49.5%
Economically Disadvantaged	182	65.0%	1304	47.1%
Limited English Proficient	45	16.1%	487	17.6%
Students with Disabilities	21	7.5%	277	10.0%
2012-13				
<i>All Students</i>	281		2766	
American Indian/Alaska Native	1	0.4%	8	0.3%
Asian/Pacific Islander	9	3.2%	50	1.8%
Black	84	29.9%	412	14.9%
Hispanic	90	32.0%	933	33.7%
Migrant	1	0.4%	--	--
Multiracial	8	2.8%	36	1.3%
White	89	31.7%	1327	48.0%
Economically Disadvantaged	124	44.1%	1395	50.4%
Limited English Proficient	47	16.7%	535	19.3%
Students with Disabilities	31	11.0%	344	12.4%

Current Board of Trustees

Board Member Name	Term	Position/Committees
Zenobia Hartfield	One three-year term; 2013-2016	Chair/President- Fundraising Committee
Emma Klimek	One three-year term; 2012-2015	Vice Chair/Vice President- Policy Committee
Renee Harris Thompson	One three-year term; 2011-2014	Secretary- Policy Committee
Harry Hestand	Four three-year terms beginning 2003; Current 2013-2016	Member
Susan Heintz	Five three-year terms beginning 2001; Current 2013-2016	Member- Fundraising Committee
Angela Hughes	One three-year term; 2012-2015	Member- Policy Committee

School Leader(s)

School Year	School Leader(s) Name and Title
August 27, 2012-Current	Raymond Ankrum, School Leader
July 1, 2007-July 13, 2012	Dorothy Porteus, School Leader

School Visit History

School Year	Visit Type	Evaluator (Institute/External)	Date
2013-2014	Renewal site visit	Charter School Office	October 22-23, 2013
2012-2013	Check-in visit	Charter School Office	December 11, 2012
2011-2012	Full site visit	Charter School Office	December 14, 2011
2010-2011	Check-in visit	Charter School Office	June 10, 2011

Background

The Board of Regents granted an initial charter to Riverhead Charter School (“RCS” or “the School,” hereafter), located within the Riverhead Center School District, on February 1, 2001. Under the management of Edison Schools, Inc., the School opened for instruction in September 2001 serving 250 students in Grades K-5. RCS revised its charter in 2003 to add Grade 6. The Board of Regents granted the School a first renewal charter for two years and five months on November 30, 2005, and a second renewal charter for one year on May 9, 2008. At the end of 2008, the School’s Board of Trustees severed its relationship with Edison Schools, Inc. and has managed the School on its own since then. The Board of Regents granted the School a third renewal charter for five years in 2009 that will expire on June 30, 2014. The School currently serves 299 students in Grades K through 7.

Department’s Renewal Recommendation

Based upon the evidence outlined below, the Department recommends a three-year charter renewal for Riverhead Charter School. The renewal period would commence on July 1, 2014 and end on June 30, 2017. The Department recommends approval of a small increase in the approved maximum enrollment, from 400 to 414 students, over the renewal term to accommodate an expected reduction in student attrition as they complete their full, previously approved grade span of K-8.

Summary of Evidence

The summary of evidence presented below is drawn from the school’s record over the term of the charter including: New York State assessment data, the renewal application, renewal and monitoring site-visit findings, annual reports, independent fiscal audits, Board of Trustees minutes and other documents collected by and about the school.

Department’s Analysis of Student Performance

Riverhead showed strong academic proficiency from 2010-11 and 2011-12 when compared to both the Riverhead School District and New York State 3-6th grade averages. In 2012-13, the school’s proficiency mirrored the declining trend in growth. Though the school’s proficiency scores were strong in comparison to relative decline across the State, Riverhead did not perform as well as the district of location and fell 13 points below the state average in math.

New York State Testing Program (NYSTP) Proficiency

In 2010-11 and 2011-12, Riverhead Charter School has outperformed the Riverhead School District in ELA and math by 16 and 13 points on average, respectively. In the same years, RCS also outperformed New York State on average by 14 points in ELA and 16 points in math. In those two years, an 11 point gain was seen in ELA proficiency, yet a 4 point backslide was seen in math, despite the school still outperforming the district and the state in the same subject.

In 2012-13, the NYS assessments were aligned to the Common Core Learning Standards, creating a new baseline for the exams. RCS did not continue outperforming the district and the state average in this year. Both math and ELA results were at or below the district and state averages in the Common Core aligned exams (see Table 1).

Riverhead Charter School’s economically disadvantaged students, English language learners and students with disabilities performed at or above the district average in 2010-11 through 2012-13 in both ELA and math. RCS at-risk student populations also performed above the state average from 2010-11 through 2011-12, but these student subgroups performed below the state average in 2012-13 when the ELA and math state assessments shifted to Common Core alignment².

Table 1: Riverhead CS NYSTP Proficiency Variance Compared to the District of Location and NYS³

	Subject	Charter School		Riverhead SD		NYS	School Comparison to:	
		N	%	N	%	%	Riverhead SD +/-	NYS +/-
2010-11 Gr. 3-6	Elem/Middle ELA	122	65.0%	2,144	53.5%	55.6%	11.5	9.4
	Elem/Middle Math	124	83.5%	2,168	66.4%	63.9%	17.1	19.7
	Elem/Middle Sci	34	97.1%	367	89.1%		8.0	
2011-12 Gr. 3-6	Elem/Middle ELA	130	75.8%	2,164	55.1%	57.1%	20.7	18.7
	Elem/Middle Math	131	79.7%	2,171	65.4%	65.6%	14.3	14.1
	Elem/Middle Sci	38	94.7%	401	81.3%		13.4	
2012-13 Gr. 3-6	Elem/Middle ELA	116	26.0%	2,123	26.0%	30.5%	0.0	-4.5
	Elem/Middle Math	116	19.0%	2,138	25.7%	31.8%	-6.7	-12.8

Growth

In 2011-12 and 2012-13, Evergreen Charter School tested grades 3-6 in the New York State testing program in English Language Arts (ELA) and math, thus, providing two years of testing data to apply to the 4-8 growth model⁴.

The 2011-12 and 2012-13 growth model accounted for similar tested student characteristics at Riverhead Charter School. Compared to similar schools across the state and within the district, Riverhead Charter School demonstrated growth that was better than expected in both ELA and math in 2011-12 but lower than expected in growth in 2012-13 math⁵. Despite the school’s 2012-13 growth in math being lower than expected, RCS’s combined HEDI score based on growth was calculated as “effective”.

² See Appendix A for detailed histograms of the school’s proficiency outcomes on the NYS ELA and mathematics exams.

³ Table 1 shows district and state level percent of students scoring proficient (level 3 & 4) on the NYSTP ELA and math exams. These scores are reflective of grades served by the target school in that year, thus, district and state percentages only reflect those grades as well.

Data shown in table 1 is from verified reports in the Student Information Repository System (SIRS).

⁴ See Appendix A for detailed scatterplots depicting the school’s growth.

⁵ Though the state assessments were aligned to the Common Core in 2012-13, the growth model does account for this shift in baseline. Growth is measured on comparative student outcomes which circumvents the need for comparative statewide comparisons.

Evidence of Performance Related to Academic Goals

Riverhead Charter School set academic goals for the duration of its charter term as required by Education Law. The following outlines the school’s self-reported progress⁶ toward meeting these goals:

- *Absolute Proficiency*

Riverhead Charter School set an absolute proficiency goal for ELA and mathematics to have 75% of tested students who had been enrolled at RCS for 3 or more academic years to be proficient in ELA and mathematics on the New York State exams⁷. The school met its goal in ELA and math from 2009-10 through 2011-12, but did not meet its goal for ELA or math in 2012-13 (see Table 2 and 3 data provided by the school in the annual report below). Note that proficiency outcomes tracked for this measure only include students who have been enrolled at RCS for 3 or more years.

- *Comparative*

Riverhead Charter School set a goal for its students to meet or exceed the Riverhead School District and New York State in ELA and math on the New York State exams. The school met its goal in ELA and math from 2009-10 through 2011-12, but did not meet its goal for ELA or math in 2012-13 (see Table 2 and 3 data provided by the school in the annual report below). Note that proficiency outcomes tracked for this measure only include students who have been enrolled at RCS for 3 or more years.

Table 2: Riverhead CS NYSTP Proficiency Outcomes in ELA of Students Attending 3+ Years Compared to the District of Location and NYS⁸

	Riverhead CS	Riverhead SD	NYS Average
2009-10			
Grade 3 ELA	46	57	55
Grade 4 ELA	47	57	57
Grade 5 ELA	51	54	53
Grade 6 ELA	78	52	54
2010-11			
Grade 3 ELA	56.4	54	56
Grade 4 ELA	77.1	59.2	56
Grade 5 ELA	77.4	47	53
Grade 6 ELA	55	54	56
2011-12			
Grade 3 ELA	11	41	31
Grade 4 ELA	22	47	30.3

⁶ Data on charter school progress toward goals are reported in the school’s application for renewal.

