



**TO:** P-12 Education Committee

**FROM:** Cosimo Tangorra, Jr. 

**SUBJECT:** Renewal Decisions for Charter Schools Authorized by the Board of Regents

**DATE:** February 5, 2015

**AUTHORIZATION(S):** 

## SUMMARY

### Issue for Decision

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

- Bronx Charter School for the Arts (CSD 8)
- Buffalo Academy of Science Charter School (Buffalo)
- West Buffalo Charter School (Buffalo)
- Western New York Maritime Charter School (Buffalo)

### Reason(s) for Consideration

Required by New York State law.

### Proposed Handling

This issue will be before the Board of Regents P-12 Education Committee and the Full Board for action at the February 2015 Regents meeting.

### Background – Performance Framework

In June of 2010, the New York State Board of Regents (the “Regents”), and the New York State Education Department (the “Department”) embarked on a new approach to charter school authorizing, aligning the Regents’ and Department’s work with the best practices of the highest quality authorizers nationally. A key component of this approach is the Performance Framework (the “Framework”) for charter schools authorized by the

Regents, which outlines quality benchmarks for charter schools that represent the high-levels of performance necessary to earn charter renewal.

The Framework, which is part of the Oversight Plan included in the Charter Agreement for each school, outlines three key areas of charter school performance: (1) Educational/Academic Success; (2) Organizational Soundness; and (3) Faithfulness to Charter and Law. The Framework also contains ten (10) performance benchmarks in each area, as follows:

### Performance Area 1 - Educational Success

Benchmark 1: Student Performance: The school has met or come close to meeting student achievement goals for academic growth, proficiency, and college and career readiness on state standards and achievement goals outlined in the school's charter.

Benchmark 2: Teaching and Learning: School leaders have systems in place designed to cultivate shared accountability and high expectations and that lead to students' well-being, improved academic outcomes, and educational success. The school has rigorous and coherent curriculum and assessments that are aligned to the Common Core Learning Standards (CCLS) for all students. Teachers engage in strategic practices and decision-making in order to address the gap between what students know and need to learn so that all students experience consistent high levels of engagement, thinking and achievement.

Benchmark 3: Culture, Climate, and Family Engagement: The school has systems in place to support students' social and emotional health and to provide for a safe and respectful learning environment. Families, community members and school staff work together to share in the responsibility for student academic progress and social-emotional growth and well-being. Families and students are satisfied with the school's academics and the overall leadership and management of the school.

### Performance Area 2 - Organizational Soundness

Benchmark 4: Financial Condition: The school is in sound and stable financial condition as evidenced by performance on key financial indicators.

Benchmark 5: Financial Management: The school operates in a fiscally sound manner with realistic budgets pursuant to a long-range financial plan, appropriate internal controls and procedures, and in accordance with state law and generally accepted accounting practices.

Benchmark 6: Board Oversight and Governance: The board of trustees provides competent stewardship and oversight of the school while maintaining policies, establishing performance goals, and implementing systems to ensure

academic success, organizational viability, board effectiveness and faithfulness to the terms of its charter.

Benchmark 7: Organizational Capacity: The school has established a well-functioning organizational structure, clearly delineated roles for staff, management, and board members. The school has systems and protocols that allow for the successful implementation, evaluation, and improvement of its academic program and operations.

### Performance Area 3 - Faithfulness to Charter & Law

Benchmark 8: Mission and Key Design Elements: The school is faithful to its mission and has implemented the key design elements included in its charter.

Benchmark 9: Enrollment, Recruitment, and Retention: The school is meeting or making annual progress toward meeting the enrollment plan outlined in its charter and its enrollment and retention targets for students with disabilities, English language learners, and students who are eligible applicants for the free and reduced priced lunch program; or has demonstrated that it has made extensive good faith efforts to attract, recruit, and retain such students.

Benchmark 10: Legal Compliance: The school complies with applicable laws, regulations, and the provisions of its charter.

The Performance Framework applies only to Regents-authorized charter schools opened in 2012 and thereafter, and schools with Renewal Charter Agreements signed in 2012 and thereafter. However, schools authorized or renewed before the development of the Framework were evaluated using similar performance standards.

Additional information regarding the Performance Framework is available on the New York State Education Department's Charter School Office website:

<http://www.p12.nysed.gov/psc/SectionIIIPerformanceFramework.html>

### **Charter School Renewal Applications**

Section 2852(2) of the Charter Schools Act requires the chartering entity (in this case the Board of Regents) to make the following findings when considering a charter renewal application:

- (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.

In addition, Renewal Guidelines contained in the Regulations of the Commissioner (8 NYCRR 119.7(d)) were adopted by the Board of Regents, and require that the Board further consider the following when evaluating a charter renewal application:

- (a) The information in the renewal application submitted pursuant to paragraph (b)(1) of this section;
- (b) Any additional material or information submitted by the charter school pursuant to paragraph (b)(2) of this section;
- (c) Comments received pursuant to Education Law section 2857(1), as provided for in paragraph (c)(1) of this section;
- (d) Any information relating to the site visit and the site visit report, if any, pursuant to paragraph (c)(2) of this section;
- (e) The charter school's annual reporting results including, but not limited to, student academic achievement;
- (f) The department's renewal recommendation pursuant to paragraph (c)(3) of this section and the charter school's written response, if any, pursuant to subparagraph (c)(3)(ii) of this section; and
- (g) Any other information that the board, in its discretion, may deem relevant to its determination whether the charter should be renewed, including, but not limited to, information related to whether renewal should be denied to protect the interests of students, families and the public including, but not limited to, instances involving criminal violations, fraud, unsafe environment, organizational stability or other serious or egregious violations of law or of the school's charter.

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

### **The Importance of Enrollment and Retention Targets**

As enacted, section 2854(2)(a) of the Education Law required that schools demonstrate good faith efforts to attract and retain a comparable or greater enrollment of students with disabilities and limited English proficient students when compared to the enrollment figures for such students in the school district in which the charter is located.

In 2010, the legislature modified the law to provide more stringent guidance regarding enrollment and retention targets. In addition to requiring a demonstration of efforts, the Charter Schools Act now requires that public charter schools enroll and retain

students with disabilities (“SWD”), English language learners (“ELL”), and students eligible for the Federal free and reduced price lunch program (“FRPL”), and charged the Board of Regents (“Regents”) and the Board of Trustees of the State University of New York (“SUNY”) to set specific numeric enrollment and retention targets tailored to each individual charter school.

All charter schools that were initially chartered after August 2010 or renewed after January 1, 2011, are expected to meet or exceed the enrollment and retention targets set by the Regents and SUNY. When submitting an application for renewal of the charter, schools are required to provide information detailing the means by which they will meet the enrollment and retention targets (2851(4)(e)), and this information is considered by the Regents in the review of the school’s performance over the charter term. Schools are also required to submit information regarding the targets in their annual reports (2857(2)(d)). A school’s repeated failure to comply with the requirement to meet or exceed their enrollment and retention targets is cause for termination or revocation of the charter pursuant to section 2855(1)(e) of the Education Law.

### **State Education Department Renewal Recommendations**

The Department considers evidence related to all of the Performance Benchmark areas, for the applicable schools, when making recommendations to the Regents concerning charter renewal applications. However, student academic performance is of paramount importance when evaluating each school. Each of the recommendations below was made after a full due-diligence process over the charter term, 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 2014, 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 an analysis of the academic and fiscal performance of each school over the charter term.

## February 2015 Charter School Renewal Overview

### **Bronx Charter School for the Arts (CSD 8)**

<b>Board Chair</b>	Julie Wong
<b>District of Location</b>	NYC CSD 8
<b>Opening Date</b>	September 1, 2003
<b>Charter Terms</b>	Initial charter term: April 23, 2002 - April 22, 2007 First renewal: January 16, 2007– August 31, 2010 Second renewal: September 1, 2010 – August 31, 2015
<b>Management Company</b>	None
<b>Partners</b>	None
<b>Facilities</b>	950 Longfellow Avenue Bronx, NY 10474
<b>Current Maximum Enrollment and Grade Span</b>	282 students in grades K-5
<b>Renewal Recommendation</b>	<b>5 years</b>

### **Buffalo Academy of Science Charter School (Buffalo)**

<b>Board Chair</b>	Dr. Murat Demirbas
<b>District of Location</b>	Buffalo City School District
<b>Opening Date</b>	September 8, 2004
<b>Charter Terms</b>	Initial charter term: January 12, 2004 – January 11, 2009 First renewal: January 12, 2009 – June 30, 2012 Second renewal: July 1, 2012 – June 30, 2015
<b>Management Company</b>	N/A
<b>Partners</b>	None
<b>Facilities</b>	190 Franklin Street, Buffalo, New York 14202
<b>Current Maximum Enrollment and Grade Span</b>	Enrollment 400 Grades 7 - 12
<b>Renewal Recommendation</b>	<b>4 years</b>

**West Buffalo Charter School (Buffalo)**

<b>Board Chair</b>	Joseph Cozzo
<b>District of Location</b>	Buffalo City School District
<b>Opening Date</b>	August 13, 2012
<b>Charter Terms</b>	Initial Charter Term: March 9, 2010 - March 8, 2015
<b>Management Company</b>	None
<b>Partners</b>	Buffalo Hearing and Speech Center, D'Youville College
<b>Facilities</b>	113 Lafayette Street, Buffalo, New York 14213
<b>Current Maximum Enrollment and Grade Span</b>	270 students in Grades K-4
<b>Renewal Recommendation</b>	<b>3.5 years</b>

**Western New York Maritime Charter School (Buffalo)**

<b>Board Chair</b>	Angelo Conorozzo
<b>District of Location</b>	Buffalo City School District
<b>Opening Date</b>	September 8, 2004
<b>Charter Terms</b>	Initial charter term: January 12, 2004 – January 11, 2009 First renewal: January 12, 2009 – June 30, 2012 Second renewal: July 1, 2012 – June 30, 2015
<b>Management Company</b>	N/A
<b>Partners</b>	United States Navy
<b>Facilities</b>	266 Genesee Street, Buffalo, New York 14204
<b>Current Maximum Enrollment and Grade Span</b>	Enrollment 325 Grades 9-12
<b>Renewal Recommendation</b>	<b>4 years</b>

## **Renewal Recommendations**

VOTED: That the Board of Regents finds that, the **Bronx Charter School for the Arts**: (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 Bronx Charter School for the Arts and that a renewal charter be issued, and that is provisional charter be extended for a term up through and including June 30, 2020.

VOTED: That the Board of Regents finds that, the **Buffalo Academy of Science 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 Buffalo Academy of Science 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, 2019.

VOTED: That the Board of Regents finds that, the **West Buffalo 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 West Buffalo 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, 2018.

VOTED: That the Board of Regents finds that, the **Western New York Maritime 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 Western New York Maritime 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, 2019.

## **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 First Charter Renewal***

**Bronx Charter School for the Arts**

**February 2015**

**Introduction**

In accordance with Education Law, Article 56, Section 2852(2), Commissioners Regulation 119.7 and the Board of Regents Charter School Renewal Policy (November, 2012), **the Department recommends a renewal term for a period of five years for Bronx Charter School for the Arts. The recommendation is based on the school’s academic performance, organizational soundness, and integrity of implementation of the charter.** The renewal period would begin on July 1, 2015 and expire on June 30, 2020.

This recommendation is based on information provided by the Bronx Charter School for the Arts (BCSA or Bronx Arts) charter renewal application submitted on August 26, 2014, as well as review and analysis of qualitative and quantitative evidence compiled through the Department’s performance oversight process, over the charter term. This report is the primary means by which the NYSED summarizes for the New York State Board of Regents its findings and recommendations regarding a charter school’s Renewal Application.

**Charter School Summary<sup>1</sup>**

<b>Name of Charter School</b>	Bronx Charter School for the Arts
<b>Board Chair</b>	Julie Wong
<b>District of Location</b>	NYC CSD 8
<b>Opening Date</b>	September 1, 2004
<b>Charter Terms</b>	Initial charter term: April 23, 2002 - April 22, 2007 First Renewal: April 23, 2007 – August 31, 2010 Second Renewal: September 1, 2010 - August 31, 2015
<b>Management Company</b>	None
<b>Partners</b>	None
<b>Facilities</b>	950 Longfellow Avenue, Bronx, NY 10474
<b>Mission Statement</b>	Bronx Charter School for the Arts is a public elementary school founded on the principle that a rich and vibrant background in the arts is a key component of achieving academic excellence. We strive to serve as a model that encourages creativity and innovation in the classroom and inspires students to develop the intellectual and personal fortitude to realize their dreams.

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<sup>1</sup> The information in this section was provided by the NYS Education Department Charter School Office.

**Enrollment**

School Year	Actual Enrollment	Grades Served
2014-2015	305	K-5
2013-2014	309	K-5
2012-2013	313	K-5
2011-2012	304	K-5
2010-2011	304	K-6

**Student Demographics: BCSA Compared to District of Location<sup>2</sup>**

	2012-2013			2013-2014			2014-15 <sup>3</sup>		
	School Enrollment	NYC CSD #8 Enrollment	Variance <sup>4</sup>	School Enrollment	NYC CSD #8 Enrollment	Variance	School Enrollment	NYC CSD #8 Enrollment	Variance
<b>Special Populations</b>									
Students with Disabilities	17%	19%	-2	18%	20%	-2	17%	N/A	N/A
Limited English Proficient	13%	11%	2	9%	12%	-3	17%	N/A	N/A
Economically Disadvantaged	84%	89%	-3	92%	87%	5	93%	N/A	N/A

**Student Retention (Self-Reported by School)**

	2011	2012	2013
Number of students enrolled	310	295	305
Number of students who left during the school year	19	13	11
Number of students who did not re-enroll the next school year and had not completed the highest grade at the school	15	26	30
Retention rate	89%	87%	90%

<sup>2</sup> Section 2852 (9-a)(b)(i): Charter schools must meet or exceed comparable percentages in the same grades served of the district of location's at-risk population of students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program (economically disadvantaged). All charter schools are expected to meet enroll and retain comparable student populations and show good faith efforts toward recruiting and serving these students.

<sup>3</sup> 2014-15 enrollment data reported by the school and current as of January 29, 2015.

<sup>4</sup> Variance is defined as the percent difference of subgroup enrollment between the charter school and district of location.

**Current Board of Trustees**

<b>Board Member Name</b>	<b>Term</b>	<b>Position/Committees</b>
Aisha Bell	1 <sup>st</sup> term	Parent Representative/Program
Lori Biancamano	2 <sup>nd</sup> term	Development Chair
Denise Brecher	1 <sup>st</sup> term	Program, Development
Susan Geisenheimer	3 <sup>rd</sup> term	Development, Nominating & Evaluation Chair
Brenda Gorczynski	3 <sup>rd</sup> term	Program
Trent Hickman	2 <sup>nd</sup> term	Program; Finance & Development; Nominating & Evaluation
Nnena Nkongho	1 <sup>st</sup> term	Program, Finance
Eric Osorio	3 <sup>rd</sup> term	Program Chair
Graham Powis	1 <sup>st</sup> term	Finance; Development; Nominating & Evaluation
Charles Whites	1 <sup>st</sup> term	Program, Finance
Julie Wong	2 <sup>nd</sup> term	Board Chair; Finance, Development

**School Leaders**

<b>School Year</b>	<b>School Leader Names and Titles</b>
2012-2014	Dr. Nicholas Stapleton, Executive Director
2010-2012	Christina Brown, Executive Director

**School Visit History**

NYSED CSO staff conducted site visits to the Bronx Charter School of the Arts each year of the charter term, in accordance with the Department Monitoring Plan. One day check-in visits were conducted in 2011, 2012, and 2014. A two day full site visit was conducted during the 2012-2013 school year and a two day renewal site visit was conducted on October 7-8, 2014.

**Background**

The school’s initial charter was issued by the Board of Regents in April 2002. The first renewal charter was issued in April 2007 for a period of three years and four months. In July 2009, the Board of Regents approved a revision to the School’s charter allowing it to modify its enrollment by beginning a phase-out of grade six. In addition, the School was allowed to decrease its projected total enrollment from 310 students to 282 students in grades K-5. In September 2010, a second renewal charter was issued by the Board of Regents for a period of five years, expiring August 31, 2015. The school operates in Community School District 8 and is located at 950 Longfellow Avenue, Bronx, New York. It serves 312 students in grades K through 5. The School is housed in a private facility.

## 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 meeting minutes and other documents collected by and about the school.

## Educational Success

### Student Performance

Bronx Arts meets or comes close to meeting student achievement indicators for academic growth and proficiency on state standards and achievement goals outlined in the school's charter.

### Growth – Grade 3-5 Outcomes

In a comparative analysis of Bronx Charter School for the Arts grade 3-5 ELA and math growth outcomes, the school showed very strong growth trends in Common Core mathematics as well as Common Core ELA. The rate of growth in math at Bronx Arts has been so dramatic that the school went from underperforming the state mean in 2012 to outperforming the state mean in 2014, also evidenced by the school's math proficiency outcomes.

Chart 1: Three-year 3-8<sup>th</sup> grade growth

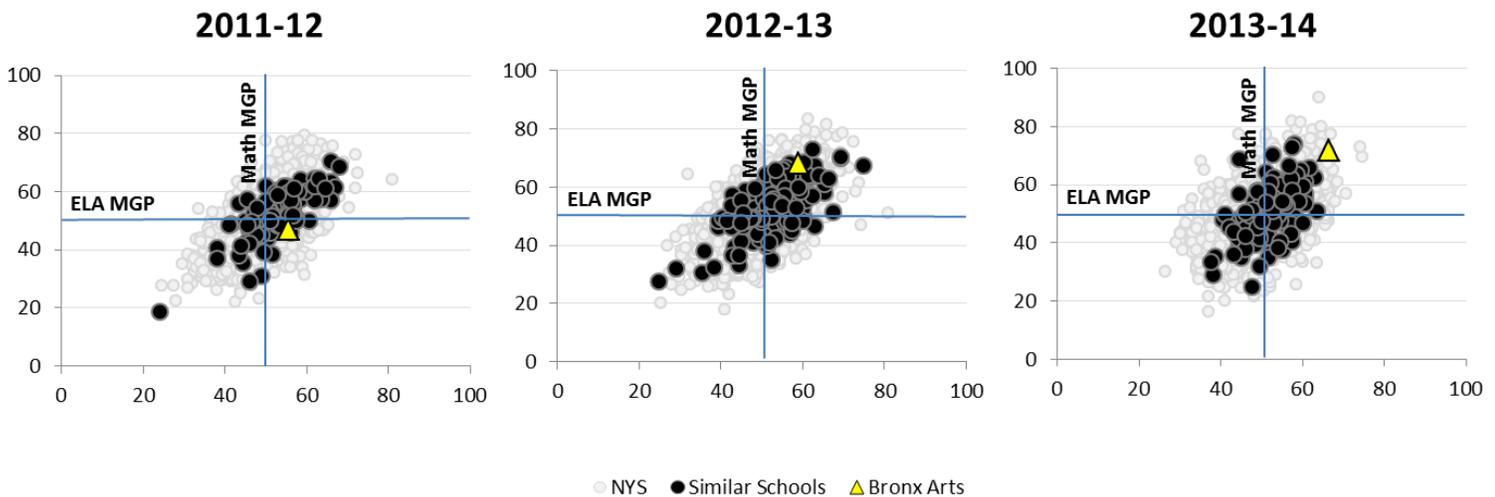


Chart 1: The scatterplots above show the adjusted mean growth percentile of schools with similar grade configuration and demographics to Bronx Charter School for the Arts' 3-5<sup>th</sup> grade continuum. The model requires at least one base year of testing and calculates growth from the base year to the testing year on a per pupil basis. As a result, the growth scores displayed here show growth only from 4<sup>th</sup> grade to 5<sup>th</sup> grade at Bronx Arts, using the 3<sup>rd</sup> grade results as a base year. The model also controls for student characteristics, including students with disabilities, English Language Learners, and students in poverty. This allows for all students in all schools to be compared fairly. Each mark represents a school's adjusted mean growth percentile in ELA and math. The crosshairs on the plot represents the state average for growth in ELA and math in that testing year.

