
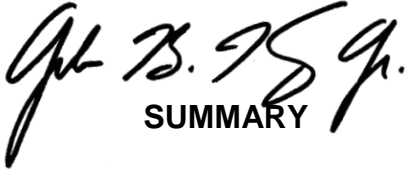




TO: P-12 Education Committee
FROM: Ken Slentz 
SUBJECT: Renewal Decisions for Charter Schools Authorized by the Board of Regents
DATE: February 5, 2014
AUTHORIZATION(S): 
SUMMARY

Issue for Decision

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

- Niagara Charter School (Niagara-Wheatfield SD)
- Northside Charter High School (NYC CSD 14)
- Rochester Academy Charter School (Rochester City SD)
- Urban Choice Charter School (Rochester City SD)

Reason(s) for Consideration

Required by State Statute.

Proposed Handling

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

Procedural History

Niagara Charter School

Initial Charter issued by the Board of Regents in July 2005
Renewal Charter issued in December 2009 (three year renewal term).
Renewal Charter issued in March 2013 (one year renewal term).

Northside Charter High School

Initial Charter issued by the Board of Regents in January 2009

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

Rochester Academy Charter School

Initial Charter issued by the Board of Regents in January 2008

Renewal Charter issued in March 2013 (one year renewal term).

Urban Choice Charter School

Initial Charter issued by the Board of Regents in January 2005

Renewal Charter issued in January 2010 (4 ½ year term to align charter expiration date with end of academic year)

Background Information

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

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

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

The charter renewal decision is based on a school's performance over the term of the charter in three key areas:

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

While the Department considers evidence related to all three of these categories of performance when making recommendations to the Regents concerning charter renewal applications, the school's record of student academic performance is of paramount importance. Each recommendation was made after a full due-diligence process, including review of the information presented by each school in its Renewal Application, a specific fiscal review, a two-day renewal site visit conducted by a Department team during the fall of 2013, comprehensive analysis of achievement data and consideration of public comment. The attached Renewal Recommendation Reports provide summary information about each of the Renewal Applications that are before the Regents for action today as well as performance over the previous charter terms, including specific analyses of academic performance.

The Department recommends the following:

- (1) That the following three schools receive three-year renewal terms which would end on June 30, 2017: Northside Charter High School, Rochester Academy Charter School, and Urban Choice Charter School.
- (2) That Rochester Academy Charter School's request to expand by adding elementary and middle school grades not be approved for this renewal period.
- (3) That the Niagara Charter School receives a two-year renewal term which would end on June 30, 2016.

Recommendation

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

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

VOTED: That the Board of Regents finds that, the **Rochester Academy Charter School**: (1) meets the requirements set out in Article 56 of the Education Law, and all other applicable laws, rules and regulations; (2) the applicant can demonstrate the ability to operate the school in an educationally and fiscally sound manner; (3) granting the application is likely to improve student learning and achievement and materially further the purposes set out in subdivision two of section twenty-eight hundred fifty of this article; and (4) granting the application would have a significant educational benefit to the students expected to attend the charter school, and the Board of Regents therefore approves the renewal application of the Rochester Academy Charter School and that a renewal charter be issued, and that is provisional charter be extended for a term up through and including June 30, 2017. The request to expand the grades served by the school to include Kindergarten through sixth grade is not approved.

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

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

Niagara Charter School
Application for Third Charter Renewal

Date of Report: February 10, 2014

Introduction

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

Charter School Summary

Opening Information

Date Initial Charter Approved by Board of Regents	July 22, 2005
School Opening Date	September, 2006
Charter Terms	Initial: July 22, 2005 – July 21, 2010 First Renewal: July 1, 2010 – June 30, 2013 Second Renewal: July 1, 2013 – June 30, 2014

Location

School Year	Location (s)	Grades at Location	District of Location	Districts Served
2013 - 2014	2077 Lockport Road Niagara Falls, New York 14304	K-6	Niagara Wheatfield CSD	Niagara Falls Niagara Wheatfield

Partner Organizations

Partner Name	Partnership Type	Dates of Service
NONE		

Current Mission Statement

Mission:

The mission of Niagara Charter School is dedicated to fostering the unique potential of each child by providing a rigorous academic program using the Expeditionary Learning approach designed to empower students as life-long learners, resourceful and practical thinkers, active citizens, and future leaders.

Vision:

Niagara Charter School is an Expeditionary Learning School where students learn best through purposeful, hands-on experiences that provide opportunities to become active learners. Through learning expeditions, students are involved in original research, critical thinking, problem solving, and building character along with academic skills.

Current Key Design Elements

• The primacy of self-discovery
• The having of wonderful ideas
• The responsibility for learning
• Empathy and caring
• Success and failure
• Collaboration and competition
• Diversity and inclusion
• The natural world
• Solitude and reflection
• Service and compassion

School Characteristics

School Year	Chartered Enrollment	Actual Enrollment	Grades Served
2013-14	350	350	K-6

Student Demographics¹

	Niagara Charter School Enrollment		Niagara Falls SD		Niagara-Wheatfield SD	
	Total	%	Total	%	Total	%
2011-12 Grades K-6						
<i>All Students</i>	350		3,565		2,001	
American Indian/Alaska Native	15	4.3%	131	3.7%	149	7.4%
Black	269	76.9%	1,219	34.2%	47	2.3%
Hispanic	13	3.7%	163	4.6%	42	2.1%
White	53	15.1%	1,810	50.8%	1,667	83.3%
Economically Disadvantaged	173	49.4%	2,661	74.6%	663	33.1%
Limited English Proficient	--	--	60	1.7%	12	0.6%
Students with Disabilities	41	11.7%	538	15.1%	156	7.8%
2012-13 Grades K-6						
<i>All Students</i>	350		3,704		1,964	
American Indian/Alaska Native	9	2.6%	123	3.3%	139	7.1%
Black	246	70.3%	1,210	32.7%	38	1.9%
Hispanic	19	5.4%	214	5.8%	59	3.0%
White	76	21.7%	1,793	48.4%	1,611	82.0%
Economically Disadvantaged	337	96.3%	2,762	74.6%	669	34.1%
Limited English Proficient	--	--	54	1.5%	22	1.1%
Students with Disabilities	30	8.6%	581	15.7%	149	7.6%

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

Current Board of Trustees

Board Member Name	Term	Position/Committees
Dr. Leticia Hahn	1 two year term 1 three year term Expires 6/30/15	Academic
James C. Muffoletto	2 one year terms 3 three year terms Expires 6/30/16	President Finance
Richard D. Hague, Jr.	3 one year terms 2 three year terms Expires 6/30/14	Academic and Governance
James Phillips	6 one year terms 1 three year term Expires 6/30/15	Governance Committee Chair
Mary J. Scheeler	1 one year term 1 three year term Expires 6/30/15	Academic Committee Chair
Ricky Scott	1 one year term 2 three year terms Expires 6/30/14	Finance Committee Chair
Janet Hill	7 one-year terms, expired 6/30/13 Elected to three year term Expires 6/30/16	Teacher representative At-Large Vice Chair
Lakea Strong	2 one-year terms Expires 6/30/14	Parent Representative
Lynne Kirshey	One year term Expires 6/30/14	Teacher Representative
Amy Dimaggio	One year term Expires 6/30/14	Teacher Representative

School Leader(s)

School Year	School Leader(s) Name and Title
2006-2007 through February, 2010	Gary Stillman, Chief Executive Office
February 2010 through August 2011	Karen (Brown) Marchioli, Chief Academic Officer
August 2011 - Present	Darci Novak, Chief Academic Officer

School Visit History

School Year	Visit Type	Evaluator (CSO/External)	Date
2013-2014	Renewal	CSO	October 8-9, 2013

Background

The Board of Regents granted an initial charter to Niagara Charter School (“Niagara,” “NCS,” or the “School”) on July 8, 2005. The School opened in the fall of 2006 with 264 students in Grades K-4. The School added a grade each year through the 2008-2009 school year, when it reached Grade 6 and 350 students. The Regents renewed the charter in December of 2009 for a period from July 1, 2010 through June 30, 2013. In March of 2013, the Board of Regents renewed the charter to run from July 1, 2013 to June 30, 2014; as it was determined that the School’s academic record did not warrant a full five year term. Because the one-year renewal occurred subsequent to the Board of Regents’ approval of the Performance Framework in November 2012, Niagara’s current renewal application is required to be evaluated in alignment with the Performance Framework Benchmarks.

Department’s Renewal Recommendation

Based upon the evidence outlined below, the Department recommends a two-year charter renewal for Niagara Charter School. The renewal period would commence on July 1, 2014 and end on June 30, 2016.

Summary of Evidence

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

Educational Soundness

Department’s Analysis of Student Performance

New York State Testing Program (NYSTP) Proficiency

Though Niagara Charter School is physically located in the Niagara-Wheatfield School District, more than 96% of students attending Niagara Charter School reside in the Niagara Falls School District. As such, the Department reviews the academic performance of Niagara Charter School in comparison to both the Niagara-Wheatfield and Niagara Falls School Districts and the Department’s evaluation of the school’s proficiency is based upon both the district of location and the district in which the vast majority of students live. The academic analysis of Niagara Charter School only includes data from the 2012-13 school year, the academic year immediately preceding the current charter term.

Niagara Charter School tests students in grades 3-6 in ELA, math and science; outcomes of these students scoring proficiently (level 3 & 4) on the New York State exams was compared to the same tested grade bands in both the Niagara-Wheatfield and Niagara Falls School Districts, as well as the same tested grade bands across New York State. In 2012-13, Niagara Charter School averaged 22 points below the state in ELA, and 13 points below the state in math. While the Niagara-Wheatfield School District has historically outperformed the state average in ELA (7 points above) and math (6 points above), most of NCS's students come from Niagara Falls School District, not Niagara-Wheatfield. The Niagara Falls School District has historically underperformed the state in ELA (14 points below) and math (15 points below).²

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

Subject	Charter School		Niagara-Wheatfield		NYS	COMPARISON TO:	
	N	%	N	%	%	Niagara-Wheatfield	NYS
						+/-	+/-
2012-13	201	8.8%	1,164	36.9%	30.3%	-28.2%	-21.5%
	201	20.2%	1,164	38.6%	32.8%	-18.4%	-12.6%

Table 2: Niagara CS NYSTP Proficiency Variance Compared to the Major Sending District and NYS

SUBJECT	CHARTER SCHOOL		NIAGARA-FALLS		NYS	COMPARISON TO:	
	N	%	N	%	%	NIAGARA-FALLS	NYS
						+/-	+/-
2012-13	201	8.8%	2,080	16.5%	30.3%	-7.7%	-21.5%
	201	20.2%	2,077	17.4%	32.8%	2.8%	-12.6%

Growth

The 2012-13 growth model accounted for similar tested student characteristics at Niagara Charter School, specifically comprising of English Language Learners (ELL), students with disabilities (SWD), and economically disadvantaged (poverty). Compared to similar schools across the state and within the both districts, Niagara Charter School demonstrated significant growth in 2012-13 ELA and math. Niagara's growth status is due in part to the school's proficiency levels being significantly below the district and

² See Tables 1 & 2 below and histograms in Appendix A for a more detailed view of the school's proficiency data.

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

Data shown in Table 1 & 2 are from verified reports in the Student Information Repository System (SIRS).

state averages, yet making steady and upward trending proficiency as compared to peer schools. This leap forward in growth combined with major instructional changes observed in the 2013 site visit warrant the Department's expectation that the school will continue to show positive trends in proficiency.⁴

Evidence of Performance Related to Academic Goals

Niagara Charter School set academic goals for the duration of its charter term as required by Education Law § 2851(2)(b). The following outlines the school's self-reported progress⁵ toward meeting these goals:

- *Absolute Proficiency*

Niagara Charter School set an absolute proficiency goal to have 75% of students who have been continually and consistently attending the school for 2 or more years to be proficient in ELA and mathematics on the New York State exams⁶.

- *School-Based Summative Assessments*

During the 2012-13 school year, NCS administered the Terra Nova assessment to students in grades k through 6, and the Common Core edition was used for students in grades 3-6. The school's goal was to reduce the gap of cohort performance by half for each grade level. Of the tested grades, three out of four grades met and/or exceeded their goal. Grades 1, 2, and 5 did not meet this goal, but were close to meeting the goal by 2 points.

- *Comparative*

Niagara Charter School set goals for comparative proficiency against the Niagara Falls and NYS 3-6 testing average in ELA and math. In the district-level comparison, the school expected to exceed the Niagara Falls SD by 5% at the grade-level and the school-level. The school did not meet this goal in ELA at the grade-level or aggregate school-level. However, Niagara's 4th grade and 5th grade math students outperformed the district by a 9 point margin, thus also outperforming the district in the aggregate by 2 points. Niagara did not outperform the state average in ELA or math.

⁴ See Appendix A for detailed scatterplots depicting the school's growth compared to other schools.

⁵ Data on charter school progress toward goals are reported in the school's application for renewal as required by Education Law § 2851(4)(a).

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

Evidence of Performance Observed through On-site School Reviews

The Niagara Charter School community, including School leaders, classroom teachers, special educators and teaching assistants, has met the challenge of providing grade level core instruction to all students while also providing remediation and enrichment.

Niagara Charter School administrators and the board initiated more rigorous expectations of teaching in response to student achievement results on the spring 2013 NYS assessments and the findings from the renewal site visit in 2012. These factors triggered an intensive re-evaluation of the rigor, quality and effectiveness of the instructional program.

NCS administrators and the board have addressed the gaps in the School's performance by making adjustments such as strengthening expectations for teaching practice, providing a more rigorous and candid examination of School data, and adopting the EngageNY curriculum modules aligned with the Common Core Learning Standards (CCLS).

The teachers interviewed during the October 2013 site visit indicated their commitment to the range of new requirements to improve their practice. They experience frequent informal observations and formal reviews conducted twice each year using the Danielson Framework and rubric. Teachers noted the timely, useful feedback from formal and informal class visits, as well as monthly professional development with consultants from Expeditionary Learning and participation in BOCES CCLS related training. Administrators examine lesson plans with a critical eye and require revisions prior to their implementation. Communication between School leaders and teachers occurs daily, in informal walkthroughs and at common planning time meetings.

NCS leaders make use of multiple sources of achievement data as well as data on classroom instruction and School climate to assess the quality of the academic program and identify needed adjustments. School leaders use each of the assessments in the School's data portfolio to answer different questions about the school's quality, from the classroom level to monthly data reports to the board of trustees. School leaders use classroom performance data as one component of the Annual Professional Performance Review (APPR) for staff members. Teachers of non-tested grades and subjects create rigorous Student Learning Objectives (SLOs) to track student achievement and use the Aimsweb assessment to monitor progress. SLOs are examined critically to ensure they meet rigorous expectations for student learning, with frequent requests for revision and refinement returned to teachers.

A central element of EL common to the curriculum at all grade levels at NCS is the expedition, an organizing structure within which students engage with authentic questions, field work, projects and demonstrations/exhibitions of their learning. The expedition approach encourages students to move beyond basic instructional levels. Daily Crew, an experience central to the EL model, provides an opportunity for teachers to address students' social skills and learning. Students are fully engaged in the Crew activities and demonstrate respect and regard for one another and for their teacher. NCS's implementation of the EL educational model was clearly evident in the classrooms observed by the October 2013 site visit team.

The availability of additional resources and multiple sources of instructional materials aligned to a common set of learning targets at Niagara allow teachers to differentiate the learning experience within lessons. While learning targets are identical for all students, the process is variable. Site visit team members documented evidence of the School's unique instructional components as well as the six

indicators of quality instruction detailed in the CSO classroom observation rubric. These indicators include differentiation, checks for understanding, rigor, classroom climate, pacing, and engagement.

The learning environment at NCS is characterized by clearly understood routines as well as uniform application of consistent classroom behavior expectations. Students are familiar with clear routines and behavioral expectations, often taking responsibility for completion of group as well as individual tasks. Site visit team members noted strong evidence of the appropriate pacing of instruction and the level of engagement of students. Teachers employ a wide range of strategies to engage students in academic content. Transitions between activities were smooth and efficient. Exit tickets were in common use, and in some instances observers saw teachers returning the tickets with feedback asking students to correct their work or meet for extra help.

Students at NCS demonstrated appropriate hallway and classroom behavior. Parents cited the positive student and adult climate and culture as a key attraction and motivation for enrolling their children at the School. The P.R.I.D.E. (Participation, Respect, Integrity, Dedication, and Excellence) code of conduct and the associated color code system with rewards and consequences have been applied and executed to produce a positive learning environment at the School.

Organizational Soundness

Evidence of Organizational Capacity

In the renewal application, Niagara Charter School details clearly defined roles and responsibilities for management of School operations for the Chief Academic Officer (CAO), Assistant Academic Officer (AAO), the Business Manager, Special Education Coordinator, Community Liaison, and teachers. The board has recently deployed a Teacher on Special Assignment to serve as a data specialist, responsible for managing the administration and collection of student achievement data and the preparation of timely and useful reports. The division of the duties between the CAO and AAO allows a realistic allotment of time and energy between overall management of School operations (CAO) and teaching and learning (AAO). Teachers have adequate planning time and resources, as well as opportunities to learn from one another during weekly professional development sessions at the School and as follow up to off-site professional development.

Communication between School leaders and teachers occurs daily, in informal walkthroughs and common planning time meetings. Teachers regularly attend board of trustees meetings, which are typically held in the School before school hours. Teachers make presentations to the board about their students' expeditions and engage board members in Community Circles and other celebrations of student accomplishment.

Evidence of Board Oversight and Governance

The board demonstrated the ability to make necessary adjustments to current board policies and procedures. In response to the 2012-2013 renewal report and limited one-year renewal granted by the Regents, the board of trustees reported undertaking a critical examination of school operations and results. The board hired a facilitator to lead a retreat that resulted in plans for change prior to the start of the 2013-2014 school year. The board initiated substantial changes in board operation, curriculum rigor, and instructional quality. Improvements in board procedures, including a revised committee structure, have enabled the board to function efficiently and effectively to address concerns raised in the previous site visit reports. The board established regular meetings of the academic, governance,

and finance committees with explicit expectations for reporting updates and findings at monthly full board meetings. The committee structure has had a positive impact on the professionalism and efficiency of the School's governance.

The board initiated a monthly dashboard report from School leaders detailing enrollment, discipline, and family activities as well as academic performance measures on local and state assessments. The dashboard focuses the board's attention on critical factors contributing to the School's success.

Following the self-evaluation, the board drafted a Board Covenant specifying expectations for the commitment of individual board members, and each member signed. The covenant expands the existing list of board responsibilities and includes the code of ethics.

The board of trustees at NCS includes members representing all interested constituents including Niagara Falls community groups, School founders, college educators, parents and teachers. Board discussions include the range of perspectives of the members. Two parent and two teacher representatives serve on the board. One veteran board member is also a parent of an NCS graduate, raising the awareness of family concerns in the discussion of critical program and policy issues.

Evaluation of the School leader and oversight of the School leader's evaluation of staff are primary functions of the board. The board contracted with an external consultant to conduct a comprehensive review of the School leader's performance across multiple dimensions of the leader's role. The consultant conducted five comprehensive observations of the School leader during the last school year and rated the leader using the Reeves Leadership Performance Matrix, one of the state approved tools for principal evaluation. Ratings ranged from highly effective to developing, with the lowest rating reflecting unsatisfactory student achievement.

While state reports identify almost all NCS staff as highly effective using the state criteria, the board relies on timely feedback from regular formal and informal observations to track the effectiveness of instruction. Staff at NCS are evaluated using the Danielson Framework for Teaching, also state approved. NCS staff follow the NYS Annual Professional Performance Review (APPR) which includes student growth as part of the evaluation measure. The board requires monthly reports from School leaders on the evaluation of staff performance. The academic committee of the board, consisting of experienced educators and parent representatives, reviews performance evaluations conducted by School leaders and monitors remediation plans.

In January 2014, the Office of the NYS Comptroller (OSC) released a report of an audit conducted by OSC concerning Niagara Charter School's student enrollment and billing processes for the period July 1, 2012 through September 6, 2013. The audit identified some findings related to billing and student residency inaccuracies and made recommendations for improvements. The School has indicated that it has already begun to implement some of the OSC recommendations and will continue to improve its processes for verification of student residency and billing.

Fiscal Soundness

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

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

Overall Financial Outlook

Based on an analysis of short-term and long-term indicators, Niagara received a composite score of **2.70** for 2012-13, demonstrating strong financial health. The **Composite Score** is an overall measure of financial health calculated by the NYSED Office of Audit Services. This score is based on a weighting of primary reserves, equity and net income. A charter school with a score between 1.5 and 3.0 is considered in strong financial health. Since 2010-11, Niagara’s composite school has remained strong and improved as well, as highlighted in the following table.⁹

Year	Composite Score
2010-11	1.9
2011-12	2.4
2012-13	2.7

Near Term Indicators

Although the school is overall financially strong, the current ratio for 2012-13 is 2.9, a slight increase from the prior year value of 2.28. The **current ratio** is a financial ratio that measures whether or not a school has enough resources to pay its debts over the next 12 months. It compares the school’s Current Assets to Current Liabilities. The current ratio is an indication of liquidity and ability to meet creditor’s demands. Acceptable ratios are generally between 1.5 and 3 which would indicate good short term

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

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

⁹ Source: NYSED Office of Audit Services

strength. If current liabilities exceed current assets (the current ratio is below 1), then the school may have difficulties meeting its short term obligations.

For fiscal year 2012-13, Niagara operated with 115 days unrestricted cash, an improvement from 2011-12 levels of 79 days. **Unrestricted cash** measures in days whether the school can meet operating expenses without receiving new income. Schools typically strive to maintain at least 90 days cash on hand.

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

Long Term Indicators

For 2012-13, Niagara's debt to asset ratio was 0.25, a slight decline from 0.28 in 2011-12. A school's **debt to asset ratio** measures the extent to which the school relies on borrowed funds to finance its operations. It is calculated as total liabilities divided by total assets. A ratio of 0.9 or less meets a standard of low risk.

Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources. Total margin is calculated as net income divided by total revenue. For 2012-13, Niagara's total margin was 6.7 percent, a decrease from 2011-12 levels of 11.4 percent.

Cash flow is an assessment of change in cash from operations, financing and investing over a given period. For the 2012-13 period, Niagara had positive cash flow of \$476,695. This is a substantial increase from 2011-12 levels of \$95,844, according to the school's 2012-13 audited financial statements.

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

Faithfulness to the Charter and Law

The School has demonstrated faithfulness to the charter and law, with clear evidence of a strong EL program and academic rigor, which will support the creation of life long learners who are resourceful and practical thinkers and have the potential to become leaders. In the large majority of classrooms, Niagara students experienced a briskly paced, rigorous, differentiated learning experience that demonstrated the School's commitment to its mission and key design elements related to EL.

The teachers interviewed during the October 2013 site visit indicated their commitment to the range of new requirements to improve their practice. The full implementation of the EL program, incorporating the EngageNY curriculum modules aligned with the CCLS, has contributed to the increase in rigor observed in classrooms through engagement with authentic questions, fieldwork, projects and exhibitions of learning. School leaders have supported implementation with additional staff and other resources. Common learning targets give teachers a shared focus, while allowing as much

differentiation as is needed in curriculum delivery. Monthly professional development sessions with consultants from Expeditionary Learning add another supportive dimension.

The board initiated substantial changes in operations, curriculum rigor, and instructional quality. Modifications to board procedures, including a revised committee structure, have enabled the Board to function efficiently and effectively to address concerns regarding compliance raised in previous site visit reports.

Plans for the Next Charter Term

The School's Renewal Application did not indicate a request for any material changes for the next charter term.

Summary of Public Comment

As required by the Act, the Department notified the Niagara-Wheatfield School District and other public and nonpublic schools in the same geographic area as the Niagara Charter School about the submission of the School's third renewal application. The District held the required hearing on September 18, 2013. Nine people spoke in favor of the renewal of the School's charter.