⁷ Due to the dramatic changes in cut scores on the 2012-13 Common Core-based exams, the Department did not evaluate the 2012-13 goal against the 75% proficient rate as this goal was set under the previous testing versions using a different baseline of student achievement.

⁸ Data submitted by the school in the application for renewal.

Grade 5 ELA	37	23	30.2
Grade 6 ELA	32	26	29.6
2012-13			
Grade 3 ELA	11	41	31
Grade 4 ELA	22	47	30.3
Grade 5 ELA	37	23	30.2
Grade 6 ELA	32	26	29.6

Table 3: Riverhead CS NYSTP Proficiency Outcomes in Math of Students Attending 3+ Years Compared to the District of Location and NYS

	Riverhead CS	Riverhead SD	NYS Average
2009-10			
Grade 3 Math	48	60	59
Grade 4 Math	67	64	64
Grade 5 Math	78	68	65
Grade 6 Math	78	65	61
2010-11			
Grade 3 Math	78	61	59
Grade 4 Math	80	66.3	67
Grade 5 Math	97	67	66
Grade 6 Math	80	66	63
2011-12			
Grade 3 Math	52	61	61
Grade 4 Math	90	64	69
Grade 5 Math	86	68	58
Grade 6 Math	92	65	66
2012-13			
Grade 3 Math	11	46	34.2
Grade 4 Math	22	54	36.2
Grade 5 Math	18.5	21	29.9
Grade 6 Math	23	26	30.6

Evidence of Performance Observed through On-site School Reviews

The CSO site visit teams conducted monitoring visits to the School throughout this current charter term (June 30, 2009-June 30, 2014). On October 22-23, 2013, a Department team conducted a renewal site visit at RCS. In addition, the Department conducted a full site visit on December 14, 2011, and check-in visits on December 11, 2012 and June 10, 2011. During these visits, the team interviewed the Board of Trustees, school administrators, teachers, parents and students, and observed classroom instruction. Three guiding questions serve as a lens to direct the review of the charter term:

1. Is the school an academic success and able to operate in an educationally sound manner?
2. Is the school organizationally viable and able to operate in a fiscally sound manner?
3. Is the school faithful to the terms of its charter and has it adhered to applicable laws and regulations?

Curriculum and Instruction

At RCS, curriculum documents guide instructional planning. Curriculum documents are primarily created by teachers, with the support of the leadership team. During summer professional development, teachers create a year-long scope and sequence to guide their instruction. The scope and sequence is adjusted depending on student progress during the course of the school year. Current curriculum documents at RCS are aligned to the Common Core Learning Standards (CCLS). In the fall of 2013, the School adopted a new curriculum aligned to the Common Core Learning Standards: *Envisions* for math, and *Reading Street* for English language arts (ELA). Teachers use the curriculum documents as a resource when planning their lessons. Prior to the implementation of the CCLS, administrators and teachers reported teaching to state standards, and the December 2011 site visit revealed evidence of this practice through classroom observations. *Harcourt Math* and *Scott Foresman ELA* were used as the primary curriculum resources prior to the implementation of the CCLS.

Teachers use a common template to create weekly lesson plans to guide their instruction. They are required to create a weekly lesson plan overview, which is submitted to the leadership team every week. Teachers often create the overview collaboratively in grade-level teams, although this collaboration is not a mandatory practice. While teachers are not provided with feedback on their actual lesson plans, the school leader does check for quality of implementation when conducting classroom observations. Core subject teachers do not currently engage in cross-curricular or cross-grade level planning. However, the December 2013 site visit report cited teachers using a house-meeting forum to plan across grade levels.

The December 2011 site visit revealed that the School employs a co-teaching model. *Response to Intervention* (RTI) practices are in place to meet students' needs. Teachers received professional development on RTI, and documents were provided to the site visit team during this visit. The documented structure was consistent with what was observed and discussed by teachers and administrators in interviews.

During classroom observations throughout the charter term, observers collected evidence on six elements of strong instructional practice: differentiation, checks for understanding, rigor, classroom climate, pacing, and student engagement. Overall, the quality of instruction varied greatly across the School.

- **Differentiation:** At the October 2013 site visit, differentiation was inconsistently observed. Whole-group differentiation was not seen throughout the observations. Observed instances of differentiation mainly occurred during student centers. The School differentiates instruction through a “walk to read” instructional model, which allows students who are above or below grade level to receive targeted ELA instruction. RCS also implemented “walk to math” at the time of the December 2011 site visit, but it has since been terminated.
- **Checks for understanding:** Observers found inconsistent use of checks for understanding during the October 2013 visit. In the majority of classroom visits, checks for understanding were partially observed. Checks for understanding were not used to adjust instruction or supports, or to address student misunderstanding. Many of the teachers' questions were low-level and close-ended, asking students to recall information rather than synthesize, evaluate, or analyze.

- **Instructional rigor:** Throughout the charter term, instructional rigor varied. In classroom observations during the renewal site visit in October 2013, instructional rigor was mixed. Most lessons were aligned to the CLLS, but oftentimes students approached tasks in rote ways, with little connection to ideas and issues beyond the classroom. Some lessons were described by observers as overly-scaffolded. On the June 2012 check-in site visit, SED team members noted that instruction lacked rigor in the upper grades.
- **Classroom Climate:** During the October 2013 renewal visit, classroom climate was characterized by high, clear expectations for student behavior and routines in most classrooms. Classroom rules and routines were established and internalized by students. The majority of student-to-student and teacher-to-student interactions were positive and respectful. At the December 2011 site visit, all interviewed stakeholders reported satisfaction with the learning environment.
- **Pacing:** In most observations, partial or full evidence of maximizing the use of learning time was found during the October 2013 renewal site visit and the June 2011 check-in visit. Across all classrooms, minimal time was spent on transitions and other details not directly related to learning goals. Students appeared to understand what to do during a given lesson, and in most cases worked productively. At times, however, the relationship between activities and learning goals was unclear. The June 2011 and December 2012 check-in site visits yielded similar results, as SED team members reported that teachers did not consistently maximize learning time.
- **Student engagement:** Observations from the October 2013 and December 2011 site visits revealed evidence of student engagement. During the October 2013 site visit, the CSO renewal site visit team found teachers provided several opportunities for student engagement throughout the beginning, middle and end of the lesson. Teachers were able to give directions clearly. During independent work time, students were found to take responsibility for their work without teacher direction. In most classrooms, student posture, eye contact, and level of participation indicated interest in the lesson.

Assessment and Instructional Decision-Making

Currently, formative and summative assessments are purposefully administered at RCS. Summative assessments include *AIMSweb*, in-house quarterly assessments, *DIBELS*, and *Fountas & Pinnell*. The School began implementing *AIMSweb* in the fall of 2013. Going forward, RCS will administer the *AIMSweb* benchmark assessments to all students three times a year—fall, winter, and spring—as a universal screening tool. The progress monitoring assessments are administered every six weeks to Tier 2 students and every three weeks to Tier 3 students. Teachers create quarterly assessments, and track student progress on these assessments by standard. Students’ reading progress is tracked and monitored through the use of *DIBELS* and *Fountas & Pinnell* assessments. Students are formatively assessed through the use of exit tickets. Additionally, students’ academic progress is tracked through Personal Education Goals (PEGs). PEGs are used to report on the progress of every student, based on the results of their assessments.

Teachers use both formal and informal assessment data to guide their instructional practice, with the intent of improving academic performance. At the December 2011 site visit, administrators and teachers reported the use of data to drive the RTI program and to inform student grouping. After assessments are administered, teachers meet as grade level teams and discuss whether or not they should make adjustments to the scope and sequence or weekly lesson plan overview. After analyzing exit tickets, teachers may choose to reteach a particular topic if they find students are still struggling. Additionally, lower grade teachers meet with the lower-house leader to discuss student-level data and interventions

that might be necessary for particular children. Data does not yet indicate that this process has increased academic performance.

School leaders use data from assessments to monitor the effectiveness of school programs and make school-wide academic decisions. Due to the decrease in scores on the NYS test in 2012-2013, the school leader has chosen to make some instructional adjustments. For example, RCS now uses collaborative team teaching to provide students with increased attention. In the fall of 2013, the School also adopted new curricula in ELA and math so that teachers would have resources necessary to fully implement the CCLS.

Climate, Culture and Safety

Overall, the school climate and culture generally support student learning, development and achievement. During the December 2011 site visit, the CSO team found that the culture of the School was focused on learning and characterized by respectful interactions. The October 2013 site visit revealed that RCS celebrates student academic achievement: Each month, a “student of a month” is chosen from each classroom and displayed in the lobby, and honor roll and most-improved students are publicly recognized at whole-school assemblies. The director of operations noted that the climate at the School is student-focused, and the unique small size of the school allows for a family-like feel. At the time of the December 2011 site visit, the School’s motto was “I am somebody,” designed to build self-esteem as part of character development and to celebrate community members in a diverse learning environment. Despite these efforts, high turnover of both school leaders and teachers at RCS may contribute to gaps in establishing a coherent, deep culture. At the start of the 2013 school year, 51% of teachers were in their first year as a classroom teacher at RCS.