### Proficiency – 3<sup>rd</sup> to 5<sup>th</sup> Grade Outcomes

Though Bronx Charter School for the Arts struggled academically in 2010-11 and 2011-12, the school has thrived with the implementation of the Common Core. There has been a rapid shift of academic improvement at Bronx Arts over the last four years which is seen most vividly as the school closes the state mean performance gap in ELA and ultimately outperforms the state mean in math (see Chart 2).

Chart 2: Four-year Gr 3-6 & 5 Bronx Charter School for the Arts proficiency outcomes compared to Bronx CSD #8 and NYS Mean; Compares district to NYS mean

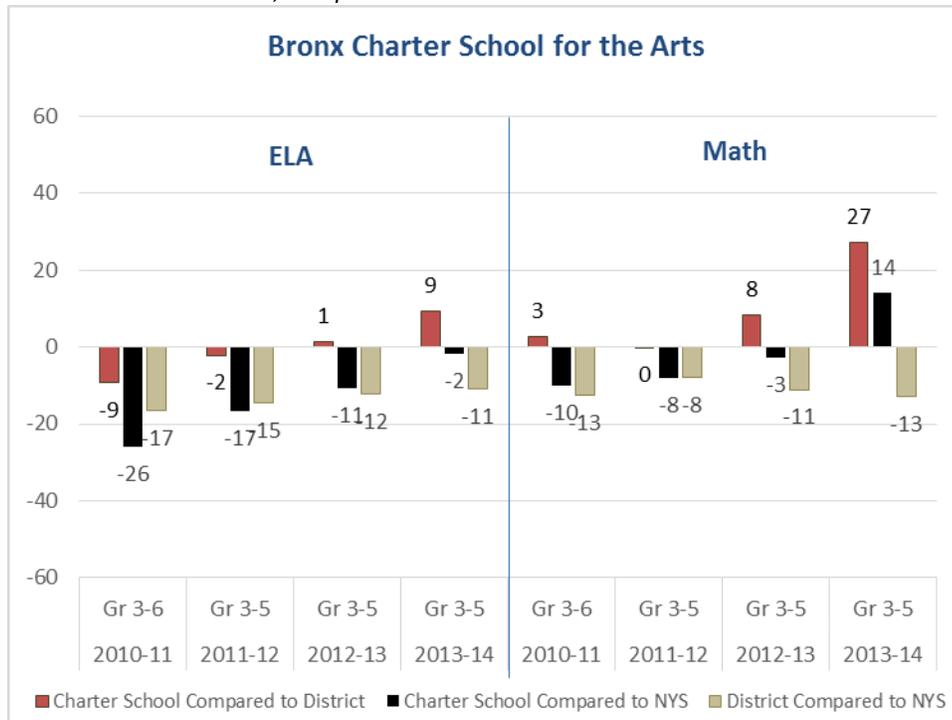


Chart 2: The above histogram compares the school’s 3-6 and 3-5 grade proficiency outcomes with that of the district of location and the NYS mean in comparable grades tested. The district’s proficiency outcomes are also compared to the NYS mean to gauge whether or not a school’s comparison to the state mean mirrors trends seen in the district or if the school is able to overcome the district’s academic and socioeconomic challenges. Where (x=0), this line serves as the mean for the school’s comparison to the district mean, state mean, or the district’s comparison to the state mean. Marks above or below this line indicate how far each comparison has been calculated from the associated mean.

The school is making progress toward meeting its charter-specific performance goals, and makes Annual Yearly Progress (AYP) for 2013-14. According to the New York State Education Department’s (NYSED) accountability designations for 2014-15<sup>5</sup>, Bronx Charter School of the Arts is *in good standing*.

### Teaching and Learning

Throughout the charter term, the Department has observed the Bronx Charter School for the Arts engaging students in consistently high quality instruction that is aligned with school design

<sup>5</sup> 2014-15 accountability designations are based on 2012-2013 NYS testing data.

characteristics and the Common Core Learning Standards (CCLS). On various site visits, observers generally noticed maximization of learning time, frequent activation of students' prior knowledge, and that students were asked to demonstrate creativity for many classroom tasks. Additionally, observers noted strong text-based questioning that required students to think critically, and that teachers did not allow students to opt out or answer with single-word answers. Multiple learning modalities were activated in the majority of classrooms, with teachers utilizing auditory, visual, and kinesthetic methods. Students receive differentiated instruction during guided reading and when working in small groups.

Bronx Arts purposefully administers formative and summative assessments to gather indicators of student performance and to predict future performance on state testing. In math, the school uses *Terra Nova*, the *enVisionMATH* placement and end of year assessments, and in-house math practice exams. Students' reading progress is tracked and monitored through the use of *DIBELS*, *Terra Nova*, *Reading Street* baseline, and in-house ELA practice exams. Additionally, *Reading Street* and *enVision* topic assessments are used as unit exams, and students are progress-monitored through *DIBELS* biweekly. Teachers also administer weekly math quizzes, and utilize exit tickets at the conclusion of most lessons. Teachers track student progress on formal and informal exams by standard.

Data from assessments are used by teachers to inform, guide and improve instructional practice. At the beginning of the year, teachers analyze state test scores to align their curriculum in each grade level. After each assessment is administered, teachers make adjustments to their scope and sequence and lesson plans. Teachers analyze exit tickets, and will reteach a lesson if they find their students did not yet master that particular topic. Additionally, teachers meet in teams and with their supervisors to discuss and analyze data. They use the data to create targeted guided reading groups organized by students' reading levels, RTI groups, and other forms of small-group intervention.

School leaders use data from assessments to monitor the effectiveness of school programs and make school-wide decisions. They use assessment data to monitor the effectiveness of the academic program and to inform their school-wide growth goals. Leadership adapted the curricula to adjust to the Common Core Learning Standards (CCLS). To improve math scores, Bronx Arts switched to 80-90 minute periods for math, and began implementing the guided math approach. Bronx Arts also utilizes a new writing program: *TC Writing*. There is a school-wide focus on "time on task" and student engagement, and school leaders have emphasized using high-level vocabulary during instruction. School leadership has also worked to strengthen the school's Response to Intervention (RTI) program, and started an after-school program to provide remedial instruction to students who need additional support.

### **Culture, Climate and Family Engagement**

The school's climate and culture directly support student learning, development and achievement. The staff at Bronx Charter School of the Arts fosters a shared culture that is conducive to students' academic growth. Bronx Charter School for the Arts communicates all rules and policies to stakeholders at the start of the school year, and enforces the rules and procedures throughout the school year. All stakeholders reported a positive school environment and culture of shared responsibility and collaboration. The school leaders stated that a focus on school-wide culture has led to increases in teacher retention. In the 2013-2014 school year, the school retained 76% of teachers. Of teachers surveyed by the NYSED CSO in October 2014, 77% agreed or strongly agreed that the school makes an effort to retain strong staff members.

The school establishes and maintains an environment for students, staff, and other stakeholders that is physically safe and free from harassment and discrimination. The overall environment at Bronx Arts appears safe. There were no observed or reported instances of harassment or discrimination during the charter term. The school’s rewards-based behavior intervention system allows them to track student behavior and maintain an orderly classroom environment.

The school effectively addresses the social, emotional, and health needs of its students. The school social worker provides students with counseling services and conducts parent outreach. The guidance counselor also provides counseling services, as well as supports the implementation of the school’s positive behavior incentive system and student discipline. Students’ health needs are met through an on-site school nurse.

### **Organizational Soundness**

#### **Financial Condition**

The Bronx Charter School for the Arts is in sound and stable financial condition as evidenced by performance on key indicators derived from the school’s independently audited financial statements.

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). The dashboard presents several near-term and long-term financial performance indicators.<sup>6</sup> 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 Health

A *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. The composite score for the Bronx Charter School for the Arts for 2013-2014 is 2.10. The table below shows the school’s composite scores from 2010-2011 through 2013-2014.

**Bronx Charter School for the Arts Composite Scores  
2010-2011 to 2013-2014**

<i>Year</i>	<i>Composite Score</i>
2013-2014	2.10
2012-2013	1.70
2011-2012	1.80
2010-2011	1.80

Source: NYSED Office of Audit Services

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<sup>6</sup> 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

Near term indicators of financial health are used to understand the current financial performance and viability of the school. The CSO uses three measures:

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. The ratio is mainly used to give an idea of the company's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). The higher the current ratio, the more capable the company is of paying its obligations, with a ratio under 1.0 indicating concern. The ratio for Bronx Arts for 2013-2014 was 4.1 and therefore the school should be able to pay obligations as they come due.

*Unrestricted cash* measures in days whether the school can meet operating expenses without receiving new income. For fiscal year 2013-2014 Schools typically strive to maintain at least 90 days cash on hand. For 2013-2014, the Bronx Charter School for the Arts operated with 77.1 days unrestricted cash, an improvement from 44.9 days in 2012-2013.

*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. For 2013-2014, enrollment stability at Bronx Arts was at 100 percent, which was the same measure in 2012-2013.

### Long Term Indicators

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. For 2013-2014, the Bronx Charter School for the Arts' debt to asset ratio was .61x and was .58x in 2012-2013.

*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. A total margin that is positive indicates low risk. For 2013-2014, the Bronx Charter School for the Arts' total margin was .2 percent, a decrease from 2.1 percent in 2012-2013.

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) performance of the school (See Appendix).

### **Financial Management**

The Bronx Charter School of the Arts 2013-2014 Independent Audit had no material findings or recommendations.

The 2013-2014 Schedule of Functional Expenses prepared by the independent auditor did not follow the template categories provided in the Charter School Audit Guide. The Charter Agreement requires adherence to the Charter School Audit Guide.

### **Board Oversight and Governance**

The board of trustees provides competent stewardship and oversight of the school while implementing and maintaining policies, systems, and processes to ensure academic success, organizational viability, and faithfulness to the terms of its charter. Board membership is maintained according to bylaws, and

turnover is reasonable. More than half of the current board members served on the board during the prior charter term, allowing for consistency.

The board has engaged in strategic planning and established goals and initiatives that have launched as a result of their planning. A subcommittee structure allows the board to function efficiently. The board has four committees: Program, Finance, Nominating, and Development. Each committee meets once per month and committee chairs report back at regular meetings, allowing for work completion at the committee level. Board members track progress towards financial goals and teacher satisfaction rates. Student attendance rates and academic performance are closely monitored through the use of the school's monthly dashboard. This past year, the board has prioritized preparation for the upcoming charter renewal, and is considering increasing teacher pay through bonuses. As a result of strategic planning, they have incorporated an after-school and summer-school program.

The board evaluates its own effectiveness and has furthered its development as a result. The board regularly reviews its own performance using contracted services of a professional board coach. Each board member completes a self-evaluation, which is used to guide future board priorities. Additional assessments have monitored board participation and attendance. Based on assessment results, the board updated its new member orientation process to include a mentor for each new member, and requires each board member to raise \$5,000 for Bronx Arts per year.

### **Organizational Capacity**

Stability in the board, school leadership team, and teaching staff has enabled the school to function smoothly throughout the charter term. The roles and responsibilities of the leadership team are clearly defined. The executive director oversees ten members of the leadership team, who in turn oversee all teachers and service providers.

A comprehensive process is in place for evaluation of all school staff. The board systematically assesses the performance of the executive director using the Marzano Leader Evaluation Model. The executive director receives his mid-year evaluation in April and annual evaluation from the prior school year in October. The executive director and leadership team assess the performance of teachers, both formally and informally. The supervisors and executive director conduct frequent informal observations, and provide teachers with targeted feedback. Formal observations are conducted using the Danielson Framework and rubric: Teachers receive four formal observations, as well as a mid-year and end-of-year evaluation focused on goal setting. The social worker and guidance counselor are also assessed using the Danielson Framework for Teaching. The executive director assesses the leadership team with the Marzano Instructional Framework.

## **Faithfulness to the Charter and Law**

### **Mission and Key Design Elements**

The Bronx Charter School for the Arts has been faithful to the mission, vision, and educational philosophy defined in its charter application. The school's mission is as follows: "Bronx Charter School for the Arts is a public elementary school founded on the principle that a rich and vibrant background in the arts is a key component of achieving academic excellence. We strive to serve as a model that encourages creativity and innovation in the classroom and inspires students to develop the intellectual and personal fortitude to realize their dreams." The school's arts program permeates the culture of the

school and fosters creativity. The staffing plan allows for an arts director and four arts teachers, and students receive arts instruction two times per day. The arts are integrated into core content areas, as well.

Additionally, key design elements of the school have been fully implemented:

- **Use of learning standards and assessments in all four arts disciplines:** Learning standards and assessments were observed in the arts lesson plans. Learning targets/objectives were listed on whiteboards and referenced during lessons.
- **Skills-based instruction in dance, music, theater, and the visual arts and integration of the arts into classroom units of study:** During arts lessons observed throughout the charter term, ELA and math content was referenced. Arts integration was also observed in other classrooms.
- **Family engagement through special arts events and traditions:** BCSA encourages family engagement through special events. Each month, the school holds a family night, with activities ranging from math and literacy night, to concerts and theatrical performances. Of parents surveyed by the NYSED CSO in October 2014, 100% agreed that the school provides opportunities for engagement.
- **Professional development in the arts and arts integration:** All teachers receive professional development in the arts, including *Visual Thinking Strategies*, curriculum-based reader's theater, and *Be Moved Dance*.
- **Partnerships with cultural institutions and artists:** BCSA partners with arts organizations including: The Story Pirates, Hunts Point Alliance for Children, Capoeira Dance Theatre, New York Historical Society, Young People's Chorus, The New York City Department of Education Office of Arts, Manhattan Music School, and Iridescent Learning.

### **Enrollment, Recruitment and Retention**

In 2013-2014, the school's population of students with disabilities (SWD), limited English proficient students (ELLs), and economically disadvantaged students was comparable to the district of location, NYC CSD #8<sup>7</sup>.

In its application for charter renewal, the school states that it has made good faith efforts to attract and retain SWDs, ELLs, and economically disadvantaged students. According to their 2014 Application for Charter Renewal, the Bronx Charter School for the Arts implemented the following strategies:

- Advertisements in local media including newspapers, websites and radio which impart details of the school program including information on the programs for ELLs, students with disabilities and students eligible for FRPL
- Distribution of translated brochures, enrollment applications and other marketing materials into various languages to ensure all community members are aware of BCSA's program
- Mailings to all households in the surrounding communities with school-aged children
- Neighborhood canvassing (posting flyers throughout the surrounding neighborhoods and engaging with community members to fill out the admissions application) including the intentional targeting of neighborhoods with high levels of ELLs and students eligible for FRPL
- Hosting open house events with translators on hand to share information on the school programs and conduct tours of the school in multiple languages
- Hosting numerous arts events such as the annual musical and block party at the school with invitations to the local community

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<sup>7</sup> See student demographics table, page 3.

- Outreach to local pre-school and daycare providers
- Outreach to community partners such as the Hunts Point Alliance to share school details with their members

### **Legal Compliance**

Protocols have been established to ensure that the board acts in accordance with law, regulations, rules and other policies, including its by-laws, Open Meetings Law, and other school-specific policies. Each board member receives copies of governance and school-specific policies and procedures. The board ensures compliance with Open Meetings Law by creating their calendar a year in advance and sharing their schedule on the school's website. The board makes use of Charter School Business Management (CSBM) and the board's attorney, to ensure they are in compliance with all laws and regulations. The board's attorney recently reviewed the school's discipline policy to assure that the policy includes disciplinary procedures for students with disabilities that address section 300.519-300.529 of the Code of Federal Regulations, as well as Dignity for All Students Act regulations. The board has accepted the recommendations and will be adopting a revised policy at the February 2015 meeting.

### **Proposed Revision Requests**

The school requests to revise its mission to the following: "Bronx Charter School for the Arts is a public elementary school founded on the principle that a rich and vibrant background in the arts is a key component of achieving academic excellence. We strive to serve as a model that encourages creativity and innovation in the classroom and inspires students to develop the intellectual and personal fortitude to realize their dreams."

Additionally, Bronx Arts requests to alter its key design elements to the following:

- Creativity
- Conscience
- Critical Thinking
- Continued Learning Collaboration, Communication & Community

### **Summary of Public Comment**

As required by the Charter School Act, the Department notified the New York City Department of Education about the submission of the school's renewal application. A public hearing was conducted on January 29, 2015 with approximately 10 persons in attendance. Two speakers commented in support of the renewal; no comments in opposition were made. A written comment in support of the application was submitted.

Charter School:

Bronx Charter School for the Arts

Report as of:

2014



General Information:

School District:	New York City Geographic District # 8	Years in Operation:	11	Actual Enrollment:	313
		Grade(s) Served:	K-5	Budgeted Enrollment:	310

Income Statement:

<b>Total Revenues:</b>	<b>\$ 5,561,465</b>
<b>Expenses:</b>	<b>Enrollment Stability</b>
Total Program Services	\$ 4,982,289
Management and General	\$ 446,548
Development	\$ -
Fundraising	\$ 123,166
Disposal Losses	\$ -
Other	\$ -
<b>Total Expenses:</b>	<b>\$ 5,552,003</b>
<b>Operating Surplus</b>	<b>\$9,462</b>
<b>% Management &amp; General</b>	<b>8.04%</b>
<b>Statewide Average</b>	<b>15.24%</b>
<b>% Programmatic Services</b>	<b>89.74%</b>
<b>Statewide Average</b>	<b>84.12%</b>

Balance Sheet & Cash Flow:

<b>Assets:</b>	
Cash - Unrestricted	\$1,172,976
Cash in Escrow	\$0
Other Current Assets	\$397,731
Investments & PP&E	\$158,099
Other Long Term Assets	\$68,657
<b>Total Assets:</b>	<b>\$ 1,797,463</b>
<b>Liabilities:</b>	
Current Liabilities	\$379,645
Long Term Liabilities	\$708,822
<b>Total Liabilities:</b>	<b>\$1,088,467</b>
<b>Net Assets:</b>	<b>\$708,996</b>
<b>Total Liab. &amp; Net Assets:</b>	<b>\$1,797,463</b>
<b>Change in Cash</b>	<b>\$44,504</b>

Key Performance Metrics:

<b>Near-Term Metrics:</b>	
Current Ratio	4.1x
Unrestricted Days Cash	77.1
Enrollment Stability	101.0%
Total Revenue Per Student:	\$17,768
Total Expenses Per Student:	\$17,738
<b>Sustainable Metrics:</b>	
Total Margin	0.2%
Debt to Asset Ratio	0.61x
Debt to Asset Ratio	N/A
Composite Score	1.70

**Performance Evaluation Master**

**Symbol Legend:**

	<b>Meets Standard (Low Risk)</b>
	<b>Adequate (Moderate Risk)</b>
	<b>Requires Review (High Risk)</b>

**Financial Indicator:**

**Near-Term Indicators:**

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

**Financial Composite Score:**

<b>1d.</b>	<b>Composite Score</b>
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**Long-Term Indicators:**

<b>2a.</b>	<b>Total Margin</b>
<b>2b.</b>	<b>Debt to Asset Ratio</b>
<b>2d.</b>	<b>Debt Service Coverage Ratio</b>

**Key Inputs:**

<b>Target School:</b>	Bronx Charter School for the Arts
<b>Time Period:</b>	<b>2014</b>