Appendix A



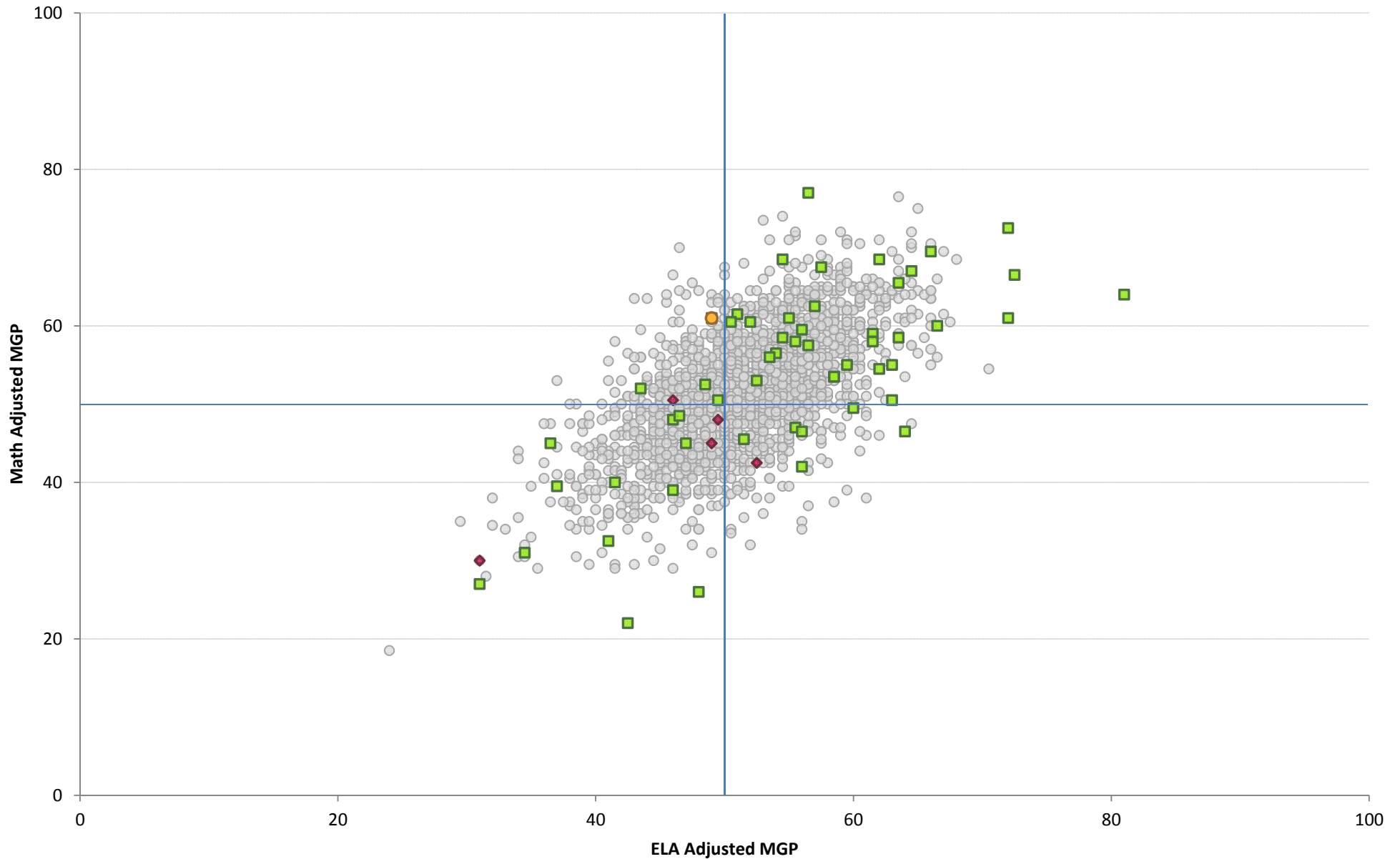
Niagara Charter School

2014 Regents Authorized Charter School Academic Analysis

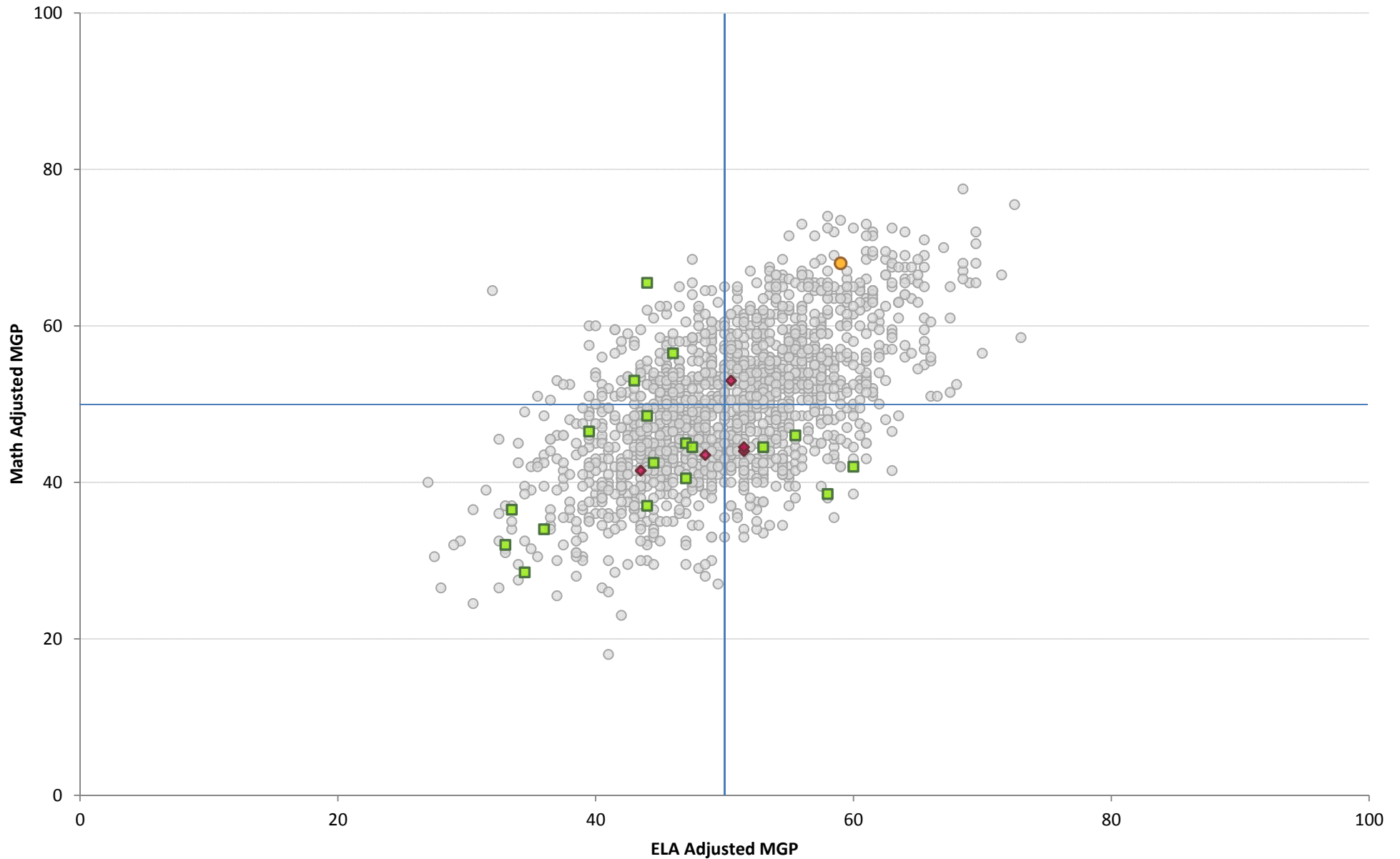
Student Performance and Growth
Compared to the District and the State

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

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

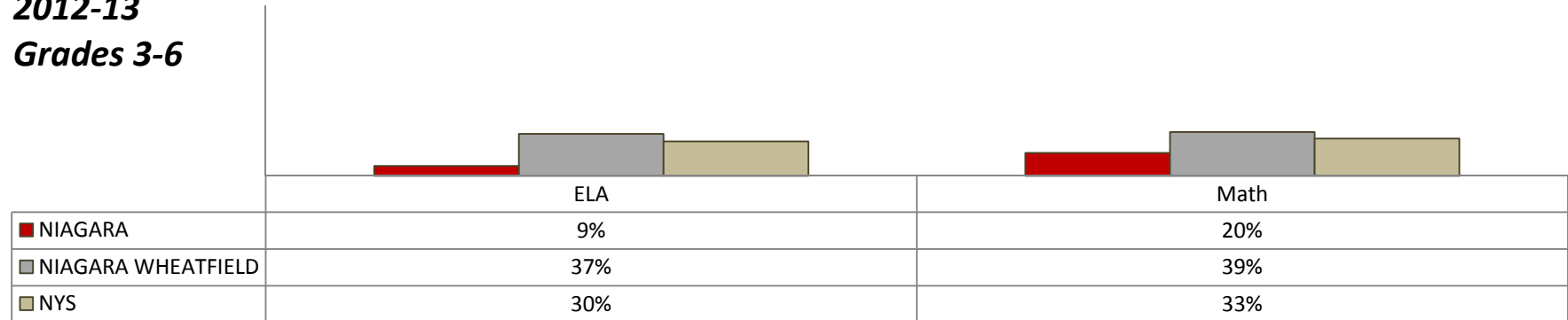


2012-13 ELA and Math Adjusted Mean Growth Percentile: *Niagara Charter School Compared to Similar Schools within Niagara-Wheatfield CSD and New York State*



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

**2012-13
Grades 3-6**

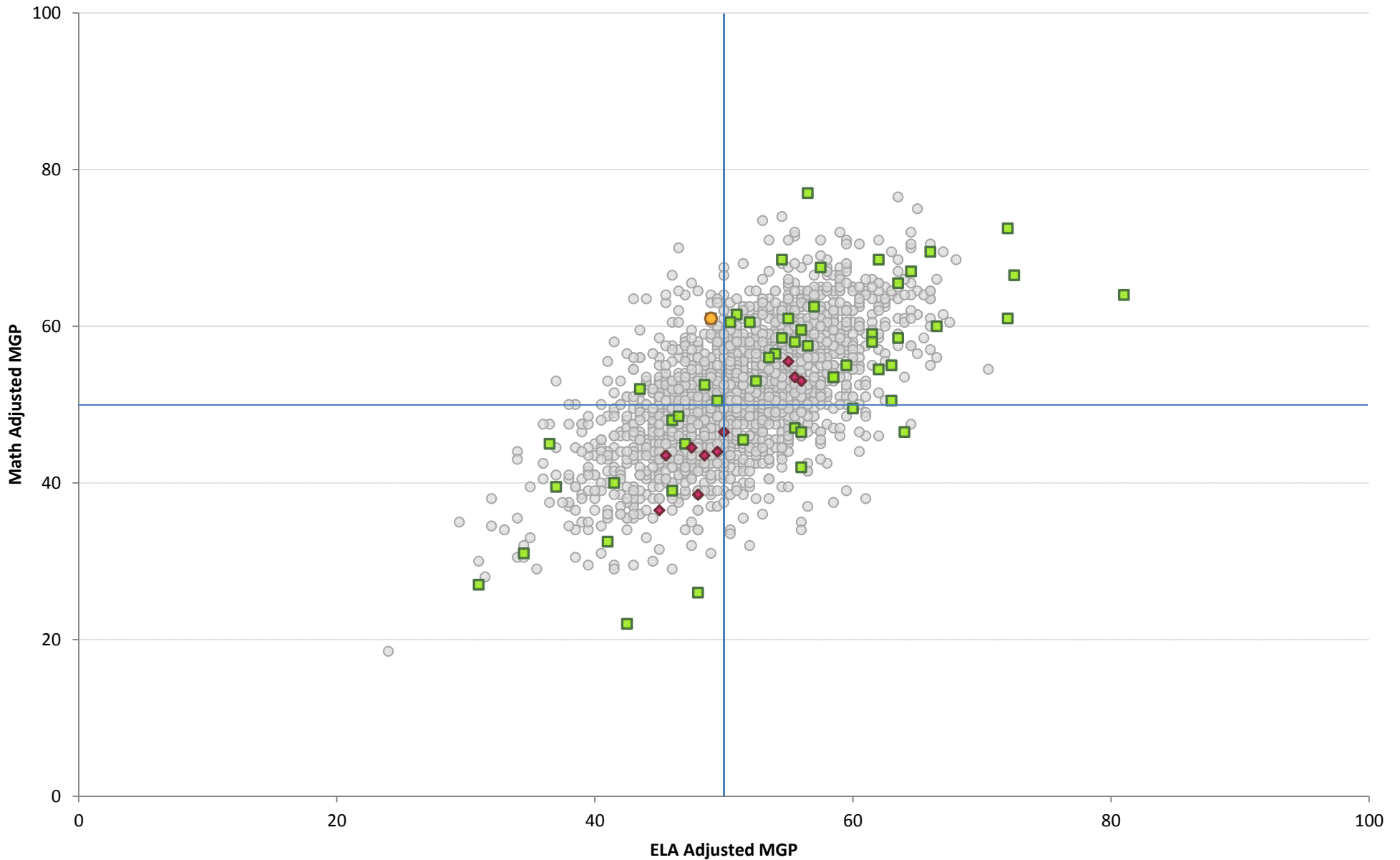


Note: Niagara Charter School is in a one year renewal period and held to the Performance Framework, thus, the school’s academic performance will only be based on the 2012-13 academic year.

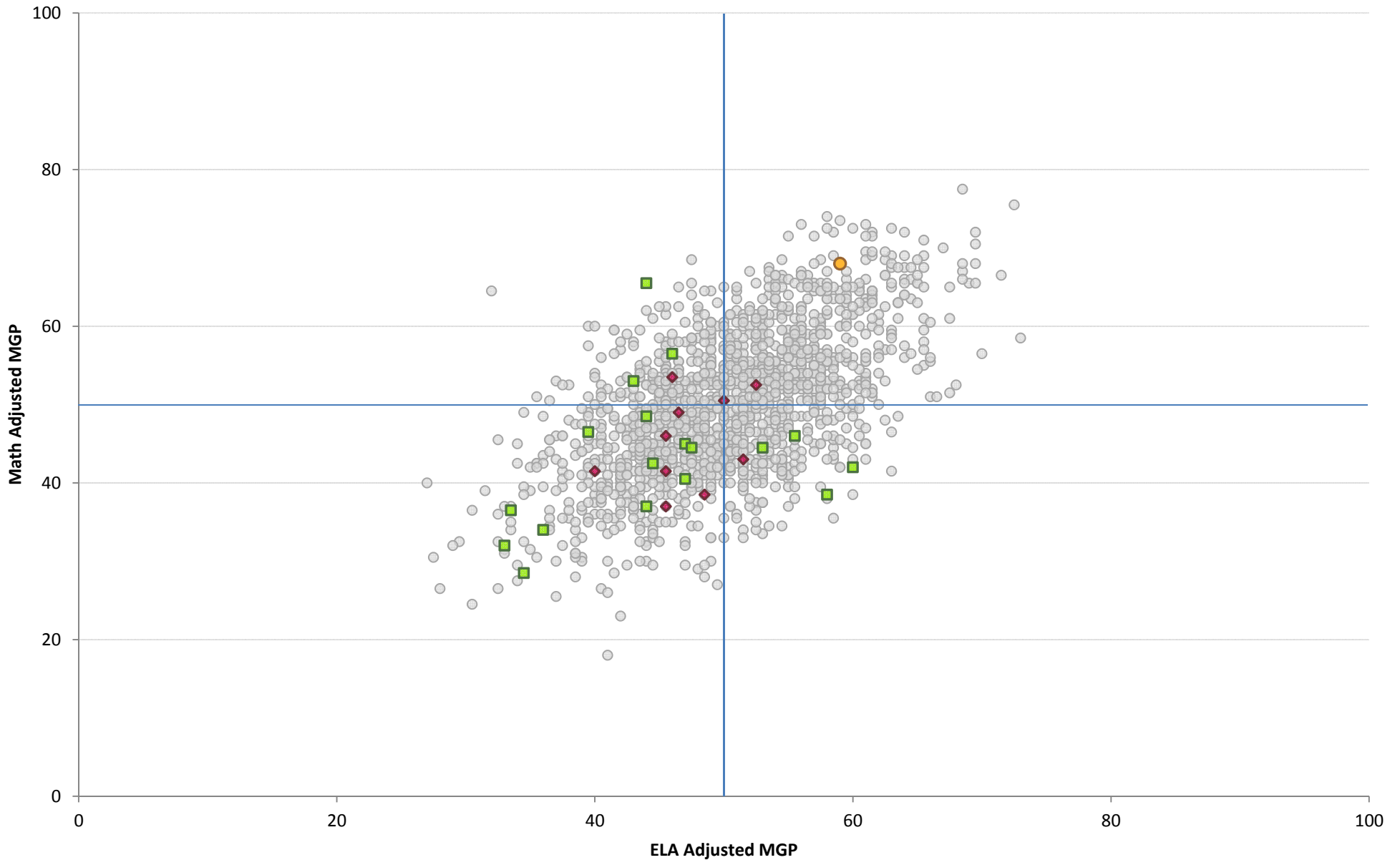
Though Niagara Charter School is physically located in the Niagara Wheatfield SD, the school will also be compared against the Niagara Falls SD as more than 95% of the student population at Niagara Charter School resides in the Niagara Falls SD.

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

2011-12 ELA and Math Adjusted Mean Growth Percentile: *Niagara Charter School Compared to Similar Schools within Niagara Falls City SD and New York State*

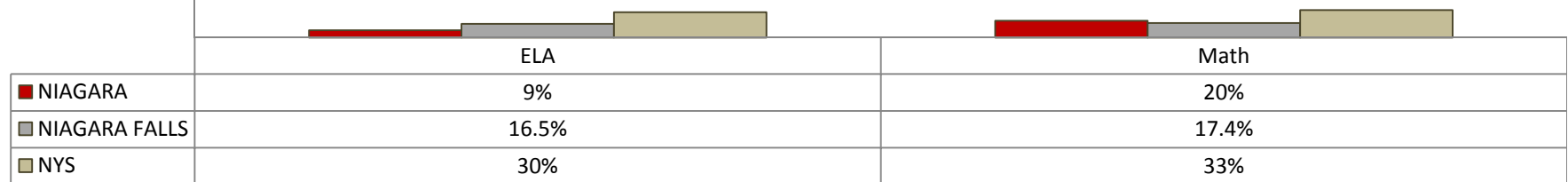


2012-13 ELA and Math Adjusted Mean Growth Percentile: *Niagara Charter School Compared to Similar Schools within Niagara Falls City SD and New York State*



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

**2012-13
Grades 3-6**



Note: Niagara Charter School is in a one year renewal period and held to the Performance Framework, thus, the school’s academic performance will only be based on the 2012-13 academic year.

Though Niagara Charter School is physically located in the Niagara Wheatfield SD, the school will also be compared against the Niagara Falls SD as more than 95% of the student population at Niagara Charter School resides in the Niagara Falls SD.

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

Appendix B



Niagara Charter School

2014 Regents Authorized Charter School Fiscal Analysis

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

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

Charter School:	Niagara Charter School
Report as of:	2013



General Information:					
Contact Info:	Darci Novak	Years in Operation:	8	Enrollment:	350
Region:	Buffalo CSD	Grades Served:	K-6	Max Enrollment:	350

Income Statement:		Balance Sheet & Cash Flow:		Key Performance Metrics:	
Revenues:		Assets:		Near-Term Metrics:	
State/Local Operating	\$3,786,824	Cash	\$1,253,865	Current Ratio	2.9x
Federal Sources	287,438	Total Current Assets	1,389,351	Unrestricted Days Cash	115.2
State/Local Grants	145,747	Investments & PP&E	528,348	Enrollment Stability	100.0%
Other	39,653	Total Assets:	\$1,917,699	Total Revenue Per Student:	\$12,170
Total Revenues:	\$4,259,662			Total Expenses Per Student:	\$11,350
Expenses:		Liabilities:		Sustainable Metrics:	
Total Program Services	\$3,211,795	Current Liabilities	\$481,634	Total Margin	6.7%
Management and General	760,864	Total Debt	0	Debt to Asset Ratio	0.25x
Fundraising	0	Total Liabilities:	481,634	Cash Flow	\$476,695
Total Expenses:	\$3,972,659	Net Assets:	1,436,065	Debt Service Coverage Ratio	N/A
		Total Liab. & Net Assets:	\$1,917,699	Composite Score	2.70
Ops. Surplus/(Deficit)	\$287,003	Change in Cash	\$476,695	Composite Strength	Strong



Performance Evaluation Master

Symbol Legend:

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

Key Inputs:

Target School:	Niagara Charter School
Time Period:	2013

Financial Indicator:

Target: Niagara Charter School

Near-Term Indicators:

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

Current Metric:	Performance:		
2.9x			
115.2			
100.0%			

Financial Composite Score:

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

Current Metric:	Performance:		
2.7x			

Long-Term Indicators:

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

Current Metric:	Performance:		
6.7%			
0.25x			
\$476,695			
N/A			

Near-Term Performance Evaluation: Niagara Charter School

	2013	2012	2011	Average
1a. Current Ratio	2.88x	2.28x	1.22x	2.13x

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

	2013	2012	2011	Average
1b. Unrestricted Days Cash	115.2	78.5	60.2	84.6

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

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

Explanation: Enrollment stability tells authorizers whether or not the school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations. Actual Enrollment divided by Enrollment Projection in Charter School Budget.

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

Financial Composite Score: Niagara Charter School

2 Financial Composite Score	Current
	2.70

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

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

Long-Term Performance Evaluation: Niagara Charter School

	2013	2012	2011	Average
2a. Total Margin	6.7%	11.4%	13.9%	10.7%

Explanation: Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources. Calculated as Net Income divided by Total Revenue.

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

	2013	2012	2011	Average
2b. Debt to Asset Ratio	0.25x	0.28x	0.53x	0.35x

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

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

	2013	2012	2011	Average
2c. Cash Flow	\$476,695	\$95,844	\$476,695	\$349,745

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

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

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

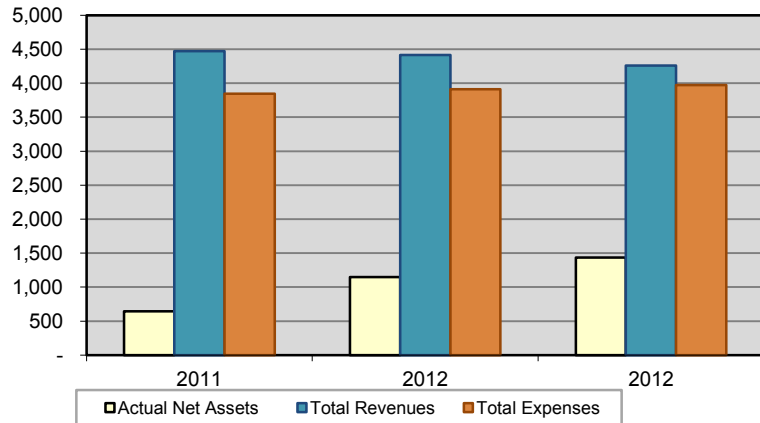
Explanation: Debt service coverage ratio indicates a school's ability to cover its debt obligations in the current year. Calculated as: (Net Income + Depreciation + Interest Expense)/(Principal and Interest Payments).

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



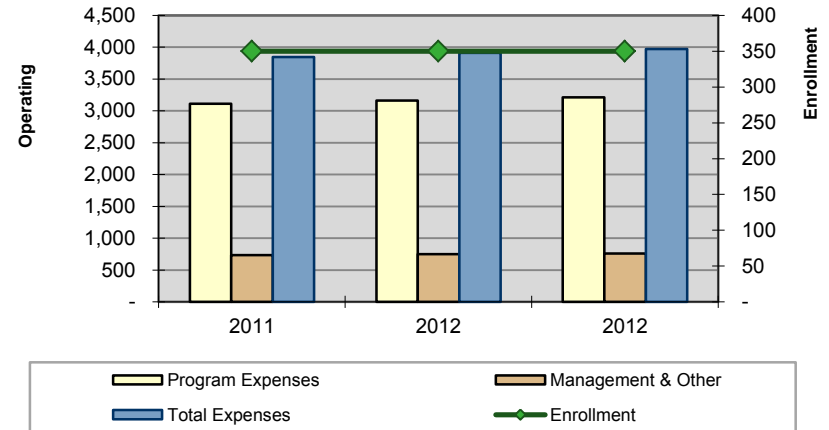
(\$'s in thousands)

Revenues, Expenses & Change in Net Assets



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

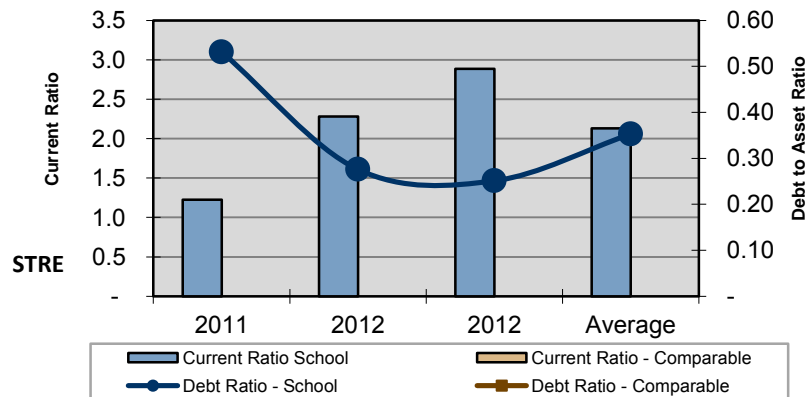
Enrollment vs. Operating Expenses



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

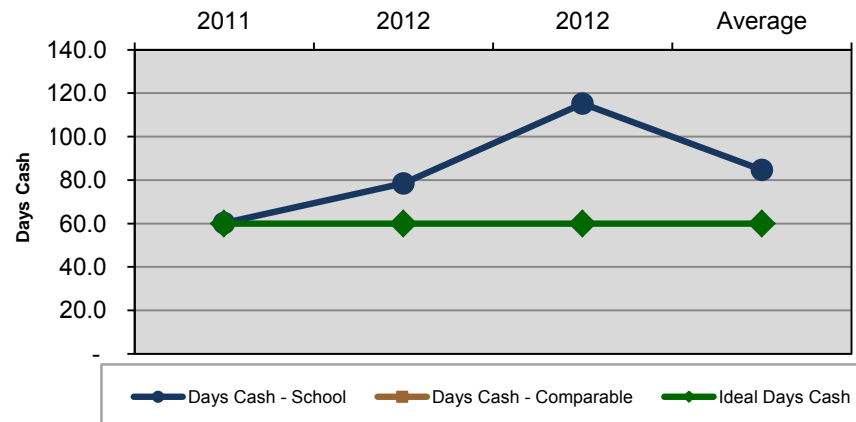
Current Ratio / Debt to Asset Ratio

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



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

Days Cash



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



School		Niagara Charter School
COMPOSITE SCORE:		2.7
PRIMARY RESERVE RATIO	Unrestricted Net Assets	\$ 1,436,065.00
	ADD: Temporarily Restricted Net Assets	\$ -
	LESS: Net Property, Plant and Equipment	\$ (528,348.00)
	ADD: Long-term debt	\$ -
	EXPENDABLE NET ASSETS	\$ 907,717.00
	DIVIDE BY: TOTAL EXPENSES	\$ 3,972,659.00
	PRIMARY RESERVE RATIO:	0.228x
EQUITY RATIO	Unrestricted Net Assets	\$ 1,436,065.00
	ADD: Temporarily Restricted Net Assets	\$ -
	MODIFIED NET ASSETS	\$ 1,436,065.00
	DIVIDE BY: MODIFIED ASSETS	\$ 1,917,699.00
	EQUITY RATIO:	0.749x
NET INCOME RATIO:	CHANGE IN UNRESTRICTED NET ASSETS	\$ 287,003.00
	DIVIDE BY: TOTAL UNRESTRICTED REVENUE	\$ 4,259,662.00
	NET INCOME RATIO:	0.067x
STRENGTH FACTOR SCORE (cannot be <-1 or >3)	PRIMARY RESERVE strength factor score = 10 x Primary Reserve ratio result	2.280
	EQUITY strength factor score = 6 x Equity ratio result	3.000
	Net Income strength factor score = 1 + (25 x Net Income Ratio Result) IF Negative Net Inc.	0.000
	Net Income strength factor score = 1 + (50 x Net Income Ratio Result) IF Positive Net Inc.	3.000
	NET INCOME Strength Factor:	3.000
WEIGHTED AND COMPOSITE SCORE	Primary Reserve Weighted Score = 40% x Primary Reserve Strength Factor Score:	0.912
	Equity Weighted Score = 40% x Equity Strength Factor Score:	1.200
	Net Income Weighted Score = 20% x Net Income Strength Factor:	0.600
	Composite Score = Sum of ALL Weighted Scores	2.712
	Round to one digit after the decimal to determine the final score:	2.7
Performance Based on Composite Score		Strong

COMPOSITE SCORE EXPLANATION:

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

Understanding COMPOSITE SCORES

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

4 Steps to Calc. COMPOSITE SCORES

Step 1: Calculate Three Financial Ratios from Financial Statements		
Primary Reserve Ratio	Equity Ratio	Net Income Ratio
Expendable Net Assets / Total Expenses	Modified Net Assets / Modified Assets	Change in Unrestricted Net Assets / Total Unrestricted Revenue

Step 2: Convert Ratio Results to Strength Factor Scores							
Strength Factor Score	Interpretation of Score	Primary Reserve Ratio		Equity Ratio		Net Income Ratio	
		Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary
-1	Liabilities exceed resources	(0.10)	(0.05)	(0.17)	(0.17)	(0.08)	(0.06)
0	No demonstrable net resources	0.00	0.00	0.00	0.00	(0.04)	(0.03)
1	Minimal resources, but not enough for clear financial health	0.10	0.05	0.17	0.17	0.00	0.00
1.5	Minimal level of resources to indicate financial health	0.15	0.08	0.25	0.25	0.01	0.02
3	Clearly financially healthy on that resource	0.30	0.15	0.50	0.50	0.04	0.06

Step 3: Multiply the Strength Factor Scores by a Weighting Factor			
Charter School Educational Sector	Primary Reserve Strength Factor	Equity Strength Factor	Net Income Strength Factor
Private Non-profit	40%	40%	20%
Proprietary	30%	40%	30%

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



New York State Education Department

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

Northside Charter High School

Date of Report: February 10, 2014

Introduction

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

Charter School Summary

Opening Information

Date Initial Charter Approved by Board of Regents	January 13, 2009
School Opening Date	August 31, 2009
Charter Terms	January 13, 2009 – January 12, 2014

Location

School Year(s)	Location(s)	Grades at Location	District of Location	Districts Served
2009-2014	424 Leonard Street, Brooklyn, NY 11222	9-12	NYC CSD #14	New York City

Partner Organizations

Partner Name	Partnership Type	Dates of Service
NONE (as of May 2012)		

Current Mission Statement

The mission of Northside Charter High School (NCHS) is to provide a 9-12 educational program that results in mastery of the New York State Learning Standards, high school graduation, and acceptance to colleges and universities of choice by all students.