Despite the significant turnover at RCS, teachers generally collaborate and have collegial relationships which set the tone for the school. Grade-level teams collaborate during shared planning time and meet with school leadership during this time to discuss the needs of particular students. The December 2012 site visit report cited teachers using a house-meeting forum to plan across grade levels. At the October 2013 site visit, teachers expressed that it was difficult to collaborate at times due to the building configuration of the upper and lower school. The two buildings are approximately a five minute walk from one another, and some team members make multiple trips back and forth each day. However, this problem will be remedied once the School moves to a new facility in 2014.

Issues regarding adult culture and relationships are present at RCS. At the time of the October 2013 site visit and in months prior, tension existed between some stakeholders at the School. The school leader filed a complaint against the Board of Trustees on October 21, 2013. This complaint memo highlighted a growing level of distrust between school administrators and the Board of Trustees and laid out a series of concerns. On December 13, 2013, the school leader stated that his concerns have been addressed.

At the October 2013 renewal site visit, all interviewed stakeholders—including staff and students—felt that RCS is safe and free of harassment and discrimination. Through the work of a committee that codified explicit expectations for student behavior, RCS was able to create a Positive Behavior Policy to increase safety and foster a positive school culture. Parents felt that teachers were able to strike a balance with discipline: Staff is able to ensure safety while also maintaining respect for the students.

The School effectively addresses the social, emotional, and health needs of its students. Teachers foster individual relationships with students, allowing them to detect any inconsistencies in behavior. The social worker and guidance counselor offer additional support to students who have social or emotional needs. Health needs are met through the use of an on-site school nurse.

Organizational Soundness

Evidence of Organizational Capacity

The School's organizational structure reflects a culture of shared accountability. The instructional and student support staff report directly to the school leader, and the operations and finance teams report to the director. In December 2012, RCS finalized a new collective bargaining agreement with teachers.

The organizational chart presented in the 2013 Application for Renewal does not reflect the current staffing at RCS. At the time of the October 2013 site visit, the dean of curriculum role was not filled, nor was the lead teacher position for the upper grades. However, in November 2013, these positions were filled. The School anticipates additional organizational changes in the coming months, including a shift in the lower house leader.

The October 2013 site visit revealed that the School has not successfully recruited, hired or retained experienced teachers. Seventeen of 19 teachers hired at the start of the 2013 school year have less than two years of teaching experience. Eleven of these teachers are in their first year of teaching. Additionally, the School has struggled with retaining key personnel. Fifty-one (51%) of teachers were new to the School in 2013⁹. There has also been turnover in leadership at RCS throughout the charter term. The school leader is new as of fall of 2012, and there were two vacancies on the leadership team—the upper house leader and dean of curriculum—at the start of the 2013 school year. Subsequently, these positions have been filled.

The current school leader regularly assesses the performance of teachers, both formally and informally. The school leader conducts classroom observations on a daily basis, and provides teachers with immediate targeted feedback in person or through email. Formal observations are conducted using the Danielson Framework and rubric. New teachers receive two formal observations per year, while veteran teachers receive one observation.

The school leadership team holds weekly house meetings to address needs of grade-level teams. Monthly staff development meetings provide professional development to teachers and an opportunity for teachers to share updates about their particular grade levels. Additionally, leadership team meetings are held so that the dean, special education coordinators, and house leader can share academic progress and other pertinent updates with the school leader.

School leadership monitors the academic program and operations. The director of operations oversees the financial and general operations at the School. The house leader closely monitors the effectiveness of the lower grades, and provides curriculum and instructional support to those teachers. The school leader provides the same support for the upper grades.

⁹ Two of these teachers were substitute teachers at RCS the prior year.

While the majority of the key design elements are implemented at RCS, the school leader made curricular and programmatic adjustments based on student performance. Due to decreased performance on the 2012-2013 NYS exams, the school leader chose to adopt new ELA and math curriculums that are aligned to the CCLS. The school leader made adjustments to the schedule in the fall of 2013: the format of Explorations was modified so that increased time could be spent on direct math and ELA instruction. New assessments and student academic monitoring procedures have been incorporated this school year. The school leader also made funding decisions that support the academic program by investing in curriculum and technology.

Most of the teachers staffed at RCS are in their first or second year of teaching¹⁰. Out of 35 teachers, 16 were new to the School in the fall of 2013. All teachers hired at the start of the 2013 school year have less than three years of teaching experience. All three ESL teachers are inexperienced teachers¹¹, and the science and social studies teachers are first-year teachers. The novelty of the staff at RCS—coupled with lack of experience—makes it difficult to establish culture, fulfill the mission and key design elements, and ensure a rigorous environment.

Communication at RCS varies widely. The school leader’s frequency and form of communication varies by stakeholder. The school leader communicates frequently with the teachers, both in person and over email. At the October 2013 site visit, teachers noted that the school leader is visible and that they feel comfortable approaching him with ideas or feedback. The school leader communicates to teachers during grade level and full-school meetings. He provides teachers with updates or information over email, and will communicate feedback on classroom instruction electronically, as well.

The October 2013 site visit revealed that parents have varied experiences regarding communication from RCS and a general consensus that communication between the School and parents could be improved. Administrators, teachers, board members and parents reported that parent involvement was challenged by geography. Some parents receive feedback—both positive and negative—from classroom teachers via telephone. However, the frequency of the communication varies by teacher. Parents are informed of their child’s progress during quarterly parent teacher conferences. Parents and members of the community are invited to attend various events at RCS, including student of the month celebrations, luncheons, and curriculum nights

Earlier in the charter term, parents were generally satisfied with the School. During the December 2011 site visit, parents reported that teachers were caring, available, and focused on students’ learning. The school leader created systems to increase communication with parents—such as a “Parent Power Hour”—a time reserved for parents to share their feedback and ideas. This practice has since been terminated. Throughout the current charter term, 93-100% of parents that responded to RCS’s annual parent survey said their child is receiving a quality education at RCS¹². Two families filed formal complaints against the School regarding concerns with classroom policies.

¹⁰ 17 of 25 teachers are in their first or second year of teaching.

¹¹ Inexperienced is defined as having less than 3 years of teaching experience.

¹² Response rates ranged from 28-60 of surveyed parents.

Evidence of Board Oversight and Governance

The board has never assessed the performance of the current school leader, either formally or informally. While the site visit review team reviewed a draft evaluation tool at the December 2011 visit, this tool has not yet been finalized or approved by the board. The goals that were created by the school leader have also not been approved by the board, making it difficult for the school to operate with a clear vision and direction. The board expressed their intent to come to agreement among themselves to approve the school leader's contract; however, the school leader is currently operating without a contract in place. School Leader performance goals and contract were under review at the time of the October 2013 renewal site visit. The School Leader's renewal contract was approved in December 2013.

The total number of members on the Board of Trustees at Riverhead is maintained according to bylaws. The bylaws state the number of trustees "shall be no less than five nor more than nine," and currently RCS has six board members. However, RCS's Board of Trustees has experienced significant turnover throughout its most recent charter term. Half of the current board members are new to the Board and were appointed in the middle of the current charter term.

During the December 2011 site visit, the board acknowledged the need for continued development and additional members with specific areas of expertise. The October 2013 site visit revealed that the board has attempted to recruit new members to maintain adequate skill sets and expertise, but still lacks members with expertise in real estate. Two board members with educational experience were recently appointed. One board member has a finance background. The board previously lacked expertise in law, and subsequently brought on a lawyer to serve as a trustee. The board is currently seeking new members: They are currently making use of usboard.net—an online search engine—to seek out new board members with relevant experience.

While the board has established some goals outside of academic performance, such as the expansion of the School's grade levels and building of the new facility. The Board was previously operating without an annual calendar, but this calendar was approved at the December 2013 meeting. The board has not engaged in strategic planning, nor have they shown evidence that initiatives have launched as a result of planning. The board aims to create a succession plan, choose a leadership evaluation method, create a long-term plan, recruit board members with experience in areas where expertise is lacking, finalize the school leader's contract, and approve the school leader's submitted goals for the school.

The board does not act in accordance with some laws, regulations, rules and other school-specific policies. At the September 2013 meeting, the board, acting without a quorum, voted to remove a trustee. The board's action was in violation of the New York State Open Meetings Law, as a quorum was not established at the time of the meeting. At this board meeting, one member was contacted by phone in an attempt to establish a quorum. Participation of a member by phone or e-mail does not constitute the presence of that member for the purposes of convening a quorum. The removal of the board member was not in accordance with the bylaws either, as the board member denies the stated grounds for her removal. Finally, the removal was not in accordance with Section 2855 of the Charter Schools Act, as a complaint procedure was not followed. Most recently, this board member was reinstated to the Board, as the vote to remove her was null and void due to lack of quorum.