**Target: Bronx Charter School for the Arts**

Current Metric:	Performance:		
4.1			
77.1			
101.0%			

Current Metric:	Performance:		
1.7x			

Current Metric:	Performance:		
0.2%			
0.61x			
N/A			

### Near-Term Performance Evaluation: Bronx Charter School for the Arts

	2014	2013	2012	Average
<b>1a. Current Ratio</b>	4.14x	1.49x	3.57x	3.07x

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

	2014	2013	2012	Average
<b>1b. Unrestricted Days Cash</b>	77.1	44.9	47.7	56.5

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

	2014	2013	2012	Average
<b>1c. Enrollment Stability</b>	101.0%	101.0%	99.4%	100.4%

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: Bronx Charter School for the Arts

	Current
<b>2 Financial Composite Score</b>	1.70

Explanation: 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: Bronx Charter School for the Arts

	2014	2013	2012	Average
<b>2a. Total Margin</b>	0.2%	1.1%	0.5%	0.6%

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):

X

Most recent year Total Margin is positive



**Adequate - Moderate Risk:**

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



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

Current year Total Margin is less than -10%

	2014	2013	2012	Average
<b>2b. Debt to Asset Ratio</b>	0.61x	0.58x	0.58x	0.59x

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:**

X

Debt to Asset Ratio is less than 0.90

**Adequate - Moderate Risk:**

Debt to Asset Ratio is between 0.90 and 1.0



**Requires Review - High Risk:**

Debt to Asset Ratio is greater than 1.0

	2014	2013	2012	Average
<b>2d. Debt Service Coverage Ratio</b>	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:**

X

Debt Service Coverage Ratio is equal to or exceeds 1.10



**Adequate - Moderate Risk:**

Debt Service Coverage Ratio is less than 1.10

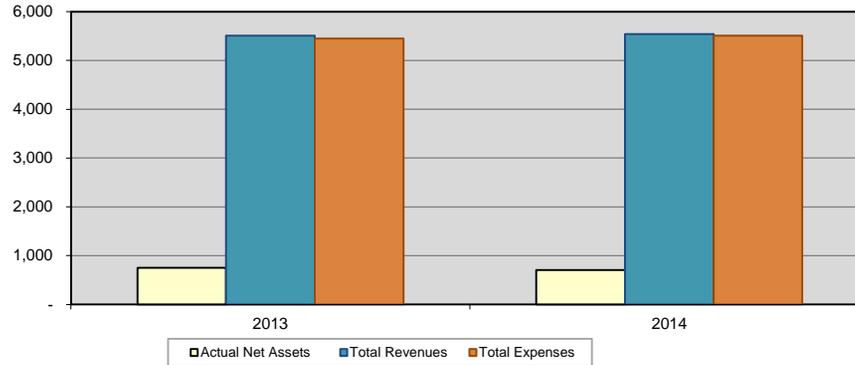


**Requires Review - High Risk:**

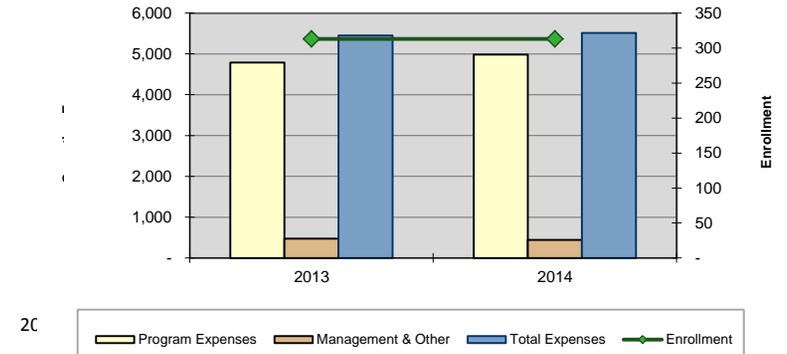
Debt Service Coverage Ratio is less than 0.90

(\$'s in thousands)

### Revenues, Expenses & Change in Net Assets



### Enrollment vs. Operating Expenses

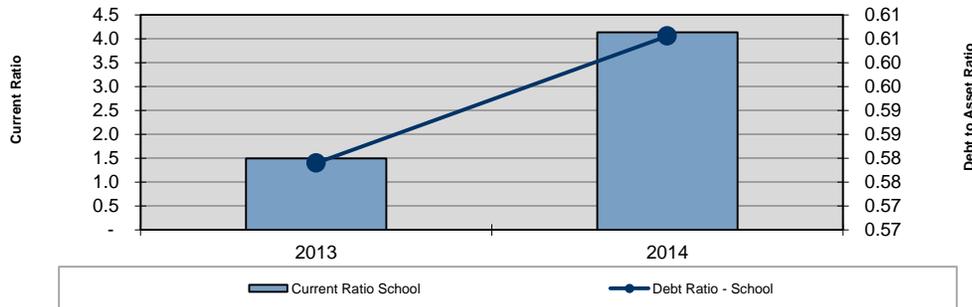


**Enrollment Stability**  
 This chart illustrates total revenue and expenses each year and the relationship those subsets have on the increase/decrease of net assets on a year-over-year basis.

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

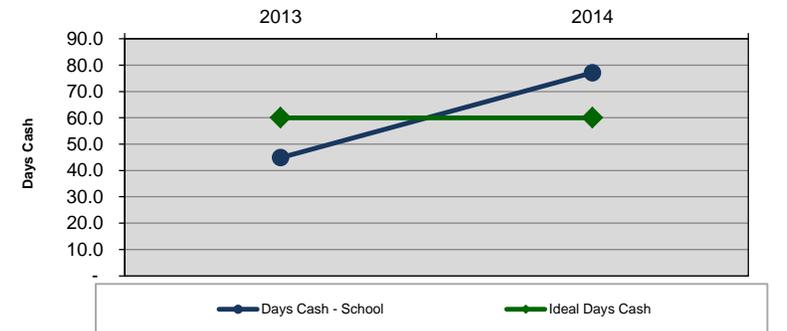
### Current Ratio / Debt to Asset Ratio

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		Bronx Charter School for the Arts	
<b>COMPOSITE SCORE:</b>		<b>1.7</b>	
PRIMARY RESERVE RATIO	Unrestricted Net Assets	\$	678,996.00
	ADD: Temporarily Restricted Net Assets	\$	30,000.00
	LESS: Annuities, term endowments & life income funds that are temporarily restricted	\$	-
	LESS: Intangible Assets	\$	-
	Less: Net Property, Plant and Equipment (PPE)	\$	(2,014.00)
	ADD: Post Employment Benefits	\$	-
	ADD: All debt obtained for long term purposes (up to net PPE)	\$	2,014.00
	EXPENDABLE NET ASSETS	\$	708,996.00
	DIVIDE BY: TOTAL EXPENSES	\$	5,552,003.00
<b>PRIMARY RESERVE RATIO:</b>		<b>0.128x</b>	
EQUITY RATIO	Unrestricted Net Assets	\$	678,996.00
	ADD: Temporarily Restricted Net Assets	\$	30,000.00
	ADD: Permanently Restricted Net Assets	\$	-
		\$	-
	LESS: Deferred Financing Costs	\$	-
	LESS: Note Receivable from Related Party	\$	-
	MODIFIED NET ASSETS	\$	708,996.00
	DIVIDE BY: MODIFIED ASSETS	\$	1,797,463.00
<b>EQUITY RATIO:</b>		<b>0.394x</b>	
NET INCOME RATIO:	CHANGE IN UNRESTRICTED NET ASSETS	\$	9,462.00
	DIVIDE BY: TOTAL UNRESTRICTED REVENUE	\$	5,561,465.00
	<b>NET INCOME RATIO:</b>		<b>0.002x</b>
STRENGTH FACTOR SCORE (cannot be <-1 or >3)	PRIMARY RESERVE strength factor score = 10 x Primary Reserve ratio result	<b>10</b>	<b>1.280</b>
	EQUITY strength factor score = 6 x Equity ratio result	<b>6</b>	<b>2.364</b>
	Net Income strength factor score = 1 + (25 x Net Income Ratio Result) IF Negative Net Inc.	<b>25</b>	<b>0.000</b>
	Net Income strength factor score = 1 + (50 x Net Income Ratio Result) IF Positive Net Inc.	<b>50</b>	<b>1.085</b>
	<b>NET INCOME Strength Factor:</b>		<b>1.085</b>
WEIGHTED AND COMPOSITE SCORE	Primary Reserve Weighted Score = 40% x Primary Reserve Strength Factor Ccore:	<b>40.0%</b>	<b>0.512</b>
	Equity Weighted Score = 40% x Equity Strength Factor Score:	<b>40.0%</b>	<b>0.946</b>
	Net Income Weighted Score = 20% x Net Income Strength Factor:	<b>20.0%</b>	<b>0.217</b>
	Composite Score = Sum of ALL Weighted Scores		<b>1.675</b>
	<b>Round to one digit after the decimal to determine the final score:</b>		<b>1.7</b>

**COMPOSITE SCORE EXPLANATION:**

2014

**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
	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		
<b>Primary Reserve Ratio</b>	<b>Equity Ratio</b>	<b>Net Income Ratio</b>
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		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- pri- tary	Private Non-profit	Pro- pri- tary	Private Non-profit	Pro- pri- 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		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 Third Charter Renewal***

**Buffalo Academy of Science Charter School**

**February 2015**

### **Introduction**

In accordance with NYS Education Law, Article 56, Section 2852(2), Commissioners Regulation 119.7 and the Board of Regents Charter School Renewal Policy (November 2012), **the New York State Education Department (NYSED) recommends a renewal term for a period of four years for the Buffalo Academy of Science Charter School. The recommendation for a third short-term renewal is based on the school’s mixed academic performance across the Grade 7 through 12 program and limited academic performance in the school focus areas of mathematics and science.** The renewal period would begin on July 1, 2015 and expire on June 30, 2019.

This recommendation is based on information provided by the Buffalo Academy of Science Charter School (BASCS) charter renewal application submitted on August 15, 2014, as well as review and analysis of qualitative and quantitative evidence compiled through the Department’s performance oversight process, over the charter term. This report is the primary means by which the NYSED summarizes for the New York State Board of Regents its findings and recommendations regarding a charter school’s Renewal Application.

### **Charter School Summary<sup>1</sup>**

<b>Name of Charter School</b>	Buffalo Academy of Science Charter School
<b>Board Chair</b>	Dr. Murat Demirbas
<b>District of Location</b>	Buffalo City School District
<b>Opening Date</b>	September 8, 2004
<b>Charter Terms</b>	Initial Charter: January 12, 2004 – January 11, 2009 First Renewal: January 12, 2009 – June 30, 2012 Second Renewal: July 1, 2012 – June 30, 2015
<b>Management Company</b>	None
<b>Partners</b>	None
<b>Facilities</b>	190 Franklin Street, Buffalo, New York 14202
<b>Mission Statement</b>	The mission of the Buffalo Academy of Science Charter School (BASCS) is to fulfill the high demands of students in Buffalo from grades 7 to 12, their parents and the community as a whole by addressing the following: <ol style="list-style-type: none"> <li>1. Providing an excellent academic educational plan with emphasis on math, science, and technology while providing the opportunity for students to excel in any field of study;</li> <li>2. Providing a rigorous, innovative, challenging and enhanced curriculum focused on preparing students – per individual basis – who are from a community not</li> </ol>

<sup>1</sup> The information in this section was provided by the NYS Education Department Charter School Office.

	<p>served successfully by public education and cannot afford the private education services for college;</p> <ol style="list-style-type: none"> <li>3. Prepare students to become responsible, educated citizens who have the skills and understanding to participate and work productively in a diverse, multicultural globally-oriented environment and who are ready to carry the torch of knowledge, freedom and prosperity; and</li> <li>4. Create a partnership and participation environment among the student-teacher-parent triad that will provide our youth with the support necessary to reach their highest potential – intellectually, socially, emotionally and physically.</li> </ol>
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**Enrollment<sup>2</sup>**

School Year	Actual Enrollment	Grades Served
2014-2015	390	7-12
2013-2014	390	7-12
2012-2013	404	7-12
Maximum enrollment: 400		

**Student Demographics: BASCS Compared to District of Location<sup>3</sup>**

	2012-2013			2013-2014			2014-15 <sup>4</sup>		
	School Enrollment	Buffalo Public Schools Enrollment	Variance <sup>5</sup>	School Enrollment	Buffalo Public Schools Enrollment	Variance	School Enrollment	Buffalo Public Schools Enrollment	Variance
<b>Special Student Populations</b>									
Students with Disabilities	10%	20%	-10	14%	21%	-7	17%	N/A	N/A

<sup>2</sup> Enrollment figures are derived from BEDS data for years except the current year. Since the 2014-2015 BEDS data has not yet been finalized, this number is self-reported by the school.

<sup>3</sup> Section 2852 (9-a)(b)(i): Charter schools must meet or exceed comparable percentages in the same grades served of the district of location’s at-risk population of students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program (economically disadvantaged). All charter schools are expected to meet enroll and retain comparable student populations and show good faith efforts toward recruiting and serving these students.

<sup>4</sup> 2014-15 enrollment data reported by the school and current as of January 29, 2015.

<sup>5</sup> Variance is defined as the percent difference of subgroup enrollment between the charter school and district of location.

2012-2013				2013-2014			2014-15 <sup>4</sup>		
	School Enrollment	Buffalo Public Schools Enrollment	Variance <sup>5</sup>	School Enrollment	Buffalo Public Schools Enrollment	Variance	School Enrollment	Buffalo Public Schools Enrollment	Variance
<b>Special Student Populations</b>									
Limited English Proficient	4%	13%	-9	6%	13%	-7	9%	N/A	N/A
Economically Disadvantaged	89%	81%	+8	91%	90%	+1	94%	N/A	N/A

#### Student Retention (Self-Reported by School)

	2011	2012	2013
Number of students enrolled	399	404	390
Number of students who left during the school year	21	34	44
Number of students who did not re-enroll the next school year and had not completed the highest grade at the school	13	31	19
Retention rate	91%	84%	84%

#### Current Board of Trustees

Board Member Name	Term	Position/Committees
Dr. Murat Demirbas	4 <sup>th</sup> three year term, to 9/2016	President Governance and Strategic Planning Committees
Dr. Mustafa Gokcek	3 <sup>rd</sup> three year term, to 10/2014	Secretary Governance and Strategic Planning Committees
Kameylah Hakim	3 <sup>rd</sup> three year term, to 9/2016	Higher Education, Personnel, and Academics Committees
Dr. David Banks	1 <sup>st</sup> three year term, to 9/2016	Academics Committee
Dr. Tevfik Kosar	1 <sup>st</sup> three year term, to 11/2014	Finance Committee

Louise Schoene	1 <sup>st</sup> three year term, to 12/2016	Governance and Strategic Planning Committees
Selcuk Acar	1 <sup>st</sup> three year term, to 1/2017	Finance Committee

#### **School Leader**

School Year	School Leader(s) Name and Title
2012 to present	Mustafa Ersoy, Director

#### **School Visit History**

CSO staff conducted site visits to the Buffalo Academy of Science Charter School each year of the charter term, in accordance with the Department Monitoring Plan. A check-in and an informal visit were conducted during the 2012-2013 school year, a full site visit was conducted during the 2013-2014 school year and a two day renewal site visit was conducted on October 21-22, 2014.

#### **Background**

The school opened in September 8, 2004 with 225 students in grades 7-9. A grade was added each year until 2007-2008, when the school served grades 7-12 with 400 students. After the first five year charter term, the school has had two short term renewals, one for three and one half years, and one for three years. The school has had three directors, an equal number of academic leaders and a high rate of teacher turnover over the first seven years of the charter, but this lack of stability has been addressed with consistent leadership during the current charter term.

#### **Summary of Evidence**

##### **Educational Success**

##### **Student Performance**

Academic performance across the Buffalo Academy of Science Charter School grade 7-12 program is not uniformly strong for a school in operation for 10 years. While high school English and U.S. History Regents scores in 2012-2013 and 2013-2014 exceeded the NYS average, the school experienced less success in high school science and mathematics Regents tests, in some cases underperforming Buffalo Public Schools. Grade 7 and 8 scores in ELA and Mathematics exceed the district and demonstrate growth, but at this time remain far below the state average.

##### **Growth – 7th and 8th Grade Outcomes**

In a comparative analysis of Buffalo Academy of Science’s 7<sup>th</sup> and 8<sup>th</sup> grade ELA and math growth outcomes, the school showed positive growth trends in Common Core mathematics with positive, yet less notable growth in Common Core ELA. In all three years of the analysis, the school remained above

the state mean for ELA and math growth while demonstrating growth trends that were comparable or above schools with similar grade configurations and percentages of at-risk students in those tested grades. Although growth is evident, seventh and eighth grade achievement levels on state ELA and mathematics and grade 8 science assessments remain below state averages.

Chart 1: Three-year 7-8<sup>th</sup> grade growth

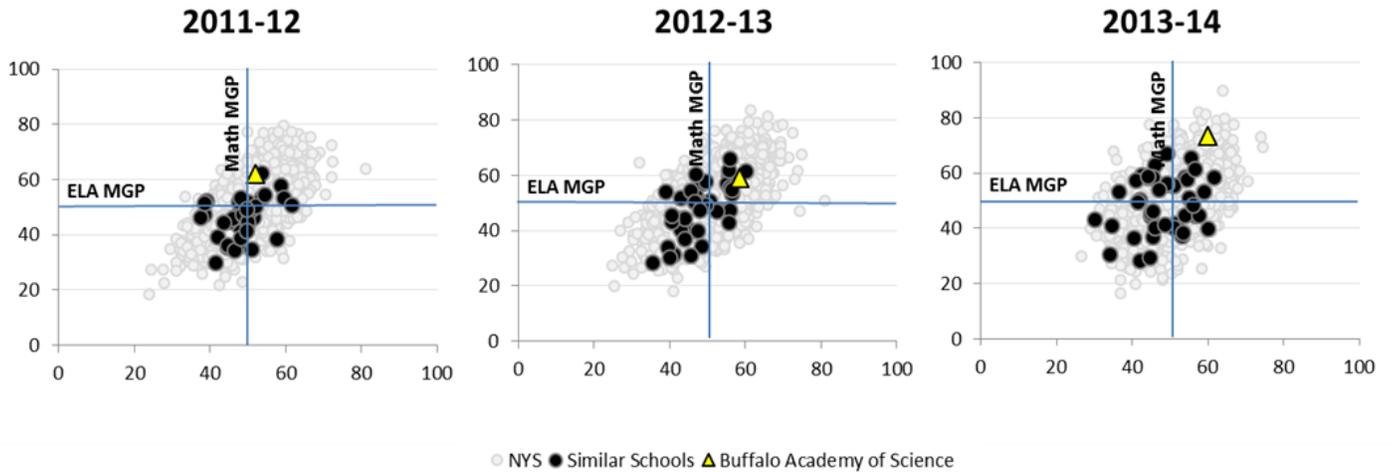


Chart 1: The scatterplots above show the adjusted mean growth percentile of schools with similar grade configuration and demographics to Buffalo Academy of Science's 7-8<sup>th</sup> grade continuum. The model requires at least one base year of testing and calculates growth from the base year to the testing year on a per pupil basis. As a result, the growth scores displayed here show growth only from 7<sup>th</sup> grade to 8<sup>th</sup> grade at Buffalo Academy of Science. The model also controls for student characteristics, including students with disabilities, English Language Learners, and students in poverty. This allows for all students in all schools to be compared fairly. Each mark represents a school's adjusted mean growth percentile in ELA and math. The crosshairs on the plot represents the state average for growth in ELA and math in that testing year.

### Proficiency – 7<sup>th</sup> and 8<sup>th</sup> Grade Outcomes

In a direct reflection of growth trends, students in grades 7-8 at Buffalo Academy of Science showed progress in ELA and math, meeting or exceeding the Buffalo CSD proficiency rates from 2012-2014. However, while the school made great strides in growth, it was not enough to meet the state mean in either subject. In fact, the school's four-year proficiency trends compared to the NYS mean in ELA more closely mirror those of the Buffalo CSD compared to the NYS mean.