Current Key Design Elements

• Robust Student Advisory Programs
• Rigorous Regents-aligned curricula
• Ongoing Assessments
• Performance-driven accountability
• Exhibition of longitudinal knowledge
• Participation in a youth development framework
• Performance equal to or exceeding NYS mandated requirements for graduation
• Participation in ongoing analysis and evaluation
• Instruction and other activities of a highly qualified teaching staff
• Support for appropriate instructional and administrative technology

School Characteristics

School Year	Chartered Enrollment	Actual Enrollment	Grades Served
2009-2010	100	94	9
2010-2011	200	177	9-10
2011-2012	300	272	9-11
2012-2013	400	375	9-12
Maximum enrollment: 400			

Student Demographics of NCHS Compared to District of Location

	Northside Charter High School Enrollment		District of Location Enrollment	
	Total	%	Total	%
2011-12				
<i>All Students</i>	272		7568	
American Indian/Alaska Native	7	2.6%	31	0.4%
Asian/Pacific Islander	5	1.8%	276	3.6%
Black	82	30.1%	3236	42.8%
Hispanic	166	61.0%	3768	49.8%
Migrant	--	--	--	--
Multiracial	1	0.4%	10	0.1%
White	11	4.0%	247	3.3%
Economically Disadvantaged	224	82.4%	6276	82.9%
Limited English Proficient	17	6.3%	673	8.9%
Students with Disabilities	44	16.2%	1311	17.3%
2012-13				
<i>All Students</i>	375		7146	
American Indian/Alaska Native	8	2.1%	34	0.5%
Asian/Pacific Islander	7	1.9%	322	4.5%
Black	110	29.3%	2819	39.4%
Hispanic	232	61.9%	3709	51.9%
Migrant	--	--	--	--
Multiracial	3	0.8%	32	0.4%
White	15	4.0%	230	3.2%
Economically Disadvantaged	306	81.6%	6115	85.6%
Limited English Proficient	22	5.9%	689	9.6%
Students with Disabilities	50	13.3%	1176	16.5%

Current Board of Trustees

Board Member Name	Term	Position/Committees
Jairo Guzman	January 2012	Chairperson/Executive, Education & Accountability
Matteo Gallo	January 2012	Vice Chairperson/Executive, Education & Accountability
Kaley Childs	January 2012	Secretary/Executive, Finance
Doug Giles	November 2012	Treasurer/Executive, Finance
Willie Scott	January 2012	Education & Accountability
John Wood	January 2013	Education & Accountability

School Leader(s)

School Year	School Leader(s) Name and Title
2009-2011	Eric Roa, Principal
2011-2013	Reshma Baig, Principal
2013-2014	Kathleen Curatolo, Executive Director

School Visit History

School Year	Visit Type	Evaluator (CSO/External)	Date
2010	Check-In	CSO	Spring 2010
2011	Full	CSO	April 8-9, 2011
2012	Fiscal	CSO	November 28, 2012
2013	Renewal	CSO	October 1-2, 2013

Background

The Board of Regents approved and chartered Northside Charter High School (“NCHS” or “School”) located in New York City in Community School District 14 in January 2009. The School is currently in its fifth year of operation. NCHS was chartered as “Believe Northside Charter High School.” In August 2009, the Board of Regents approved a revision to the charter permitting the School to contract with a charter management organization, Believe High School Network, Inc. In September 2011, the School was placed on probation due to concerns regarding governance, organizational viability, and fiscal soundness. NCHS did not substantially resolve the violations identified in the probation order and in January 2012, the School was issued a Notice of Intent to Seek Revocation and Order. In April 2012, CSO issued Supplemental Terms and Conditions for the duration of the probation period. In June 2012, the probation order expired with the School materially, though not fully, satisfying the terms. On September 14, 2012, CSO issued a memorandum describing the ongoing oversight and reporting requirements for the 2012-2013 school year. During the 2012-2013 school year, the School was required to provide CSO with notice of board meetings, agendas, minutes, financial statements, and enrollment updates. In addition, the board was required to meet at least monthly with at least two-thirds of its members in attendance. In April 2013, the School sought and was granted a name change from “Believe Northside Charter High School” to “Northside Charter High School” reflecting the termination of its management agreement with the Believe High School Network, Inc. in May 2012.

Department's Renewal Recommendation

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

Summary of Evidence

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

Department's Analysis of Student Performance

New York State Testing Program (NYSTP) Proficiency

Throughout the current charter term, NCHS's overall student proficiency has declined. Proficiency scores in English Composition and Integrated Algebra have declined by 25-30 points. Especially in the area of math, this decrease appears to be compounded in upper-level mathematics courses - Geometry and Algebra 2/Trigonometry. Additionally, the number of students taking algebra-rich science courses at the upper-level – Chemistry and Physics – is less than in prior years compared to the large number of students enrolled in Earth Science and Biology. NCHS's proficiency levels in Algebra 2 and Geometry have been lower than the NYC District #14 proficiency levels over the last three years. NCHS's scores have been below the NYS average in the areas of math and science as well.¹

¹ See Table 1 below and histograms in Appendix A for a more detailed depiction of student proficiency

Table 1: Northside CS NYSTP Proficiency Variance Compared to the District of Location and NYS²

Subject	Charter School			NYC #14		NYS	School Compared to:	
	N	%	N	%	%	NYC #14	NYS	
						+/-	+/-	
<i>2010-11</i>	English	21	100.0%	4,116	72.8%	84.4%	27.2%	15.6%
<i>Gr. 9-12</i>	Integrated Algebra	83	85.5%	4,486	46.1%	72.8%	39.4%	12.8%
	Geometry	19	84.2%	6	100.0%	75.0%	-15.8%	9.2%
	Algebra2/Trig	3	100.0%	1,262	15.3%	63.8%	84.7%	36.2%
	Earth Science	1	100.0%	5,112	63.4%	72.2%	36.6%	27.8%
	Biology	102	87.3%	6,792	59.1%	81.0%	28.2%	6.3%
	Chemistry	22	54.5%	0	0.0%	78.0%	54.5%	-23.5%
	Global Studies	82	70.7%	2,458	49.3%	69.5%	21.4%	1.3%
	US History	88	48.9%	2,294	40.9%	80.3%	8.0%	-31.4%
<i>2011-12</i>	English	95	77.9%	4,638	72.9%	82.4%	5.0%	-4.5%
<i>Gr. 9-12</i>	Integrated Algebra	102	73.5%	6,199	53.9%	71.4%	19.6%	2.1%
	Geometry	72	63.9%	2,103	46.8%	74.4%	17.1%	-10.5%
	Algebra2/Trig	28	0.0%	1,144	28.6%	63.8%	-28.6%	-63.8%
	Earth Science	131	48.9%	2,355	55.6%	73.6%	-6.7%	-24.8%
	Biology	110	77.3%	5,834	59.2%	78.8%	18.1%	-1.6%
	Chemistry	22	63.6%	135	30.0%	78.4%	33.6%	-14.7%
	Physics	14	85.7%	1,011	34.8%	78.9%	50.9%	6.8%
	Global Studies	44	65.9%	4,352	46.2%	71.1%	19.7%	-5.2%
	US History	110	82.7%	2,069	52.6%	79.1%	30.1%	3.6%
<i>2012-13³</i>	English						15.9%	-6.1%
<i>Gr. 9-12</i>	Integrated Algebra						3.5%	-13.6%
	Geometry						-1.5%	-36.3%
	Algebra2/Trig						-5.7%	-46.5%
	Earth Science						12.2%	-23.5%
	Biology						13.4%	-12.7%
	Chemistry						35.8%	0.4%
	Global Studies						24.0%	-0.4%
	US History						11.8%	-16.0%

² Table 1 shows district and state level percent of students scoring proficient (level 3 & 4) on the NYSTP ELA and math exams. These scores are reflective of grades served by the target school in that year, thus, district and state percentages only reflect those grades as well. Data shown in table 1 is from verified reports in the Student Information Repository System (SIRS).

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

Growth

The comparative high school growth measure used to analyze the progress of Northside Charter High School accounts for:

- A combined mean growth percentile comprising of students' growth in ELA and math at the high school level by using 7th and 8th grade outcomes as a control;
- Growth in Regents exams passed (GRE), which shows a predictor of on-track to graduate accounting for the number of Regents exams students need to pass in order to graduate on time.

The Charter School Office's growth analysis compares Northside Charter High School's performance to high schools within NYC District #14 and across the state that have similar demographics⁴. NCHS performed better than most traditional public high schools and charter schools in NYC District #14 in terms of growth. In terms of growth in Regents exams passed, NCHS performed better than most traditional public high schools and charter schools in NYC District #14, but did not outperform the majority of similar charter schools in New York State. While NCHS opened in 2009, its scores could not be fully analyzed until 2012-13. Other schools in the growth model have had more time to improve upon ELA and math programs over the years.⁵

Evidence of Performance Related to Academic Goals

Northside Charter School set academic goals for the duration of its charter term as required by Education Law § 2851(2)(b). The following outlines the school's self-reported progress⁶ toward meeting these goals:

- *NYSTP Proficiency*

Over the duration of its charter term, NCHS set a goal for 90% of its four-year cohort to be proficient (scoring level 3 & 4) on the English, Mathematics, Living Environment, Global History, and US History Regents Exams. As of 2012-13, the school has not met this goal. This measure is based on just one cohort as the school has only served one full 4-year cohort thus far.

Northside also set a goal for each cohort of students passing the ELA and Math Regents exam to be placed in the top quartile of all similar schools as calculated by the NYCDOE Progress Report results. The school met this goal for 2010-11 through 2012-13, but did not meet this measure for 2009-10 in math (a Regents exam was not administered for ELA in 2009-10).

Evidence of Performance Observed through On-site School Reviews

The CSO site visit teams conducted monitoring visits to the School throughout this current charter term (January 13, 2009- June 30, 2014). On October 1-2, 2013, a Department team conducted a renewal site

⁴ NCHS was compared to schools with a similar percentage of English Language Learners (ELL), students with disabilities (SWD) and students in poverty (economically disadvantaged).

⁵ See Appendix A for detailed scatterplots showing comparative growth.

⁶ Data on charter school progress toward goals are reported in the school's application for renewal as required by Education Law § 2851(4)(a).

visit at NCHS. In addition, the Department conducted a fiscal check-in visit on November 28, 2012, a full site visit on May 9-10, 2012, and a special site visit on April 8-9, 2011. During these visits, the team interviewed the Board of Trustees, school administrators, teachers, parents and students, and observed classroom instruction. Three guiding questions serve as a lens to direct the review of the charter term:

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

Educational Soundness

Curriculum and Instruction

At the time of the 2013 renewal site visit, the NCHS curriculum was documented through weekly overviews developed each week by teachers, pursuant to feedback from the instructional leadership team. According to the principal, the faculty develops weekly lesson overviews, aligned to the Northside Dashboard, listing daily aims, objectives, materials and instructional methods. Copies of weekly overviews were provided to Team Members in classrooms and in a binder of review materials. The weekly overviews varied somewhat with respect to the quality and clarity of instructional aims, rigor of objectives, evidence of differentiation, inclusion of questions to test for higher-order thinking skills, and checks for understanding. Team members reviewed weekly overviews prior to, during, and subsequent to each classroom observation.

The State Education Department (SED) review team asked the principal to identify core instructional practices that the team should expect to see in classrooms. Northside's core instructional practices, as specified by the principal, are widespread use of the instructional dashboard for classroom organization, differentiated instruction, and fidelity to units. The school leader also said teachers could be observed placing on emphasis on higher-order questioning, and group work. The principal described differentiation as a method of acculturation for students to receive instruction through technology with the support of hands-on activities. Further, the principal defined differentiation as emphasizing multiple modalities to facilitate learning by students at their current achievement level.

In nearly all of the classroom observations, the students appeared engaged. The teacher Dashboard, observed in every classroom, offers students consistency from class to class by providing a place to find information such as the aim, activities, homework and key vocabulary for each lesson. Courses are offered that serve the needs of diverse students. For example, an advanced placement calculus class was offered in math to keep the high-achievers challenged. According to both teacher focus groups and the renewal application, teachers are encouraged to create engaging electives such as Forensics and Plant Ecology that present challenging, college-level material.

In previous years, the findings were similar. The November 2012 focused on the fiscal management and operations of the School. The full site visit of May 9-10, 2012 evaluated the overall academic, fiscal, and operational viability of the school. At the time of the visit, CSO (joined by a member of the New York City Department of Education's Office of Charter Schools), found the curriculum partially addressed the skills and concepts that all students required to meet NYS Common Core Learning Standards, and that the School provided support to teachers across all grades and subject. The team further found that the School was developing systems for program evaluation, wherein trustees and administrators used multiple rubrics for self-evaluation and teacher evaluation.

Teachers identified three methods of instructional quality control used school-wide: weekly overviews of lesson plans by the principal, frequent observations by instructional leaders, and a system of uniform assessment. Teachers used mapped curriculum aligned to the standards. Instructional delivery was clear and consistent across classrooms. Instructional groupings and modalities to which teachers designed lessons (visual, auditory, and kinesthetic) varied widely to meet the needs of a diverse learning community. Participants in a student focus group reported that teachers prioritize providing strong academic support to individual students based on their needs. Students believe teachers are most effective at teaching to different types of learners.

Similarly, administrators emphasized consistent classroom operations through school-wide adherence to a dashboard inclusive of aims, do-now activities, body of lesson plans, exit tickets, bulletin board organization, and the use of Promethean boards. At the time of the 2012 site visit, teachers were observed implementing this charge unevenly. The majority of classes were structured, however, with clear aims, measurable short and long-term activities, and lessons aligned to the curriculum.

Assessment and Instructional Decision-Making

Throughout the charter term, the School has improved the manner in which it uses assessments and related data to inform instructional decision-making. Over the course of the renewal visit, CSO found evidence that the School used ongoing formative and summative assessments and evaluation data to inform instructional decision-making and promote learning. Teachers use data to inform instructional practice.

The School's summative assessments include term-end examinations and Regents exams. Seniors also have a portfolio of work they must defend to a panel of teachers that encompasses their whole career at the school. According to the leadership group, term-end assessments are all developed by teachers.

Weekly review of PowerSchool scores are used to inform students and teachers of individual student performance, according to all focus groups. The leadership focus groups stated that they have used this data for several purposes: to inform afterschool tutoring sessions, to create homework packets designed that reinforce certain material, and to develop Regents prep lessons and workshops. Additionally, the department coordinators use the PowerSchool and Regents data on a case-by-case basis to identify and assist individual students.

According to the leadership and department coordinator focus groups at XX visit, each department analyzes student data from Regents exams question-by-question to guide future instructional decisions as well as programmatic decisions. For example, they have added a survey math course that precedes the first Regents math course to assist students entering the School with low math skills.

The leadership team has used student performance data to identify several areas for growth: math and science, refining in-house assessments, Regents ELA scores, and Living Environment scores. Teachers at NCHS determined student readiness to sit for the Regents examination in chemistry.

In 2012, the CSO team found that processes for assessment and instructional decision-making were driven by formal and informal methods and modes of communication. An embedded, data-rich systemic approach was not evident, however, at the time of the visit. Teachers reported working closely with

department coordinators to develop schoolwide assessments, which were subsequently reviewed by the principal.

Climate, Culture and Safety

Consistent with the observed practice of the School since its inception, the renewal site visit team found the climate and culture to be reflective of the school's mission and design, and to directly support student learning, development and achievement. The School continues to maintain an environment that is physically safe, generally, and free from harassment for all students and stakeholders.

All focus groups, observations and the application confirm that the school places a heavy emphasis on supporting the emotional and social development of each child. NCHS does this through the use of guidance counselors, advisory and teachers. They have Individualized Student Support Plans, maintain low class sizes, and provide multiple opportunities outside of class for students to receive academic and social support.

According to the parent group, student group, leadership group, and guidance counselor group the school is safe and free from harassment and discrimination. Parents stated that any bullying or harassment issues are addressed immediately by the staff and resolved fairly resulting in a positive and emotionally safe school climate.

All focus groups confirmed that the school succeeds in addressing the social emotional and health needs of its students. Teachers and guidance counselors are reported to go above and beyond in making students feel cared for. The two parents in the parent group each reported being highly satisfied with how the school has dealt with particular health and social-emotional issues their children have had over the duration of their enrollment in the school. All members of the school community use the phrase "second family" in reference to the school culture.

Previous site visits recorded similar observations. In May 2012, teachers cited the open door policy of the principal as a "critical driver" of communication and respect at NCHS. Instructional, student support, and operations leaders shared common space and worked collaboratively throughout the day. While the accommodations for staff permitted some expansion beginning in fall 2013, administrators and staff report that the culture of collegiality remains strong.

Organizational Soundness

Evidence of Organizational Capacity

The organizational capacity of the School has changed over the course of the charter term. Most recently, the CSO site visit team reported school leaders provide valuable administrative direction and make data-informed decisions based on the needs and best interests of students, staff, and families. Moreover, the administrative team has expanded its leadership and financial oversight capacity through the addition of new staff and the use of third-party vendors.

The organization chart for NCHS includes the recently hired executive director. The priorities for the position during the 2013-14 school year are professional development for staff, fundraising, strategic

planning, succession planning, and evaluation of the principal. In a focus group interview with administrators, the principal noted no change in her role with the introduction of the executive director. The principal reports to the executive director, and both report having a clear, collaborative relationship. The executive director was invariably described by teachers and administrators as approachable. The board of trustees stated during their focus group, however, that the principal would not begin reporting to the executive director until the 2014-2015 school year.

The operations and instructional teams both report to the principal. In focus groups and throughout the day, teachers expressed openness about engaging either the principal or executive director on instructional matters. Priorities for the principal during the 2013-2014 school year, beyond improving student achievement, are increasing teacher support (expanding uses of technology), developing systems for open and honest feedback to teachers, continuing to support the socio-emotional development of each student, and establishing a community service/internship coordinator.

The board of trustees has not used a uniform method of evaluation for school leadership. According to the principal, the position will be evaluated using the Reeves framework for instructional leadership. The renewal application and trustees referenced different models for evaluation (ValEd, previously used by Believe Charter Schools Network).

CSO conducted a fiscal oversight visit to the School in November 2012 in an effort to gather evidence on its fiscal condition prior to the close of the 2012-2013 school year, and the end of its follow-on probation period. Findings from that visit revealed that NCHS dramatically improved its financial condition through the support of an external vendor hired to develop systems and build internal capacity for long-term management.

In particular, CSO found key indicators of improvements to the financial management of the School that included the creation of an accurate and functional accounting system, the establishment of budget objectives with ongoing oversight of the budget, and maintaining appropriate internal controls and procedures. The School has established the goal of creating a viable surplus for the fiscal year. The School had 376 enrolled students and is within six percent of their projected total. This represents a significant increase in demand for seats over previous years. Operations staff and the financial management consultant reported that trustees are discussing modifications to the budget to improve the long-term stability of the School. BNCHS will also consider adding dedicated development personnel to the team.

BNCHS relies on structured and informal engagements to provide robust, organizational communication between trustees, staff, and its consultant. Senior consultants are on site four times per month, while junior staff are available no less than 2-3 times per week. The consultant is providing training to staff. School staff have demonstrated the ability to process payables and maintain proper supporting documentation. The School received assets from Believe Southside Charter High School (closed by vote of the Board of Regents in 2012). The assets were subsequently recorded on the books of NCHS during the 2012-2013 school year. The School was able to provide inventory lists for both schools, which included locations, and serial numbers for fixed assets.

Evidence of Board Oversight and Governance

Interviews with trustees and document reviews of board documents provide mixed evidence on the quality of stewardship provided by the board. Trustees continue to seek expertise in areas critical to the sustainability of the school, specifically real estate and human resources. The pursuit of an educator to join its ranks has been an aim of this board since the Regents issued a Notice of Intent to Seek Revocation Order in 2012. To date, no educators have joined the board. To close the expertise gap, the board opted to hire an educator in the newly created position of executive director. Two trustees interviewed at the time of the renewal visit expressed confidence in the ability of the new administrative team to provide them with timely, comprehensive, and actionable items for decision-making.

The board and the school leadership expressed diverging understandings of the role of the newly-appointed school leader and the principal. The discrepancy pertains to roles, supervisory relations, reporting, and evaluation merits additional communication between the board and school leadership. As noted previously, the board expressed its understanding that the principal would report to the executive director beginning in the 2014-2015 school year. The principal is currently reporting to the executive director. The board and principal notably disagreed on the method of performance evaluation for the position.

The board states that hiring the Executive Director is part of developing their long-term strategy. The first step is collaborating with her to arrive at an assessment of the school to potentially develop a 3-5 year plan for expansion. The board meets regularly and continues to provide CSO with updates of materials provided to trustees each month.

Trustees have conducted ongoing oversight of the financial management of the school. The trustees voted, however, to approve one year's expenses in advance to a third-party vendor responsible for their financial management. According to trustees, the board had a significant debate about the issue, and ultimately determined the payment should be made based on their ability to save approximately 1.5% of the total cost. The school believes it now has sufficient financial reserves to manage the increase to their prepaid expenses. The board's decision provides a significant benefit to the vendor, but not does necessarily meet the standard for long-term financial planning. In the fall, NCHS' board treasurer resigned in part due to the board's handling of this matter. A new treasurer has been appointed to the board and no complaints have been filed.

At the full site visit of May 2012, NCHS trustees were interviewed by the associate commissioner for school innovation and the CSO site visit team. CSO found that the new board, placed subsequent to the issuance of the probation order, demonstrated emerging governance principles by operating in a clear, consistent, and transparent manner. The primary board liaison to CSO from the probation period through the renewal application period had been the former treasurer. While CSO also found at that time that the board was accountable to the community and operated within clearly defined roles, the change in fiscal leadership and the ongoing inability to identify an educator suggest significant work remains undone.

The progress made by trustees, however, in severing the relationship with the former management company, obtaining records, adding staff, stabilizing the learning environment, and building

considerable cash reserves is significant. In 2012, school leaders stated that the new trustees approach to governance was “night and day” compared to their predecessors. Moreover, administrators found decision-making to be more inclusive.

In 2011, the pre-probation board failed to meet for eight consecutive months, failed to evaluate the management company, school leaders or its own performance. This board was often unable to establish a quorum for emergency meetings during the probation period.

Fiscal Soundness

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

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

Overall Financial Outlook

Based on an analysis of short-term and long-term indicators, Northside received a composite score of **3.0** for 2012-13, demonstrating strong financial health. The **Composite Score** is an overall measure of financial health calculated by the NYSED Office of Audit Services. This score is based on a weighting of primary reserves, equity and net income. A charter school with a score between 1.5 and 3.0 is considered in strong financial health. Since 2010-11, the financial health has improved significantly at Northside, as highlighted in the following table.⁹

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

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

⁹ Source: NYSED Office of Audit Services

Year	Composite Score
2010-11	(0.9)
2011-12	0.3
2012-13	3.0

Near Term Indicators

Although the school is overall financially strong, the current ratio for 2012-13 is 6.1, a significant increase from the prior year value of 0.51. The **current ratio** is a financial ratio that measures whether or not a school has enough resources to pay its debts over the next 12 months. It compares the school's Current Assets to Current Liabilities. The current ratio is an indication of liquidity and ability to meet creditor's demands. Acceptable ratios are generally between 1.5 and 3 which would indicate good short term strength. If current liabilities exceed current assets (the current ratio is below 1), then the school may have difficulties meeting its short-term obligations.

For fiscal year 2012-13, Northside operated with 128.7 days unrestricted cash. **Unrestricted cash** measures in days whether the school can meet operating expenses without receiving new income. Schools typically strive to maintain at least 90 days cash on hand.

For 2012-13, enrollment stability was at 96.5 percent, an increase from 91.3 percent in 2011-12. **Enrollment stability** measures whether or not a school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations. Schools typically strive to have low variability in enrollment over time. Actual enrollment that is over 85 percent is considered reasonable.

Long Term Indicators

For 2012-13, Northside's debt to asset ratio was 0.14, an improvement from 1.01 in 2011-12. A school's **debt to asset ratio** measures the extent to which the school relies on borrowed funds to finance its operations. It is calculated as total liabilities divided by total assets. A ratio of 0.9 or less meets a standard of low risk.

Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources. Total margin is calculated as net income divided by total revenue. For 2012-13, Northside's total margin was 28.4 percent, an increase from 2011-12 levels of 2.8 percent.

Cash flow is an assessment of change in cash from operations, financing and investing over a given period. For the 2012-13 period, Northside had positive cash flow of \$1,586,331. This is a substantial shift from 2011-12 levels of 3,623, according to the school's 2012-13 audited financial statements.

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

Faithfulness to the Charter and Law

The school is faithful to the mission, vision, and educational philosophy defined in the charter application and subsequent approved amendment(s). The mission and many of the key design elements

of the School were widely observed by the review team, and corroborated by focus groups of trustees, administrators, teachers, and students. NCHS does face some implementation challenges on some key design elements. The critical practices of the model that were consistently observed include performance-driven accountability, participation in a youth development framework, and participation in ongoing evaluation and analysis processes.

Less robust evidence was provided of key design elements such as support for appropriate instructional and administrative technology. Observed students made limited use of technology over the course of the visit. While the team did not conduct observations of a hands-on technology class, observations of integrated technology were limited. The review team heard testimonials from administrators, staff, parents and students about the extensive use of portfolios as a means for students to exhibit longitudinal knowledge.

In the middle of its charter term, the School was in peril of closure for several reasons. The board failed to conduct public meetings, failed to establish a quorum when it did meet, conducted unofficial votes, failed to oversee a management company to which it paid a 20% management fee, failed to oversee school leaders and to evaluate its own actions as a board. In addition, the trustees did not provide statements disclosing financial interests to CSO in a timely or accurate fashion. The board also failed to obtain tax-exempt status within one year of charter approval. Prior to the 2012-2013 school year, NCHS sought approval from CSO to open due to concerns about insufficient enrollment.

Plans for the Next Charter Term

The School's Renewal Application did not indicate a request for any material changes for the next charter term.

Summary of Public Comment

As required by the Charter School Act, the Department notified the New York City Department of Education and public and nonpublic schools in the same geographic area about the submission of the school's renewal application. The district held the required hearing on January 8, 2014. There were no speakers.

Appendix A



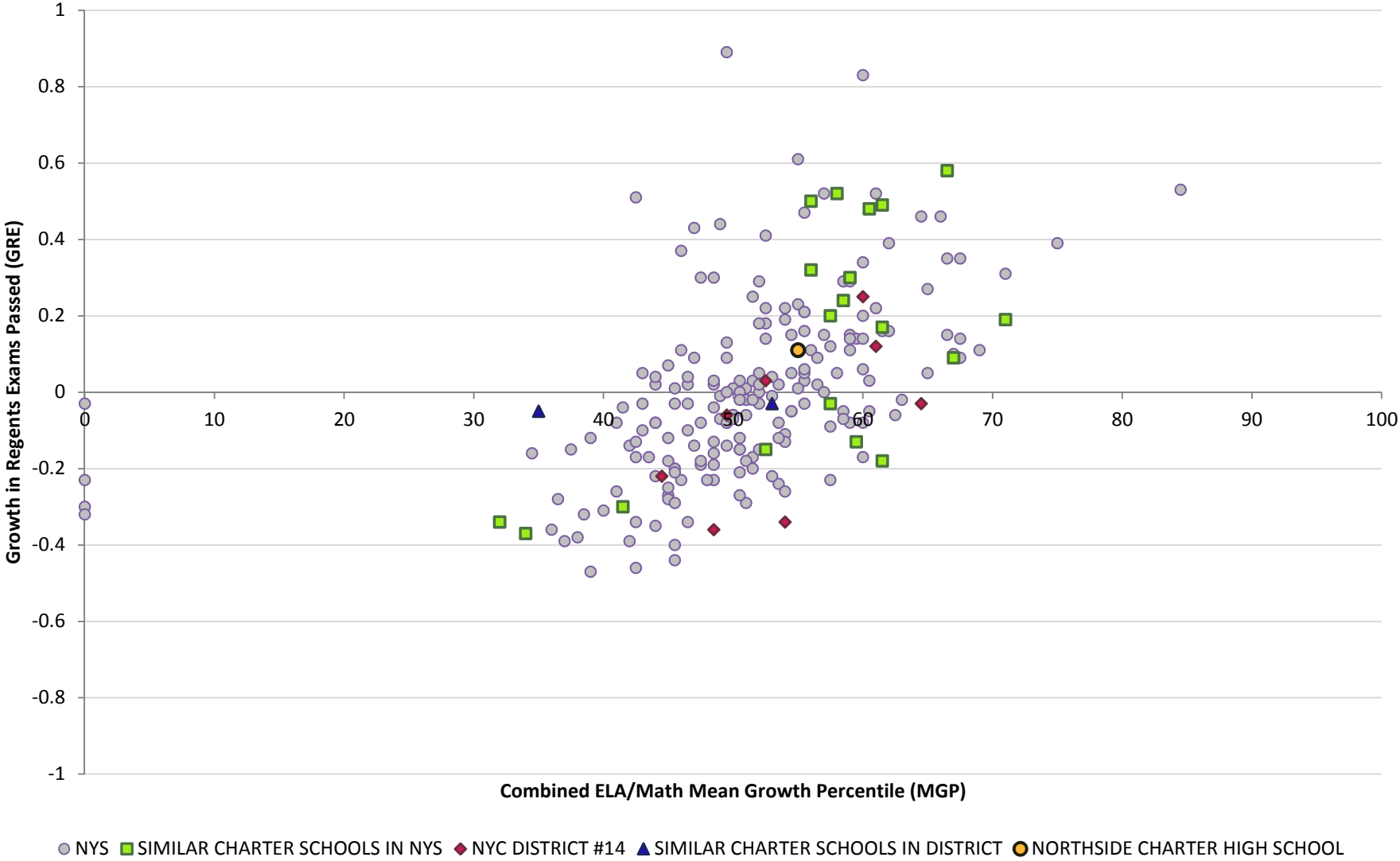
Northside Charter High School

2014 Regents Authorized Charter School Academic Analysis

Student Performance and Growth
Compared to the District and the State

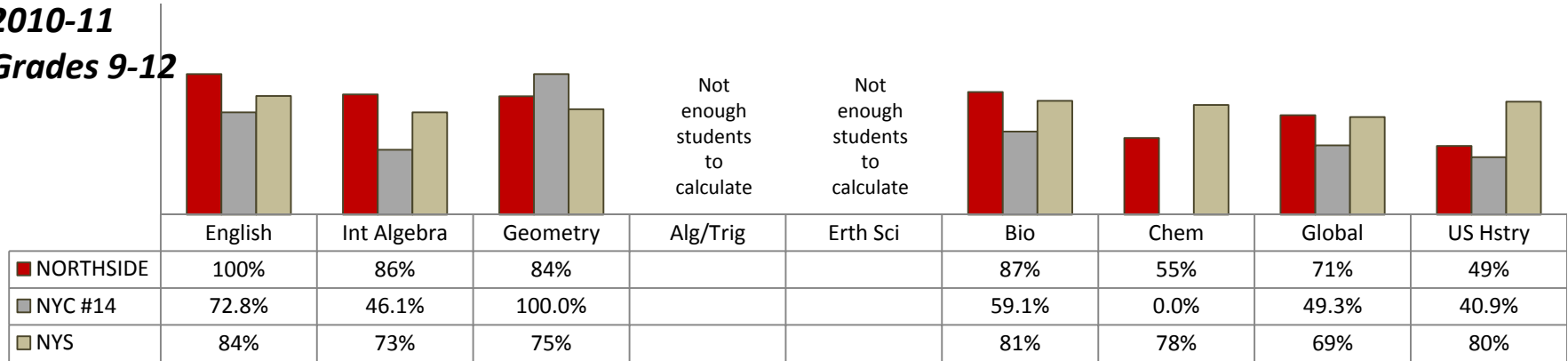
The Regents of The University of the State of New York
Charter School Office
89 Washington Avenue
Albany, New York 12234
charterschools@mail.nysed.gov
518-474-1762

2012-13 Growth in Regents Exams Passed and Combined ELA/Math Mean Growth Percentile: *Northside Charter High School Compared to Similar Schools within NYC District #14 and New York State*

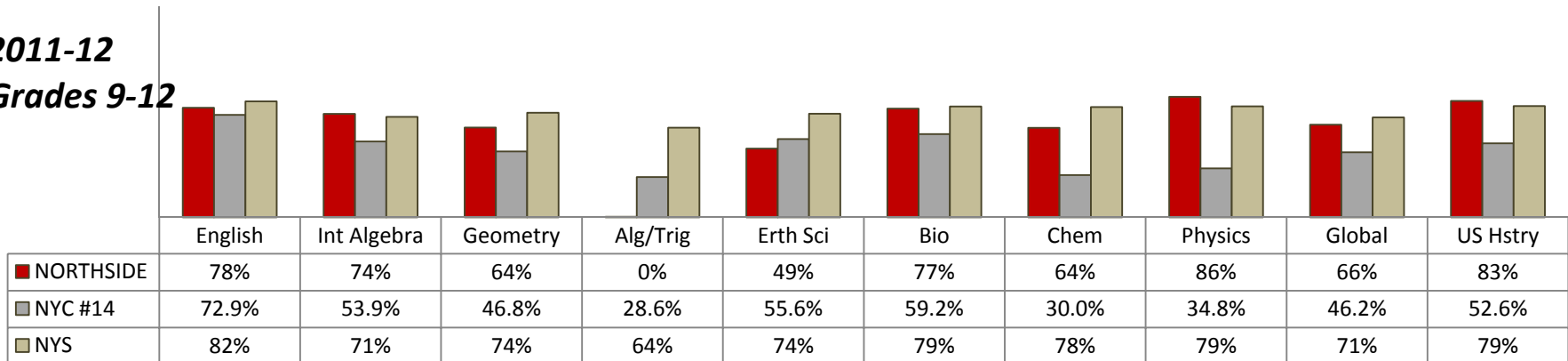


Northside Charter High School Proficiency of All Students Compared to District and State Averages

2010-11 Grades 9-12



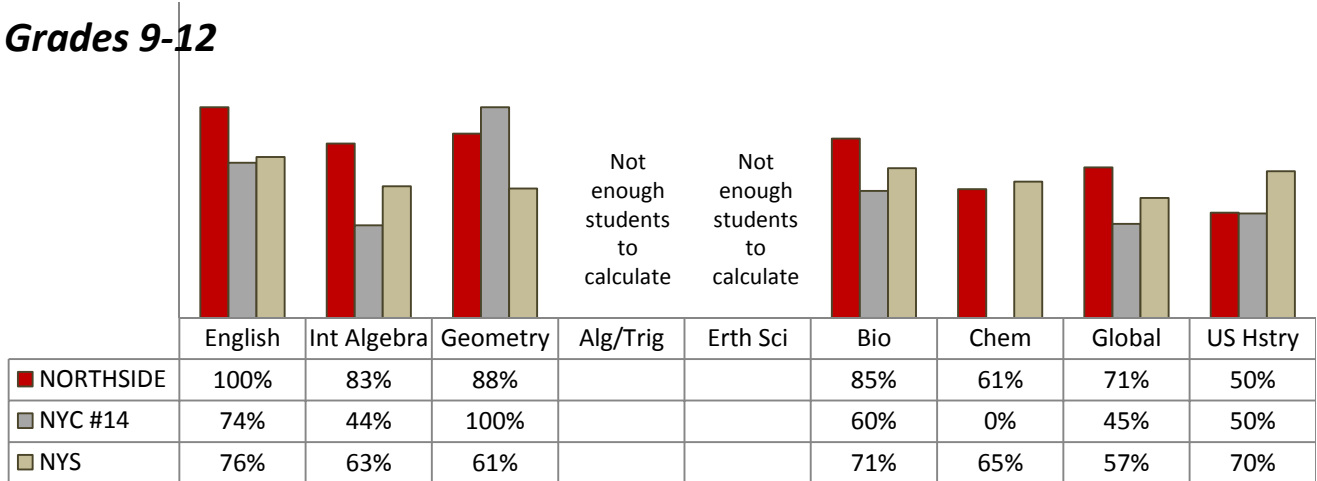
2011-12 Grades 9-12



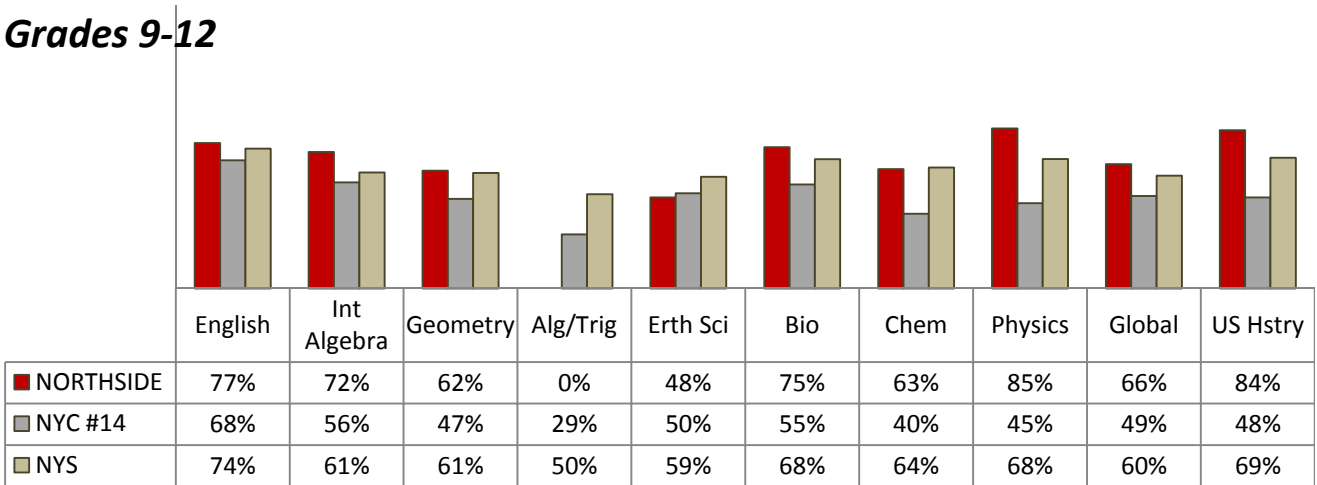
Note: 2012-13 high school Regents proficiency data is embargoed until the school report card release.

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

2010-11 Grades 9-12



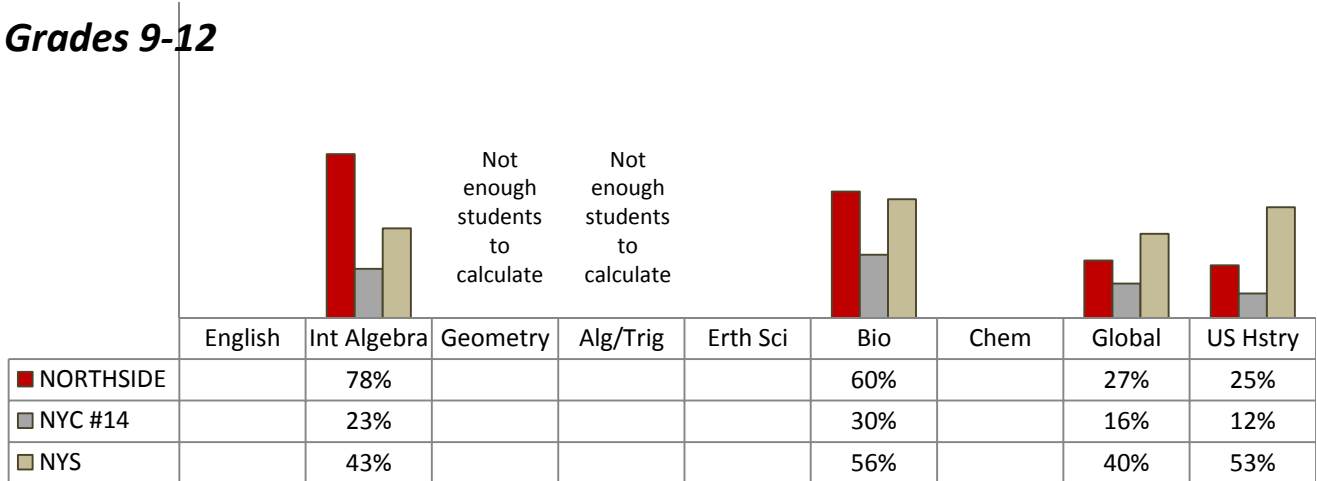
2011-12 Grades 9-12



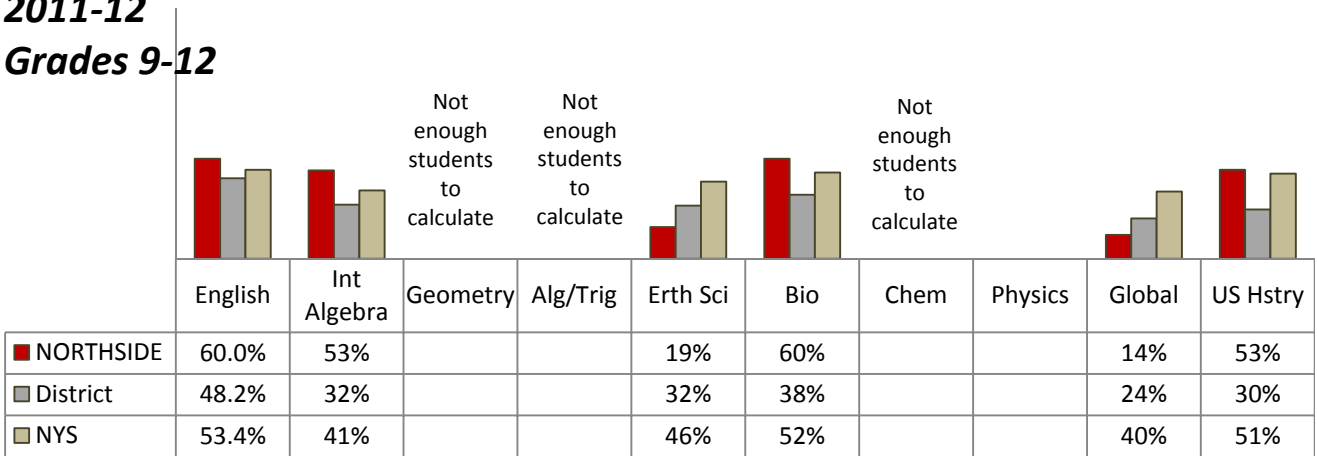
Note: 2012-13 high school Regents proficiency data is embargoed until the school report card release.

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

2010-11 Grades 9-12



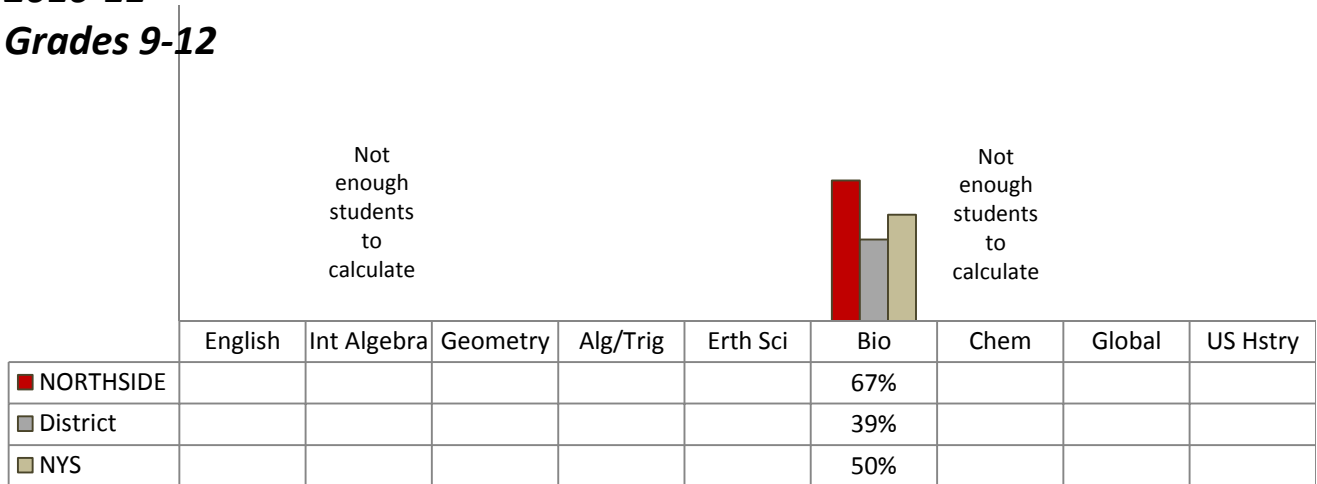
2011-12 Grades 9-12



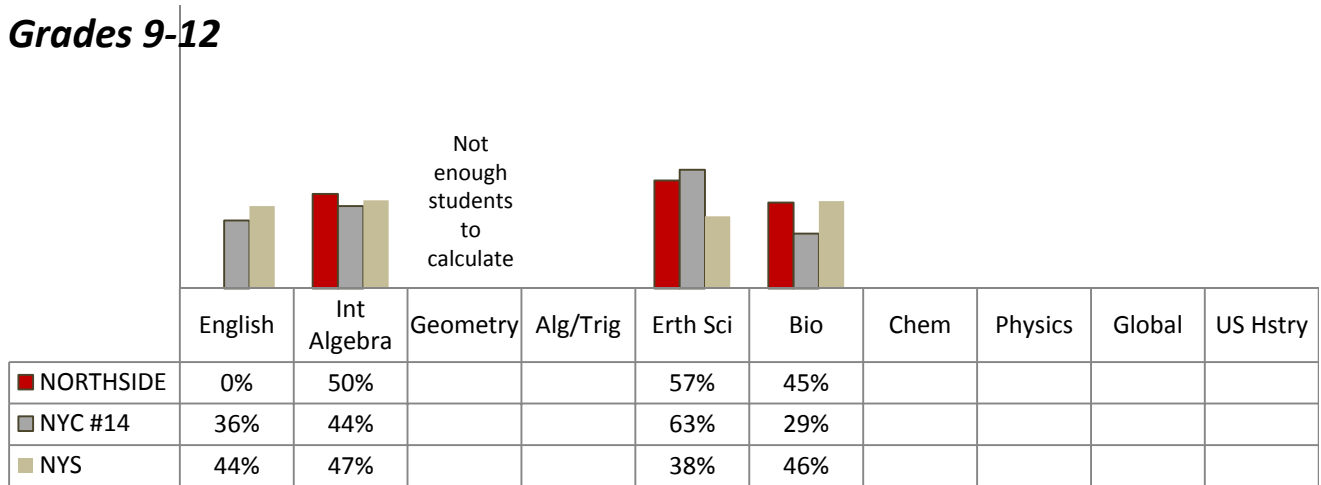
Note: 2012-13 high school Regents proficiency data is embargoed until the school report card release.

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

2010-11 Grades 9-12



2011-12 Grades 9-12



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

Appendix B



Northside Charter High School

2014 Regents Authorized Charter School Fiscal Analysis

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

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

Charter School:	Northside Charter High School
Report as of:	2013



General Information:					
Contact Info:	Raquel Brown	Years in Operation:	4	Enrollment:	386
Region:	NYC #14	Grades Served:	9-12	Max Enrollment:	400

Income Statement:		Balance Sheet & Cash Flow:		Key Performance Metrics:	
Revenues:		Assets:		Near-Term Metrics:	
State/Local Operating	\$5,746,278	Cash	\$1,544,842	Current Ratio	6.1x
Federal Sources	274,449	Total Current Assets	1,751,361	Unrestricted Days Cash	128.7
State/Local Grants	29,292	Investments & PP&E	209,804	Enrollment Stability	96.5%
Other	89,519	Total Assets:	\$2,036,475	Total Revenue Per Student:	\$15,906
Total Revenues:	\$6,139,538			Total Expenses Per Student:	\$11,351
Expenses:		Liabilities:		Sustainable Metrics:	
Total Program Services	\$3,462,026	Current Liabilities	\$285,995	Total Margin	28.6%
Management and General	919,539	Total Debt	0	Debt to Asset Ratio	0.14x
Fundraising	0	Total Liabilities:	285,995	Cash Flow	\$1,536,331
Total Expenses:	\$4,381,565	Net Assets:	1,750,480	Debt Service Coverage Ratio	N/A
		Total Liab. & Net Assets:	\$2,036,475	Composite Score	3.00
Ops. Surplus/(Deficit)	\$1,757,973	Change in Cash	\$1,536,331	Composite Strength	Strong



Performance Evaluation Master

Symbol Legend:

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

Key Inputs:

Target School:	Northside Charter High School
Time Period:	2013

Financial Indicator:

Target: Northside Charter High School

Near-Term Indicators:

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

Current Metric:	Performance:		
6.1x			
128.7			
96.5%			

Financial Composite Score:

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

Current Metric:	Performance:		
3.0x			

Long-Term Indicators:

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

Current Metric:	Performance:		
28.6%			
0.14x			
\$1,536,331			
N/A			

Near-Term Performance Evaluation: Northside Charter High School

	2013	2012	2011	Average
1a. Current Ratio	6.12x	0.51x	0.17x	2.27x

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

	2013	2012	2011	Average
1b. Unrestricted Days Cash	128.7	0.7	0.6	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):
X	30 days or more of cash
	Adequate - Moderate Risk (if satisfies any of the following two):
	Days Cash is between 15 and 30 days
	Requires Review - High Risk:
	Less than 15 Days Cash

	2013	2012	2011	Average
1c. Enrollment Stability	96.5%	91.3%	91.5%	93.1%

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

Financial Composite Score: Northside Charter High School

2 Financial Composite Score	Current
	3.00

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

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

Long-Term Performance Evaluation: Northside Charter High School

	2013	2012	2011	Average
2a. Total Margin	28.6%	2.8%	(13.1%)	6.1%

Explanation: Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources. Calculated as Net Income divided by Total Revenue.

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

	2013	2012	2011	Average
2b. Debt to Asset Ratio	0.14x	1.01x	1.74x	0.97x

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

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

	2013	2012	2011	Average
2c. Cash Flow	\$1,536,331	\$3,623	\$4,638	\$514,864

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

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

	2013	2012	2011	Average
2d. Debt Service Coverage Ratio	N/A	N/A	(3.6)	(3.64)

Explanation: Debt service coverage ratio indicates a school's ability to cover its debt obligations in the current year. Calculated as: (Net Income + Depreciation + Interest Expense)/(Principal and Interest Payments).