The Board of Trustees has violated the Open Meetings Law. According to the board meeting minutes, many board meetings are conducted with a large portion of the time in executive session—with these sessions ranging from one to four hours. This violation makes it challenging for parents and community members to remain informed, and the private nature may discourage stakeholders from attending board meetings.

The December 2011 and October 2013 site visits indicated that the board does not evaluate its own effectiveness. The board utilizes HighBar programs for evaluation, but the School's selected programs do not evaluate the board as a whole, but rather allow individual board members to assess areas of personal growth. The board has not made use of these individual results. While HighBar made recommendations for future training, the board has not engaged in any training or development as a result of these recommendations.

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-term¹³ and long-term¹⁴ financial performance indicators. These rigorous indicators of fiscal soundness are aligned with those recommended by the National Association of Charter School Authorizers, and are also used by the Trustees at the State University of New York (SUNY) in their capacity as a charter school authorizer (SUNY-CSI) in New York State. Near-term indicators such as the current ratio and unrestricted days cash are measures of liquidity, and of the charter school's capacity to maintain operations. Long-term indicators such as total margin and debt-to-asset ratio are measures of the charter school's capacity to remain viable and to meet financial obligations.

Overall Financial Outlook

Based on an analysis of short-term and long-term indicators, Riverhead received a composite score of 3.0 for 2012-13, demonstrating strong financial health. The **Composite Score** is an overall measure of financial health calculated by the NYSED Office of Audit Services. This score is based on a weighting of primary reserves, equity and net income. A charter school with a score between 1.5 and 3.0 is

¹³ 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.

¹⁴ 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.

considered in strong financial health. Since 2011, Riverhead’s composite score has remained strong, as highlighted in the following table.¹⁵

Year	Composite Score
2010-11	2.5
2011-12	2.9
2012-13	3.0

Near Term Indicators

Although the school is overall financially strong, the current ratio for 2012-13 is 6.0, a slight decrease from the prior year value of 6.6. The **current ratio** is a financial ratio that measures whether or not a school has enough resources to pay its debts over the next 12 months. It compares the school’s Current Assets to Current Liabilities. The current ratio is an indication of liquidity and ability to meet creditor’s demands. Acceptable ratios are generally between 1.5 and 3 which would indicate good short term strength. If current liabilities exceed current assets (the current ratio is below 1), then the school may have difficulties meeting its short term obligations.

For fiscal year 2012-13, Riverhead operated with 415 days unrestricted cash, a decline from 2011-12 levels of 476 days. **Unrestricted cash** measures in days whether the school can meet operating expenses without receiving new income. Schools typically strive to maintain at least 90 days cash on hand.

For 2012-13, enrollment stability was at 100 percent, a slight increase from 96.8 percent in 2011-12. **Enrollment stability** measures whether or not a school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations. Schools typically strive to have low variability in enrollment over time. Actual enrollment that is over 85 percent is considered reasonable.

Long Term Indicators

For 2012-13, Riverhead’s debt to asset ratio was 0.48, a slight decline from 0.56 in 2011-12. A school’s **debt to asset ratio** measures the extent to which the school relies on borrowed funds to finance its operations. It is calculated as total liabilities divided by total assets. A ratio of 0.9 or less meets a standard of low risk.

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. Total margin is calculated as net income divided by total revenue. For 2012-13, Riverhead’s total margin was 82.4 percent, an increase from 71.8 percent in 2011-12.

Cash flow is an assessment of change in cash from operations, financing and investing over a given period. For the 2012-13 period, Riverhead ran an operating surplus of \$117,465. This decreased compared to \$621,524 in positive cash flow, according to the school’s 2012-13 audited financial statements.

¹⁵ Source: NYSED Office of Audit Services

For additional information regarding these metrics and figures, the CSO staff has prepared a series of graphs to illustrate the long-term (three-year trend analysis from FY 2008 through FY 2011) performance of the school (See Appendix B).

Faithfulness to the Charter and Law

Throughout the charter term, the School has been generally faithful to its mission, vision, and educational philosophy. Many of RCS's key design elements of the school have been implemented, although some have been terminated during the course of the charter term. Key design elements of the School include:

- **Project-based learning:** While projects do take place in some classrooms throughout the School, project-based learning is no longer formally built into the day for all students.
- **Culture and character education:** While "morning meeting" is currently a school-wide practice, it is no longer included in the schedule, nor referenced as a key design element by stakeholders at the October 2013 visit. However, at the December 2011 site visit, morning meeting was heavily emphasized: Teachers, administrators and board members all reported the importance of the morning meeting to school culture and in students' perceived ownership and sense of belonging at RCS. Currently, the School does not employ a character education program, although students are presented with opportunities to engage with the surrounding community.
- **Differentiated and individualized instruction and co-integrated classrooms:** Differentiated and individualized instruction was observed in some classrooms, and the co-integrated classroom model is used at RCS.
- **Technology integration:** The use of technology has improved over the charter term. Teachers are provided with laptops for planning, document cameras were seen in many classrooms, and Chromebooks were available for student use. Teachers use Google Drive to post lesson plans, and ClassDojo to track attendance and student behavior.
- **Continuous staff development:** Professional development takes place over the summer, and once a month throughout the school year. Teachers also have opportunities to attend sessions outside of RCS.
- **Departmentalized instruction beginning in Grade 4:** Departmentalized instruction occurs in some subjects, but RCS is not fully departmentalized in Grades 4 through 7.

Most aspects of the School's mission and design are reflected in its climate and culture. The mission states: "Our mission is to embrace the cultural diversity of our community and foster the attainment of each student's full potential with the purpose of providing life-long skills for success. We set high standards of achievement, emphasize personal excellence and character development of our students." Systems and structures are in place to allow for the fostering of academic skills and intellectual habits. RCS recently revamped the curriculum to align it with the CCLS. Teachers analyze data to develop individualized plans for students. The RTI program allows teachers to identify students with academic needs, and the tiered system allows those students who are below grade level to receive academic intervention. The co-teaching structure at RCS allows teachers to give students greater attention. Students are provided with increased learning time, due to the extended school day. Technology is integrated into classroom instruction to promote skills necessary for success in the "real world." While expeditions were cut from the weekly schedule at the beginning of the 2013 school year, they now happen once a month. Finally, students' character is developed through the use of morning meetings and celebrations, such as Black History Month.

Throughout this charter term, RCS has generally implemented the student enrollment strategy and admissions policy outlined in its charter and required by statutes and regulations. Student recruitment efforts include: application materials and fliers distributed in Spanish, enrollment ads in community newspapers, and visits to preschool and Head Start programs. However, RCS is currently under-enrolled: current maximum enrollment is 332, and RCS 299 students are enrolled.

In the fall of 2012, the School was operating without school handbook. During the charter term, a few teachers and parents attempted to file complaints, and were told by the School that their handbook—which included the complaint process—was available in print or online. The Department spoke with the School and confirmed that their personnel handbook was outdated and unavailable. Since then, the School submitted an updated personnel handbook in their 2013 Application for Charter Renewal.

For the most part, the School complies with applicable laws, rules, regulations, and the provisions of its charter. RCS fulfills the teacher certification and background check requirements, and Freedom of Information Law. The School provides targeted ESL services and services for students with disabilities by appropriately qualified personnel.

The RCS Board of Trustees has violated the Open Meetings Law and Charter School Act with the improper removal of a board member. Additionally, RCS did not submit a revision request to make a material change to its charter by altering its mission. RCS is operating under the following mission that has not been approved by the Board of Regents: “The mission of Riverhead Charter School is to create a school environment that fosters the development of academic skills, intellectual habits and character traits necessary for students to maximize their potential in high school, college and the world beyond.”

Plans for the Next Charter Term

RCS will complete the previously approved middle school expansion by adding Grade 8 in the first year of the next charter term. The School has requested a small increase in the approved maximum enrollment of 400 projected to occur in 2015-2016, to a maximum enrollment of 434 students projected for 2018-2019, the final year of the requested five-year charter term, to address an expected reduction in student attrition.

Summary of Public Comment

As required by the Charter School Act, the Department notified the Riverhead Central School District and public and nonpublic schools in the same geographic area about the submission of the school’s renewal application. The district held the required hearing on November 13, 2012. Topics discussed included the proposed increase in student enrollment, the expansion of grade levels, and the availability of special education services. Eight public comments were received before the hearing was adjourned.