According to Buffalo Academy of Science's mission, the school places academic "emphasis on math, science, and technology." While the school's 7<sup>th</sup> and 8<sup>th</sup> grade proficiency outcomes in math and 8<sup>th</sup> grade outcomes in science did improve compared to the Buffalo CSD since 2010-11, the gains in both subjects were still far below that of the state mean. Seventh and eighth grade math students are trending toward the state mean in a pattern and speed that mirrors the school's math-specific growth, however, as aforementioned, this growth did not appear early enough or fast enough in this upward trend to close the significant achievement gap between the school and state mean. The school's 8<sup>th</sup> grade science proficiency outcomes have not shown a trending pattern of improvement despite most tested students remaining with the school for two years and this subject placed as a pillar of the school's academic program.

Chart 2: Four-year Gr 7-8 BASCS proficiency outcomes compared to Buffalo CSD and NYS mean; Compares district to NYS mean

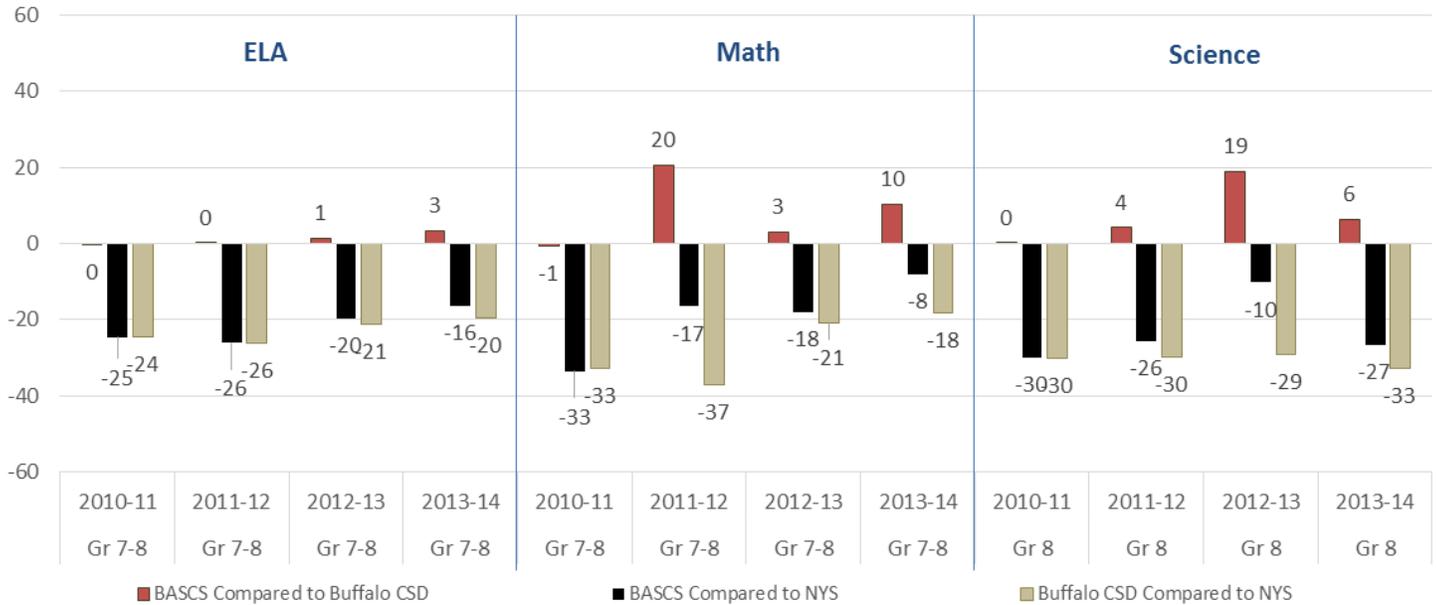


Chart 2: The above histogram compares the school's 7-8 grade proficiency outcomes with that of the district of location and the NYS mean in comparable grades tested. The district's proficiency outcomes are also compared to the NYS mean to gauge whether or not a school's comparison to the state mean mirrors trends seen in the district or if the school is able to overcome the district's academic and socioeconomic challenges. Where (x=0), this line serves as the mean for the school's comparison to the district mean, state mean, or the district's comparison to the state mean. Marks above or below this line indicate how far each comparison has been calculated from the associated mean.

### Proficiency – High School Outcomes

Buffalo Academy of Science's cohort outcomes in all five course areas required for graduation have been above the NYS mean in all years of the school's charter term, with the exception of the 2008 and 2009 ELA tested cohorts. This is in stark contrast to the school's annual Regents outcomes in which the school's mean proficiency did not surpass the State mean in English until 2013. In an estimated comparison to the 2014 State mean, the school may have met or exceeded the State's mean in English, Integrated Algebra and US History and Government for the first time.

It should also be noted that Buffalo Academy of Science has not consistently tested students in upper-level science courses (Chemistry and Physics) throughout this charter term. The school's low performance and choice not to test in these areas may also be correlated to the school's lagging outcomes in upper-level math which infuse the Chemistry and Physics curriculum. This is a concern, as the school name and mission statement promise a focus on science, mathematics and technology.

Chart 3: Three-year cohort outcomes compared to the NYS cohort mean

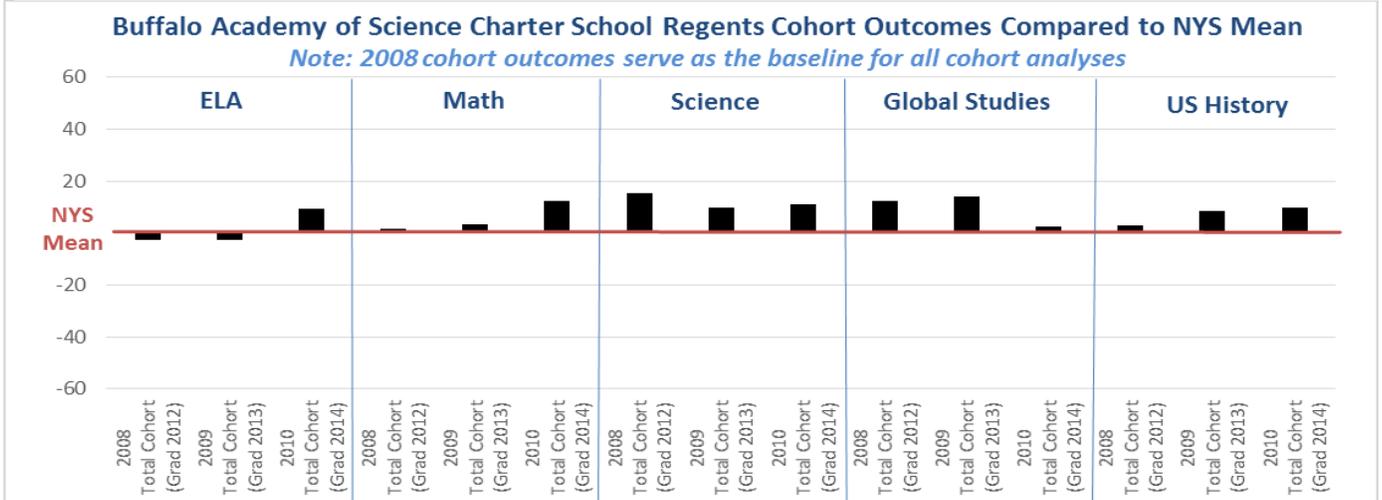


Chart 3: Cohort outcomes track the progress of students who enter the 9<sup>th</sup> grade in a given year and are expected to graduate in four years. The 2014 cohort outcomes were provided by the school and the NYS cohort mean for that year was estimated based on prior cohort trends.

Chart 4: Three-year annual high school proficiency outcomes compared to the NYS mean

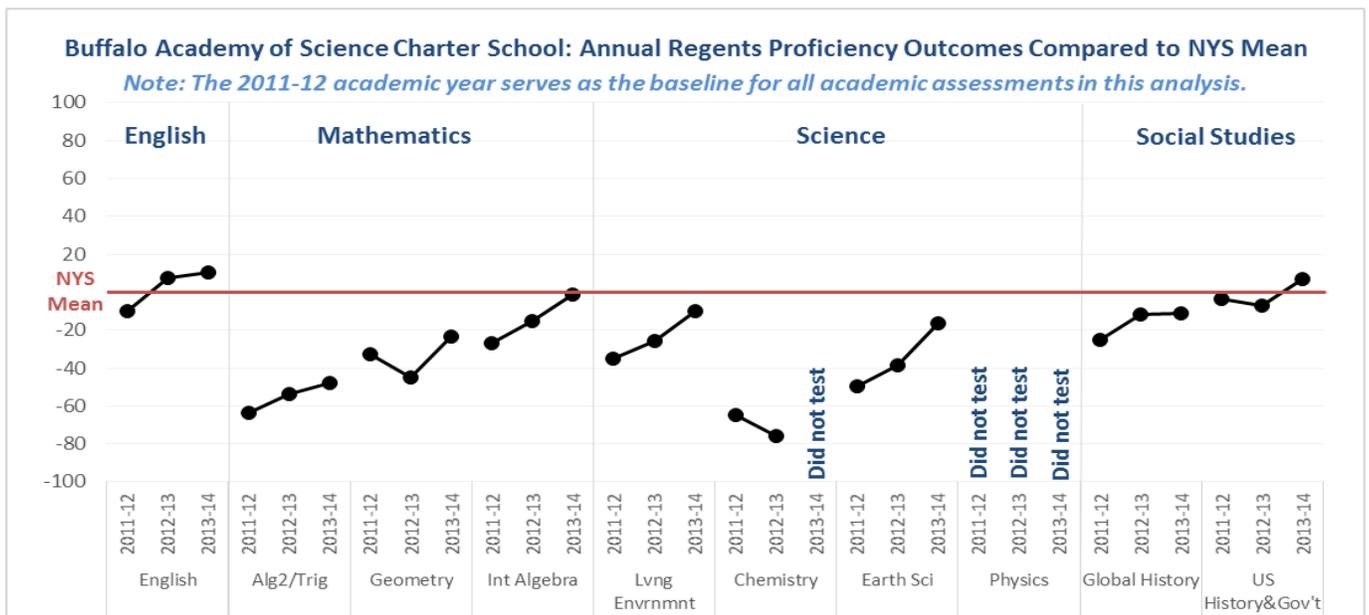


Chart 4: Annual outcomes show proficiency results of students at any grade level in the school who take the Regents exam in that given year regardless of cohort membership. The 2014 NYS mean for annual testing was estimated based on testing trends from prior years.

Annual Graduation Outcomes

Buffalo Academy of Science’s annual graduation rate includes any student who graduated in a given year, regardless of their cohort membership. As reported in the school’s annual graduation rate for 2014, 94% of Buffalo Academy of Science’s students earned a Regents diploma; none with advanced designation were reported.

### Accountability Cohort Graduation Outcomes<sup>6</sup>

Buffalo Academy of Science's accountability cohort graduation rate tracks a single group of students who entered 9<sup>th</sup> grade in a given year through commencement. Buffalo Academy did meet the state graduation standard of 80% for the 2008 and 2009 4-year cohort and the 5-year graduation rate. Of Buffalo Academy's 2008 4-year graduation cohort, no students were reported to have earned a Regents diploma with advanced designation or higher, however, 3% graduated with a CTE endorsement.

Table 1: Total Cohort Graduation Rate

Accountability Year	Cohort Membership	4-Year Graduation Rate	5- Year Graduation Rate
2012-13	2008 cohort	83%	93%
2013-14	2009 cohort	91%	88%

According to the Department's accountability designations for 2014-15<sup>7</sup>, Buffalo Academy Charter School is *In Good Standing*. The 2014-2015 accountability designations are frozen at the 2012-2013 rates.

### **Teaching and Learning**

The school is in the process of documenting a rigorous and comprehensive curriculum across all subjects, intended to be used consistently by all teachers. Components of a comprehensive curriculum, including syllabi, unit calendars and lists of academic vocabulary, are available for selected grades in English language arts and mathematics. Other curriculum resources are provided to mathematics, science and social studies teachers for lesson planning. Curriculum documents for the school's technology program include a list of courses offered across the year, but do not specify the curriculum standards or learning objectives aligned with the NYS Technology Standards that are associated with each course.

The school has established a comprehensive assessment system including diagnostic, benchmark, formative and summative assessments administered across the school year. Not all subject areas have yet developed benchmark assessments, although there is an articulated commitment to do so in the renewal application. During the week following administration of each quarterly benchmark assessment, teachers pause the planned scope and sequence to reteach skills and concepts that students have not mastered. School leaders examine a variety of data sources to identify student strengths and gaps, and students are assigned or reassigned on a quarterly basis for extra support in ninth period or Saturday school.

During the renewal site visit, individualized instruction, one of the school's key design elements, was demonstrated in a few classes, with the majority having instruction organized and paced for the whole

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<sup>6</sup> To make AYP in graduation rate, every accountability group with 30 or more members must make AYP. For a group to make AYP, the graduation rate of the 4-year graduation-rate total cohort or the 5-year graduation-rate total cohort must equal or exceed the Graduation-Rate Standard of 80% or the group's Progress Target. A cohort is a group of students who entered grade 9 anywhere in a particular school year.

<sup>7</sup> 2014-15 accountability designations are based on 2012-2013 NYS testing data.

class. Instructional rigor varied in classrooms observed across the school. In most cases, lessons were consistent with Common Core Learning Standards (CCLS) content expectations for the subject area, but the delivery of the lesson did not always align with CCLS instructional practices. This appeared to make it difficult for many students to grasp the content, and they affirmed that the work is challenging for them.

### **Culture, Climate and Family Engagement**

The school's climate and culture reflect the school mission and design. During site visits at the school, observations of classes and transitions as well as evidence from focus group discussions showed an orderly and respectful environment. Routines were generally in place that reflected expectations for student behavior and work, with a few examples of less skillful management of the learning environment. Teachers had initiated a successful effort last year to address their concerns that behavior issues were interfering with student learning. Their commitment to implementing specific practices to optimize learning has been fruitful, and office referrals, class disruptions, disrespectful behaviors, detentions and suspensions have all decreased a significant amount when compared to last year.

There are a number of vehicles in use for communication with families, including the website, an online parent portal, email, phone calls and home visits. At the renewal site visit, parents praised the ease of communication with the school. The school itself gauges parent satisfaction through a five item survey, which was completed by approximately 200 parents in 2013-2014, with overwhelming agreement with the statements. Students in the focus groups expressed general satisfaction with the school. The school reports that the student retention rate for each of the latest two school years has been 84 percent.

## **Organizational Soundness**

### **Financial Condition**

The Buffalo Academy of Science Charter School is in sound and stable financial condition as evidenced by performance on key indicators derived from the school's independently audited financial statements.

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). The dashboard presents several near-term and long-term financial performance indicators.<sup>8</sup> 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 Health

A *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. Buffalo Academy of Science Charter School's composite score for 2013-14 is 3.00. The table below shows the school's composite scores from 2010-11 through 2013-14.

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<sup>8</sup> 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.

**Buffalo Academy of Science Charter School Composite Scores  
2010-2011 to 2013-2014**

<i>Year</i>	<i>Composite Score</i>
2013-2014	3.00
2012-2013	2.40
2011-2012	2.70
2010-2011	2.60

Source: NYSED Office of Audit Services

Near Term Indicators

Near term indicators of financial health are used to understand the current financial performance and viability of the school. The CSO uses three measures:

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. The ratio is mainly used to give an idea of the school's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). The higher the current ratio, the more capable the school is of paying its obligations, with a ratio under 1.0 indicating concern. For 2013-2014 Buffalo Academy of Science had a current ratio of 3.1x and therefore the school should be able to pay obligations as they come due.

*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 2013-2014, Buffalo Academy of Science Charter School operated with 83.6 days unrestricted cash, a decrease from 96.7 days in 2012-2013.

For 2013-2014 and 2012-2013, Buffalo Academy of Science Charter School enrollment stability was at 97.5%. *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 of the projected total is considered reasonable.

Long Term Indicators

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. For 2013-2014, Buffalo Academy of Science's debt to asset ratio was 0.20x and 0.18x in 2012-13.

*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. A total margin that is positive indicates low risk. For 2013-2014, Buffalo Academy of Science Charter School had a negative total margin of (-1.5) percent.

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) performance of the school (See Appendix).

**Financial Management**

The Buffalo Academy of Science Charter School 2013-2014 Independent Audit had no material findings but included auditor suggestions to improve internal controls over financial reporting. The auditors recommended that the school remedy control deficiencies related to the accuracy of prepaid expense recorded at year end and employee accruals that were not recorded at year end. The auditor also suggested that the school establish a separate bank account for funds held in agency, such as amounts held for extra classroom activities and clubs.

The Buffalo Academy of Science Charter School 2013-2014 Schedule of Functional Expenses did not follow the template provided in the Charter School Audit Guide. The school's executed charter agreement requires adherence to the Charter School Audit Guide.

### **Board Oversight and Governance**

Board membership is maintained within the range cited in the school's bylaws and turnover has been reasonable. The breadth of expertise within the current board is limited, with most experience and expertise in the field of higher education.

The board has engaged in strategic planning over the course of the charter term. Several short term program changes did result from recent retreats, including a longer school day and year and the hiring of two additional teachers to add support to grades seven and eight ELA and math classes, now scheduled for two periods daily. In addition, students may now be assigned to mandatory ninth period and Saturday school.

### **Organizational Capacity**

As reported by school leaders and teachers, the turnover of teaching staff has stabilized since the beginning of the current charter term. Teachers indicated that there is a fair and supportive process in place to address inadequate performance by a staff member, and that this process is used once or twice a year. To reward effective teachers, the board recently approved a plan to issue multi-year contracts. This decision emerged in part from recognition of the need to attract and retain a high quality staff, one of the board's goals.

The school provided a comprehensive document listing topic areas considered in the director's performance evaluation. However, no standards or criteria were given to show what goals or performance targets the school leader must meet to earn a satisfactory rating. The source of much of the data to be considered is the director himself.

### **Faithfulness to the Charter and Law**

The mission of the school commits to fulfilling the "high demands" of students and their families through a "rigorous, innovative, challenging and enhanced curriculum" that focuses on math, science and technology. While elements of these objectives are in place, these components have not yet led all students to "reach their highest potential" intellectually as pledged in the charter. This may be seen in the context of the school's inability to meet higher level commencement standards: to date, the school has not awarded the Regents diploma with advanced designation.

Academically advanced Grade 11 and 12 students do have additional opportunities for college credit courses taught on site by staff from Bryant and Stratton and Erie County Community College. At present, thirty students are enrolled in one of four courses offered at no or reduced cost: Introductory Psychology, Mathematics 101, English 101, and a computer science course.

### **Enrollment, Recruitment and Retention**

The school's population of students with disabilities (SWD), limited English proficient students (ELLs), and economically disadvantaged students is approaching that of comparable grades in the Buffalo Public School District.<sup>9</sup>

In its application for charter renewal, the school states that it has made good faith efforts to attract and retain SWDs, ELLs, and economically disadvantaged students. According to their 2014 Application for Charter Renewal, the Buffalo Academy of Science Charter School will implement the following strategies:

- School materials providing details of the school program with emphasis on rigorous STEM curriculum, college preparedness and literacy, smaller class sizes, opportunities for supplemental activities, diversity of the school population, services for students with high needs.
- Literature drop and table presentations in libraries, religious organizations, community centers, stores and community agencies, with a specific focus on those that provide services for SWD and ELL-specific populations.
- Translations of outreach materials into Spanish, Somali, Nepali, Burmese, Karen and Bengali.
- Advertisements in local newspapers, television, billboards

### **Legal Compliance**

Buffalo Academy of Science Charter School is in compliance with applicable statutory and regulatory requirements. The discipline policy includes disciplinary procedures for students with disabilities to address section 300.519-300.529 of the Code of Federal Regulations. The school also has a separate policy to address DASA regulations.