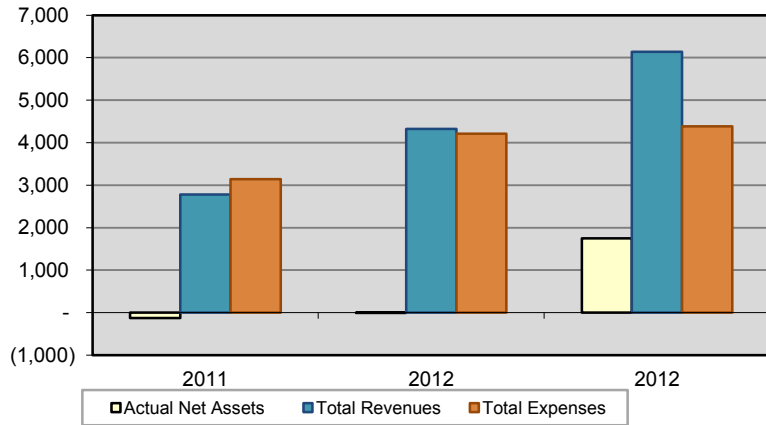
- Meets Standard - Low Risk:**
 - Debt Service Coverage Ratio is equal to or exceeds 1.10
- Adequate - Moderate Risk:**
 - Debt Service Coverage Ratio is less than 1.10
- Requires Review - High Risk:**
 - Debt Service Coverage Ratio is less than 0.90

Charter School: Northside Charter High School



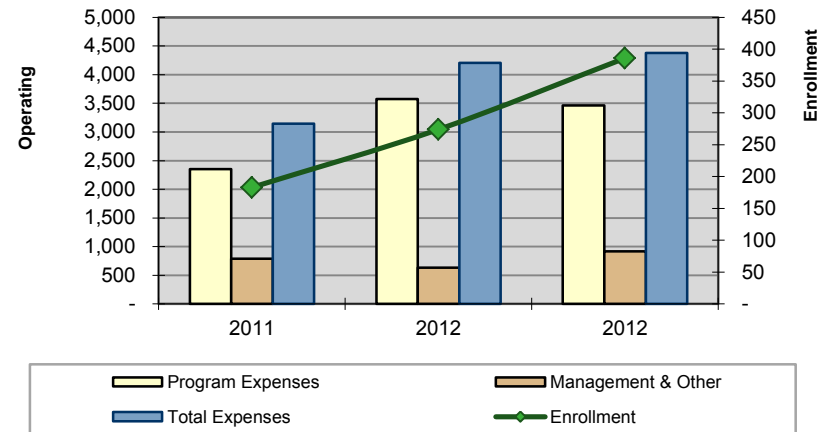
(\$'s in thousands)

Revenues, Expenses & Change in Net Assets



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

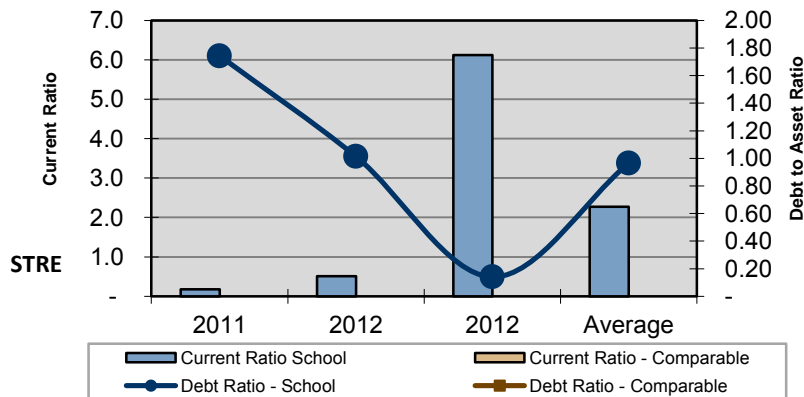
Enrollment vs. Operating Expenses



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

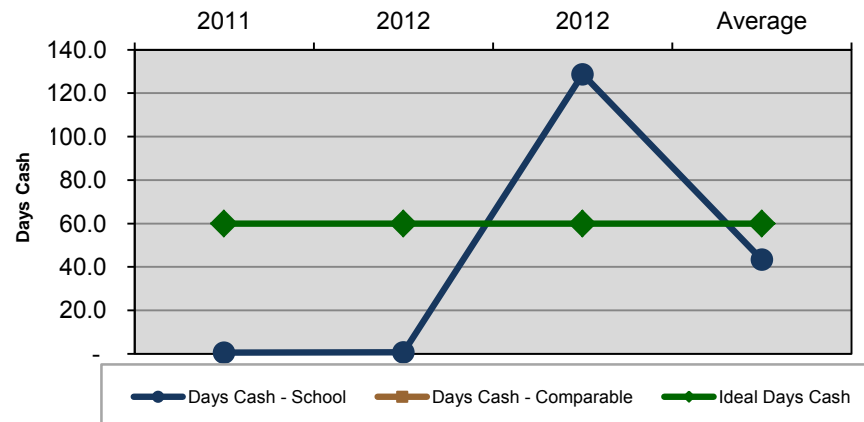
Current Ratio / Debt to Asset Ratio

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



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

Days Cash



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



School		Northside Charter High School
COMPOSITE SCORE:		3.0
PRIMARY RESERVE RATIO	Unrestricted Net Assets	\$ 1,750,480.00
	ADD: Temporarily Restricted Net Assets	\$ -
	LESS: Net Property, Plant and Equipment	\$ (209,804.00)
	ADD: Long-term debt	\$ -
	EXPENDABLE NET ASSETS	\$ 1,540,676.00
	DIVIDE BY: TOTAL EXPENSES	\$ 4,381,565.00
	PRIMARY RESERVE RATIO:	0.352x
EQUITY RATIO	Unrestricted Net Assets	\$ 1,750,480.00
	ADD: Temporarily Restricted Net Assets	\$ -
	MODIFIED NET ASSETS	\$ 1,750,480.00
	DIVIDE BY: MODIFIED ASSETS	\$ 2,036,475.00
	EQUITY RATIO:	0.860x
NET INCOME RATIO:	CHANGE IN UNRESTRICTED NET ASSETS	\$ 1,757,973.00
	DIVIDE BY: TOTAL UNRESTRICTED REVENUE	\$ 6,139,538.00
	NET INCOME RATIO:	0.286x
STRENGTH FACTOR SCORE (cannot be <-1 or >3)	PRIMARY RESERVE strength factor score = 10 x Primary Reserve ratio result	3.000
	EQUITY strength factor score = 6 x Equity ratio result	3.000
	Net Income strength factor score = 1 + (25 x Net Income Ratio Result) IF Negative Net Inc.	0.000
	Net Income strength factor score = 1 + (50 x Net Income Ratio Result) IF Positive Net Inc.	3.000
	NET INCOME Strength Factor:	3.000
WEIGHTED AND COMPOSITE SCORE	Primary Reserve Weighted Score = 40% x Primary Reserve Strength Factor Ccore:	1.200
	Equity Weighted Score = 40% x Equity Strength Factor Score:	1.200
	Net Income Weighted Score = 20% x Net Income Strength Factor:	0.600
	Composite Score = Sum of ALL Weighted Scores	3.000
	Round to one digit after the decimal to determine the final score:	3.0
Performance Based on Composite Score		Strong

COMPOSITE SCORE EXPLANATION:

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

Understanding COMPOSITE SCORES

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

4 Steps to Calc. COMPOSITE SCORES

Step 1: Calculate Three Financial Ratios from Financial Statements		
Primary Reserve Ratio	Equity Ratio	Net Income Ratio
Expendable Net Assets / Total Expenses	Modified Net Assets / Modified Assets	Change in Unrestricted Net Assets / Total Unrestricted Revenue

Step 2: Convert Ratio Results to Strength Factor Scores							
Strength Factor Score	Interpretation of Score	Primary Reserve Ratio		Equity Ratio		Net Income Ratio	
		Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary
-1	Liabilities exceed resources	(0.10)	(0.05)	(0.17)	(0.17)	(0.08)	(0.06)
0	No demonstrable net resources	0.00	0.00	0.00	0.00	(0.04)	(0.03)
1	Minimal resources, but not enough for clear financial health	0.10	0.05	0.17	0.17	0.00	0.00
1.5	Minimal level of resources to indicate financial health	0.15	0.08	0.25	0.25	0.01	0.02
3	Clearly financially healthy on that resource	0.30	0.15	0.50	0.50	0.04	0.06

Step 3: Multiply the Strength Factor Scores by a Weighting Factor			
Charter School Educational Sector	Primary Reserve Strength Factor	Equity Strength Factor	Net Income Strength Factor
Private Non-profit	40%	40%	20%
Proprietary	30%	40%	30%

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



New York State Education Department

Charter School Renewal Recommendation Report

**Rochester Academy Charter School
*Application for Third Charter Renewal***

Date of Report: February 10, 2014

Introduction

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

Charter School Summary

Opening Information

Date Initial Charter Approved by Board of Regents	January 15, 2008
School Opening Date	September 8, 2008
Charter Terms	January 15, 2008 to June 30, 2012 (extended to January 14, 2013) January 15, 2013 to June 30, 2013 July 1, 2013 to June 30, 2014

Location

School Year	Location	Grades at Location	District of Location	Districts Served
2013-2014	841 Genesee Street, Rochester, New York 14611	7-8	Rochester CSD	Rochester CSD
	901 Portland Avenue, Rochester, New York 14621	9-12	Rochester CSD	Rochester CSD

Partner Organizations

Partner Name	Partnership Type	Dates of Service
None		

Current Mission Statement

The mission of RACS is to provide students with rigorous, challenging academics through hands on, meaningful learning opportunities that will provide students with the skills necessary to be successful academically, socially, and emotionally.

Current Key Design Elements

<ul style="list-style-type: none"> • Provide students with the skills and experiences necessary that will help them master the knowledge detailed in the New York State Core Curriculum Content Standards
<ul style="list-style-type: none"> • Provide a strong focus on math and science and use national competitions and science fairs to motivate students
<ul style="list-style-type: none"> • Build a strong supervisory and monitoring system that will provide individualized attention to each student
<ul style="list-style-type: none"> • Provide broad tutoring services that will help students address learning needs and/or issues with specific content
<ul style="list-style-type: none"> • Build strong parent/student/School relationships
<ul style="list-style-type: none"> • Require enhanced professional development for staff members
<ul style="list-style-type: none"> • Build partnerships with community organizations and other educational institutions

School Characteristics

School Year	Chartered Enrollment	Actual Enrollment	Grades Served
2013-14	360	360	7-12

Student Demographics¹

	Rochester Academy CS Enrollment		Rochester CSD	
	Total	%	Total	%
2011-12 Gr. 7-12				
<i>All Students</i>	294		11,216	
Asian/Pacific Islander	4	1.4%	418	3.7%
Black	216	73.5%	6,985	62.3%
Hispanic	23	7.8%	2,664	23.8%
Migrant	3	1.0%	--	--
White	51	17.3%	1,124	10.0%
Economically Disadvantaged	--	--	9,667	86.2%
Limited English Proficient	25	8.5%	1,157	10.3%
Students with Disabilities	27	9.2%	2,008	17.9%
2012-13 Gr. 7-12				
<i>All Students</i>	318		10,332	
Asian/Pacific Islander	5	1.6%	415	4.0%
Black	230	72.3%	6,415	62.1%
Hispanic	39	12.3%	2,484	24.0%
Migrant	2	0.6%	--	--
White	44	13.8%	996	9.6%
Economically Disadvantaged	238	74.8%	8,086	78.3%
Students with Disabilities	23	7.2%	1,121	10.8%
Limited English Proficient	19	6.0%	1,881	18.2%

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

Current Board of Trustees

Board Member Name	Term	Position/Committees
Mr. Mahmut Gedemenli	1 year (July 2014)	President/Educational Excellence
Mrs. Cheryl Sampson	1 year (July 2014)	Treasurer/Financial and Audit
Dr. William Middleton	Secretary	Educational Excellence
Mr. Mustafa Guler	2 years(July 2015)	Vice-President/Financial and Audit, Development
Mr. Gungor Aktas	1 year (July 2014)	Member/Governance
Ms. Crystal Mendoza Paulin	3 years (July 2016)	Member/Educational Excellence
Dr. Yusuf Bilgic	3 years July 2016	Member/Educational Excellence

School Leader(s)

School Year	School Leader(s) Name and Title
2013-2014	Director: Mehmet Demirtas

School Visit History

School Year	Visit Type	Evaluator (CSO/External)	Date
2012-2013	Renewal Site Visit	CSO	October 1-2, 2013

Background

The Board of Regents granted an initial charter to Rochester Academy Charter School (“RACS” or the “School”) in January 2008. The School opened in September 2008, with 180 students in Grades 7 through 9, then expanded by one grade each subsequent year until the addition of Grade 12 in school year 2011-2012. In January, 2013, the Board of Regents approved a short term charter renewal through June 30, 2013 to keep the School operationally viable through the end of the school year while the review and evaluation of the full charter renewal application was completed. The charter was renewed in March, 2013, for a one-year term to run from July 1, 2013 to June 30, 2014, as it was determined that the School’s academic record did not warrant a full five year term. Because the one-year renewal occurred subsequent to the Board of Regents’ approval of the Performance Framework in November, 2012, RACS’s current renewal application is required to be evaluated in alignment with the Performance Framework Benchmarks.

The School has requested a full five-year charter renewal term with plans for expansion over that term to a K-12 school.

Department's Renewal Recommendation

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

Summary of Evidence

The summary of evidence presented below is drawn from the School's record over the term of the charter including: New York State assessment data, the renewal application, renewal and monitoring site visit findings, annual reports, independent fiscal audits, Board of trustees minutes and other documents collected by and about the School. On October 1 and 2, 2013 a Department team conducted a renewal site visit at RACS.

Educational Soundness

Department's Analysis of Student Performance

New York State Testing Program (NYSTP) Proficiency

Junior High School (7-8th grades)

Rochester Academy has outperformed the Rochester City School District in 7th and 8th grade English language arts (ELA), math and science. However, RACS's 7th and 8th grade scores fall below the state average.

High School

The high school grades have shown strength in English Composition and Integrated Algebra scores for the last three years, surpassing the state average in Integrated Algebra in 2013. While Rochester Academy's scores surpass the Rochester CSD on most Regents exams, the school falls below the state average on all exams with the exception of Integrated Algebra in 2013. RACS's scores were lowest in Geometry, Algebra 2/Trigonometry, Earth Science, Biology, and Physics/Chemistry. Additionally, the school struggles with English Composition, US History and Global Studies passing rates.

Table 1: Rochester Academy CS Regents Proficiency Variance Compared to the District of Location and NYS²

Subject	Charter School		Rochester		NYS	School Comparison to:	
	N	%	N	%	%	Rochester	NYS
2012-13 ³ Gr. 7-12	122	19.1%	3,296	5.8%	31.6%	13.3%	-12.5%
Elem/Middle ELA							
Elem/Middle Math	121	17.6%	4,105	3.8%	31.5%	13.8%	-13.9%
Elem/Middle Sci						28.2%	
English						19.6%	-13.3%
Integrated Algebra						34.2%	1.6%
Geometry						11.3%	-32.1%
Algebra2/Trig						-8.6%	-56.6%
Earth Science						28.9%	-13.7%
Biology						8.7%	-24.8%
Chemistry						5.0%	-46.0%
Global Studies						2.7%	-39.5%
US History						19.1%	-26.8%

Evidence of Performance Related to Academic Goals

Rochester Academy set comparative goals for the 2012-13 school year against the 8th grade proficiency of other charter schools in Monroe County. The comparative measure Rochester Academy utilized shows their 2012-13 8th grade class outperformed other charter schools and traditional public schools in Rochester and Monroe County. Many of the schools in the comparison group begin before 7th grade and have much larger populations of students with disabilities and English Language Learners.

Evidence of Performance Observed through On-site School Reviews

The Charter School Office (CSO) conducted a renewal site visit at the two RACS sites on October 1 and 2, 2013. The site visit team included three CSO staff and an outside consultant. Over the two-day visit, the team held focus group meetings with School leaders, board of trustees members, seven teachers, nine parents and eight students. Site visit team members also made 31 classroom visits, representative of every grade level and content area.

School leaders specified the site visit team should be able to observe instructional practices that “provide a strong focus on math and science and use national competitions and science fairs to motivate students,” “build a strong supervisory and monitoring system that will provide individualized attention

² Table 1 shows district and state level percent of students scoring proficient (level 3 & 4) on the Regents exams. These scores are reflective of grades served and subject tested by the target school in that year, thus, district and state percentages only reflect those grades and subjects as well. Data shown in table 1 is from verified reports in the Student Information Repository System (SIRS).

³ 2012-13 Regents and 2012-13 grades 3-8 science data is embargoed and will be included in the School Report Card Release this spring. Variance calculations for 2012-13 are preliminary based on student data sourced from SIRS and may be subject to change.

to each student,” and “provide broad tutoring services that will help students address learning needs and/or issues with specific content.”

The additional instructional practices, individual supervision/monitoring and broad tutoring services, were somewhat difficult to observe in classrooms, and site visit team members so indicated. Parents did speak of after school, Saturday and school breaks as times when students were offered what could be interpreted as broad tutoring services.

The indicators of instructional practice examined by the site visit team included, in addition to those above, included: differentiation; teachers checking for understanding and giving feedback; rigorous tasks that require higher order thinking; classroom climate/high, clear expectations; pacing, transitions and instructional activities; and student engagement.

School leaders stated that differentiation is still in the developing stage at RACS. They attributed its absence to the novice level of teacher experience, resulting from the departure of more than half the teaching staff at the end of 2012 - 2013. Teachers described one method of differentiation as tracking students into Levels A, B, and C, where Level A was comprised of students enrolled in the college readiness program. Teachers in the focus group described the staff as being “in conversation” about strategies to differentiate lessons to accommodate diverse student needs. The site visit team observed a professional development day agenda for September 2013 which included a short presentation on differentiation.

Classroom observations conducted by site visit team members found that when instruction was whole group, there was little differentiation of task, pace or product, and the focus of teachers’ feedback to students was on completion of the task. Site visit team members rated checks for understanding more favorably than differentiation.

The content of the lessons observed did not reflect the level of rigor and challenge described in the School’s mission. Students were commonly engaged in test preparation, drill and practice exercises of basic skills, or searching through print material for answers to worksheet questions. A review of recently completed detailed class observation reports confirmed the observation of the site visit team that rigor and higher order thinking are not common features of the learning experience at RACS.

Observations of the school environment—in addition to comments from parent and student interviews—provided evidence of a safe learning environment at the School. RACS school leaders have established clear expectations for student behavior, reflected in the *Student Handbook* which is distributed and reviewed at the beginning of each school year. Strategies for ensuring acceptable behavior include a merit/demerit system. While infrequent, incidents of bullying reported to the School were promptly addressed. Parents in the focus group represented students who were generally high achieving, and they praised the School for supporting the parents’ college-going goals for their children.

Teachers and administrators reported that pacing adjustments became necessary when students were unable to match the learning progressions anticipated in the initial curriculum outline. The School reported year-long plans are aligned with grade level expectations, but students entering fifth grade fall well below grade level proficiency, at an estimated 5th grade reading level. Other than this adjustment, little evidence has been provided to demonstrate that pacing, transitions and instructional activities were maximized for student learning. Classroom observations showed student participation and engagement in learning was minimal.

School leaders and the selected parents and students interviewed described the ways in which the School provides enrichment for students. Academically successful students can access a variety of opportunities, including competitions, college courses through Monroe Community College (MCC), college tours and field trips. In the current year, 60 students (18% of a population of 328) are enrolled in the college readiness program according to rosters provided by the school.

The sample of parents interviewed during the site visit team's most recent visit praised communication between the School and families. Teachers have frequent contact with parents through email, and some teachers visit students' homes to build relationships. Parents are able to access their child's work through an online platform called the "Parent Portal." The School administers a survey to parents seeking input on school issues. Only 31 responses to the most recent survey were received, making it difficult to draw firm conclusions on parent satisfaction.

Organizational Soundness

Evidence of Organizational Capacity

Minimal evidence indicates that RACS has worked to develop its board capacity over the course of the charter term. Concerns related to board capacity in the current charter term reflect concerns identified in every prior site visit report.

The board has recently made changes in operating structures, specifically to board governance and decision-making. However, the changes are too recent to demonstrate an impact on student outcomes. The RACS board of trustees expanded from five to seven members during the past year. The small size of the board had been noted at each prior visit. Another continuing concern has been that the demographic composition of the students and their families is significantly different from the demographic composition of the board. Thus, opportunities for consideration of community and family perspectives may be limited in board deliberations and decisions.

Evidence of Board Oversight and Governance

The board adopted the High Bar tool for evaluating the director. A review of the evaluation report provided in the renewal application shows disparity between the director's self-assessment and the much higher, often unanimous, ratings by the board members and two key staff who were invited to respond. The board's assessment of the director is incongruent with classroom observations and the School's history of academic achievement, as well as the director's self-assessment.

The board's decision to purchase the High Bar process resulted in a strengthened committee structure, improved efficiency, and built on the strengths of board members. The board has established a procedure to evaluate its own performance against several criteria: starting and ending meetings on time; maintaining a strategic focus; and coming to meetings prepared and ready to engage in discussions.

RACS's Application for Renewal lists responsibilities for the director, dean of the middle school, dean of academics and dean of students. The director evaluates the other 11 non-teaching staff (deans, business manager, college counselor, guidance counselor, social worker), but explicit performance standards and quality criteria for these roles are not clearly detailed in the school's renewal documents or policy handbooks.

Over half the teaching staff left at the end of the 2012-2013 school year. Eleven new staff were hired for the current school year. One explanation offered by board members for this exodus was that insecurity about the one-year renewal motivated many departures and some additional disruptive or ineffective teachers were not rehired. Board members reported they face a challenge in hiring qualified math and science teachers. They mentioned that they have revised their salary structure, but it should be noted that the board has not made use of its reserves to attract experienced and expert science and math teachers.

The Employee Handbook specifies the expectations for teachers and their responsibilities are clear. Teachers are evaluated against both the RACS Best Practices Checklist and the standards defined in the Danielson Framework for Effective Teaching. Danielson is a tool new to the School for assessing teaching effectiveness and it is being introduced to the staff gradually. Site visit team members reviewed samples of the observation reports from informal classroom visits and lesson plans. A discrepancy was noted between these mostly positive reports and what was observed during the class visits by the team.

Fiscal Soundness

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

The dashboard presents several near-term⁴ and long-term⁵ financial performance indicators. These rigorous indicators of fiscal soundness are aligned with those recommended by the National Association of Charter School Authorizers, and are also used by the Trustees at the State University of New York (SUNY) in their capacity as a charter school authorizer (SUNY-CSI) in New York State. Near-term indicators such as the current ratio and unrestricted days cash are measures of liquidity, and of the charter school's capacity to maintain operations. Long-term indicators such as total margin and debt-to-asset ratio are measures of the charter school's capacity to remain viable and to meet financial obligations.

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

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

Overall Financial Outlook

Based on an analysis of short-term and long-term indicators, RACS received a composite score of **3.00** for 2012-13, demonstrating strong financial health. The **Composite Score** is an overall measure of financial health calculated by the NYSED Office of Audit Services. This score is based on a weighting of primary reserves, equity and net income. A charter school with a score between 1.5 and 3.0 is considered in strong financial health. Since 2010-11, RACS has maintained strong financial health, as illustrated in the following table.⁶

Year	Composite Score
2010-11	2.6
2011-12	2.9
2012-13	3.0

Near Term Indicators

Although the school is overall financially strong, the current ratio for 2012-13 is 4.0, which is relative stable compared to the 2011-12 value of 4.03. The **current ratio** is a financial ratio that measures whether or not a school has enough resources to pay its debts over the next 12 months. It compares the school's Current Assets to Current Liabilities. The current ratio is an indication of liquidity and ability to meet creditor's demands. If current liabilities exceed current assets (the current ratio is below 1), then the school may have difficulties meeting its short term obligations.

For fiscal year 2012-13, RACS operated with 137 days unrestricted cash, an improvement from 2011-12 levels of 115 days. **Unrestricted cash** measures in days whether the school can meet operating expenses without receiving new income. Schools typically strive to maintain at least 90 days cash on hand.

For 2012-13, enrollment stability was at 100 percent, an increase from 94.4 percent in 2011-12. **Enrollment stability** measures whether or not a school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations. Schools typically strive to have low variability in enrollment over time. Actual enrollment that is over 85 percent is considered reasonable.

Long Term Indicators

For 2012-13, RACS's debt to asset ratio was 0.21, relatively stable against 0.20 in 2011-12. A school's **debt to asset ratio** measures the extent to which the school relies on borrowed funds to finance its operations. It is calculated as total liabilities divided by total assets. A ratio of 0.9 or less meets a standard of low risk.

Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources. Total margin is calculated as net income divided by total revenue. For 2012-13, RACS's total margin was 7.4 percent, a decrease from 2011-12 levels of 8.5 percent.

⁶ Source: NYSED Office of Audit Services

Cash flow is an assessment of change in cash from operations, financing and investing over a given period. For the 2012-13 period, RACS had positive cash flow of \$325,935. This is an increase from 2011-12 levels of \$307,983, according to the school's 2012-13 audited financial statements.

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

Faithfulness to the Charter and Law

The RACS mission includes three key phrases: "rigorous, challenging academics;" "hands-on, meaningful learning opportunities;" and "successful academically, socially, and emotionally." Based on observations of 31 classes during the two-day site visit, there was little evidence of the mission in operation.

RACS has yet to fulfill its commitment to provide a quality rigorous and hands-on learning experience for the majority of its students. A small percentage of high performing students (18%) receive the benefit of engaging instruction. Evidence drawn from classroom observations indicated that only 6 classrooms of 31 were rated as demonstrating consistent evidence of student engagement. High performing students also have access to numerous extra-curricular opportunities, as the School provides these incentives to promote student academic achievement. According to school rosters, 60 students (18% of a population of 328) are currently enrolled in the college readiness program despite the mission statement's claim that the School will provide students with the skills necessary to be successful academically, socially, and emotionally. Teachers in the focus group described the School's goal that students feel prepared for college, a statement not supported by the students interviewed who expressed an interest in more rigorous course offerings. Parents interviewed during the site visit used similar phrases when asked to describe the school's mission. They perceived preparation for college as a central focus of the School's efforts.

School leaders described a strong emphasis on science and mathematics as a core element of the School's mission. The director predicted the site visit team would see many hands-on activities in classes. Teachers also used the phrase "hands-on" to describe a common RACS instructional practice that should have been observed during the site visit. Only two instances of students using equipment or instructional materials in hands-on learning were noted among the classes observed.