Appendix A



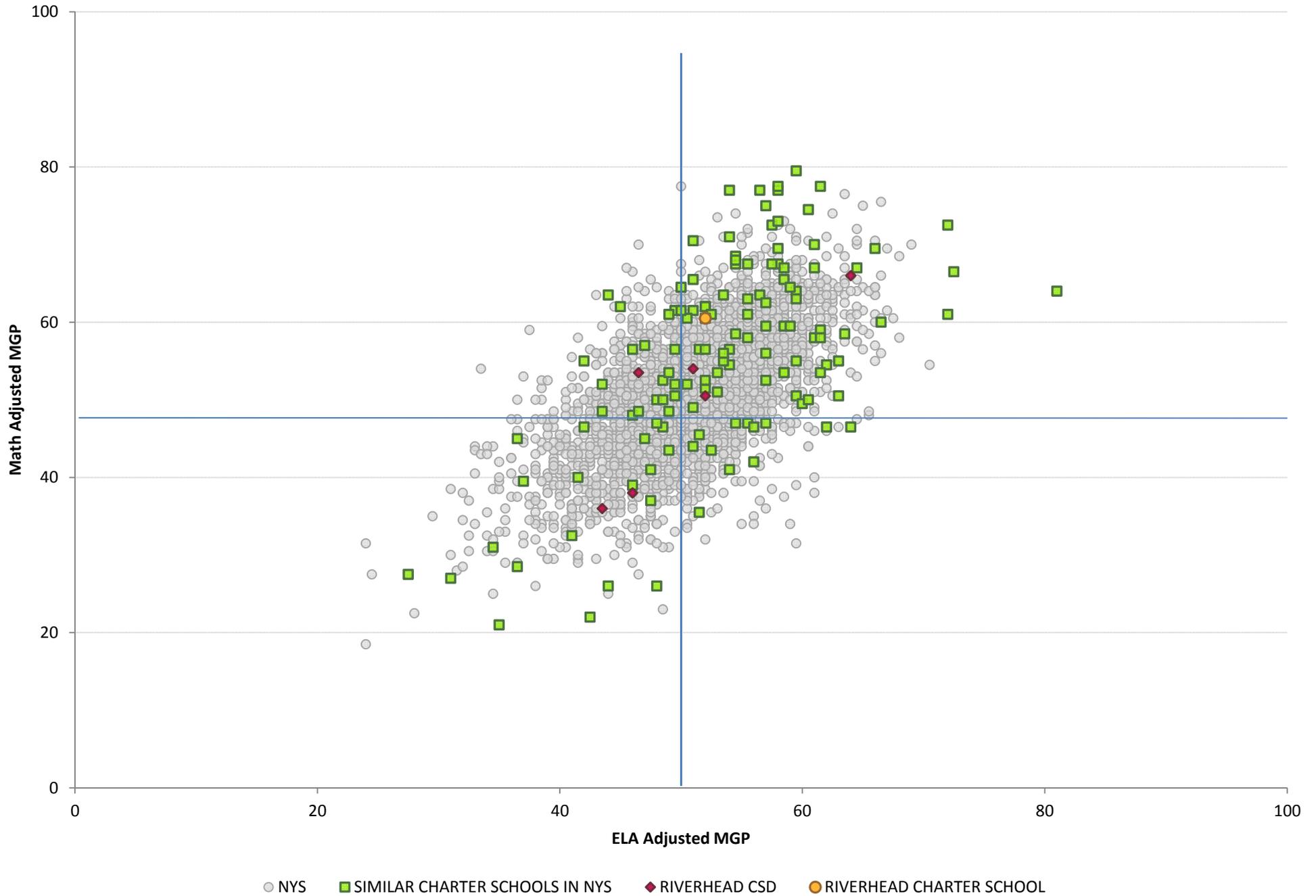
Riverhead Charter School

2014 Regents Authorized Charter School Academic Analysis

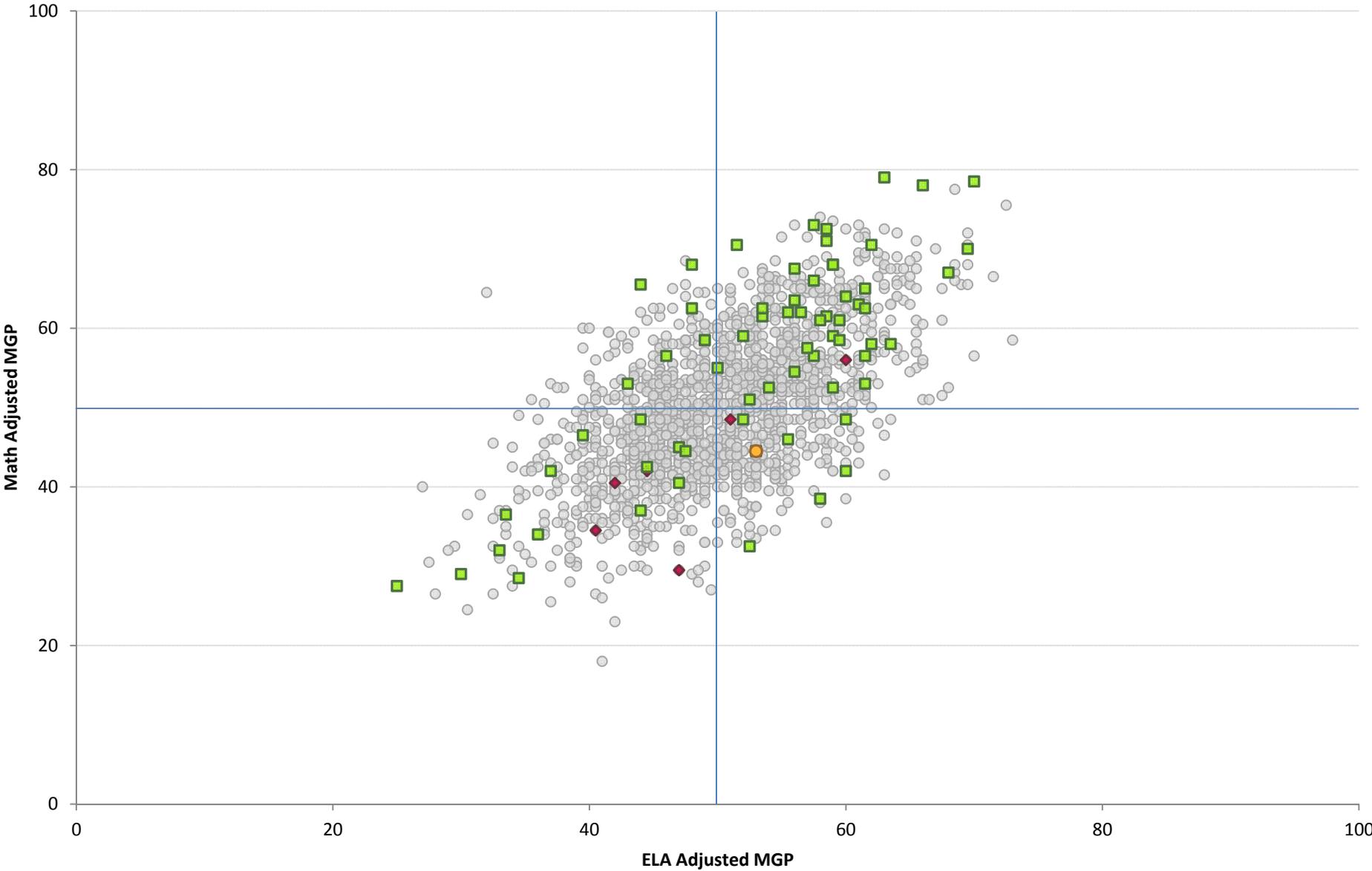
Student Performance and Growth
Compared to the District and the State

The Regents of The University of the State of New York
Charter School Office
89 Washington Avenue
Albany, New York 12234
charterschools@mail.nysed.gov
518-474-1762

2011-12 ELA and Math Adjusted Mean Growth Percentile: *Riverhead Charter School Compared to Similar Schools within Riverhead CSD and New York State*



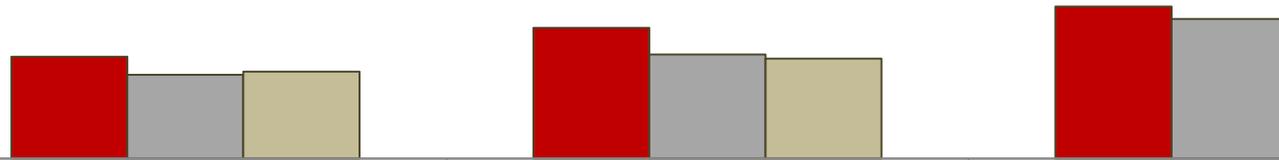
2012-13 ELA and Math Adjusted Mean Growth Percentile: *Riverhead Charter School Compared to Similar Schools within Riverhead CSD and New York State*



○ NYS ◆ RIVERHEAD CSD ■ SIMILAR CHARTER SCHOOLS IN NYS ● RIVERHEAD CHARTER SCHOOL

Riverhead Charter School Proficiency of All Students Compared to District and State Averages