### **Proposals for Revisions**

The school did not submit any revision requests for the renewal term.

### **Public Hearing Information**

A public hearing was held by the Buffalo City School District on November 12, 2014. Public notice was given. Questions from the District and the audience, covering location, curriculum, and the school's discipline policy, were posed and the charter school representatives responded. No comments in favor or in opposition were recorded.

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<sup>9</sup> See student demographics table, pages 3-4.

<b>Charter School:</b>	<b>Buffalo Academy of Science Charter School</b>
<b>Report as of:</b>	<b>2014</b>



General Information:			
<b>School District:</b>	<b>Buffalo CSD</b>	<b>Years in Operation:</b>	10
		<b>Grade(s) Served:</b>	7-12
		<b>Actual Enrollment:</b>	390
		<b>Budgeted Enrollment:</b>	400

Income Statement:		Balance Sheet & Cash Flow:		Key Performance Metrics:	
<b>Total Revenues:</b>	<b>\$ 5,191,231</b>	<b>Assets:</b>		<b>Near-Term Metrics:</b>	
<b>Expenses:</b>		Cash - Unrestricted	\$1,207,364	Current Ratio	3.1x
<b>Enrollment Stability</b>		Cash in Escrow	\$0	Unrestricted Days Cash	83.6
Total Program Services	\$ 4,748,200	Other Current Assets	\$255,468	Enrollment Stability	97.5%
Management and General	\$ 522,168	Investments & PP&E	\$853,814	Total Revenue Per Student:	\$13,311
Development	\$ -	Other Long Term Assets	\$62,184	Total Expenses Per Student:	\$13,514
Fundraising	\$ -	<b>Total Assets:</b>	<b>\$ 2,378,830</b>	<b>Sustainable Metrics:</b>	
Disposal Losses	\$ -	<b>Liabilities:</b>		Total Margin	(1.5%)
Other	\$ -	Current Liabilities	\$465,517	Debt to Asset Ratio	0.24x
<b>Total Expenses:</b>	<b>\$ 5,270,368</b>	Long Term Liabilities	\$114,545	Debt to Asset Ratio	N/A
<b>Operating Deficit</b>	<b>(\$79,137)</b>	<b>Total Liabilities:</b>	<b>\$580,062</b>	Composite Score	2.50
		<b>Net Assets:</b>	<b>\$1,798,768</b>		
<b>% Management &amp; General</b>	<b>9.91%</b>	<b>Total Liab. &amp; Net Assets:</b>	<b>\$2,378,830</b>		
<b>Statewide Average</b>	<b>15.24%</b>	<b>Change in Cash</b>	<b>(\$138,541)</b>		
<b>% Programmatic Services</b>	<b>90.09%</b>				
<b>Statewide Average</b>	<b>84.12%</b>				

**Performance Evaluation Master**

**Symbol Legend:**

	<b>Meets Standard (Low Risk)</b>
	<b>Adequate (Moderate Risk)</b>
	<b>Requires Review (High Risk)</b>

**Financial Indicator:**

**Near-Term Indicators:**

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

**Financial Composite Score:**

<b>1d.</b>	<b>Composite Score</b>
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**Long-Term Indicators:**

<b>2a.</b>	<b>Total Margin</b>
<b>2b.</b>	<b>Debt to Asset Ratio</b>
<b>2d.</b>	<b>Debt Service Coverage Ratio</b>

**Key Inputs:**

<b>Target School:</b>	<b>Buffalo Academy of Science Charter School</b>
<b>Time Period:</b>	<b>2014</b>

**Target: Buffalo Academy of Science Charter School**

<b>Current Metric:</b>	<b>Performance:</b>		
3.1			
83.6			
97.5%			

<b>Current Metric:</b>	<b>Performance:</b>		
2.5x			

<b>Current Metric:</b>	<b>Performance:</b>		
(1.5%)			
0.24x			
N/A			

## Near-Term Performance Evaluation: Buffalo Academy of Science Charter School

	2014	2013	2012	Average
<b>1a. Current Ratio</b>	3.14x	3.58x	2.22x	2.98x
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

	2014	2013	2012	Average
<b>1b. Unrestricted Days Cash</b>	83.6	96.7	127.9	102.8
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

	2014	2013	2012	Average
<b>1c. Enrollment Stability</b>	97.5%	101.0%	98.0%	98.8%
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:**



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: Buffalo Academy of Science Charter School

	Current
<b>2 Financial Composite Score</b>	<b>2.50</b>
Explanation: 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: Buffalo Academy of Science Charter School

	2014	2013	2012	Average
<b>2a. Total Margin</b>	(1.5%)	2.0%	5.6%	2.0%

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%

	2014	2013	2012	Average
<b>2b. Debt to Asset Ratio</b>	0.24x	0.18x	0.31x	0.24x

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

	2014	2013	2012	Average
<b>2d. Debt Service Coverage Ratio</b>	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

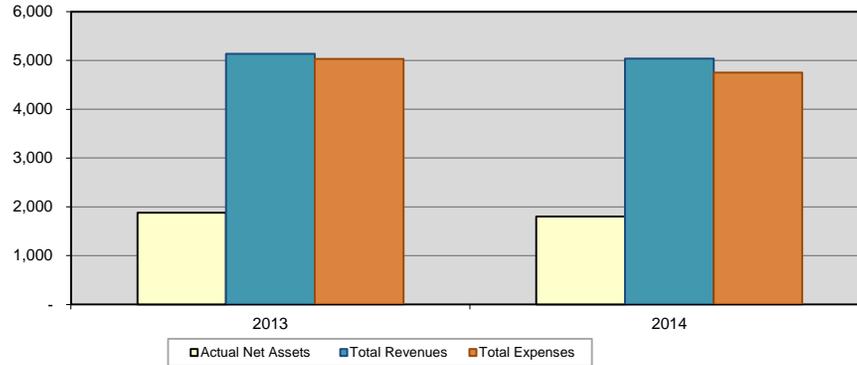


**Requires Review - High Risk:**

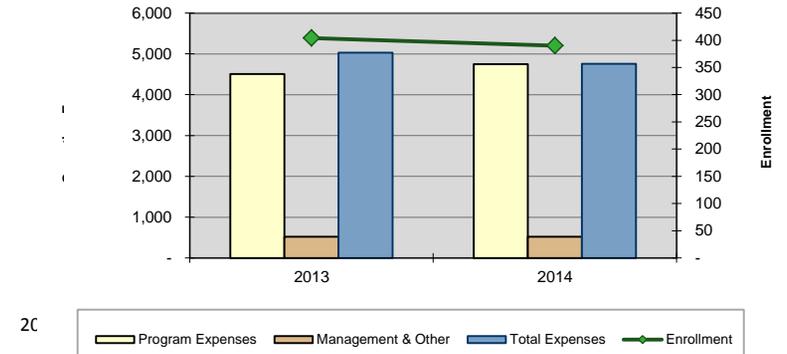
Debt Service Coverage Ratio is less than 0.90

(\$'s in thousands)

### Revenues, Expenses & Change in Net Assets



### Enrollment vs. Operating Expenses

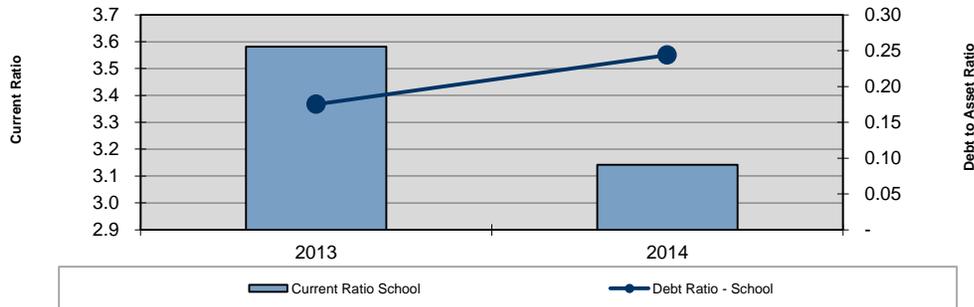


**Enrollment Stability**  
 This chart illustrates total revenue and expenses each year and the relationship those subsets have on the increase/decrease of net assets on a year-over-year basis.

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

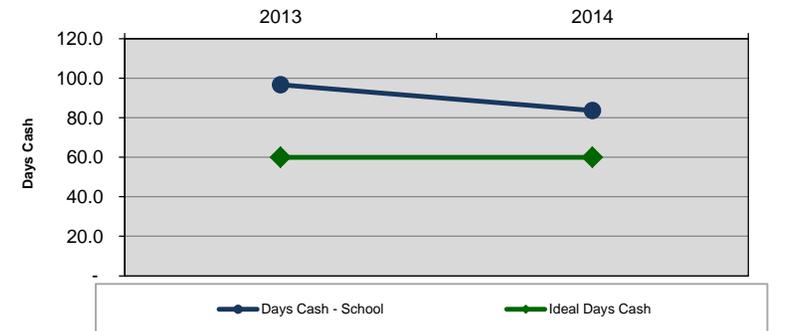
### Current Ratio / Debt to Asset Ratio

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	Buffalo Academy of Science Charter School	
		<b>COMPOSITE SCORE:</b>	<b>2.5</b>	
PRIMARY RESERVE RATIO	Unrestricted Net Assets	\$	1,798,768.00	
	ADD: Temporarily Restricted Net Assets	\$	-	
	LESS: Annuities, term endowments & life income funds that are temporarily restricted	\$	-	
	LESS: Intangible Assets	\$	-	
	Less: Net Property, Plant and Equipment (PPE)	\$	(2,014.00)	
	ADD: Post Employment Benefits	\$	-	
	ADD: All debt obtained for long term purposes (up to net PPE)	\$	2,014.00	
	EXPENDABLE NET ASSETS	\$	1,798,768.00	
	DIVIDE BY: TOTAL EXPENSES	\$	5,270,368.00	
		<b>PRIMARY RESERVE RATIO:</b>	<b>0.341x</b>	
EQUITY RATIO	Unrestricted Net Assets	\$	1,798,768.00	
	ADD: Temporarily Restricted Net Assets	\$	-	
	ADD: Permanently Restricted Net Assets	\$	-	
		\$	-	
	LESS: Deferred Financing Costs	\$	-	
	LESS: Note Receivable from Related Party	\$	-	
	MODIFIED NET ASSETS	\$	1,798,768.00	
	DIVIDE BY: MODIFIED ASSETS	\$	2,378,830.00	
		<b>EQUITY RATIO:</b>	<b>0.756x</b>	
NET INCOME RATIO:	CHANGE IN UNRESTRICTED NET ASSETS	\$	(79,137.00)	
	DIVIDE BY: TOTAL UNRESTRICTED REVENUE	\$	5,191,231.00	
		<b>NET INCOME RATIO:</b>	<b>-0.015x</b>	
STRENGTH FACTOR SCORE <small>(cannot be &lt;-1 or &gt;3)</small>	PRIMARY RESERVE strength factor score = 10 x Primary Reserve ratio result	<b>10</b>	<b>3.000</b>	
	EQUITY strength factor score = 6 x Equity ratio result	<b>6</b>	<b>3.000</b>	
	Net Income strength factor score = 1 + (25 x Net Income Ratio Result) IF Negative Net Inc.	<b>25</b>	<b>0.619</b>	
	Net Income strength factor score = 1 + (50 x Net Income Ratio Result) IF Positive Net Inc.	<b>50</b>	<b>0.000</b>	
			<b>NET INCOME Strength Factor:</b>	<b>0.619</b>
WEIGHTED AND COMPOSIT E SCORE	Primary Reserve Weighted Score = 40% x Primary Reserve Strength Factor Ccore:	<b>40.0%</b>	<b>1.200</b>	
	Equity Weighted Score = 40% x Equity Strength Factor Score:	<b>40.0%</b>	<b>1.200</b>	
	Net Income Weighted Score = 20% x Net Income Strength Factor:	<b>20.0%</b>	<b>0.124</b>	
			<b>Composite Score = Sum of ALL Weighted Scores</b>	<b>2.524</b>
			<b>Round to one digit after the decimal to determine the final score:</b>	<b>2.5</b>

**COMPOSITE SCORE EXPLANATION:**

2014

**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
	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		
<b>Primary Reserve Ratio</b>	<b>Equity Ratio</b>	<b>Net Income Ratio</b>
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		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- pri- tary	Private Non-profit	Pro- pri- tary	Private Non-profit	Pro- pri- 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		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***

**West Buffalo Charter School**

**February 2015**

### Introduction

In accordance with Education Law, Article 56, Section 2852(2), Commissioners Regulation 119.7 and the Board of Regents Charter School Renewal Policy (November, 2012), **the Department recommends a renewal term for a period of three years and three months for the West Buffalo Charter School (WBCS). The recommendation for a short-term renewal is based on the limited record of academic performance since the school has been in operation for only three years.** The additional three months is provided to place the end of the charter at the end of a school year for this and all subsequent renewals. The renewal period would commence on March 9, 2015 and end on June 30, 2018.

This recommendation is based on information provided by the West Buffalo Charter School (WBCS) charter renewal application submitted on August 28, 2014, as well as review and analysis of qualitative and quantitative evidence compiled through the Department's performance oversight process, over the charter term. As the school has only been in operation for three years, having taken two planning years, the 2013-2014 year was the first year they had a third grade to take the NYS assessment. Therefore, the school has no growth data to demonstrate trends in academic performance. Additionally, the fiscal analysis performed by the Office of Audit Services highlights weaknesses in the school's fiscal performance. However, monitoring visits over the term of the charter have recorded evidence of a positive school culture and sound educational program.

This report is the primary means by which the NYSED summarizes for the New York State Board of Regents its findings and recommendations regarding a charter school's Renewal Application.

### Charter School Summary<sup>1</sup>

<b>Name of Charter School</b>	West Buffalo Charter School
<b>Board Chair</b>	Joseph Cozzo
<b>District of Location</b>	Buffalo City School District
<b>Opening Date</b>	August 13, 2012
<b>Charter Terms</b>	Initial Charter Term: March 9, 2010 - March 8, 2015
<b>Management Company</b>	None
<b>Partners</b>	Buffalo Hearing and Speech Center, D'Youville College
<b>Facilities</b>	113 Lafayette Street, Buffalo, New York 14213
<b>Mission Statement</b>	Tomorrow's future leaders are sitting in our classrooms today. With small class sizes, a rigorous curriculum aligned with the New York State standards, and high expectations, West Buffalo Charter School develops an exceptional foundation of literacy skills for all students in grades K-4. West Buffalo Charter School is a place where diversity is celebrated, individual differences are accepted, and student success is maximized.

<sup>1</sup> The information in this section was provided by the NYS Education Department Charter School Office.

**Enrollment**

School Year	Actual Enrollment	Grades Served
2014 - 2015	288	K-4
2013 - 2014	226	K-3
2012 - 2013	138	K-2

**Student Demographics: WBCS Compared to District of Location<sup>2</sup>**

	2012-2013			2013-2014			2014-15 <sup>3</sup>		
	School Enrollment	Buffalo Public Schools Enrollment	Variance <sup>4</sup>	School Enrollment	Buffalo Public Schools Enrollment	Variance	School Enrollment	Buffalo Public Schools Enrollment	Variance
<b>Special Student Populations</b>									
Students with Disabilities	22%	21%	1	23%	21%	2	19%	N/A	N/A
Limited English Proficient	29%	13%	16	27%	13%	14	7%	N/A	N/A
Economically Disadvantaged	91%	81%	10	86%	90%	-4	88%	N/A	N/A

**Student Retention (Self-Reported by School)**

	2013	2014
Number of students enrolled	138	226
Number of students who left during the year	7	12
Number of students who did not re-enroll the next school year and had not completed the highest grade at the school	13	19
Retention rate	86%	86%

<sup>2</sup> Section 2852 (9-a)(b)(i): Charter schools must meet or exceed comparable percentages in the same grades served of the district of location's at-risk population of students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program (economically disadvantaged). All charter schools are expected to enroll and retain comparable student populations and show good faith efforts toward recruiting and serving these students.

<sup>3</sup> 2014-15 enrollment data reported by the school and current as of January 29, 2015.

<sup>4</sup> Variance is defined as the percent difference of subgroup enrollment between the charter school and district of location.

**Current Board of Trustees**

<b>Board Member Name</b>	<b>Term</b>	<b>Position/Committees</b>
Joseph Cozzo	3 years, expires 2015	President Human Resources, Audit and Finance, Nominating and BoT Development
James Sampson	3 years, expires 2017	None
Lucy Candelario	3 years, expires 2016	Human Resources
Dr. Arup Sen	3 years, expires 2015	Vice-President Academic, Nominating, and BoT Development
Richard Baer	3 years, expires 2016	Treasurer Audit and Finance, Human Resources
Michelle Stevens	3 years, expires 2016	None
Joanne Haefner	3 years, expires 2017	Audit and Finance, Academic

**School Leader**

<b>School Year</b>	<b>School Leader Name and Title</b>
2012 to present	Andrea Todoro, Principal

**School Visit History**

CSO staff conducted site visits at the West Buffalo Charter School each year of the charter term, in accordance with the Department Monitoring Plan. A check-in was conducted during the 2012-2013 school year, an informal and full site visit were conducted during the 2013-2014 school year and a two day renewal site visit was conducted on October 3-4, 2014.

**Background**

In March of 2010, the Regents granted the West Buffalo Charter School an initial charter. Due to difficulty locating a suitable facility, the school did not open until August of 2012. The current charter ends in March of 2015.

**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 meeting minutes and other documents collected by and about the school.

## Educational Success

### Student Performance

Due to the delay in opening the school, West Buffalo Charter School only has one year of 3<sup>rd</sup> grade state testing results at the end of their charter term. While the department has reviewed and considered West Buffalo's local assessment data in light of a lack of state assessment outcomes, there is not enough data at this point to establish a trend and make confident predictions about the school's progress.

### Proficiency – 3rd Grade Outcomes

In a comparative analysis of West Buffalo's ELA and math proficiency outcomes, the school's 3<sup>rd</sup> grade exceeded Buffalo CSD's 3<sup>rd</sup> grade outcomes, however, did not meet the state mean. West Buffalo does mirror the Buffalo CSD in its comparison to the NYS mean; another year of testing will determine if this is a true pattern.

Chart 1: One-year Gr 3 proficiency outcomes compared to Buffalo CSD and NYS mean; Compares district to NYS mean

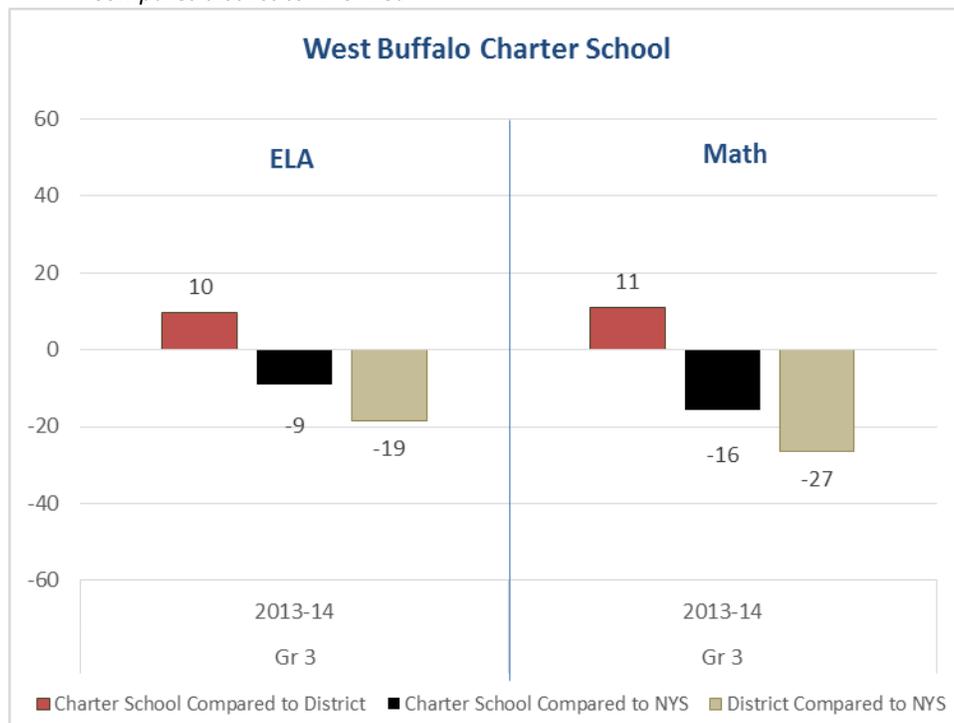


Chart 1: The above histogram compares the school's 3<sup>rd</sup> grade proficiency outcomes with that of the district of location and the NYS mean in comparable grades tested. The district's proficiency outcomes are also compared to the NYS mean to gauge whether or not a school's comparison to the state mean mirrors trends seen in the district or if the school is able to overcome the district's academic and socioeconomic challenges. Where (x=0), this line serves as the mean for the school's comparison to the district mean, state mean, or the district's comparison to the state mean. Marks above or below this line indicate how far each comparison has been calculated from the associated mean.