The board of trustees cited college and career readiness as part of the School's mission. Board members explained that visitors should see lessons demonstrating rigor and students highly engaged, stating, "Students should be making higher level connections" in RACS classrooms.

Board of Trustees members described actions they have taken to implement the building of partnerships with community organizations and educational institutions. The availability of dual enrollment opportunities at MCC for selected students along with the STEP program, also in association with MCC, are the two major relationships mentioned by the Board.

Plans for the Next Charter Term

RACS has requested to move from a 7-12 to a K-12 educational institution over the next three school years. The plan is to add Grades K and 6 in 2014-15, Grades 1 and 5 in 2015-16 and Grades 2, 3 and 4 in 2016-17.

Summary of Public Comment

As required by the Act, the Department notified the Rochester City School District and other public and nonpublic schools in the same geographic area as the Rochester Academy Charter School about the submission of the School's third renewal application. The District held the required hearing on December 16, 2013, there were no speakers.

Appendix A



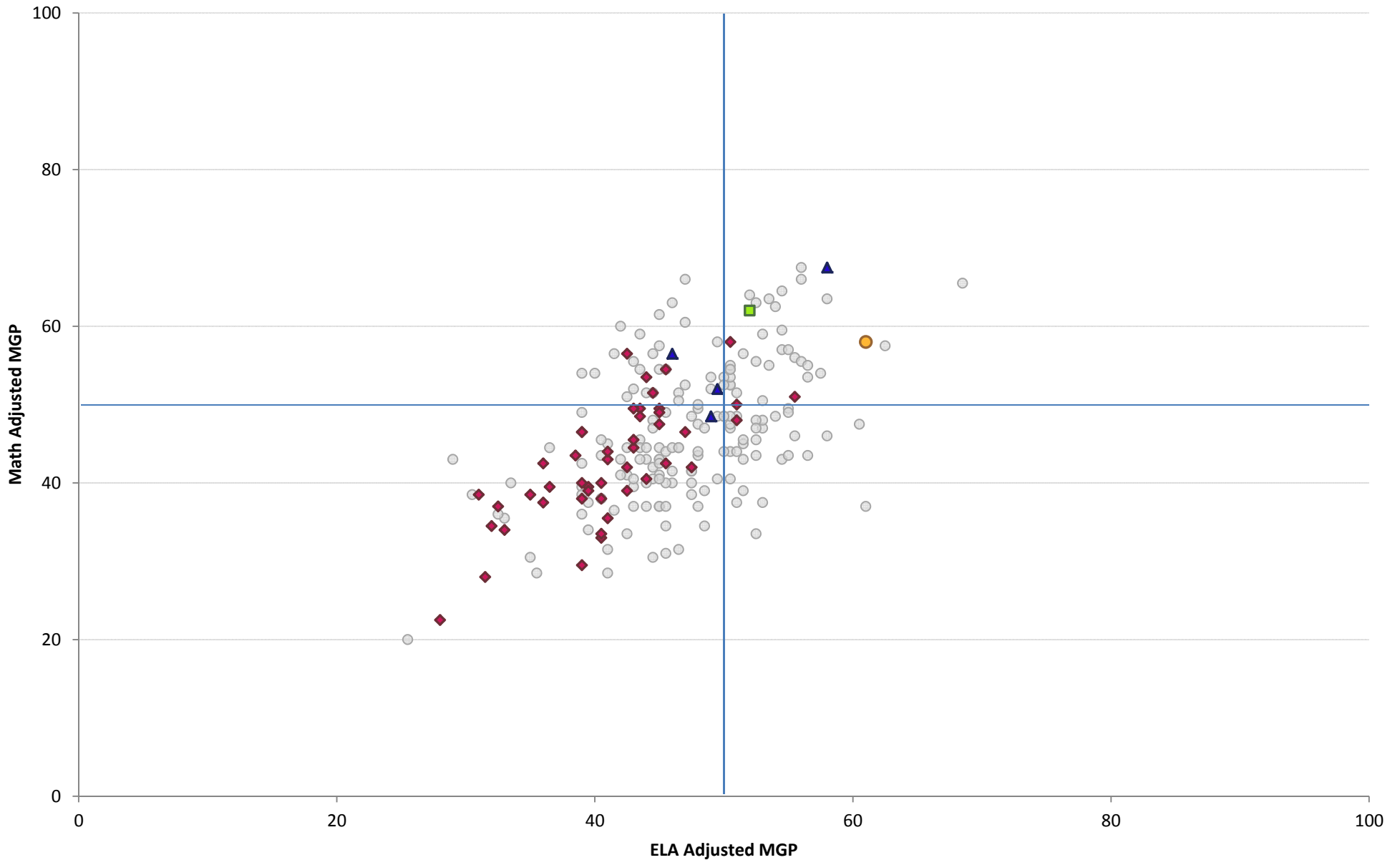
Rochester Academy Charter School

2014 Regents Authorized Charter School Academic Analysis

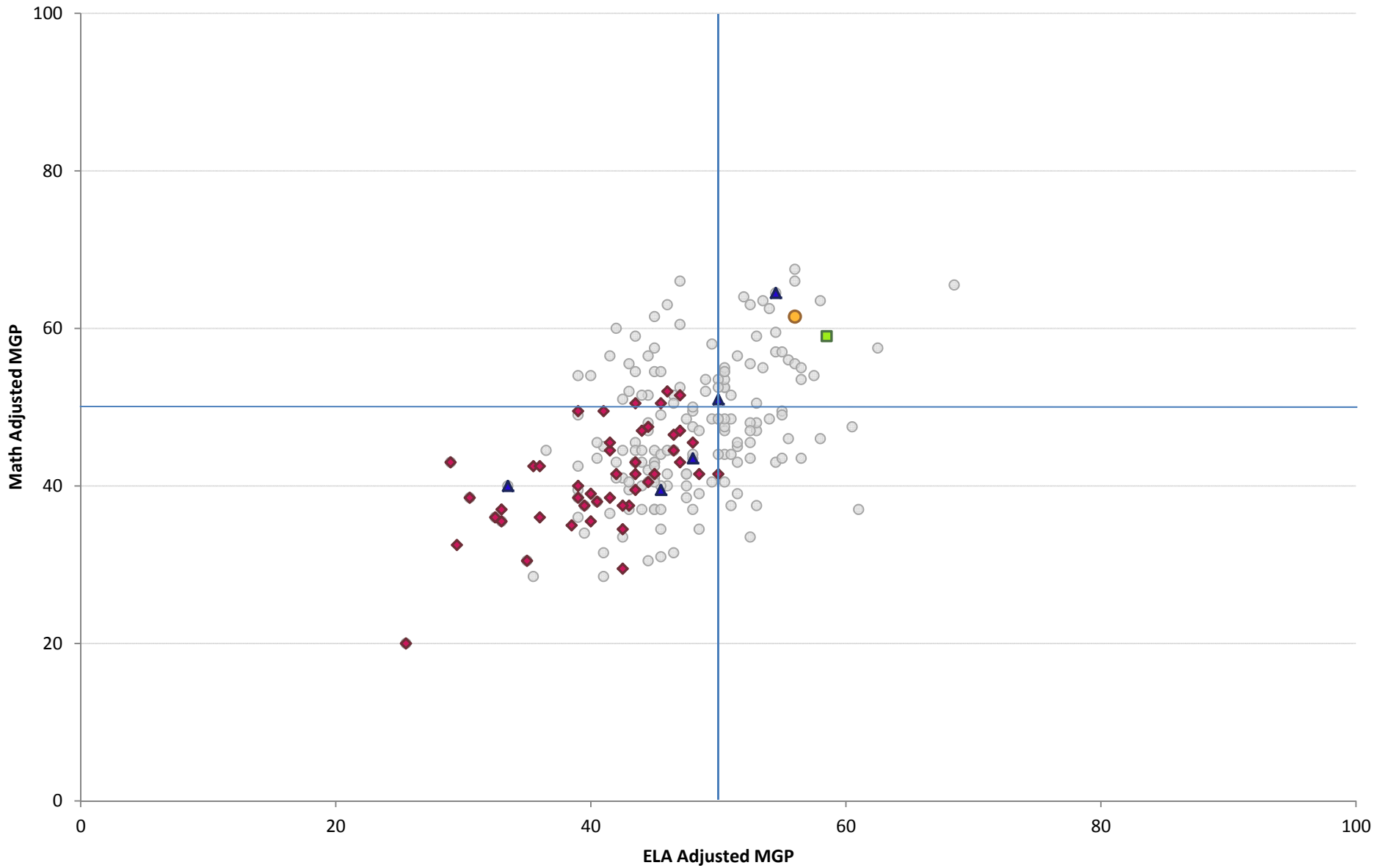
Student Performance and Growth
Compared to the District and the State

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

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

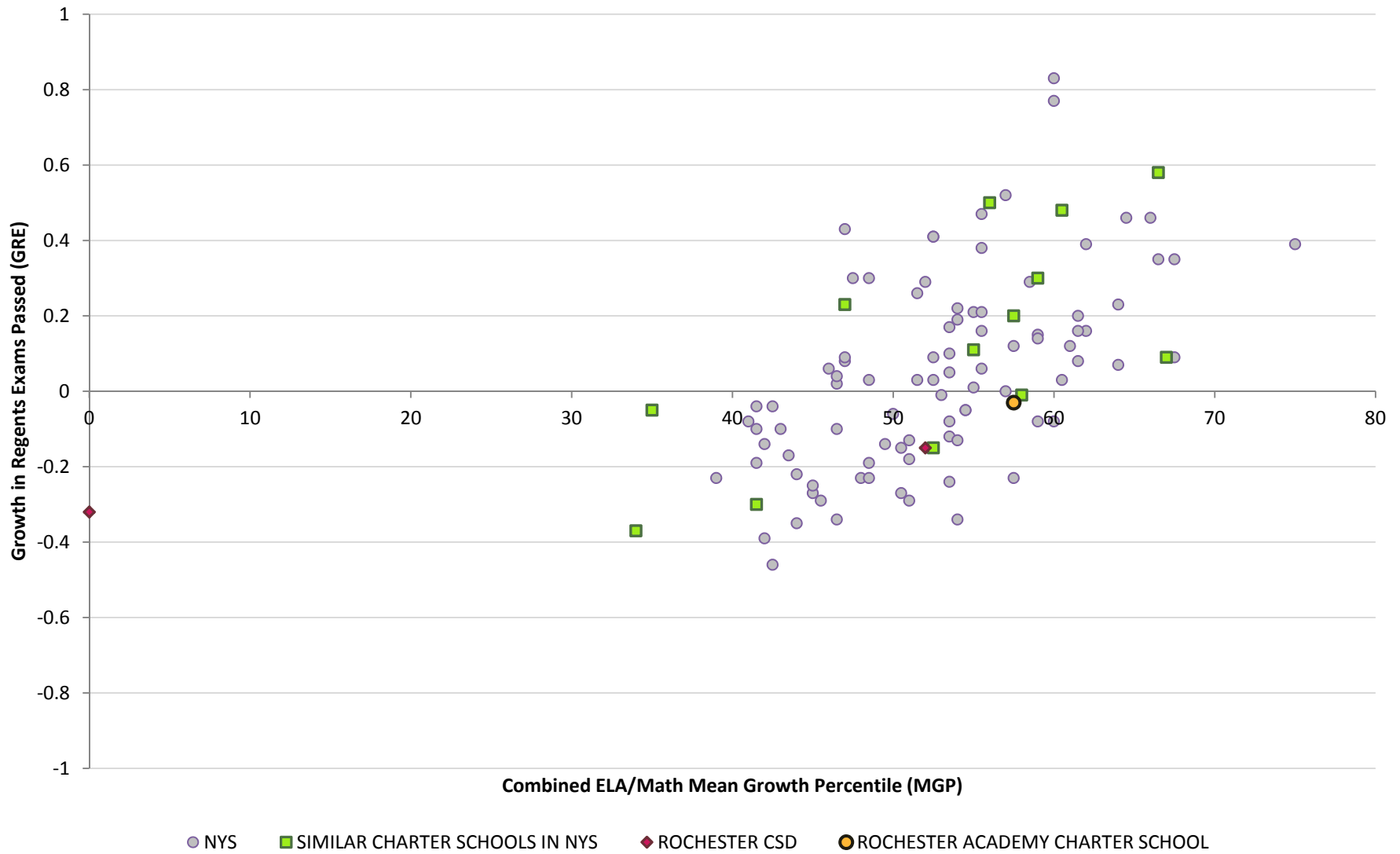


2012-13 ELA and Math Adjusted Mean Growth Percentile: *Rochester Academy Charter School Compared to Similar Schools within Rochester CSD and New York State*



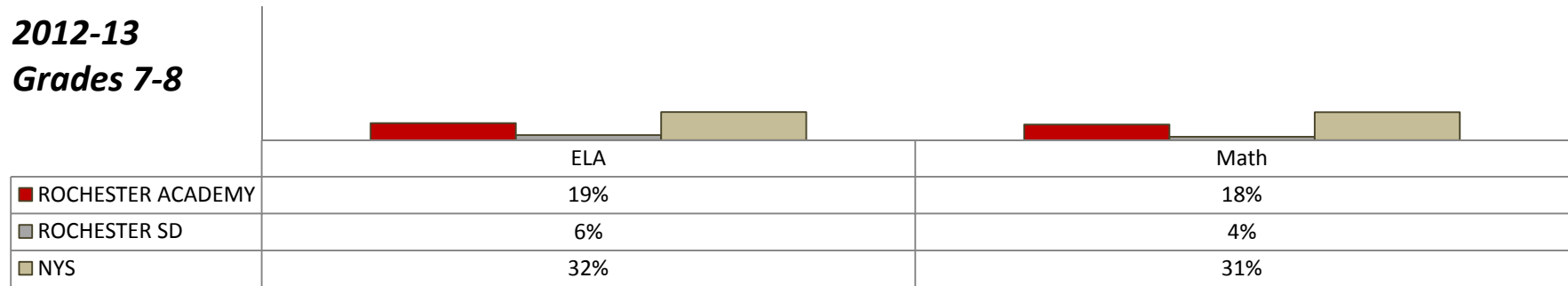
○ NYS ■ SIMILAR CHARTER SCHOOLS IN NYS ◆ ROCHESTER CSD ▲ SIMILAR CHARTER SCHOOLS IN THE DISTRICT ● ROCHESTER ACADEMY CHARTER SCHOOL

2012-13 Growth in Regents Exams Passed and Combined ELA/Math Mean Growth Percentile: *Rochester Academy Charter School Compared to Similar Schools within Rochester CSD and New York State*



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

**2012-13
Grades 7-8**



Note: Rochester Academy Charter School is in a one year renewal period and held to the Performance Framework, thus, the school's academic performance will only be based on the 2012-13 academic year.

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

Rochester Academy Charter School did test students in grades 9-12 in 2012-13 , however, high school Regents proficiency data is embargoed until the school report card release.

Appendix B



Rochester Academy Charter School

2014 Regents Authorized Charter School Fiscal Analysis

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

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

Charter School:	Rochester Academy Charter School
Report as of:	2013



General Information:					
Contact Info:	Nick Bilge	Years in Operation:	7	Enrollment:	360
Region:	Rochester CSD	Grades Served:	7-12	Max Enrollment:	360

Income Statement:		Balance Sheet & Cash Flow:		Key Performance Metrics:	
Revenues:		Assets:		Near-Term Metrics:	
State/Local Operating	\$3,762,763	Cash	\$1,375,029	Current Ratio	4.0x
Federal Sources	34,330	Total Current Assets	1,562,232	Unrestricted Days Cash	137.1
State/Local Grants	141,937	Investments & PP&E	282,059	Enrollment Stability	100.0%
Other	15,114	Total Assets:	\$1,844,291	Total Revenue Per Student:	\$10,984
Total Revenues:	\$3,954,144			Total Expenses Per Student:	\$10,170
Expenses:		Liabilities:		Sustainable Metrics:	
Total Program Services	\$3,038,472	Current Liabilities	\$393,535	Total Margin	7.4%
Management and General	622,706	Total Debt	0	Debt to Asset Ratio	0.21x
Fundraising	0	Total Liabilities:	393,535	Cash Flow	\$325,935
Total Expenses:	\$3,661,178	Net Assets:	1,450,756	Debt Service Coverage Ratio	N/A
		Total Liab. & Net Assets:	\$1,844,291	Composite Score	3.00
Ops. Surplus/(Deficit)	\$292,966	Change in Cash	\$325,935	Composite Strength	Strong



Performance Evaluation Master

Symbol Legend:

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

Key Inputs:

Target School:	Rochester Academy Charter School
Time Period:	2013

Financial Indicator:

Target: Rochester Academy Charter School

Near-Term Indicators:

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

Current Metric:	Performance:		
4.0x			
137.1			
100.0%			

Financial Composite Score:

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

Current Metric:	Performance:		
3.0x			

Long-Term Indicators:

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

Current Metric:	Performance:		
7.4%			
0.21x			
\$325,935			
N/A			

Near-Term Performance Evaluation: Rochester Academy Charter School

	2013	2012	2011	Average
1a. Current Ratio	3.97x	4.03x	1.61x	3.20x

Explanation: Current Ratio (CR) is a measure of operational efficiency and short-term financial health. CR is calculated as current assets divided by current liabilities.

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

	2013	2012	2011	Average
1b. Unrestricted Days Cash	137.1	115.9	23.9	92.3

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

	2013	2012	2011	Average
1c. Enrollment Stability	100.0%	94.4%	86.4%	93.6%

Explanation: Enrollment stability tells authorizers whether or not the school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations. Actual Enrollment divided by Enrollment Projection in Charter School Budget.

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

Financial Composite Score: Rochester Academy Charter School

2 Financial Composite Score	Current
	3.00

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

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

Long-Term Performance Evaluation: Rochester Academy Charter School

	2013	2012	2011	Average
2a. Total Margin	7.4%	8.5%	14.2%	10.0%

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%

	2013	2012	2011	Average
2b. Debt to Asset Ratio	0.21x	0.20x	0.41x	0.27x

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

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

	2013	2012	2011	Average
2c. Cash Flow	\$325,935	\$307,983	\$597,816	\$410,578

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

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

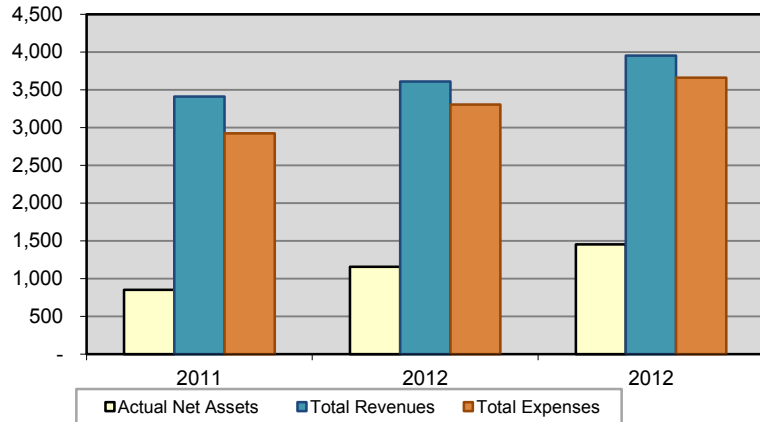
	2013	2012	2011	Average
2d. Debt Service Coverage Ratio	N/A	N/A	N/A	N/A

Explanation: Debt service coverage ratio indicates a school's ability to cover its debt obligations in the current year. Calculated as: (Net Income + Depreciation + Interest Expense)/(Principal and Interest Payments).

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

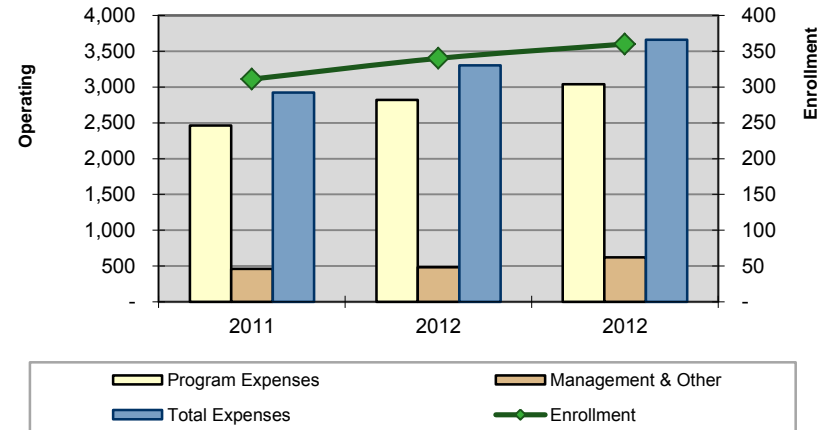
(\$'s in thousands)

Revenues, Expenses & Change in Net Assets



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

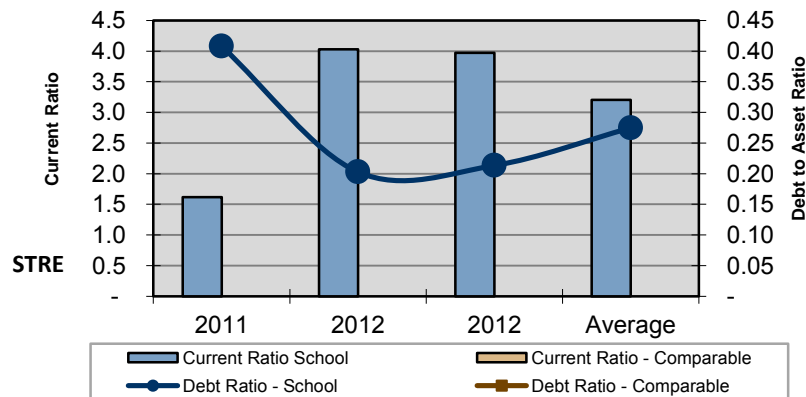
Enrollment vs. Operating Expenses



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

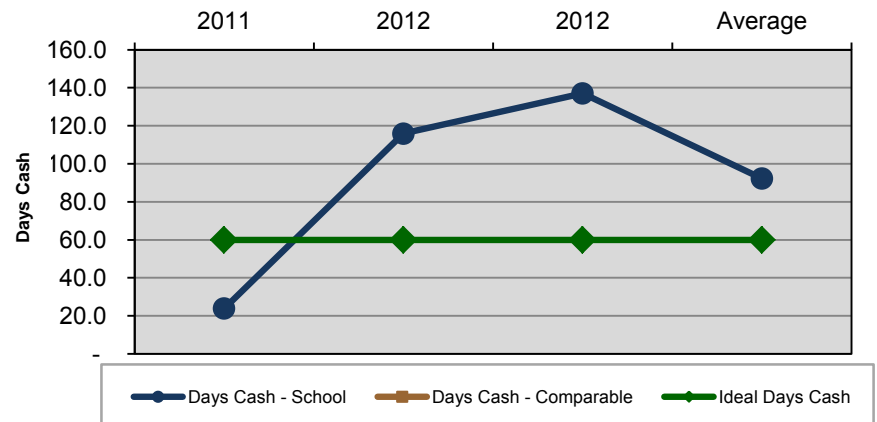
Current Ratio / Debt to Asset Ratio

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



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

Days Cash



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



School		Rochester Academy Charter School
COMPOSITE SCORE:		3.0
PRIMARY RESERVE RATIO	Unrestricted Net Assets	\$ 1,450,756.00
	ADD: Temporarily Restricted Net Assets	\$ -
	LESS: Net Property, Plant and Equipment	\$ (282,059.00)
	ADD: Long-term debt	\$ -
	EXPENDABLE NET ASSETS	\$ 1,168,697.00
	DIVIDE BY: TOTAL EXPENSES	\$ 3,661,178.00
	PRIMARY RESERVE RATIO:	0.319x
EQUITY RATIO	Unrestricted Net Assets	\$ 1,450,756.00
	ADD: Temporarily Restricted Net Assets	\$ -
	MODIFIED NET ASSETS	\$ 1,450,756.00
	DIVIDE BY: MODIFIED ASSETS	\$ 1,844,291.00
	EQUITY RATIO:	0.787x
NET INCOME RATIO:	CHANGE IN UNRESTRICTED NET ASSETS	\$ 292,966.00
	DIVIDE BY: TOTAL UNRESTRICTED REVENUE	\$ 3,954,144.00
	NET INCOME RATIO:	0.074x
STRENGTH FACTOR SCORE (cannot be <-1 or >3)	PRIMARY RESERVE strength factor score = 10 x Primary Reserve ratio result	3.000
	EQUITY strength factor score = 6 x Equity ratio result	3.000
	Net Income strength factor score = 1 + (25 x Net Income Ratio Result) IF Negative Net Inc.	0.000
	Net Income strength factor score = 1 + (50 x Net Income Ratio Result) IF Positive Net Inc.	3.000
	NET INCOME Strength Factor:	3.000
WEIGHTED AND COMPOSITE SCORE	Primary Reserve Weighted Score = 40% x Primary Reserve Strength Factor Ccore:	1.200
	Equity Weighted Score = 40% x Equity Strength Factor Score:	1.200
	Net Income Weighted Score = 20% x Net Income Strength Factor:	0.600
	Composite Score = Sum of ALL Weighted Scores	3.000
	Round to one digit after the decimal to determine the final score:	3.0
Performance Based on Composite Score		Strong

COMPOSITE SCORE EXPLANATION:

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

Understanding COMPOSITE SCORES

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

4 Steps to Calc. COMPOSITE SCORES

Step 1: Calculate Three Financial Ratios from Financial Statements		
Primary Reserve Ratio	Equity Ratio	Net Income Ratio
Expendable Net Assets / Total Expenses	Modified Net Assets / Modified Assets	Change in Unrestricted Net Assets / Total Unrestricted Revenue

Step 2: Convert Ratio Results to Strength Factor Scores							
Strength Factor Score	Interpretation of Score	Primary Reserve Ratio		Equity Ratio		Net Income Ratio	
		Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary
-1	Liabilities exceed resources	(0.10)	(0.05)	(0.17)	(0.17)	(0.08)	(0.06)
0	No demonstrable net resources	0.00	0.00	0.00	0.00	(0.04)	(0.03)
1	Minimal resources, but not enough for clear financial health	0.10	0.05	0.17	0.17	0.00	0.00
1.5	Minimal level of resources to indicate financial health	0.15	0.08	0.25	0.25	0.01	0.02
3	Clearly financially healthy on that resource	0.30	0.15	0.50	0.50	0.04	0.06

Step 3: Multiply the Strength Factor Scores by a Weighting Factor				
Charter School Educational Sector		Primary Reserve Strength Factor	Equity Strength Factor	Net Income Strength Factor
Private Non-profit		40%	40%	20%
Proprietary		30%	40%	30%

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



New York State Education Department

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

Urban Choice Charter School

Date of Report: February 10, 2014

Introduction

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

Charter School Summary

Opening Information

Date Initial Charter Approved by Board of Regents	December 17, 2004
School Opening Date	September 7 , 2005
Charter Terms	1 st term: January 10, 2005- January 11, 2010 2 nd term: January 12, 2010 - June 30, 2014

Location

School Year(s)	Location(s)	Grades at Location	District of Location	Districts Served
2005-20114	545 Humboldt Street Rochester, NY 14610	K-8	Rochester City School District	RCSD

Partner Organizations

Partner Name	Partnership Type	Dates of Service
NONE		

Current Mission Statement

The mission of the Urban Choice Charter School is to provide Rochester students with a safe, supportive, and intellectually challenging educational environment. The central philosophy is that strong student-teacher relationships are essential to student motivation, engagement, and achievement. This philosophy, with authentic efforts at family involvement, and combined with the effective teaching of a rich, rigorous, and engaging curriculum, will enable students to build a strong foundation for college and career readiness, exceed state achievement standards and defy the demographic destiny of poverty.