2010-11
Grades 3-6



	ELA	Math	Sci
■ RIVERHEAD	65%	84%	97%
■ RIVERHEAD SD	54%	66%	89%
■ NYS	56%	64%	

2011-12
Grades 3-6



	ELA	Math	Sci
■ RIVERHEAD	76%	80%	95%
■ RIVERHEAD SD	55%	65%	81%
■ NYS	57%	66%	

2012-13
Grades 3-6

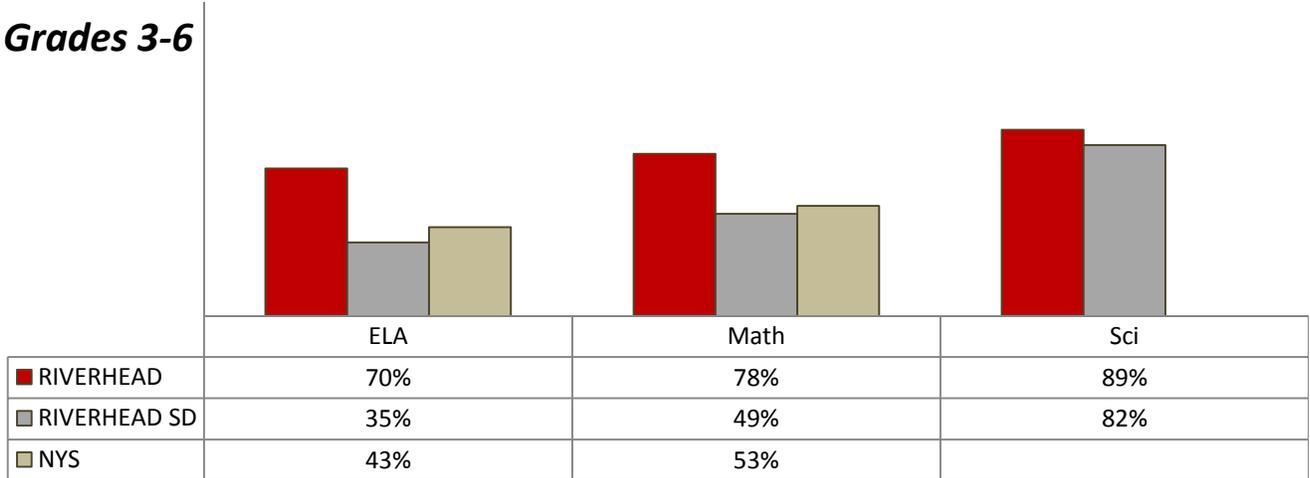
Note: 2012-13 grades 3-6 science proficiency data is embargoed until the school report card release.



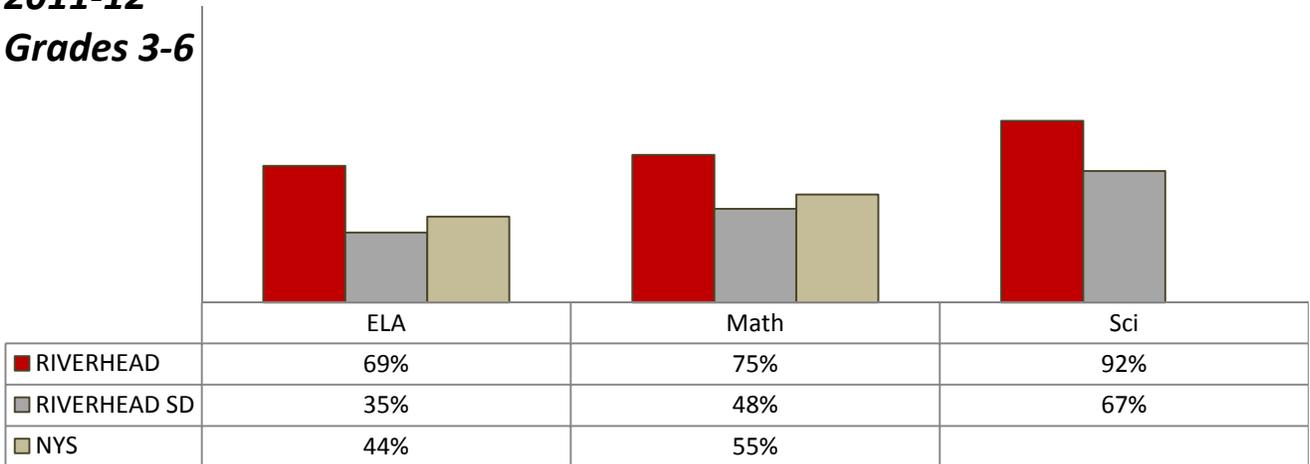
	ELA	Math	Sci
■ RIVERHEAD	26%	19%	
■ RIVERHEAD SD	26%	26%	
■ NYS	31%	32%	

Riverhead Charter School Proficiency of At-Risk Populations Compared to District and State Averages: *Economically Disadvantaged*

2010-11 Grades 3-6



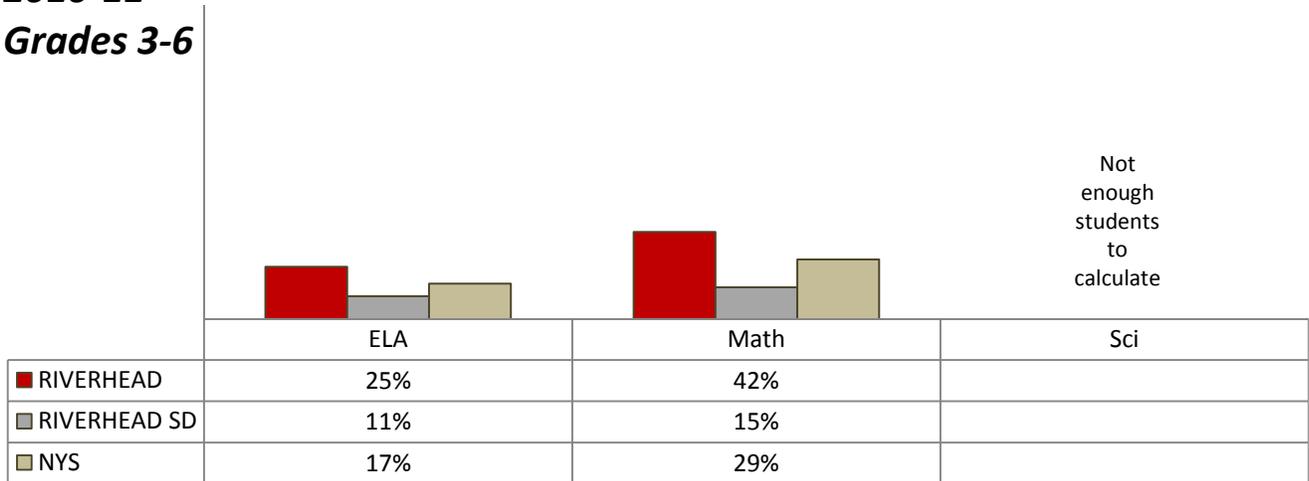
2011-12 Grades 3-6



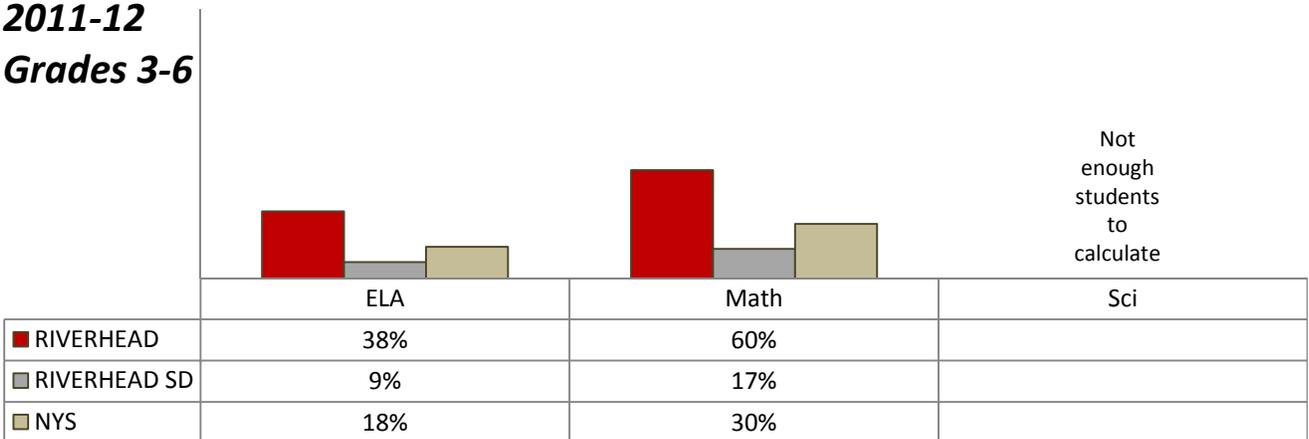
Note: 2012-13 grades 3-8 subgroup proficiency data is embargoed until the school report card release.