The West Buffalo Charter School is designated as a school *in good standing* by the New York State Education Department for 2014-2015.<sup>5</sup> However, this accountability status is only based on one year of testing. No growth scores are available for this school.

For the current charter term—March 2010 to March 2015—the West Buffalo Charter School articulated the following goals for student performance. According to the self-reported outcomes listed below, the school has met its absolute and comparative goals.

**Table 1. Progress Toward Academic Goals<sup>6</sup>**

Goal	Outcomes
90% of student who are continuously enrolled at WBCS will achieve at least a 75% year-end classroom average.	According to their renewal application, WBCS met and exceeded this goal with 95% of students averaging above 75% for 2012-2013 and 94% above 75% in 2013-2014.
By the end of the charter term, students in Grades three and four, who have been continuously enrolled at WBCS, will out-perform the district of location (Buffalo) by 10% on ELA New York State Assessments.	According to data provided in their renewal application, WBCS met and exceeded this goal by outperforming Buffalo Public Schools by 11% in ELA proficiency.
By the end of the charter term, students in Grades three and four, who have been continuously enrolled at WBCS, will out-perform the district of location (Buffalo) by 10% on Math New York State Assessments.	According to data provided in their renewal application, WBCS met and exceeded this goal by outperforming Buffalo Public Schools by 14% in math proficiency.
75% of the continuously enrolled students in Grades 1-4, who are at or above grade level, will demonstrate continuous growth on AIMSweb.	According to their renewal application, WBCS met this growth goal.
75% of the continuously enrolled students in Grades 1-4, who are below grade level, will demonstrate continuous growth on AIMSweb.	According to their renewal application, WBCS met this growth goal.

### Teaching and Learning

Throughout the charter term, the Department has observed the West Buffalo Charter School engaging students in high quality instruction that is aligned with school design characteristics and the Common Core State Standards. The school uses multiple, coordinated curricular resources as well as professional development and planning time to ensure that the curriculum is horizontally and vertically aligned. The school has also developed a culture of using data to inform instruction and make school-wide decisions.

<sup>5</sup> Accountability designations are based on 2012-2013 NYS testing data.

<sup>6</sup> This is self-reported data from the West Buffalo Charter School's 2014 Application for Charter Renewal.

The West Buffalo Charter School maintains a focus on literacy instruction. In addition to an ELA curriculum based on EngageNY modules, the school uses the Language to Literacy Program. This program is purchased from the Buffalo Hearing and Speech Center and administered by speech language pathologists in daily 50 minute blocks.

Overall, instruction at the West Buffalo Charter School follows the gradual release model: teachers deliver clear, explicit direct instruction, followed by modeling or demonstrating exactly what they want students to do and learn before moving on to shared practice and finally independent practice. Observed students were on task, participating and engaged in learning in the majority of classroom observations conducted over the length of the charter. Additionally, the low student to teacher ratio (three to four adults in each room of 16 to 20 students) and respectful school culture at the West Buffalo Charter School result in a supportive, positive learning environment.

West Buffalo Charter School has been exceeding the district percentages in English language learners by approximately 15% for each year of its charter. Over 15 languages and cultures are represented within the school and all stakeholders interviewed during site visits expressed pride at the diversity of the school community. The school has established an English as a Second Language (ESL) department to meet the needs of the large ELL population. Beginner ELLs receive 72 minutes of ESL instruction and intermediate level students receive 36 minutes of ESL instruction per day. Blends of push-in and pull-out instructional models are used to provide ELLs with direct language instruction as well as support in academic content areas.

The West Buffalo Charter School works collaboratively with the Buffalo Public Schools Committee on Special Education to provide services for any student who requires an Individual Education Plan (IEP). Special education students are supported through the consultant teaching model to align a student's IEP goals with classroom instruction. Related services (occupational therapy, physical therapy, and speech therapy) are provided by the Buffalo Hearing and Speech Center. Parents highlighted that the school individualizes education to meet their children's social, emotional, and academic needs.

### **Culture, Climate and Family Engagement**

Parents and teachers have consistently reported that the culture of the school is safe, supportive, and conducive to learning. Visits have noted a culture of positive interactions between teachers and students. In the majority of classroom observations throughout the charter term, classroom climate has been characterized by high, clear expectations for student behavior and routines. The school uses an approach to classroom management aimed at addressing the root causes of misbehavior, developing individualized strategies for student success.

## **Organizational Soundness**

### **Financial Condition**

The West Buffalo Charter School is not meeting the standards for fiscal performance and management established by the NYSED CSO and has not yet corrected a significant deficiency in internal controls.

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). The dashboard presents several near-term and long-term financial performance indicators.<sup>7</sup> 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 Health

A *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. West Buffalo Charter School composite score for 2013-14 is 0.20. The table below shows the school’s composite scores from 2011-2012 through 2013-2014.

**West Buffalo Charter School Composite Scores  
2011-12 to 2013-2014**

<i>Year</i>	<i>Composite Score</i>
2013-2014	0.20
2012-2013	0.60
2011-2012	(-0.60)

Source: NYSED Office of Audit Services

Near Term Indicators

Near term indicators of financial health are used to understand the current financial performance and viability of the school. The CSO uses three measures:

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. The ratio is mainly used to give an idea of the company's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). The higher the current ratio, the more capable the school is of paying its obligations, with a ratio under 1.0 indicating concern. For 2013-2014 West Buffalo had a current ratio of .5x and therefore the school may be unable to pay obligations as they come due.

*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 fiscal year 2013-2014, West Buffalo operated with 34.5 days of unrestricted cash and 12.8 days in 2012-2013.

*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. For 2013-2014, enrollment stability was at 100 percent, which was the same measure in 2012-2013.

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<sup>7</sup> 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.

### Long Term Indicators

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. For 2013-2014, West Buffalo's debt to asset ratio was 0.93x and was 0.94x in 2012-2013.

*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. A total margin that is positive indicates low risk. For 2013-2014, West Buffalo's total margin was 1.0 percent, a decrease from 12.0 percent in 2012-2013.

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) performance of the school (See Appendix).

### **Financial Management**

The 2013-2014 and 2012-2013 audited financial statements both identified a significant deficiency in internal controls related to a lack of separation of duties. To address this weakness the auditor recommended that the school assign certain responsibilities to administrative personnel and members of the board and revise its written Financial Management Policy.

The 2013-2014 Schedule of Functional Expenses prepared by the independent auditor did not follow the template categories provided in the Charter School Audit Guide. The Charter Agreement requires adherence to the Charter School Audit Guide.

### **Board Oversight and Governance**

There has been minimal turnover on the board. The board has successfully recruited for individuals with expertise in community health care and facilities, and is now recruiting for finance and marketing experts.

The president of the board is also the president of the Buffalo Hearing and Speech Center, an institutional partner from which the school purchases curriculum and services. The board has consulted with their counsel about potential conflicts of interest, and the bylaws include a provision that establishes the School's institutional partnership with Buffalo Hearing and Speech Center and requires interested trustees to recuse themselves from any and all votes referencing a business relationship with a trustee's for-profit or not-for-profit corporation.

The board engages in strategic planning, and initiatives have been clearly launched as a result of the planning. The board successfully planned and executed a reconfiguration and renovation of the facility to accommodate the first year of the fourth grade class. They are currently engaged in the early stages of an expansion plan to add Grades 5-8.

### **Organizational Capacity**

Stability in the school leadership team and teaching staff has enabled the school to function smoothly throughout the charter term. The roles and responsibilities of the leadership team, which consists of the school leader and a finance and operations officer, are clearly defined.

According to annual reports, the school meets its organizational performance goals. For 2013-2014, reenrollment surpassed the 80% goal with 91% and the parent survey reported 80% satisfaction with 100% of parents responding to the survey.

## Faithfulness to the Charter and Law

### Mission and Key Design Elements

The school has been faithful to the terms of its charter and to the law. The West Buffalo Charter School provides a strong academic program focused on language acquisition and literacy skills in a warm, nurturing environment. All stakeholder groups interviewed emphasized that literacy skills embody the mission of the school. By delivering the skills-based Language to Literacy program in addition to a lengthened ELA block, the school fulfills the key design element of *developing language acquisition, literacy skills, and reading proficiency*. The school is progressing toward the goal of providing *differentiated and intensive instruction in all academic areas*. Differentiation strategies have been incorporated into the purchased Language to Literacy Program and EngageNY modules, and staff received professional development on differentiation. The key design element *integrating art, music, and technology* is also occurring at the West Buffalo Charter School. Special area teachers now meet with regular teachers once a week to integrate content.

The school presented modified key design elements for the upcoming term. These new elements (summarized below) are consistent with the mission of the school and build on the previous key design elements.

- A small-school learning environment
- A school program built around a systematic approach to student language acquisition that leads to literacy
- Academic enrichment opportunities
- Comprehensive and consistent monitoring of student learning progress and quick remediation/intervention supports
- D'Youville College faculty share their expertise in diverse cultures, community connections and social services
- The Buffalo Hearing and Speech Center provides a team of speech-language pathologists
- A longer school day and extended school year
- An educational model that is outcome based
- Art, music, technology and physical education classes for all children
- A rigorous curriculum benchmarked to the Common Core Learning Standards
- Innovative learning opportunities, hands-on instructional approaches and personal development skills integrated throughout the curriculum
- Comprehensive and ongoing assessment of student academic achievement with multiple assessment measures
- Direct parent participation in school/program development
- Determination to meet the needs of all students

### Enrollment, Recruitment and Retention

According to BEDS data, the West Buffalo Charter School enrolls a comparable or greater number of English language learners, economically disadvantaged students and students with disabilities as the

Buffalo City School District.<sup>8</sup> For 2012-2013 and 2013-2014, the school exceeded the district of location in the enrollment of ELLS by 16% and 14%, respectively.

### **Legal Compliance**

West Buffalo Charter School board meetings are held in accordance with Open Meetings Law. The board meeting schedule and meeting minutes are posted on the school's website. The school maintains staff and family handbooks as well as policies for personnel, complaints, enrollment and admissions, discipline and transportation. The discipline policy includes disciplinary procedures for students with disabilities to address section 300.519-300.529 of the Code of Federal Regulations. The school also has a separate policy to address DASA regulations.

### **Proposals for Revisions**

The school did not submit any revision requests for the renewal term.

### **Public Hearing Information**

The public Hearing was held on Wednesday, October 22, 2014. Leaders of the West Buffalo Charter School presented on the program and academic achievement, followed by a question and answer session. No comments in favor or in opposition were recorded.

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<sup>8</sup> See student demographics table, page 3.

**Charter School:** West Buffalo Charter School

**Report as of:** 2014



**General Information:**

<b>School District:</b>	Buffalo CSD	<b>Years in Operation:</b>	2	<b>Actual Enrollment:</b>	226
		<b>Grade(s) Served:</b>	K-3	<b>Budgeted Enrollment</b>	216

**Income Statement:**

<b>Total Revenues:</b>	<b>\$ 3,024,997</b>
<b>Expenses:</b>	
<b>Enrollment Stability</b>	
Total Program Services	\$ 2,425,264
Management and General Development	\$ 569,177
Fundraising	\$ -
Disposal Losses	\$ -
Other	\$ -
<b>Total Expenses:</b>	<b>\$ 2,994,441</b>
<b>Operating Surplus</b>	<b>\$30,556</b>
<b>% Management &amp; General</b>	<b>19.01%</b>
<b>Statewide Average</b>	<b>15.24%</b>
<b>% Programmatic Services</b>	<b>80.99%</b>
<b>Statewide Average</b>	<b>84.12%</b>

**Balance Sheet & Cash Flow:**

<b>Assets:</b>	
Cash - Unrestricted	\$282,944
Cash in Escrow	\$0
Other Current Assets	\$72,706
Investments & PP&E	\$4,262,508
Other Long Term Assets	\$0
<b>Total Assets:</b>	<b>\$ 4,618,158</b>
<b>Liabilities:</b>	
Current Liabilities	\$672,043
Long Term Liabilities	\$3,639,342
<b>Total Liabilities:</b>	<b>\$4,311,385</b>
<b>Net Assets:</b>	<b>\$306,773</b>
<b>Total Liab. &amp; Net Assets:</b>	<b>\$4,618,158</b>
<b>Change in Cash</b>	<b>\$209,633</b>

**Key Performance Metrics:**

<b>Near-Term Metrics:</b>	
Current Ratio	0.5x
Unrestricted Days Cash	34.5
Enrollment Stability	104.6%
Total Revenue Per Student:	\$13,385
Total Expenses Per Student:	\$13,250
<b>Sustainable Metrics:</b>	
Total Margin	1.0%
Debt to Asset Ratio	0.93x
Debt to Asset Ratio	0.0
Composite Score	0.90

**Performance Evaluation Master**

**Symbol Legend:**

	<b>Meets Standard (Low Risk)</b>
	<b>Adequate (Moderate Risk)</b>
	<b>Requires Review (High Risk)</b>

**Financial Indicator:**

**Near-Term Indicators:**

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

**Financial Composite Score:**

<b>1d.</b>	<b>Composite Score</b>
------------	------------------------

**Long-Term Indicators:**

<b>2a.</b>	<b>Total Margin</b>
<b>2b.</b>	<b>Debt to Asset Ratio</b>
<b>2d.</b>	<b>Debt Service Coverage Ratio</b>

**Key Inputs:**

<b>Target School:</b>	West Buffalo Charter School
<b>Time Period:</b>	2014

**Target: West Buffalo Charter School**

Current Metric:	Performance:		
0.5			
34.5			
104.6%			

Current Metric:	Performance:		
0.9x			

Current Metric:	Performance:		
1.0%			
0.93x			
0.0x			

### Near-Term Performance Evaluation: West Buffalo Charter School

	2014	2013	2012	Average
<b>1a. Current Ratio</b>	0.53x	0.59x	0.66x	0.59x
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 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 checked="" type="checkbox"/> <b>X</b>	Current ratio is less than or equal to 0.9
--	--

	2014	2013	2012	Average
<b>1b. Unrestricted Days Cash</b>	34.5	12.8	82.7	43.3
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"/> <b>X</b>	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
--------------------------	------------------------

	2014	2013	2012	Average
<b>1c. Enrollment Stability</b>	104.6%	85.2%	#DIV/0!	#DIV/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:**

<input checked="" type="checkbox"/> <b>X</b>	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: West Buffalo Charter School

	Current
<b>2 Financial Composite Score</b>	0.90
Explanation: 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 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 checked="" type="checkbox"/> <b>X</b>	Composite Score Range of -1.0-0.9.
--	------------------------------------

## Long-Term Performance Evaluation: West Buffalo Charter School

	2014	2013	2012	Average
<b>2a. Total Margin</b>	1.0%	12.0%	(4.3%)	2.9%

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):

X

Most recent year Total Margin is positive



**Adequate - Moderate Risk:**

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



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

Current year Total Margin is less than -10%

	2014	2013	2012	Average
<b>2b. Debt to Asset Ratio</b>	0.93x	0.94x	1.06x	0.98x

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

	2014	2013	2012	Average
<b>2d. Debt Service Coverage Ratio</b>	0.02	0.19	N/A	0.11

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

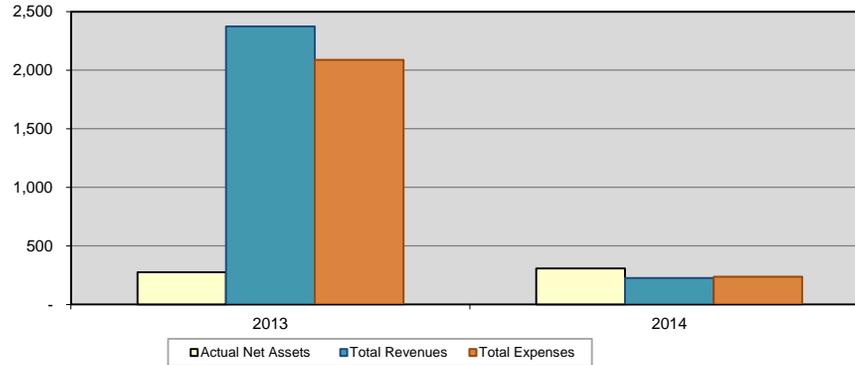


**Requires Review - High Risk:**

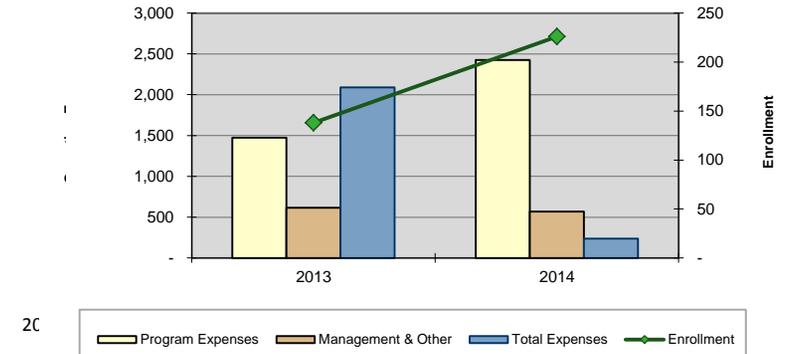
Debt Service Coverage Ratio is less than 0.90

(\$'s in thousands)

### Revenues, Expenses & Change in Net Assets



### Enrollment vs. Operating Expenses

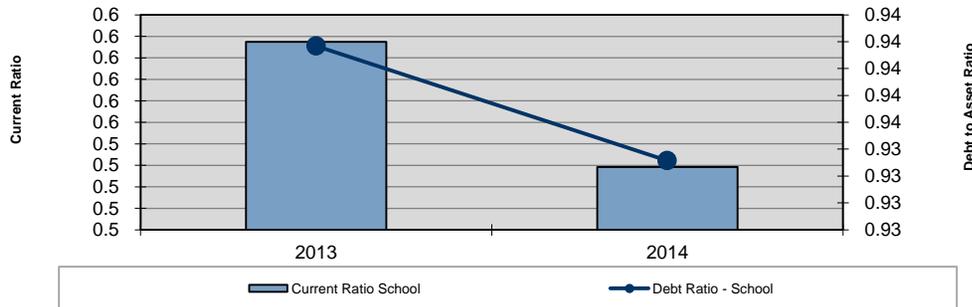


**Enrollment Stability**  
 This chart illustrates total revenue and expenses each year and the relationship those subsets have on the increase/decrease of net assets on a year-over-year basis.