Current Key Design Elements

• Supportive educational environment
• Rigorous, rich and engaging curriculum aligned to NYS common core
• Extended learning opportunities
• Authentic family involvement
• Data-informed instruction
• Focused professional development
• School culture

School Characteristics

School Year	Chartered Enrollment	Actual Enrollment	Grades Served
2009-2010	400	391	K-8
2010-2011	400	392	K-8
2011-2012	400	396	K-8
2012-2013	400	389	K-8

Student Demographics

	Urban Choice Charter School Enrollment		District of Location Enrollment	
	Total	%	Total	%
2011-12				
<i>All Students</i>	396		21057	
American Indian/Alaska Native	-----	-----	61	0.2%
Black	258	65.2%	13014	61.8%
Hispanic	83	21.0%	5158	24.5%
Multiracial	24	6.1%	33	0.2%
White	31	7.8%	2182	10.4%
Economically Disadvantaged	320	80.8%	19624	93.2%
Limited English Proficient	-----	-----	2450	11.6%
Students with Disabilities	44	11.1%	3731	17.7%
2012-13	Total	%	Total	%
<i>All Students</i>	389		20776	
American Indian/Alaska Native	2	0.5%	54	0.3%
Black	254	65.3%	12722	61.2%
Hispanic	84	21.6%	5208	25.1%
Multiracial	19	4.9%	20	0.1%
White	30	7.7%	2123	10.2%
Economically Disadvantaged	310	79.7%	18458	88.8%
Limited English Proficient	----	----	2371	11.4%
Students with Disabilities	40	10.3%	3539	17.0%

Current Board of Trustees

Board Member Name	Term	Position/Committees
Frank Rossi	1st term (expires June 30, 2015)	Chair/ Executive Committee; Governance Committee
Sidney Moore	2nd term (expires June 30, 2015)	Vice Chair/ Executive Committee; Governance Committee
John Page	2nd term (expires June 30, 2016)	Executive Committee; Finance Committee
Spiro Ziogas	2nd term (expires June 30, 2015)	Executive Committee; Finance Committee
Nelson Blish	1st term (expires June 30, 2015)	Member
Megan Brosco	1st term (expires June 30, 2015)	Governance Committee
Thomas Felton, Jr.	2nd term (expires June 30, 2014)	Finance Committee
Joan Moorhead	1st term (expires June 30, 2015)	Parent Involvement Committee
Dr. Christine Murray	1st term (expires June 30, 2014)	Teacher Quality Committee
Antwan Williams	1st term (expires June 30, 2015)	Parent Involvement Committee

School Leader(s)

School Year	School Leader(s) Name and Title
2005-2012	John Bliss, CEO
2012-2013	Edward Cavalier, CEO

School Visit History

School Year	Visit Type	Evaluator (CSO/External)	Date
2011-2012	Check-in visit	CSO	April 8, 2011
2011-2012	Full site visit	CSO	June 12, 2012
2012-2013	Check-in visit	CSO	March 7, 2013
2013-2014	Renewal site visit	CSO	November 20-21, 2013

Background

The Board of Regents granted an initial charter to Urban Choice Charter School (“UCCS” or “Urban Choice” or “the School,” hereafter) located in the Rochester City School District on January 11, 2005. The Board of Regents granted a five-year renewal in January 2010 for grades K-8.

Department’s Renewal Recommendation

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

Summary of Evidence

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

Department’s Analysis of Student Performance

New York State Testing Program (NYSTP) Proficiency

From 2010-11 through 2012-13, Urban Choice Charter School has demonstrated 3-8th grade NYS exam proficiency outcomes in English language arts (ELA), math and science above the Rochester CSD. However, the school scored 15-20 points below the state average in those years. Between 2010-11 and 2011-12, the School had narrowed the gap between proficiency outcomes and the state average; yet in 2012-13, Urban Choice fell 5 points compared to the state in ELA and a 9 point variance in math¹.

¹ See Table 1 and Appendix A for the School’s proficiency outcomes on the NYS ELA and mathematics exams.

Table 1: Urban Choice CS NYSTP Proficiency Variance Compared to the District of Location and NYS²

Subject	Charter School		Rochester		NYS	School Comparison to:		
	N	%	N	%	%	Rochester	NYS	
2010-11	Elem/Middle ELA	270	33.7%	13,566	24.3%	52.8%	9.4%	-19.1%
	Elem/Middle Math	270	42.7%	13,754	29.3%	63.3%	13.4%	-20.6%
	Elem/Middle Sci	87	80.0%	4,468	51.2%		28.8%	
2011-12	Elem/Middle ELA	263	38.4%	13,276	20.6%	55.1%	17.8%	-16.7%
	Elem/Middle Math	264	49.4%	13,409	27.2%	64.8%	22.2%	-15.4%
	Elem/Middle Sci	85	72.6%	4,140	47.1%		25.5%	
2012-13	Elem/Middle ELA	265	9.2%	12,834	5.4%	31.1%	3.8%	-21.9%
	Elem/Middle Math	265	6.7%	13,030	4.9%	31.1%	1.8%	-24.3%

Growth

Urban Choice Charter School was compared to similar elementary schools in the Rochester City School District (district of location) and other similar elementary schools across New York State. Compared to these peer schools, in 2011-12, Urban Choice Charter School significant growth in ELA and math, surpassing most comparable schools in Rochester CSD. Specifically, Urban Choice Charter School's growth scores exceeded the Rochester CSD.

In 2012-13, Urban Choice's growth declined in math. The school's ELA growth declined as well, but not as steeply as math. As a result, the growth scores for Urban Choice place the school in the median of other Rochester CSD schools of similar grade configuration in terms of growth³.

Evidence of Performance Related to Academic Goals

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

In every year of its charter term to date, UCCS outperformed the RCSD in aggregate on both ELA and Math NYS tests across all grade levels. In 2010, UCCS met its charter goal by outperforming the host district in excess of 10 percentage points in ELA, but only outscored the RCSD by 3 percentage points in math. The next year, 2011, UCCS met its comparative charter goal by

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

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

³ See Appendix A for scatterplots depicting the school's growth.

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

outperforming the RCSD by over 10 percentage points in both ELA and Math. In its July 2012 site visit report, the New York State Education Department's (NYSED) Charter School Office noted that the margin of UCCS' higher rate of ELA and math proficiency in 2011 was inconsistent across grade levels. UCCS nearly doubled its outperformance of the RCSD on 2012 ELA and Math tests across all grade levels. In ELA, UCCS logged a proficiency rate over 16 percentage points higher than the RCSD and in Math, the school's proficiency rate was over 22 percentage points higher.

Educational Soundness

Curriculum and Instruction

Teachers at Urban Choice Charter School have many resources to guide their instructional planning: including maps aligned with the NYS common core learning standards; EngageNY modules for Grades 3-8 in ELA and math (created under contract by Expeditionary Learning <http://www.engageny.org/common-core-curriculum>); and EngageNY modules in ELA for Grades K-2 being piloted by UCCS teachers.

The principal, dean of students and the director of student support services are responsible for monitoring curriculum implementation across the School. Teachers submit weekly lesson plans that are reviewed by the principal and returned with appropriate feedback. UCCS employs an ELA specialist and a math specialist to provide instructional coaching and classroom support to K-8 teachers. In addition, novice teachers are provided a mentor from within the staff or, if more suitable, a veteran expert teacher from another school. Through these multiple methods, UCCS administrators monitor teachers' implementation of curriculum.

Assessment and Instructional Decision-Making

UCCS has implemented a school-wide Response to Intervention (RtI) Instruction model, grouping students for intervention or enrichment based on assessment results. UCCS employs two RtI teachers, five special educators, and one building substitute to provide intensive Tier II and Tier III interventions during daily 30-minute blocks across a six-week cycle. The math and reading specialists coordinate progress monitoring and meet with teachers in their RtI groups to review and analyze student progress data and determine necessary interventions.

School leaders at UCCS use data to make programmatic schoolwide decisions. School leaders reported that a steep decline in test results from the spring 2013 NY state assessments led to the decision to implement the EngageNY K-2 ELA modules in all classes. To inform and educate UCCS parents and families about the NYS Common Core Learning Standards, UCCS scheduled two curriculum nights in September 2013. Few parents attended either night, and school leaders used this data to work with UCCS staff to design a more engaging, inviting open house night that would bring more parents into the School to fulfill one of the School's key design elements. The open house held in late October included student performances as well as Common Core Learning Standards (CCLS) information and over 350 people attended.

Climate, Culture and Safety

UCCS employs two social workers and one guidance counselor who are responsible for monitoring the social-emotional needs of its students. A full time Dignity for All Students Act (DASA) coordinator monitors student-to-student issues. At the October 2013 site visit, parents noted that their concerns are effectively and appropriately addressed.

The School is able to maintain a safe and positive environment through the use of Alternative to Suspension (ATS), Positive Behavioral Interventions and Supports (PBIS), and Class Dojo. UCCS school leaders and board members cited the ATS program as a key strategy for ensuring that students have all possible opportunities to achieve academic success. UCCS has adopted Class Dojo (www.classdojo.com), a technology-based tool, to assist teachers in classroom management and PBIS, a school-wide behavior management model. The common language of PBIS (Be responsible, Be respectful, Be Safe) is in evidence on posters throughout the School.

In addition to the School's attention to a safe environment for students, staff members are provided several venues for sharing their concerns and issues. "What's your question?" sessions, the salary and benefits committee, PLC, an open door policy with school leaders and frequent walk-through visits by board members to the school are examples. A more substantive academic example emerged early in the year when staff reported the excessive hours needed to align new math workbooks purchased in 2012-2013 with the CCLS to ensure their lesson plans met the new learning standards.

Organizational Soundness

Evidence of Organizational Capacity

The establishment of a collaborative leadership team in 2012-2013 under the direction of the new CEO, while not codified in a specific document, includes clear expectations for supervisory and management functions for each member. The School is moving toward a flatter and more collaborative structure. The UCCS principal, dean of students, and director of student support services oversee curriculum and instruction, as well as teacher professional development. The director of business and finance and the CEO manage the School's resources and organizational needs, as well as the operational aspects of the organization, such as fire marshal inspections and food services. The director of family and community engagement ensures that the home-school connection meets the UCCS goal of authentic family involvement.

The founding UCCS CEO left the position in October 2012. The principal, director of business and finance, dean of students, director of student support services, and family and community engagement coordinator now function as a collaborative leadership team. While each has specific supervisory and management responsibilities, they consult weekly to review the status of all the mission-related aspects of the organization. The team established a mandatory attendance policy for the weekly two-hour meetings. The leadership team contributes to the compilation of the board of trustees monthly dashboard (each team member prepares a board report for their own area of responsibility.) Previously, board reports were delivered by the CEO alone. While the CEO holds supervisory responsibility over the other members of the leadership team, evaluation occurs in the context of frequent daily interactions.

The new UCCS CEO was previously a member of the School's board of trustees and is familiar with all stakeholders, as well as the governance and academic challenges needing to be addressed at the school. Since October 2012, many issues have been addressed, such as a flatter governance structure, salary parity, teacher evaluations, hiring more qualified staff and releasing teachers who were unsuited for the School, professional development, commitment to the Common Core in all classrooms, expanded use of data to make instructional decisions, and improved classroom management. Although UCCS has made many structural changes, it is too soon to substantiate the effectiveness of these changes through data.

The UCCS board has experienced turnover during the current charter term. Of the current 10 members, six are in their first term and four in their second term. Two terms expire at the end of the 2013-2014 school year; seven expire in 2015, and one in 2016.

The board's "on-boarding" includes a process in which candidates are recruited through network connections. Prospective candidates review the School mission, vision and board policies to ascertain the candidate's agreement with the School's central design principles. When suitable, the candidate's credentials are presented to the board for review and approval. Candidates are recruited through personal networks, as well as community and civic organizations. Board members specifically cited connections with the Rochester area African American Leadership Development Network and the Hispanic Leadership Network as a vital source for prospective board candidates.

Evidence of Board Oversight and Governance

Since the October 2012 change, the board has not completed a systematic review of the current CEO's performance. The CEO indicated he submitted personal goals to the board, but has not received feedback from the board. Board members expressed strong confidence in the capabilities of the current CEO. Their confidence does not excuse the board's obligation to conduct a candid and thorough evaluation of both the CEO's performance, as well as its own performance of its governance functions. Neither evaluation has taken place.

Significant changes in School leadership during 2012-2013 were coupled with adjustments in the operating practices of the UCCS board of trustees. Members of the board restructured themselves to establish six standing committees with specific responsibilities. These include: Executive Committee, Governance Committee, Finance Committee, Parent Involvement Committee, and Teacher Quality Committee. Each committee is chaired by a board member with related expertise. Only the governance and finance committees are explicitly defined in the Board By-Laws.

The UCCS board of trustees has established few goals outside of the School's academic performance goals. The board recently initiated practices to examine data on School activities to monitor the impact of board decisions. UCCS defines two organizational goals related to its key design elements:

- 80% of parents will participate in two conferences
- volunteer hours will increase by 10% per year

The annual increase in volunteer hours was reached, but not the goal of 80% attendance of parents at School conferences. No other internal board goals are listed in the charter renewal application.

Following a retreat in 2012-2013, the board chose to refine its committee structure and to initiate regular review of School data. The School leadership team prepares a monthly dashboard listing key indicators of School performance related to the mission and key design elements:

- School demographics - by grade for each subgroup; Staffing - FTE, Student ratio;
- Staff attendance - percent present by month, sorted by instructional and all staff;
- Alternative to Suspension - number of days by month current year, last year;
- School-wide enrollment - actual, budgeted; rate per month;
- Attrition rate - percent of students leaving the School by month;
- Enrollment and waiting list - by grade by month;
- Annual charter goals – for years 2012-2013, 2013-2014 to date: Percent students on honor roll, Percent students failed NYS ELA in summer school, Percent families attending two conferences, Number of volunteer hours, DRA – Grade 2, DRA – Grade 4.

While the dashboard provides board members useful concrete data about the effectiveness of School operations, it neglects critical information about student academic achievement.

For example, the School administered Aimsweb in September as a diagnostic assessment and the results shared with the site visit team show significant gaps between current achievement and proficiency targets most evident at certain grade levels. While the DRA data reported on the November board of trustees' dashboard suggest that students in Grades 2 and 4 are meeting or exceeding targets, the Aimsweb results tell a strikingly different story. Without a comprehensive picture of School performance, the board may not have sufficient information on which to make timely and targeted adjustments to the School program.

During a “Mission Minute” every meeting, board members are invited to describe how they have furthered the School’s mission, including participation in family activities, School events, and networking with community and business contacts.

Fiscal Soundness

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

The dashboard presents several near-term⁵ and long-term⁶ financial performance indicators. These rigorous indicators of fiscal soundness are aligned with those recommended by the National Association

⁵ Near-term indicators of financial health are used to understand the current financial performance and viability of an entity. CSO uses four measures. The “current ratio” is a measure of operational efficiency and short-term financial health. It is calculated as current assets divided by current liabilities. “Unrestricted days cash” is a measure of liquidity and available funding. It is calculated as unrestricted cash divided by (total expenses/365). To capture the impact of enrollment on finances, we also measure “enrollment stability” by comparing actual vs. projected reported by schools. Schools failing to enroll 85% of their projected total may not be permitted to provide instruction. CSO also uses a “financial composite score” as a blended measure of performance on multiple indicators. Scores between 1.5 and 3.0 denote fiscal strength. Intermediate scores range from 1.4 to 1.0. Scores below 1.0 require additional CSO monitoring of fiscal performance and management. Please see Appendix B for additional detail on the fiscal performance of the School on these near-term indicators.

⁶ Long-term indicators of financial health are used to understand the financial viability of an entity for periods of one year or more. CSO uses four measures. The “total margin” measures the deficit or surplus a schools yields out its total revenues. “Debt to asset” ratio measures the use of borrowed funds to finance operations. Ratios greater than 1.0 are indicative of high risk.

of Charter School Authorizers, and are also used by the Trustees at the State University of New York (SUNY) in their capacity as a charter school authorizer (SUNY-CSI) in New York State. Near-term indicators such as the current ratio and unrestricted days cash are measures of liquidity, and of the charter school’s capacity to maintain operations. Long-term indicators such as total margin and debt-to-asset ratio are measures of the charter school’s capacity to remain viable and to meet financial obligations.

Overall Financial Outlook

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

Near Term Indicators

Although the school is overall financially strong, the current ratio for 2012-13 is 2.3, a decrease from the prior year value of 4.4. The **current ratio** is a financial ratio that measures whether or not a school has enough resources to pay its debts over the next 12 months. It compares the school’s Current Assets to Current Liabilities. The current ratio is an indication of liquidity and ability to meet creditor’s demands. Acceptable ratios are generally between 1.5 and 3 which would indicate good short term strength. If current liabilities exceed current assets (the current ratio is below 1), then the school may have difficulties meeting its short term obligations. Since 2010-11, the composite score has increased and remained strong, as illustrated in the following table.

Year	Composite Score
2010-11	2.2
2011-12	2.8
2012-13	2.7

For fiscal year 2012-13, Urban Choice operated with 75 days unrestricted cash, a decrease from 2011-12 levels of 124 days. **Unrestricted cash** measures in days whether the school can meet operating expenses without receiving new income. Schools typically strive to maintain at least 90 days cash on hand.

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

“Cash flow” measures increases or decreases in cash from operations, financing, and investing. “Debt Service Coverage Ratio” measures the capacity of an entity to cover debt obligations in the current year. See Appendix B for additional detail on the fiscal performance of the School on these long-term indicators.

Long Term Indicators

For 2012-13, Urban Choice's debt to asset ratio was 0.30, a slight increase from 0.21 in 2011-12. A school's **debt to asset ratio** measures the extent to which the school relies on borrowed funds to finance its operations. It is calculated as total liabilities divided by total assets. A ratio of 0.9 or less meets a standard of low risk.

Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources. Total margin is calculated as net income divided by total revenue. For 2012-13, Urban Choice's total margin was -9.3 percent, a decrease from 2011-12 levels of 2.3 percent.

Cash flow is an assessment of change in cash from operations, financing and investing over a given period. For the 2012-13 period, Urban Choice had negative cash flow of \$583,060. This is a substantial shift from 2011-12 levels of positive \$381,435, according to the school's 2012-13 audited financial statements.

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

Faithfulness to the Charter and Law

UCCS has established structures, policies and practices that contribute to achievement of its mission. The key phrases: "safe, supportive", "intellectually challenging and "strong student-teacher relationships" are cited by teachers, parents, leaders and the UCCS board as a common understanding of the commitments of the School. Evidence of the School's success at "effective teaching" varies across the grades, with the strongest evidence in the elementary classes. The School's implementation of the EngageNY modules and commitment to intensive training at the NTI is in the early stages. UCCS students have yet to "exceed state achievement standards" and the most recent 2013 state test results reveal a significant challenge for the School to meet this promise.

The first sentence of the UCCS mission declares a commitment to "a safe, supportive, and intellectually challenging educational environment." Students, parents, and staff all spoke enthusiastically about the success of UCCS in meeting the promise of a safe and supportive environment. Through careful staffing and the adoption of proven strategies, UCCS has taken actions that have resulted in strong family commitments to the School.

Another element of the School's mission, overcoming the challenges of poverty, is addressed by the School's employment of two guidance counselors and a social worker. Teachers and parents cited several personal examples in which UCCS staff facilitated access to agencies providing social or health related services. Teachers, administrators, counselors and social workers use home visits to reach out to families when students are struggling academically. Often, the home visit confirms that the student is facing more than academic challenges and the UCCS supports are activated to bring needed services to the family, and thereby to the student.

Plans for the Next Charter Term

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

Summary of Public Comment

As required by the Charter School Act, the Department notified the Rochester City School District and public and nonpublic schools in the same geographic area about the submission of the School's renewal application. The District held the required hearing on December 16, 2013. According to the minutes of the hearing, a brief informational presentation about the school was made by a District staff person. There were no representatives from Urban Choice Charter School present. There were no public comments received.

Appendix A



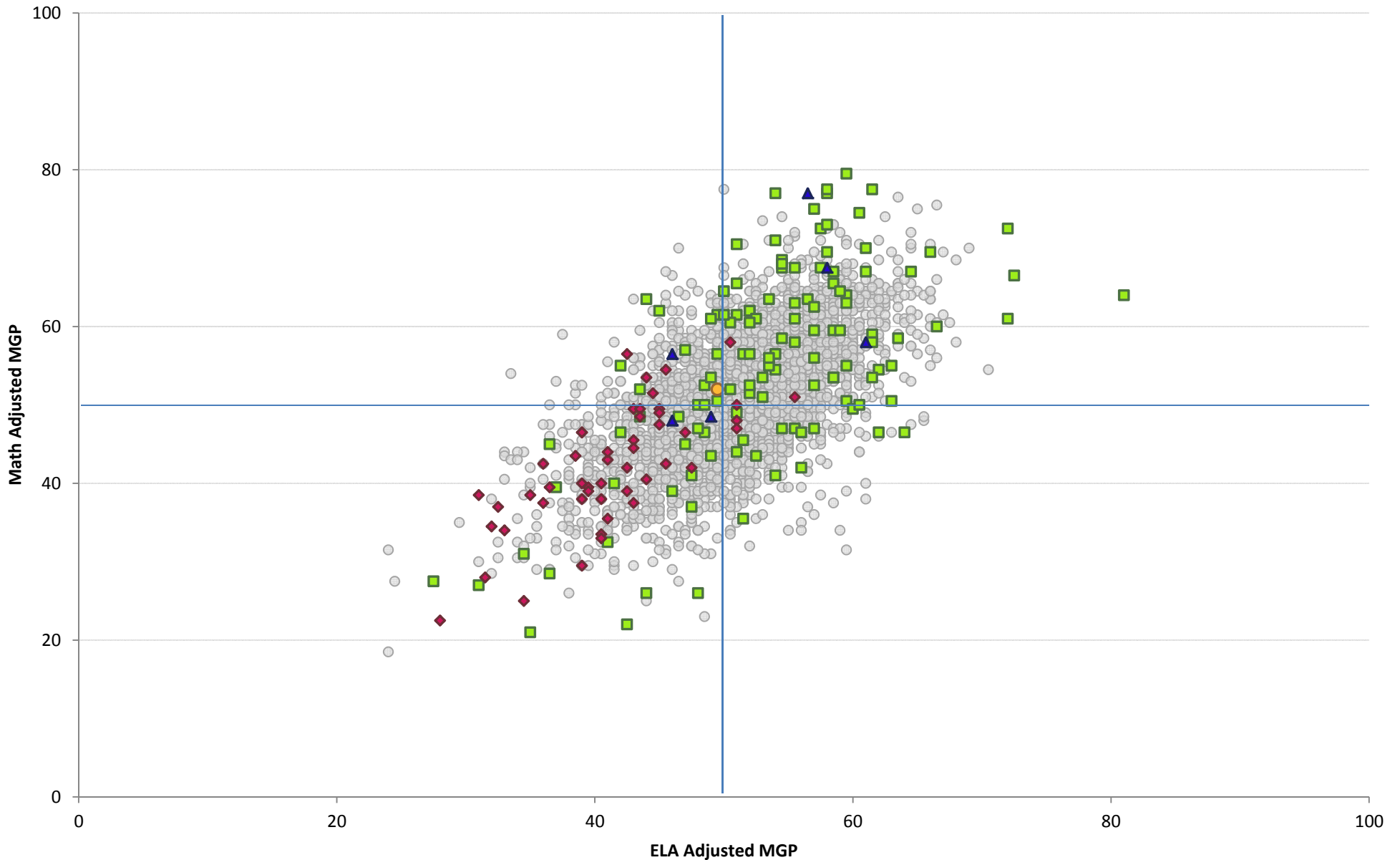
Urban Choice Charter School

2014 Regents Authorized Charter School Academic Analysis

Student Performance and Growth
Compared to the District and the State

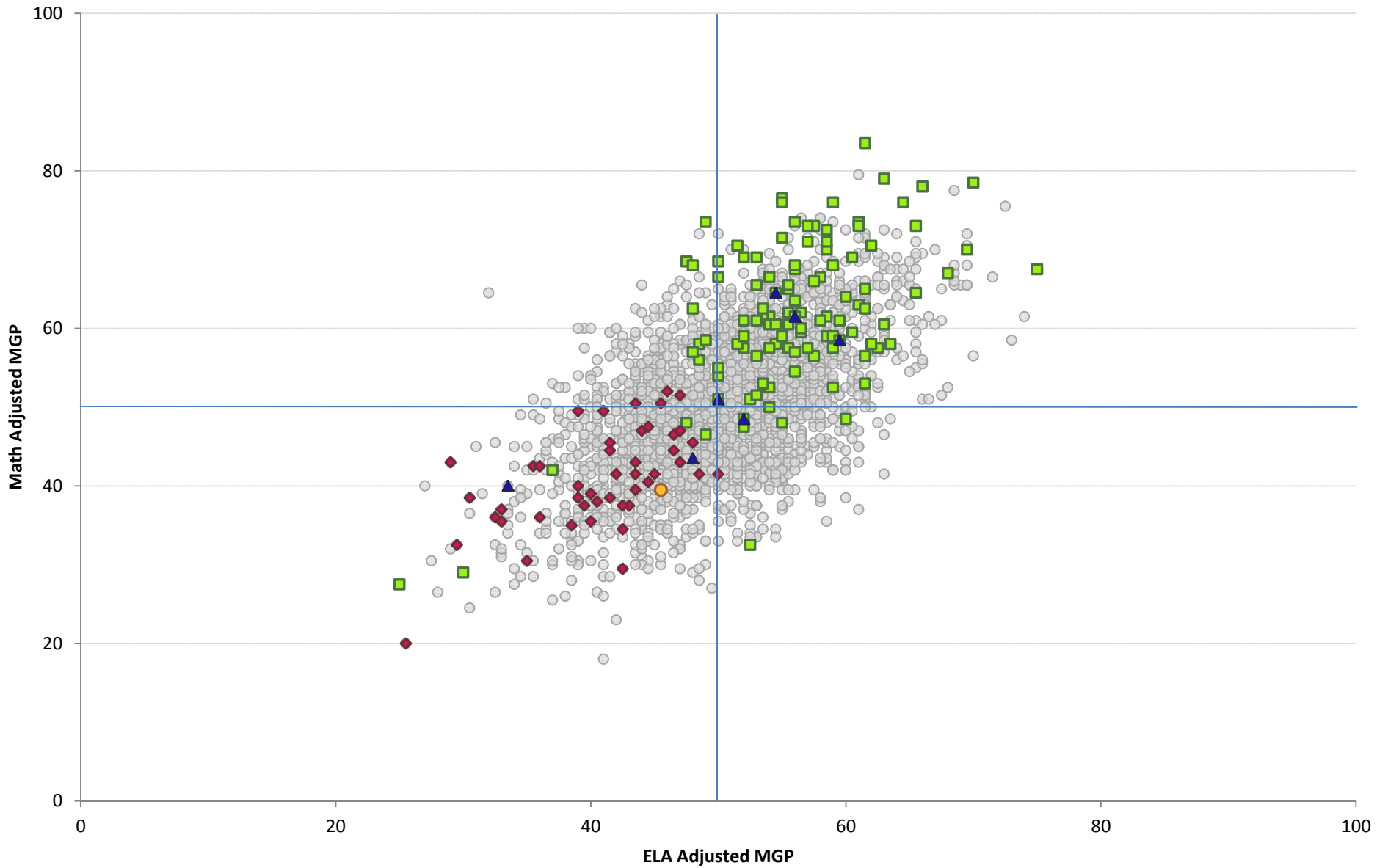
The Regents of The University of the State of New York
Charter School Office
89 Washington Avenue
Albany, New York 12234
charterschools@mail.nysed.gov
518-474-1762