Riverhead Charter School Proficiency of At-Risk Populations Compared to District and State Averages: *Students with Disabilities*

2010-11 Grades 3-6



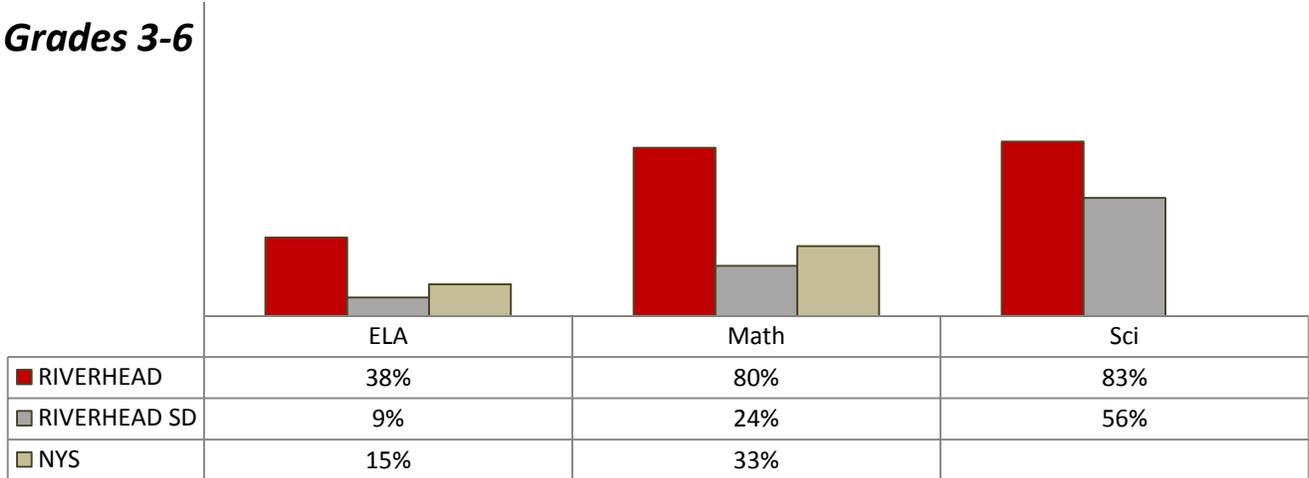
2011-12 Grades 3-6



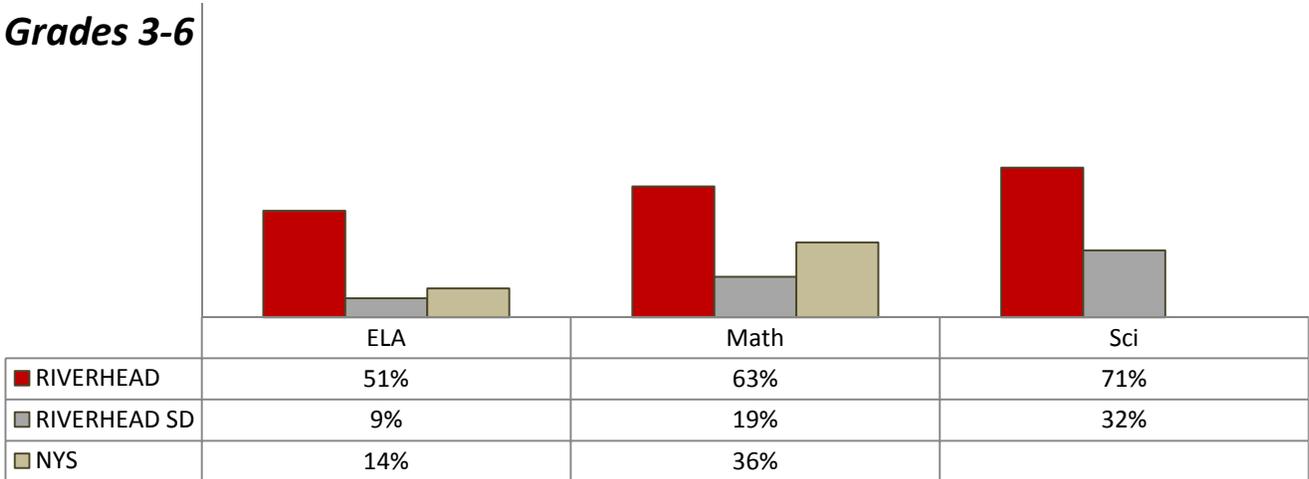
Note: 2012-13 grades 3-8 subgroup proficiency data is embargoed until the school report card release.

Riverhead Charter School Proficiency of At-Risk Populations Compared to District and State Averages: *English Language Learners*

2010-11 Grades 3-6



2011-12 Grades 3-6



Note: 2012-13 grades 3-8 subgroup proficiency data is embargoed until the school report card release.

Appendix B



Riverhead Charter School

2014 Regents Authorized Charter School Fiscal Analysis

School Income Statement, Balance Sheet & Cash Flow and
Financial Performance Metrics

The Regents of The University of the State of New York
Charter School Office
89 Washington Avenue
Albany, New York 12234
charterschools@mail.nysed.gov
518-474-1762

Charter School:	Riverhead Charter School
Report as of:	2013



General Information:					
Contact Info:	Michelle Dalpiaz	Years in Operation:	13	Enrollment:	300
Region:	Riverhead USD	Grades Served:	K-6	Max Enrollment:	300

Income Statement:		Balance Sheet & Cash Flow:		Key Performance Metrics:	
Revenues:		Assets:		Near-Term Metrics:	
State/Local Operating	\$4,470,073	Cash	\$4,359,497	Current Ratio	6.0x
Federal Sources	153,500	Total Current Assets	4,760,531	Unrestricted Days Cash	415.4
State/Local Grants	0	Investments & PP&E	3,526,310	Enrollment Stability	100.0%
Other	24,929	Total Assets:	\$8,362,187	Total Revenue Per Student:	\$15,495
Total Revenues:	\$4,648,502			Total Expenses Per Student:	\$12,769
Expenses:		Liabilities:		Sustainable Metrics:	
Total Program Services	\$3,232,188	Current Liabilities	\$789,461	Total Margin	82.4%
Management and General	598,652	Total Debt	3,272,622	Debt to Asset Ratio	0.48x
Fundraising	0	Total Liabilities:	4,052,027	Cash Flow	\$117,465
Total Expenses:	\$3,830,840	Net Assets:	4,311,220	Debt Service Coverage Ratio	16.5
		Total Liab. & Net Assets:	\$8,363,247	Composite Score	3.00
Ops. Surplus/(Deficit)	\$817,662	Change in Cash	\$117,465	Composite Strength	Strong



Performance Evaluation Master

Symbol Legend:

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

Key Inputs:

Target School:	Riverhead Charter School
Time Period:	2013

Financial Indicator:

Target: Riverhead Charter School

Near-Term Indicators:	
1a.	Current Ratio
1b.	Unrestricted Days Cash
1c.	Enrollment Stability

Current Metric:	Performance:		
6.0x			
415.4			
100.0%			

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:		
82.4%			
0.48x			
\$117,465			
16.47x			

Near-Term Performance Evaluation: Riverhead Charter School

	2013	2012	2011	Average
1a. Current Ratio	6.03x	6.58x	4.21x	5.61x

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.

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

	2013	2012	2011	Average
1b. Unrestricted Days Cash	415.4	475.6	379.3	423.4

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).

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

	2013	2012	2011	Average
1c. Enrollment Stability	100.0%	96.8%	93.6%	96.8%

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.

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

Financial Composite Score: Riverhead Charter School

2 Financial Composite Score	Current
	3.00

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.

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

Long-Term Performance Evaluation: Riverhead Charter School

	2013	2012	2011	Average
2a. Total Margin	82.4%	71.8%	79.4%	77.8%

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.

- 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%

	2013	2012	2011	Average
2b. Debt to Asset Ratio	0.48x	0.56x	0.69x	0.58x

Explanation: Measures the extent to which the school relies on borrowed funds to finance its operations. Calculated as Total Liabilities divided by Total Assets.

- Meets Standard - Low Risk:**
 - Debt to Asset Ratio is less than 0.90
- FOR SCORE (car 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

	2013	2012	2011	Average
2c. Cash Flow	\$117,465	\$621,524	\$3,620,508	\$1,453,166

Explanation: Cash flow is an assessment of change in cash from operations, financing, and investing over a given period.

- 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

	2013	2012	2011	Average
2d. Debt Service Coverage Ratio	16.47	8.75	9.9	11.70

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).