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

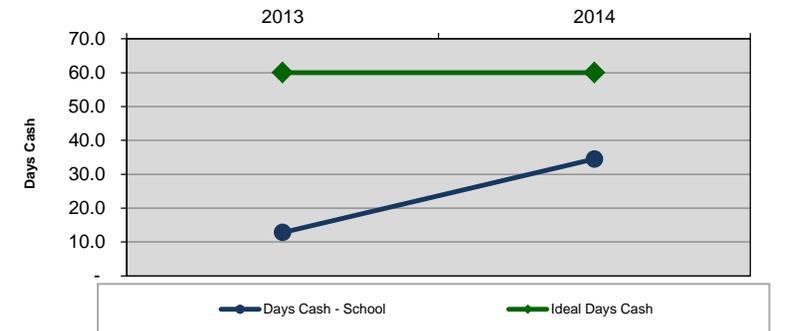
### Current Ratio / Debt to Asset Ratio

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	West Buffalo Charter School
		<b>COMPOSITE SCORE:</b>	<b>0.9</b>
PRIMARY RESERVE RATIO	Unrestricted Net Assets	\$	306,773.00
	ADD: Temporarily Restricted Net Assets	\$	-
	LESS: Annuities, term endowments & life income funds that are temporarily restricted	\$	-
	LESS: Intangible Assets	\$	-
	Less: Net Property, Plant and Equipment (PPE)	\$	(2,014.00)
	ADD: Post Employment Benefits	\$	-
	ADD: All debt obtained for long term purposes (up to net PPE)	\$	2,014.00
	EXPENDABLE NET ASSETS	\$	306,773.00
	DIVIDE BY: TOTAL EXPENSES	\$	2,994,441.00
		<b>PRIMARY RESERVE RATIO:</b>	<b>0.102x</b>
EQUITY RATIO	Unrestricted Net Assets	\$	306,773.00
	ADD: Temporarily Restricted Net Assets	\$	-
	ADD: Permanently Restricted Net Assets	\$	-
		\$	-
	LESS: Deferred Financing Costs	\$	-
	LESS: Note Receivable from Related Party	\$	-
	MODIFIED NET ASSETS	\$	306,773.00
	DIVIDE BY: MODIFIED ASSETS	\$	4,618,158.00
		<b>EQUITY RATIO:</b>	<b>0.066x</b>
NET INCOME RATIO:	CHANGE IN UNRESTRICTED NET ASSETS	\$	30,556.00
	DIVIDE BY: TOTAL UNRESTRICTED REVENUE	\$	3,024,997.00
			<b>NET INCOME RATIO:</b>
STRENGTH FACTOR SCORE (cannot be <-1 or >3)	PRIMARY RESERVE strength factor score = 10 x Primary Reserve ratio result	<b>10</b>	<b>1.020</b>
	EQUITY strength factor score = 6 x Equity ratio result	<b>6</b>	<b>0.396</b>
	Net Income strength factor score = 1 + (25 x Net Income Ratio Result) IF Negative Net Inc.	<b>25</b>	<b>0.000</b>
	Net Income strength factor score = 1 + (50 x Net Income Ratio Result) IF Positive Net Inc.	<b>50</b>	<b>1.505</b>
			<b>NET INCOME Strength Factor:</b>
WEIGHTED AND COMPOSITE SCORE	Primary Reserve Weighted Score = 40% x Primary Reserve Strength Factor Ccore:	<b>40.0%</b>	<b>0.408</b>
	Equity Weighted Score = 40% x Equity Strength Factor Score:	<b>40.0%</b>	<b>0.158</b>
	Net Income Weighted Score = 20% x Net Income Strength Factor:	<b>20.0%</b>	<b>0.301</b>
	Composite Score = Sum of ALL Weighted Scores		<b>0.867</b>
			<b>Round to one digit after the decimal to determine the final score:</b>

**COMPOSITE SCORE EXPLANATION:**

2014

**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
	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		
<b>Primary Reserve Ratio</b>	<b>Equity Ratio</b>	<b>Net Income Ratio</b>
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		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- pri- tary	Private Non-profit	Pro- pri- tary	Private Non-profit	Pro- pri- 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		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 Third Charter Renewal***

**Western New York Maritime Charter School**

**February 2015**

### Introduction

In accordance with Education Law, Article 56, Section 2852(2), Commissioners Regulation 119.7 and the Board of Regents Charter School Renewal Policy (November 2012), **the Department recommends a renewal term for a period of four years for the Western New York Maritime Charter School. The recommendation is based largely on the school's mixed academic performance.** The charter term would begin on July 1, 2015 and expire on June 30, 2019.

This recommendation is based on information provided by the Western New York Maritime Charter School (WNYMCS) charter renewal application submitted on July 17, 2014, as well as review and analysis of qualitative and quantitative evidence compiled through the Department's performance oversight process, over the charter term. This report is the primary means by which the NYSED summarizes for the New York State Board of Regents its findings and recommendations regarding a charter school's Renewal Application.

### Charter School Summary<sup>1</sup>

<b>Name of Charter School</b>	Western New York Maritime Charter School
<b>Board Chair</b>	Angelo Conorozzo
<b>District of Location</b>	Buffalo City School District
<b>Opening Date</b>	September 8, 2004
<b>Charter Terms</b>	Initial term: January 12, 2004 - January 11, 2009 First renewal term: January 12, 2009 – June 30, 2012 Second renewal term: July 1, 2012 – June 30, 2015
<b>Management Company</b>	None
<b>Partner(s)</b>	United States Navy
<b>Facilities</b>	266 Genesee Street, Buffalo, New York
<b>Mission Statement (From current charter)</b>	The mission of Western New York Maritime Charter School is to develop all Cadets in mind, body and character, to prepare them for further education, and to prepare them to be effective leaders and responsible citizens. Inherent in this mission are four cornerstones: <ul style="list-style-type: none"><li>• Academic Excellence: To provide cadets with educational</li></ul>

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<sup>1</sup> The information in this section was provided by the NYS Education Department Charter School Office

	<p>challenges and experiences that prepare them to be successful in the information age, and in further study at the college level.</p> <ul style="list-style-type: none"> <li>• Character Development: To instill in Cadets the highest sense of morality and ethics, with emphasis on intellectual honesty, integrity, discipline, honor, service to others and to the community.</li> <li>• Physical Development: To enhance Cadets’ health, self-confidence, and physical abilities, and to instill a lifelong appreciation of wellness and a healthy lifestyle.</li> <li>• Leadership Development: To provide Cadets a distinct military structure in the best maritime tradition to enhance their sense of personal responsibility, self-discipline and citizenship.</li> </ul>
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### Enrollment History

School Year	Enrollment	Grades Served
2014-2015	312	9-12
2013-2014	325	9-12
2012-2013	325	9-12
Maximum enrollment: 350		

### Student Demographics<sup>2</sup>

	2012-2013			2013-2014			2014-15 <sup>3</sup>		
	School Enrollment	Buffalo Enrollment	Variance <sup>4</sup>	School Enrollment	Buffalo Enrollment	Variance	School Enrollment	Buffalo Enrollment	Variance
<b>Special Populations</b>									
Students with Disabilities	15%	20%	-5.4	16%	20%	-4.4	17%	N/A	N/A
Limited English Proficient	2%	11%	-8.8	3%	12%	-9	4%	N/A	N/A
Economically Disadvantaged	78%	81%	-3	85%	75%	10.2	79%	N/A	N/A

### Student Retention (Self-Reported by School)

<sup>2</sup> Section 2852 (9-a)(b)(i): Charter schools must meet or exceed comparable percentages in the same grades served of the district of location’s at-risk population of students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program (economically disadvantaged). All charter schools are expected to enroll and retain comparable student populations and show good faith efforts toward recruiting and serving these students.

<sup>3</sup> 2014-15 enrollment data reported by the school and current as of January 29, 2015.

<sup>4</sup> Variance is defined as the percent difference of subgroup enrollment between the charter school and district of location.

	<b>2012</b>	<b>2013</b>
Number of students enrolled	292	332
Number of students who left during the school year	40	45
Number of students who did not re-enroll the next school year and had not completed the highest grade at the school	35	32
Retention rate	74%	77%

In the renewal application, Western New York Maritime Charter School describes strategies that have been adopted to improve retention: individualized scheduling, a mentor program, rehabilitative discipline, expanded extra-curricular opportunities and clear articulation of high expectations prior to enrollment. The application states that a robust array of student services has led to high rates of retention among students with disabilities and English language. See pages 10-11 for more detailed information about the Western New York Maritime Charter School's previous and planned efforts to improve student recruitment and retention.

#### **Current Board of Trustees**

<b>Board Member Name</b>	<b>Term</b>	<b>Position/Committees</b>
Angelo Conorozzo	1 year term ending June 2015	President, Executive, Academic, Sailing, Student Recruitment, Finance Committees
Thomas O'Brien	2 year term ending June 2016	Vice-President, Executive, 5K Run, Head of Sailing Scholarship Committees
Joseph Eicheldinger	2 year term ending June 2015	Treasurer, Finance, Co-Chair 5K Run Committees
Barbara Tompkins	2 year term ending June 2015	Secretary, 5K Run Committee
Dave Comerford	2 year term ending June 2015	Finance, Student Recruitment Committees
Thomas Giles	2 year term ending June 2016	Academics, Finance Committees
Glenda Crawley	2 year term ending June 2016, parent representative	None
Bruce Morrison	1 year term ending June 2015, faculty representative	None

#### **School Leader**

<b>School Year</b>	<b>School Leader Name and Title</b>
2007 - present	Lt. Col. Lawrence W. Astyk, Commandant

#### **School Visit History**

CSO staff conducted site visits to the Western New York Maritime Charter School each year of the charter term, in accordance with the Department Monitoring Plan. A one day check-in was conducted during the 2012-2013 school year. A two day full site visit was conducted on March 4-5, 2014 and a two day renewal site visit was conducted on November 18 and December 5, 2014.

### Background

The Board of Regents granted an initial charter to the Western New York Maritime Charter School on January 12, 2004 to expire on January 11, 2009. A first renewal charter was granted on January 12, 2009 to expire on June 30, 2012, in order to place the end of the charter at the end of the school year for that and all subsequent renewals. A second charter renewal term was granted on July 1, 2012 for a three year period, to expire on June 30, 2015. The short-term renewal was based on the school’s mixed record of academic performance during the prior charter term.

### 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 meeting minutes and other documents collected by and about the school.

## Educational Success

### Student Performance

#### Proficiency – High School Outcomes

Western New York Maritime’s four-year cohort assessment outcomes inconsistently meet the state mean in the five subjects areas required for graduation. In most cases, any cohort results that were below the state mean were marginally below the state outcomes. This inconsistency is reflected in the sporadic nature of the school’s annual Regents proficiency outcomes, but also the school’s four-year graduation rate. The dichotomy between the school’s annual gap to state outcomes and cohort outcomes straddling the state mean point toward the school retesting students who do not pass Regents exams until they meet graduation requirements.

Chart 1: Four-year cohort outcomes

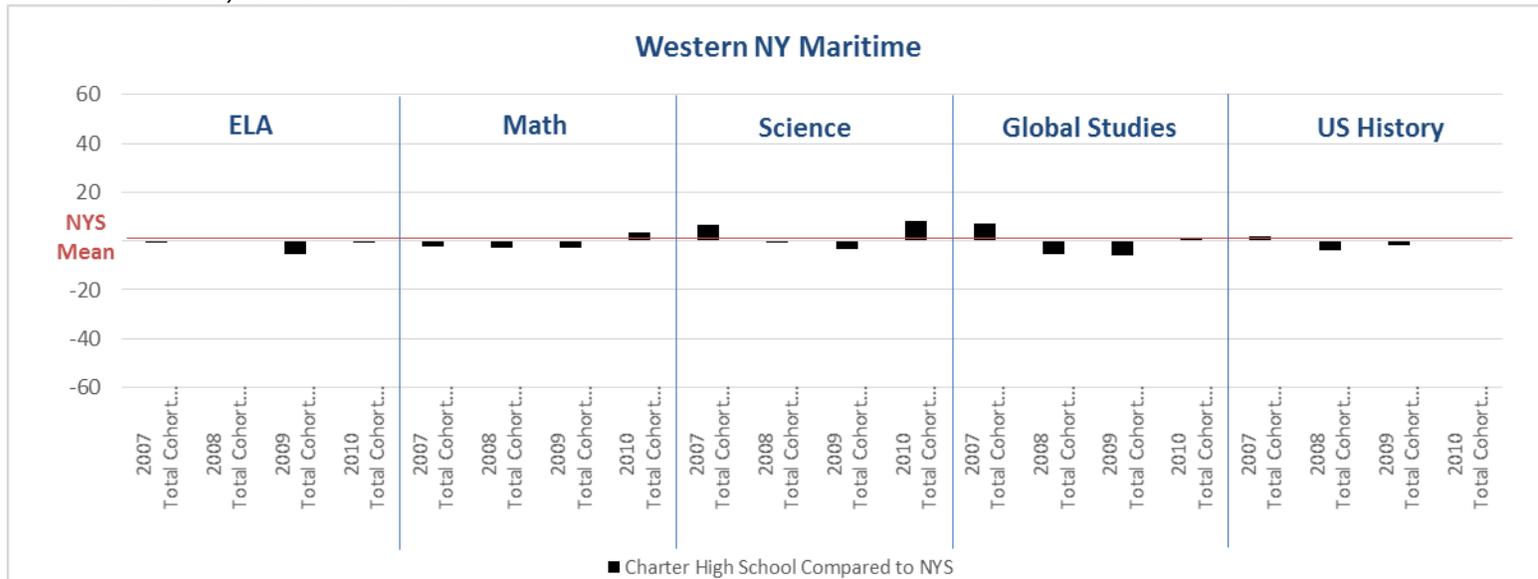


Chart 1: Cohort outcomes track the progress of students who enter the 9<sup>th</sup> grade in a given year and are expected to graduate in four years. The 2010 cohort outcomes were provided by the school and the NYS cohort mean for that year was estimated based on prior cohort trends.

Chart 2: Three-year annual high school proficiency outcomes compared to the NYS mean

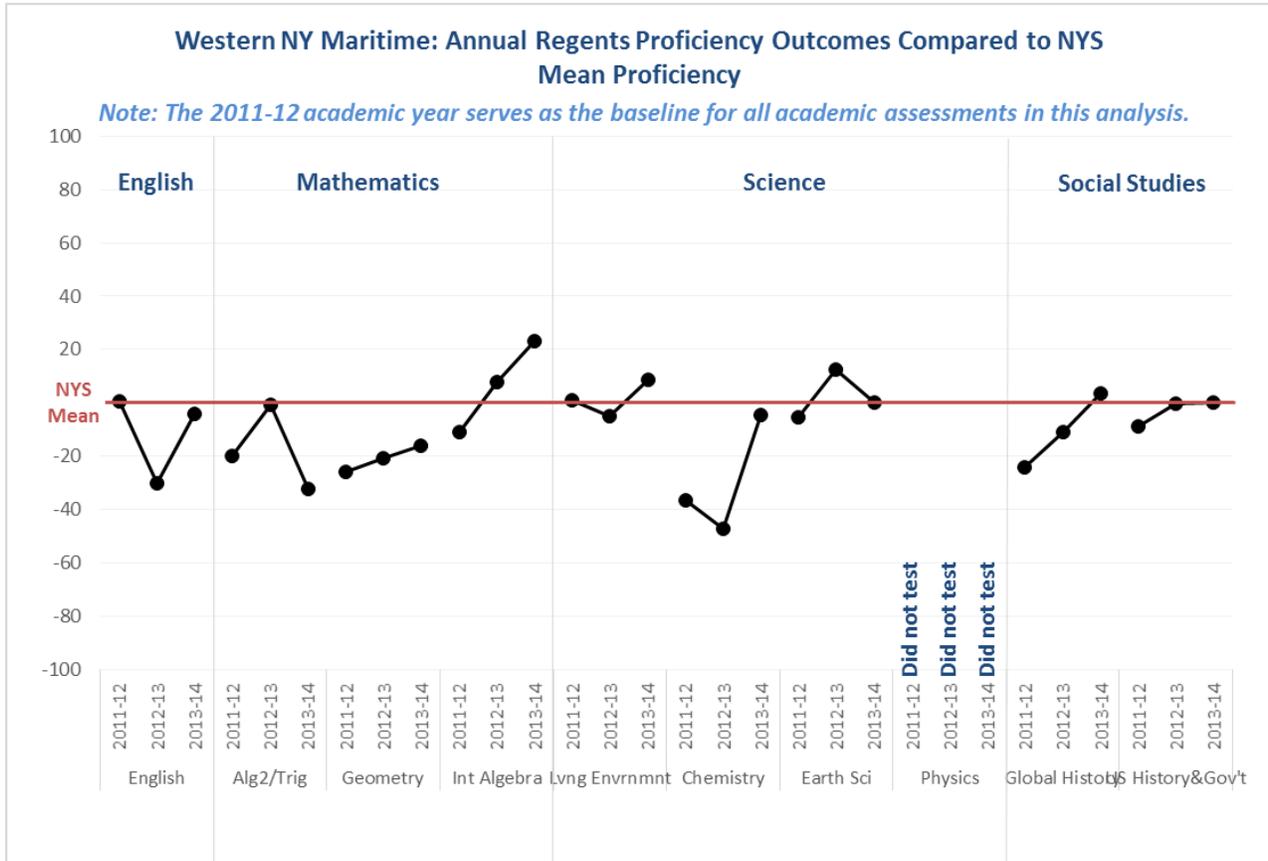


Chart 2: Annual outcomes show proficiency results of students at any grade level in the school who take the Regents exam in that given year regardless of cohort membership. The 2014 NYS mean for annual testing was estimated based on testing trends from prior years.

### Annual Graduation Outcomes

Maritime’s annual graduation rate includes any student who graduated in a given year, regardless of their cohort membership. As reported in the school’s annual graduation rate for 2014, 85% of Maritime’s students earned a Regents diploma, 12% of which carried an advanced designation.

### Accountability Cohort Graduation Outcomes<sup>5</sup>

Maritime’s accountability cohort graduation rate tracks a single group of students who entered 9<sup>th</sup> grade in a given year through commencement. Though Maritime did not meet the state graduation standard of 80% for the 2008 and 2009 cohort, they did meet the progress targets by closing a 10% graduation gap from the prior year. Additionally, Maritime’s 5-year cohort outcomes for 2008 and 2009

<sup>5</sup> To make AYP in graduation rate, every accountability group with 30 or more members must make AYP. For a group to make AYP, the graduation rate of the 4-year graduation-rate total cohort or the 5-year graduation-rate total cohort must equal or exceed the Graduation-Rate Standard of 80% or the group's Progress Target. A cohort is a group of students who entered grade 9 anywhere in a particular school year.

membership not only meet the state standard, but they also demonstrate that the school utilizes a fifth year of high school to ensure students are becoming proficient, not just getting by. Of Maritime’s 2008 4-year graduation cohort, 6% of that cohort earned a Regents diploma with advanced designation or higher and 3% graduated with a CTE endorsement.

Table 1: Total Cohort Graduation Rate

Accountability Year	Cohort Membership	4-Year Graduation Rate	5- Year Graduation Rate
2012-13	2008 cohort	71%	83%
2013-14	2009 cohort	76%	84%

According to the Department’s accountability designations for 2014-15<sup>6</sup>, Western New York Maritime is “In Good Standing.” The 2014-2015 accountability designations are frozen at the 2012-2013 rates.

### Teaching and Learning

Western New York Maritime Charter School has developed curriculum documents based on the Common Core Learning Standards, including curriculum maps and course descriptions, for all courses offered. Throughout the charter term, teachers were observed implementing high quality, rigorous instruction and demonstrated a variety of instructional practices to promote high levels of student engagement and inquiry. Site visit observers noted clearly communicated objectives, checks for understanding, giving feedback, differentiation, maximum use of class time and use of multiple learning modalities and groupings. During the renewal site visit, school leaders, teachers and board members all credited instructional changes made during the short term renewal for recent improvements in student academic outcomes, including an increase in the number of advanced Regents diplomas and increases in Regents test scores.

Students have many opportunities for advanced work, including AP and college level courses, Project Lead the Way and the Navy Office of Naval Research’s Seaperch remote robotics program. There is 100% Say Yes to Education participation.

Supports for struggling students are designed to build foundational knowledge in preparation for success on Regents exams, and include subject-specific literacy courses that pave the way into the regular courses for science, math and social studies. AIS instruction is incorporated into course content. To further promote student success, teachers voluntarily hold Saturday classes and encourage students to confer with other teachers of the same subject, as well as with other students. Student support is sufficiently fluid to adjust during the school year. For example, students can move into honors classes during the year if warranted.

The school uses ongoing formative and summative assessments and evaluation data to inform instructional decisions and promote student learning. Data analysis is facilitated by the use of a tool called *eDoctrina*, which provides assessments, a wide variety of report formats and curriculum tracking.

### Culture, Climate and Family Engagement

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<sup>6</sup> 2014-15 accountability designations are based on 2012-2013 NYS testing data.

All stakeholder groups (board members, school leaders, teachers, parents, and students) throughout the term described a well-established school culture of clear expectations and a focus on learning. The school leaders explained that they have transitioned to a culture that is structured and sets high expectations for behavior and academic performance. Classroom observations throughout the charter term revealed that the overall classroom climate is characterized by high, clear expectations for student behavior and routines. Classroom observations also resulted in a unanimous confirmation that the classroom environment is safe and that students and adults are treated with respect. Parent and student groups affirmed this finding.

Parents described a camaraderie that extends throughout school community, resulting in a school culture in which it is acceptable to be smart and there are no excuses for poor work. There is a good deal of outreach to families through a variety of means. Parents enjoy the regular newsletter, the *Parent Portal*, which gives them access to grades, homework, and attendance, and the *Remind* one-way communication about deadlines and upcoming events.

### **Organizational Soundness**

#### **Financial Condition**

The Western New York Maritime Charter School is in sound and stable financial condition as evidenced by performance on key indicators derived from the school’s independently audited financial statements.

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). The dashboard presents several near-term and long-term financial performance indicators.<sup>7</sup> 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 Health

A *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. Western New York Maritime Charter School’s composite score is in the acceptable range.

#### **Western New York Maritime Charter School Composite Scores 2010-2011 to 2013-14**

<i>Year</i>	<i>Composite Score</i>
2013-2014	1.70
2012-2013	1.80
2011-2012	2.50
2010-2011	2.20

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<sup>7</sup> 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

Near term indicators of financial health are used to understand the current financial performance and viability of the school. The CSO uses three measures:

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. The ratio is mainly used to give an idea of the company's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). The higher the current ratio, the more capable the company is of paying obligations, with a ratio under 1.0 indicating concern. Western New York Maritime Charter School's ratio for 2013-2014 was 1.8x.

*Unrestricted cash* measures in days whether the school can meet operating expenses without receiving new income. For fiscal year 2013-14 Schools typically strive to maintain at least 90 days cash on hand. For 2013-2014, Western New York Maritime Charter School operated with 70.3 days unrestricted cash, a decrease from 82.2 days in 2012-2013.

*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. For 2013-2014 and 2012-2013, the enrollment stability at the Western New York Maritime Charter School was 100%.

### Long Term Indicators

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. For 2013-2014, Western New York Maritime Charter School's debt to asset ratio was 0.44x.

*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. A total margin that is positive indicates low risk. For 2013-2014, the school had a total margin of -2.0%.

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) performance of the school (See Appendix).

### **Financial Management**

The Western New York Maritime Charter School 2013-2014 Independent Audit had no material findings or management letter recommendations.

### **Board Oversight and Governance**

Board turnover has been reasonable and board member candidates are recruited from within the Buffalo community based on board-perceived needs, such as expertise in finance and special education.

The board, through a strategic planning process, has developed several goals/objectives, including demonstrating sound financial practices, governance, organizational management, planning, and responsible and compliant decision making. Minutes from board meetings indicate that the goals are monitored and reported on periodically. In addition, the board continues to support the use of technology in instruction, administration, and communication as well as increasing the effective collection and use of student academic, behavior, and demographic data. These initiatives are in support of increased student achievement.

The board administers a self-evaluation instrument annually for members. Topics assessed include qualities of the members, quality of the meetings, vision and planning, policy, finance, board/Commandant relations, board/community relations, and board development.

### **Organizational Capacity**

Stability in the school leadership team and teaching staff has enabled the school to function smoothly throughout the charter term. The roles and responsibilities of the leadership team are clearly defined. A teacher evaluation system is in place and professional development is individualized and differentiated to meet specific needs.

## **Faithfulness to the Charter and Law**

### **Mission and Key Design Elements**

The school has been faithful to the terms of its charter and to the law. A “2015-2020 School Wide Plan” refines existing goals somewhat, but in the direction of more specificity and higher standards.

The four key elements of the charter are well served in practice, as follows:

A focus on academic excellence is evident from classroom observations, student work, and through conversations with all focus groups. Mastery, rather than just passing, is stressed as the goal. Teachers hold themselves to high standards as well, and speak frequently of their self-improvement strategies. The board has an active committee for Academic Achievement.

One aspect of character development is self-respect and board members stressed that this grows over time, with much support available for students. Cadets learn to be supportive of each other, honest with each other, responsible for themselves and their peers, respectful of teachers and other adults, and responsive to the needs of the community.

Physical development was mentioned by students as one of their favorite aspects of the school. Healthy practices are promoted in classrooms and the cafeteria, which the school manages itself.

Leadership Development is evident from student responses and from the overall “Outstanding” ranking from a Navy inspection prior to the renewal site visit.

### **Enrollment, Recruitment and Retention**

A dip in enrollment during the 2012-2013 school year led to the school reinvigorating its recruiting efforts, which have resulted in waiting lists for the 2013-2014 and the 2014-2015 school years. These practices include mailings, radio and television advertising, television appearances, recruiting booths at major community events as well as roadside billboard displays to draw attention to the school’s programs and services. More importantly, the school’s participation in community wide service projects,

Drill and Color Guard participation in over 100 area-wide events, countless recruiting trips to Buffalo public, charter and parochial schools, and growing participation in Section Six sanctioned athletic activities has focused attention on the school's success.

A continuing challenge is the recruiting of English language learners (ELLs).<sup>8</sup> Despite numerous efforts to recruit ELL populations more successfully, the ELL population at the school is currently at approximately 3% with Buffalo City Schools maintaining 11%. The school continues to attempt to increase this population by positioning recruiting billboards in traditionally non-English speaking neighborhoods, through advertisement in local non-English publications, outreach to agencies who deal with refugee communities, holding recruiting events at a local bilingual school, and through word-of-mouth recruiting by current ELL students, for whom the retention rate has exceeded the overall retention rate.

Efforts to help retain students include, first and foremost, making it a point to ensure that during recruiting efforts school staff are very clear and upfront about the high standards with prospective students and parents alike. Other actions to increase retention rates include a mentorship program, rehabilitative disciplinary efforts such as the breakfast club, expanded opportunities for extracurricular activities, and individualized scheduling. Of special note is the institution of a research-based student perception survey which is intended to help the school improve where needed.

Traditionally throughout the history of the school the retention rate among students with disabilities (SWD) students hovered around 55%. To address this, greater emphasis was given to services in support of these students in order to increase achievement and thus retention. Services included AIS, foundational courses, resource room, and other special education accommodations as appropriate. The Director of Innovation and School Culture works closely with the special education and guidance departments to enact positive interventions that are aimed at retaining SWD who face disciplinary challenges. Interventions will include targeted mentoring, early intervention, personal goal setting and improved parental contact. To help in these efforts, the school has hired an assistant coordinator for special education.

### **Legal Compliance**

The school is in compliance with all applicable laws, rules and regulations, as well as its own by-laws. The discipline policy includes disciplinary procedures for students with disabilities to address section 300.519-300.529 of the Code of Federal Regulations and Dignity for All Students Act regulations.

### **Proposals for Revisions**

The school has not submitted any revision requests for the renewal term.

### **Hearing Information**

The required public hearing was held on August 20, 2014 by the Buffalo City School Board. No comments were offered in support or opposition to the renewal of Western New York Maritime Charter School.

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<sup>8</sup> See student demographics table, page 3.

**Charter School:** Western New York Maritime Charter School

**Report as of:** 2014



**General Information:**

<b>School District:</b>	Buffalo CSD	<b>Years in Operation:</b>	10	<b>Actual Enrollment:</b>	331
		<b>Grade(s) Served:</b>	9-12	<b>Budgeted Enrollment</b>	325

**Income Statement:**

<b>Total Revenues:</b>	<b>\$ 4,678,184</b>
<b>Expenses:</b>	
<b>Enrollment Stability</b>	
Total Program Services	\$ 3,803,698
Management and General Development	\$ 966,377
Fundraising	\$ -
Disposal Losses	\$ -
Other	\$ -
<b>Total Expenses:</b>	<b>\$ 4,770,075</b>
<b>Operating Deficit</b>	<b>(\$91,891)</b>
<b>% Management &amp; General</b>	<b>20.26%</b>
<b>Statewide Average</b>	<b>15.24%</b>
<b>% Programmatic Services</b>	<b>79.74%</b>
<b>Statewide Average</b>	<b>84.12%</b>

**Balance Sheet & Cash Flow:**

<b>Assets:</b>	
Cash - Unrestricted	\$919,182
Cash in Escrow	\$0
Other Current Assets	\$340,548
Investments & PP&E	\$438,637
Other Long Term Assets	\$0
<b>Total Assets:</b>	<b>\$ 1,698,367</b>
<b>Liabilities:</b>	
Current Liabilities	\$687,127
Long Term Liabilities	\$60,316
<b>Total Liabilities:</b>	<b>\$747,443</b>
<b>Net Assets:</b>	<b>\$950,924</b>
<b>Total Liab. &amp; Net Assets:</b>	<b>\$1,698,367</b>
<b>Change in Cash</b>	<b>(\$52,639)</b>

**Key Performance Metrics:**

<b>Near-Term Metrics:</b>	
Current Ratio	1.8x
Unrestricted Days Cash	70.3
Enrollment Stability	101.8%
Total Revenue Per Student:	\$14,133
Total Expenses Per Student:	\$14,411
<b>Sustainable Metrics:</b>	
Total Margin	(2.0%)
Debt to Asset Ratio	0.44x
Debt to Asset Ratio	N/A
Composite Score	2.10

**Performance Evaluation Master**

**Symbol Legend:**

	<b>Meets Standard (Low Risk)</b>
	<b>Adequate (Moderate Risk)</b>
	<b>Requires Review (High Risk)</b>

**Financial Indicator:**

**Near-Term Indicators:**

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

**Financial Composite Score:**

<b>1d.</b>	<b>Composite Score</b>
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**Long-Term Indicators:**

<b>2a.</b>	<b>Total Margin</b>
<b>2b.</b>	<b>Debt to Asset Ratio</b>
<b>2d.</b>	<b>Debt Service Coverage Ratio</b>

**Key Inputs:**

<b>Target School:</b>	Western New York Maritime Charter School
<b>Time Period:</b>	2014

**Target: Western New York Maritime Charter School**

Current Metric:	Performance:		
1.8			
70.3			
101.8%			

Current Metric:	Performance:		
2.1x			

Current Metric:	Performance:		
(2.0%)			
0.44x			
N/A			

### Near-Term Performance Evaluation: Western New York Maritime Charter School

	2014	2013	2012	Average
<b>1a. Current Ratio</b>	1.83x	1.97x	2.19x	2.00x

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

	2014	2013	2012	Average
<b>1b. Unrestricted Days Cash</b>	70.3	82.2	92.8	81.8

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

	2014	2013	2012	Average
<b>1c. Enrollment Stability</b>	101.8%	89.8%	97.5%	96.4%

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: Western New York Maritime Charter School

	Current
<b>2 Financial Composite Score</b>	2.10

Explanation: 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: Western New York Maritime Charter School

	2014	2013	2012	Average
<b>2a. Total Margin</b>	(2.0%)	(4.8%)	7.5%	0.2%

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%

	2014	2013	2012	Average
<b>2b. Debt to Asset Ratio</b>	0.44x	0.40x	0.35x	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



**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

	2014	2013	2012	Average
<b>2d. Debt Service Coverage Ratio</b>	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

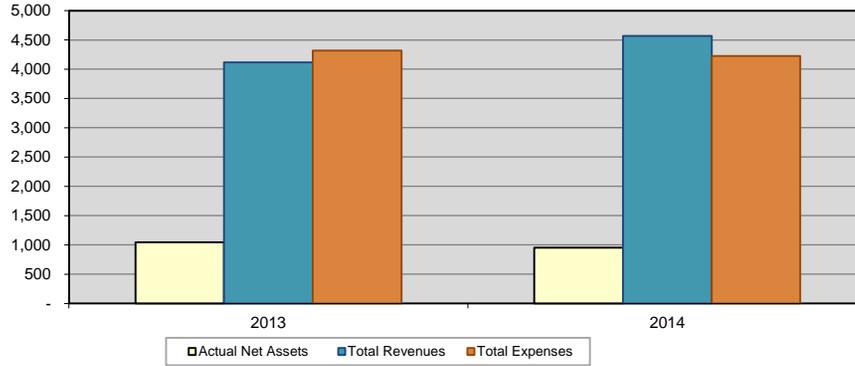


**Requires Review - High Risk:**

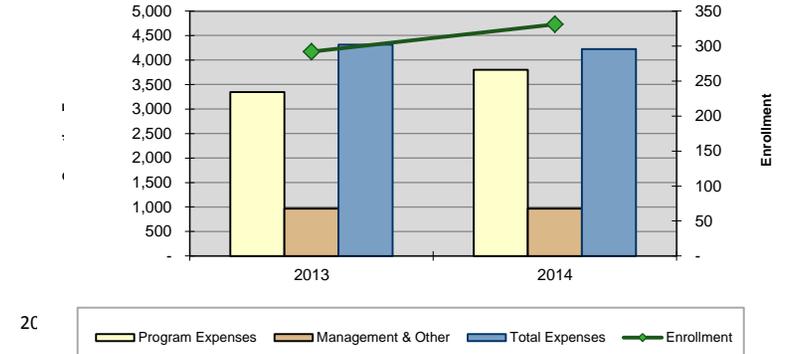
Debt Service Coverage Ratio is less than 0.90

(\$'s in thousands)

### Revenues, Expenses & Change in Net Assets



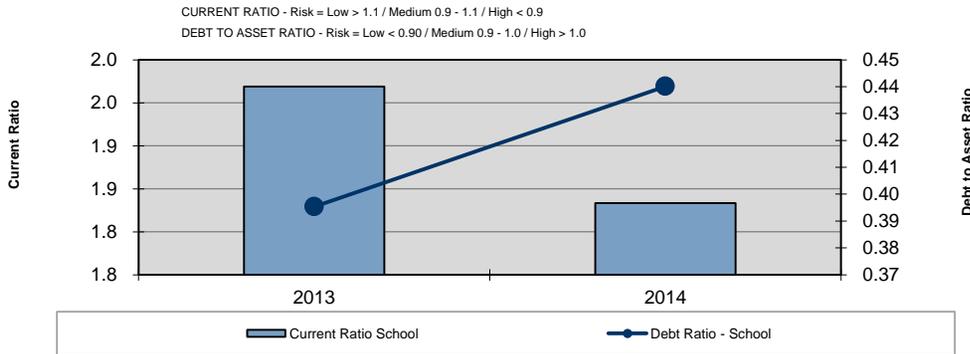
### Enrollment vs. Operating Expenses



**Enrollment Stability**  
 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.

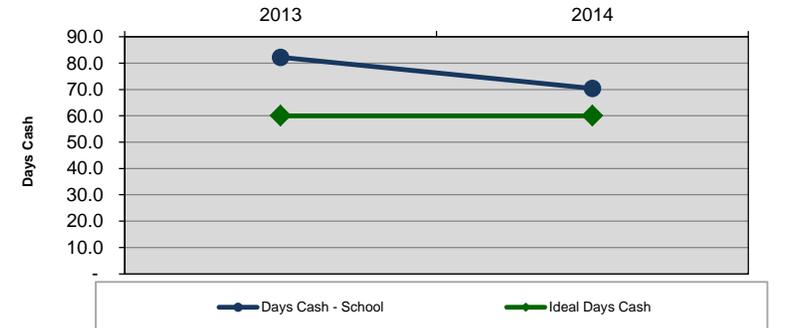
This chart illustrates to what extent the school's operating expenses have followed its student enrollment pattern.

### Current Ratio / Debt to Asset Ratio



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

### Days Cash



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



School		Western New York Maritime Charter School	
<b>COMPOSITE SCORE:</b>		<b>2.1</b>	
<b>PRIMARY RESERVE RATIO</b>	Unrestricted Net Assets	\$	941,589.00
	ADD: Temporarily Restricted Net Assets	\$	9,335.00
	LESS: Annuities, term endowments & life income funds that are temporarily restricted	\$	-
	LESS: Intangible Assets	\$	-
	Less: Net Property, Plant and Equipment (PPE)	\$	(2,014.00)
	ADD: Post Employment Benefits	\$	-
	ADD: All debt obtained for long term purposes (up to net PPE)	\$	2,014.00
	EXPENDABLE NET ASSETS	\$	950,924.00
	DIVIDE BY: TOTAL EXPENSES	\$	4,770,075.00
<b>PRIMARY RESERVE RATIO:</b>		<b>0.199x</b>	
<b>EQUITY RATIO</b>	Unrestricted Net Assets	\$	941,589.00
	ADD: Temporarily Restricted Net Assets	\$	9,335.00
	ADD: Permanently Restricted Net Assets	\$	-
		\$	-
	LESS: Deferred Financing Costs	\$	-
	LESS: Note Receivable from Related Party	\$	-
	MODIFIED NET ASSETS	\$	950,924.00
	DIVIDE BY: MODIFIED ASSETS	\$	1,698,367.00
<b>EQUITY RATIO:</b>		<b>0.560x</b>	
<b>NET INCOME RATIO:</b>	CHANGE IN UNRESTRICTED NET ASSETS	\$	(100,113.00)
	DIVIDE BY: TOTAL UNRESTRICTED REVENUE	\$	4,678,184.00
<b>NET INCOME RATIO:</b>		<b>-0.021x</b>	
<b>STRENGTH FACTOR SCORE</b> (cannot be <-1 or >3)	PRIMARY RESERVE strength factor score = 10 x Primary Reserve ratio result	<b>10</b>	<b>1.990</b>
	EQUITY strength factor score = 6 x Equity ratio result	<b>6</b>	<b>3.000</b>
	Net Income strength factor score = 1 + (25 x Net Income Ratio Result) IF Negative Net Inc.	<b>25</b>	<b>0.465</b>
	Net Income strength factor score = 1 + (50 x Net Income Ratio Result) IF Positive Net Inc.	<b>50</b>	<b>0.000</b>
<b>NET INCOME Strength Factor:</b>		<b>0.465</b>	
<b>WEIGHTED AND COMPOSITE SCORE</b>	Primary Reserve Weighted Score = 40% x Primary Reserve Strength Factor Ccore:	<b>40.0%</b>	<b>0.796</b>
	Equity Weighted Score = 40% x Equity Strength Factor Score:	<b>40.0%</b>	<b>1.200</b>
	Net Income Weighted Score = 20% x Net Income Strength Factor:	<b>20.0%</b>	<b>0.093</b>
	Composite Score = Sum of ALL Weighted Scores		<b>2.089</b>
<b>Round to one digit after the decimal to determine the final score:</b>		<b>2.1</b>	

**COMPOSITE SCORE EXPLANATION:**

2014

**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
	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		
<b>Primary Reserve Ratio</b>	<b>Equity Ratio</b>	<b>Net Income Ratio</b>
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		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- pri- tary	Private Non-profit	Pro- pri- tary	Private Non-profit	Pro- pri- 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		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**