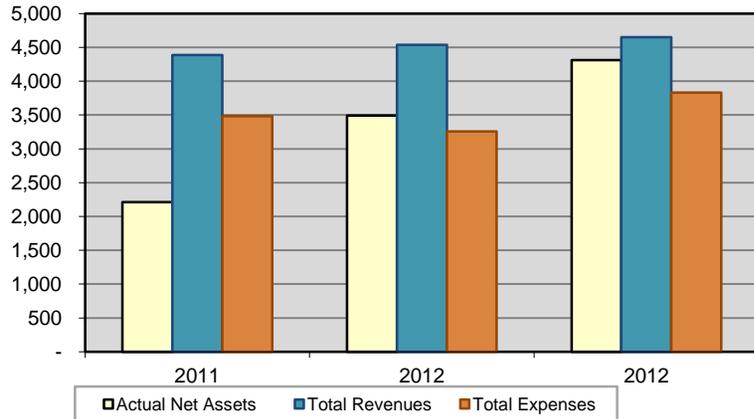
- Meets Standard - Low Risk:**
 - Debt Service Coverage Ratio is equal to or exceeds 1.10
- Adequate - Moderate Risk:**
 - Debt Service Coverage Ratio is less than 1.10
- Requires Review - High Risk:**
 - Debt Service Coverage Ratio is less than 0.90

Charter School: Riverhead Charter School



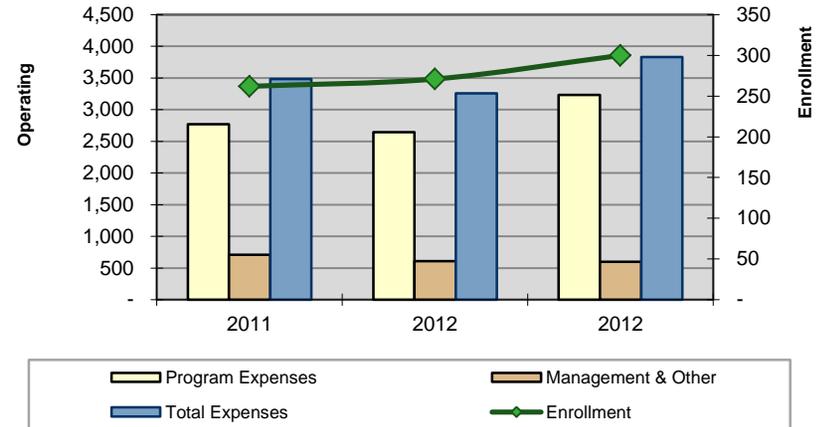
(\$'s in thousands)

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.

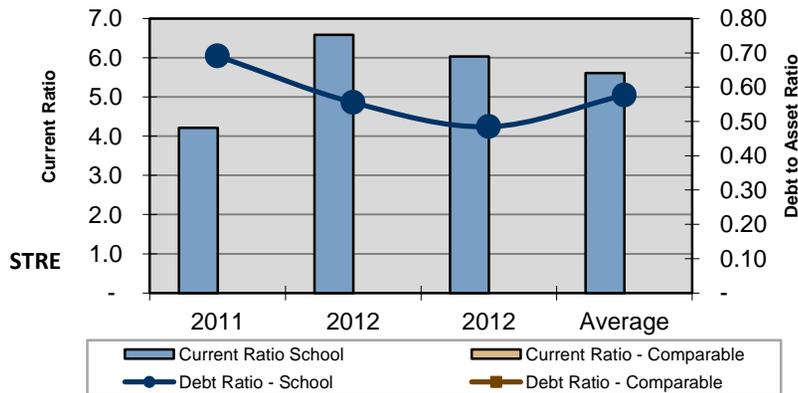
Enrollment vs. Operating Expenses



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

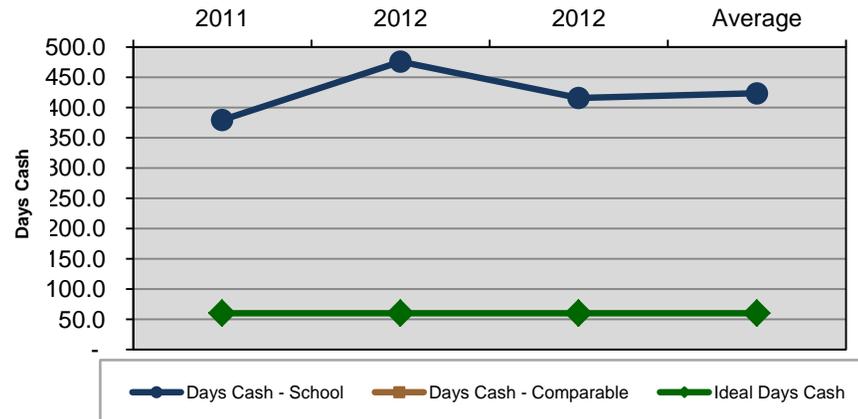
Current Ratio / Debt to Asset Ratio

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.



School		Riverhead Charter School
COMPOSITE SCORE:		3.0
PRIMARY RESERVE RATIO	Unrestricted Net Assets	\$ 4,310,160.00
	ADD: Temporarily Restricted Net Assets	\$ -
	LESS: Net Property, Plant and Equipment	\$ (3,467,054.00)
	ADD: Long-term debt	\$ 3,262,566.00
	EXPENDABLE NET ASSETS	\$ 4,105,672.00
	DIVIDE BY: TOTAL EXPENSES	\$ 3,830,840.00
	PRIMARY RESERVE RATIO:	1.072x
EQUITY RATIO	Unrestricted Net Assets	\$ 4,310,160.00
	ADD: Temporarily Restricted Net Assets	\$ -
	MODIFIED NET ASSETS	\$ 4,310,160.00
	DIVIDE BY: MODIFIED ASSETS	\$ 8,362,187.00
	EQUITY RATIO:	0.515x
NET INCOME RATIO:	CHANGE IN UNRESTRICTED NET ASSETS	\$ 817,662.00
	DIVIDE BY: TOTAL UNRESTRICTED REVENUE	\$ 4,648,502.00
	NET INCOME RATIO:	0.176x
STRENGTH FACTOR SCORE (cannot be <-1 or >3)	PRIMARY RESERVE strength factor score = 10 x Primary Reserve ratio result	3.000
	EQUITY strength factor score = 6 x Equity ratio result	3.000
	Net Income strength factor score = 1 + (25 x Net Income Ratio Result) IF Negative Net Inc.	0.000
	Net Income strength factor score = 1 + (50 x Net Income Ratio Result) IF Positive Net Inc.	3.000
	NET INCOME Strength Factor:	3.000
WEIGHTED AND COMPOSITE SCORE	Primary Reserve Weighted Score = 40% x Primary Reserve Strength Factor Ccore:	1.200
	Equity Weighted Score = 40% x Equity Strength Factor Score:	1.200
	Net Income Weighted Score = 20% x Net Income Strength Factor:	0.600
	Composite Score = Sum of ALL Weighted Scores	3.000
	Round to one digit after the decimal to determine the final score:	3.0
Performance Based on Composite Score		Strong

COMPOSITE SCORE EXPLANATION:

- ➔ Accounting for an Institution's Total Financial Condition. We evaluate the financial health of charter schools using a blended score that measures institutions' performances on key financial indicators. The blended score allows a school's sources of financial strength to offset areas of financial weakness.
- ➔ **How the Rule Works.** Charter schools are measured on three financial ratios that are blended to produce a single composite score. The ratios and composite scores address and adjust for differences across business sectors. The model used by NYSED is weighted for "private, non-profit" institutions. The formula may be modified to analyze schools using different financial models.
- ➔ Institutions earning a high composite score are considered financially responsible and may continue to operate without additional monitoring from CSO.
- ➔ Institutions with low composite scores are not financially responsible and may be subjected to additional monitoring and oversight from CSO.
- ➔ Schools between high and low scores are considered to be "in the zone" of uncertain financial responsibility. They are financially responsible but are subject to additional monitoring and closer scrutiny to protect the interests of students and taxpayers. The zone alternative may only be used for three consecutive years.
- ➔ The ratio methodology combines elements from the audited financial statement into a single blended composite score. The regulatory result depends on the composite score, as illustrated in the following table.

Understanding COMPOSITE SCORES

Regulatory Result	Composite Score Range	Interpretation of Score Range
Financially Responsible	1.5 to 3.0	School is financially healthy enough to operate without additional monitoring
Not Financially Responsible	1.0 to 1.4	In the zone, additional monitoring needed by CSO
Not Financially Responsible	-1.0 to 0.9	School is not financially healthy enough to be considered financially responsible

4 Steps to Calc. COMPOSITE SCORES

Step 1: Calculate Three Financial Ratios from Financial Statements

Primary Reserve Ratio	Equity Ratio	Net Income Ratio
Expendable Net Assets / Total Expenses	Modified Net Assets / Modified Assets	Change in Unrestricted Net Assets / Total Unrestricted Revenue

Step 2: Convert Ratio Results to Strength Factor Scores

Strength Factor Score	Interpretation of Score	Primary Reserve Ratio		Equity Ratio		Net Income Ratio	
		Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary
-1	Liabilities exceed resources	(0.10)	(0.05)	(0.17)	(0.17)	(0.08)	(0.06)
0	No demonstrable net resources	0.00	0.00	0.00	0.00	(0.04)	(0.03)
1	Minimal resources, but not enough for clear financial health	0.10	0.05	0.17	0.17	0.00	0.00
1.5	Minimal level of resources to indicate financial health	0.15	0.08	0.25	0.25	0.01	0.02
3	Clearly financially healthy on that resource	0.30	0.15	0.50	0.50	0.04	0.06

Step 3: Multiply the Strength Factor Scores by a Weighting Factor

Charter School Educational Sector	Primary Reserve Strength Factor	Equity Strength Factor	Net Income Strength Factor
Private Non-profit	40%	40%	20%
Proprietary	30%	40%	30%

Step 4: Add the Weighted Strength Factor Scores to Obtain the Composite Score