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



○ NYS ■ SIMILAR CHARTER SCHOOLS IN NYS ◆ ROCHESTER CSD ▲ SIMILAR CHARTER SCHOOLS IN THE DISTRICT ● URBAN CHOICE CHARTER SCHOOL
Urban Choice Charter School Renewal Recommendation Report

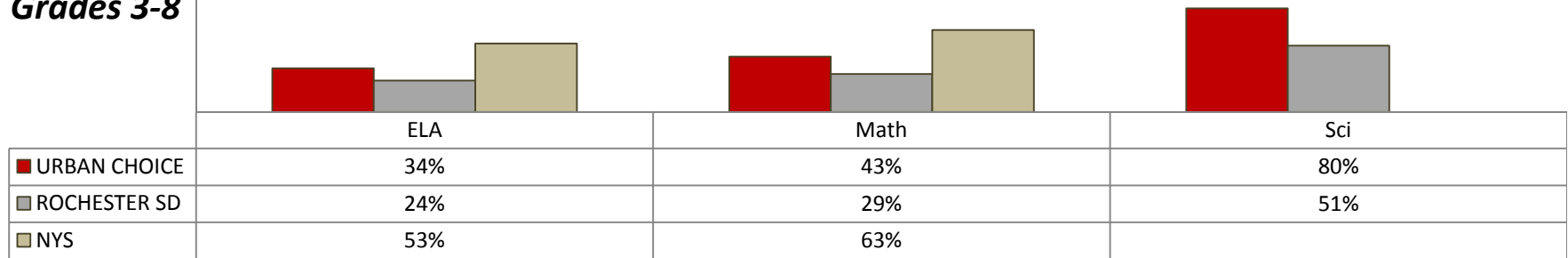
2012-13 ELA and Math Adjusted Mean Growth Percentile: *Urban Choice Charter School Compared to Similar Schools within Rochester CSD and New York State*



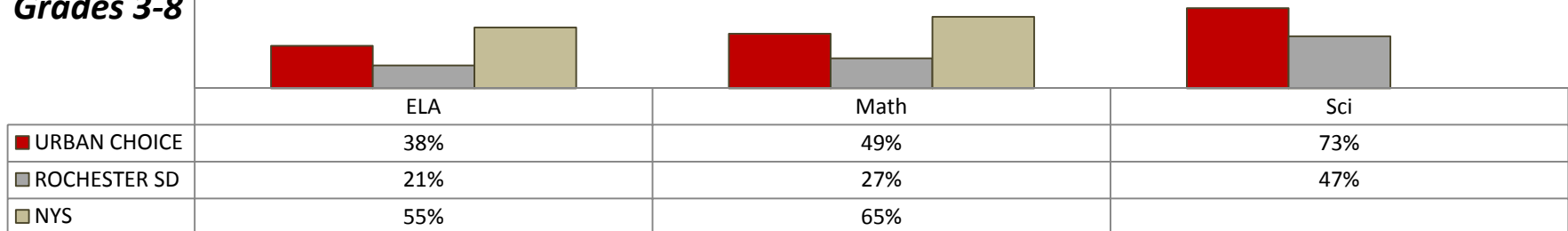
○ NYS ■ SIMILAR CHARTER SCHOOLS IN NYS ◆ ROCHESTER CSD ▲ SIMILAR CHARTER SCHOOLS IN THE DISTRICT ● URBAN CHOICE CHARTER SCHOOL

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

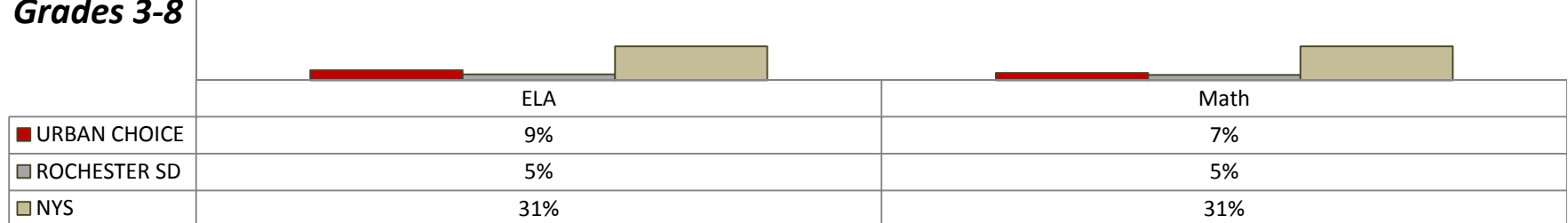
2010-11 Grades 3-8



2011-12 Grades 3-8



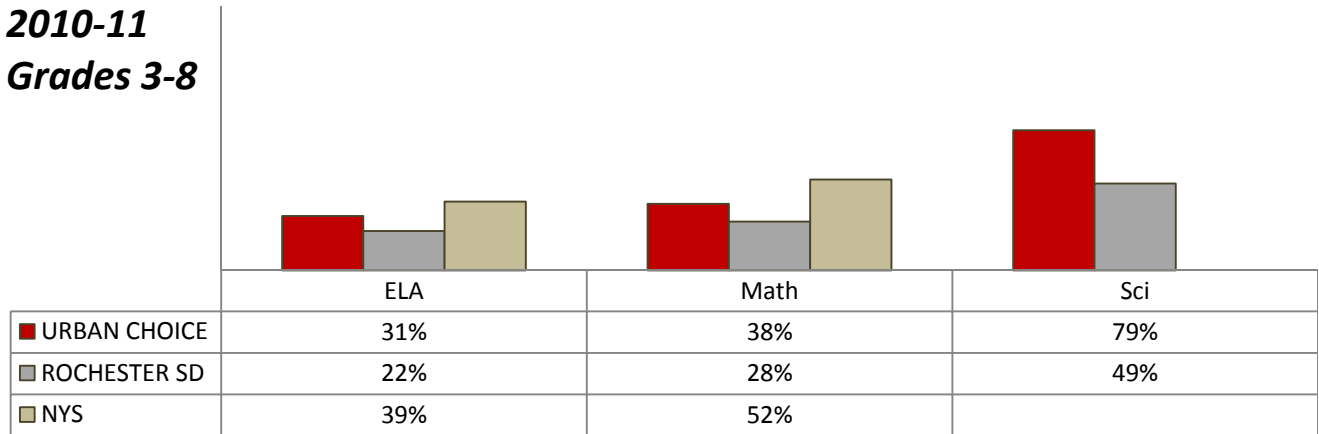
2012-13 Grades 3-8



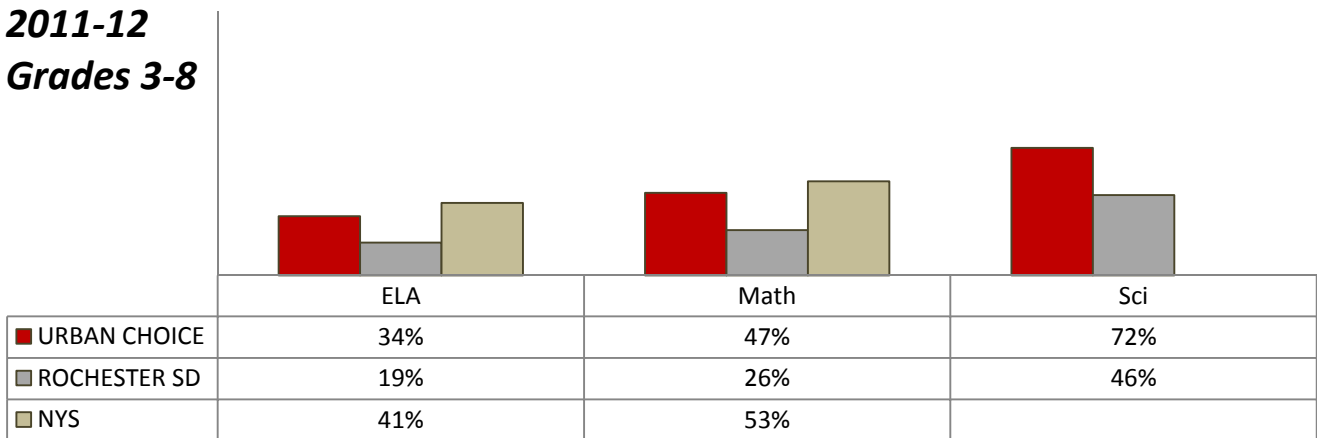
Note: 2012-13 grades 3-8 science proficiency data is embargoed until the school report card release.

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

2010-11 Grades 3-8



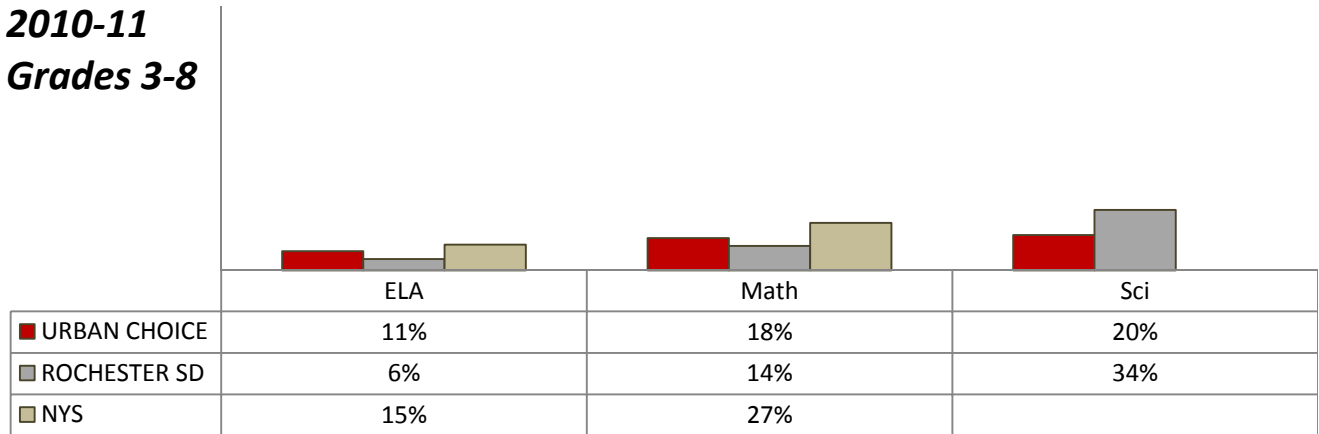
2011-12 Grades 3-8



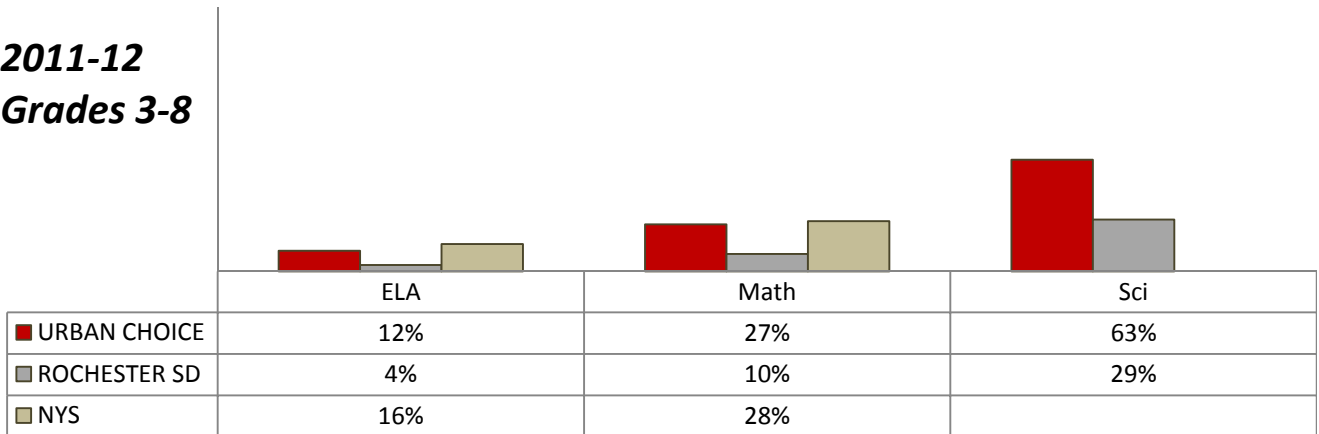
Note: 2012-13 grades 3-8 subgroup proficiency data is embargoed until the school report card release.

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

2010-11 Grades 3-8



2011-12 Grades 3-8



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

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

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

Appendix B



Urban Choice Charter School

2014 Regents Authorized Charter School Fiscal Analysis

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

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

Charter School:	Urban Choice Charter School
Report as of:	2013



General Information:					
Contact Info:	Dan Deckman	Years in Operation:	4	Enrollment:	400
Region:	Rochester CSD	Grades Served:	K-8	Max Enrollment:	400

Income Statement:		Balance Sheet & Cash Flow:		Key Performance Metrics:	
Revenues:		Assets:		Near-Term Metrics:	
State/Local Operating	\$4,793,219	Cash	\$1,219,765	Current Ratio	2.3x
Federal Sources	313,195	Total Current Assets	1,399,207	Unrestricted Days Cash	74.5
State/Local Grants	116,991	Investments & PP&E	899,540	Enrollment Stability	100.0%
Other	26,340	Total Assets:	\$2,375,629	Total Revenue Per Student:	\$13,124
Total Revenues:	\$5,249,745			Total Expenses Per Student:	\$14,932
Expenses:		Liabilities:		Sustainable Metrics:	
Total Program Services	\$4,660,963	Current Liabilities	\$608,750	Total Margin	(9.3%)
Management and General	1,311,900	Total Debt	0	Debt to Asset Ratio	0.30x
Fundraising	0	Total Liabilities:	716,391	Cash Flow	(\$583,060)
Total Expenses:	\$5,972,863	Net Assets:	1,659,238	Debt Service Coverage Ratio	N/A
		Total Liab. & Net Assets:	\$2,375,629	Composite Score	1.50
Ops. Surplus/(Deficit)	(\$723,118)	Change in Cash	(\$583,060)	Composite Strength	Strong



Performance Evaluation Master

Symbol Legend:

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

Key Inputs:

Target School:	Urban Choice Charter School
Time Period:	2013

Financial Indicator:

Target: Urban Choice Charter School

Near-Term Indicators:

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

Current Metric:	Performance:		
2.3x			
74.5			
100.0%			

Financial Composite Score:

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

Current Metric:	Performance:		
1.5x			

Long-Term Indicators:

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

Current Metric:	Performance:		
(9.3%)			
0.30x			
(\$583,060)			
N/A			

Near-Term Performance Evaluation: Urban Choice Charter School

	2013	2012	2011	Average
1a. Current Ratio	2.30x	4.40x	4.21x	3.64x

Explanation: Current Ratio (CR) is a measure of operational efficiency and short-term financial health. CR is calculated as current assets divided by current liabilities.

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

	2013	2012	2011	Average
1b. Unrestricted Days Cash	74.5	124.0	101.9	100.2

Explanation: The unrestricted days cash on hand ratio indicates how many days a school can pay its expenses without another inflow of cash. Calculated as Unrestricted Cash divided by (Total Expenses/365).

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

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

Explanation: Enrollment stability tells authorizers whether or not the school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations. Actual Enrollment divided by Enrollment Projection in Charter School Budget.

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

Financial Composite Score: Urban Choice Charter School

2 Financial Composite Score	Current
	1.50

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

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

Long-Term Performance Evaluation: Urban Choice Charter School

	2013	2012	2011	Average
2a. Total Margin	(9.3%)	2.3%	8.3%	0.4%

Explanation: Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources. Calculated as Net Income divided by Total Revenue.

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

	2013	2012	2011	Average
2b. Debt to Asset Ratio	0.30x	0.21x	0.20x	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
- FOR SCORE (car)** **● Adequate - Moderate Risk:**
 Debt to Asset Ratio is between 0.90 and 1.0
- ▼ Requires Review - High Risk:**
Debt to Asset Ratio is greater than 1.0

	2013	2012	2011	Average
2c. Cash Flow	(\$583,060)	\$381,435	\$672,054	\$156,810

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

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

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

Explanation: Debt service coverage ratio indicates a school's ability to cover its debt obligations in the current year. Calculated as: (Net Income + Depreciation + Interest Expense)/(Principal and Interest Payments).

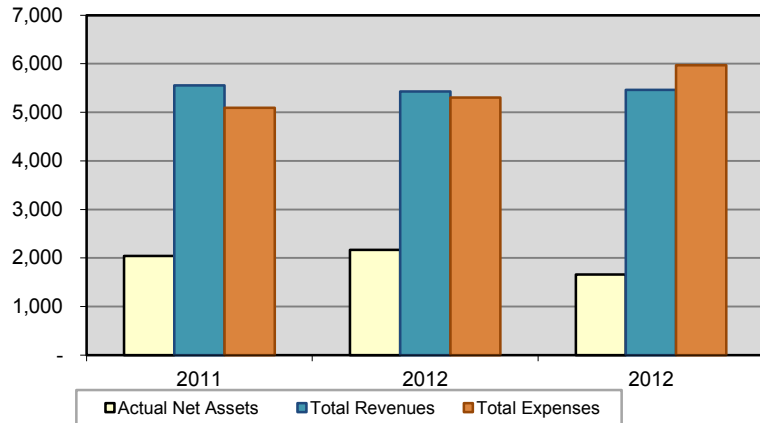
- ▲ Meets Standard - Low Risk:**
Debt Service Coverage Ratio is equal to or exceeds 1.10
- Adequate - Moderate Risk:**
Debt Service Coverage Ratio is less than 1.10
- ▼ Requires Review - High Risk:**
Debt Service Coverage Ratio is less than 0.90

Charter School: Urban Choice Charter School



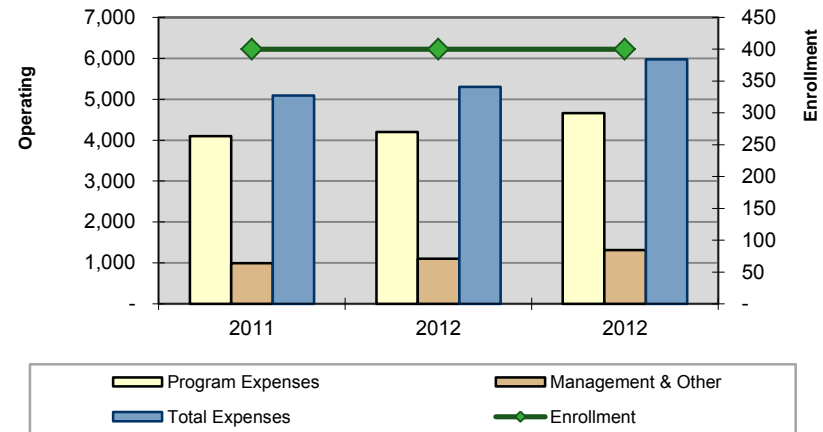
(\$'s in thousands)

Revenues, Expenses & Change in Net Assets



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

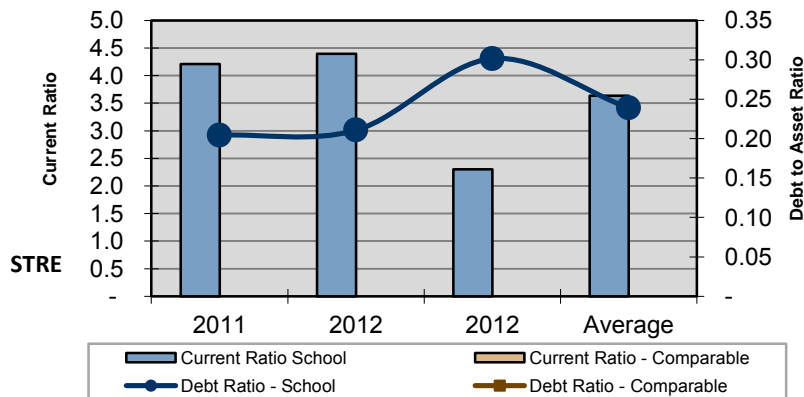
Enrollment vs. Operating Expenses



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

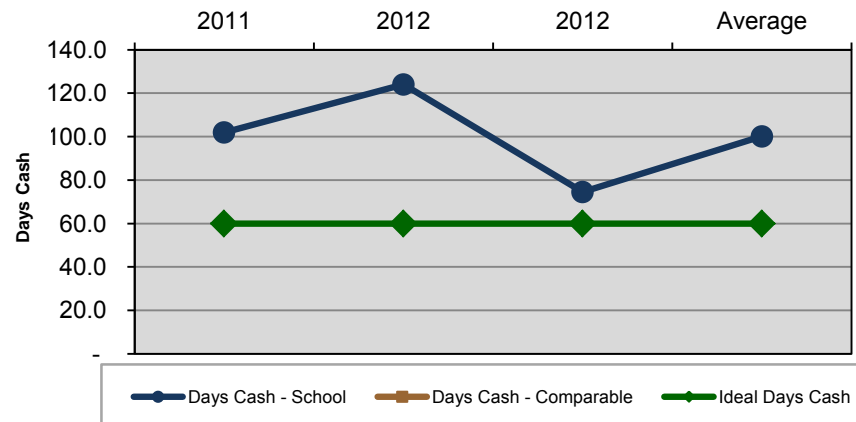
Current Ratio / Debt to Asset Ratio

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



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

Days Cash



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



School		Urban Choice Charter School
COMPOSITE SCORE:		1.5
PRIMARY RESERVE RATIO	Unrestricted Net Assets	\$ 1,659,238.00
	ADD: Temporarily Restricted Net Assets	\$ -
	LESS: Net Property, Plant and Equipment	\$ (899,540.00)
	ADD: Long-term debt	\$ -
	EXPENDABLE NET ASSETS	\$ 759,698.00
	DIVIDE BY: TOTAL EXPENSES	\$ 5,972,863.00
	PRIMARY RESERVE RATIO:	0.127x
EQUITY RATIO	Unrestricted Net Assets	\$ 1,659,238.00
	ADD: Temporarily Restricted Net Assets	\$ -
	MODIFIED NET ASSETS	\$ 1,659,238.00
	DIVIDE BY: MODIFIED ASSETS	\$ 2,375,629.00
	EQUITY RATIO:	0.698x
NET INCOME RATIO:	CHANGE IN UNRESTRICTED NET ASSETS	\$ (506,866.00)
	DIVIDE BY: TOTAL UNRESTRICTED REVENUE	\$ 5,464,159.00
	NET INCOME RATIO:	-0.093x
STRENGTH FACTOR SCORE (cannot be <-1 or >3)	PRIMARY RESERVE strength factor score = 10 x Primary Reserve ratio result	1.270
	EQUITY strength factor score = 6 x Equity ratio result	3.000
	Net Income strength factor score = 1 + (25 x Net Income Ratio Result) IF Negative Net Inc.	(1.000)
	Net Income strength factor score = 1 + (50 x Net Income Ratio Result) IF Positive Net Inc.	0.000
	NET INCOME Strength Factor:	(1.000)
WEIGHTED AND COMPOSITE SCORE	Primary Reserve Weighted Score = 40% x Primary Reserve Strength Factor Score:	0.508
	Equity Weighted Score = 40% x Equity Strength Factor Score:	1.200
	Net Income Weighted Score = 20% x Net Income Strength Factor:	(0.200)
	Composite Score = Sum of ALL Weighted Scores	1.508
	Round to one digit after the decimal to determine the final score:	1.5
Performance Based on Composite Score		Strong

COMPOSITE SCORE EXPLANATION:

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

Understanding COMPOSITE SCORES

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

4 Steps to Calc. COMPOSITE SCORES

Step 1: Calculate Three Financial Ratios from Financial Statements		
Primary Reserve Ratio	Equity Ratio	Net Income Ratio
Expendable Net Assets / Total Expenses	Modified Net Assets / Modified Assets	Change in Unrestricted Net Assets / Total Unrestricted Revenue

Step 2: Convert Ratio Results to Strength Factor Scores							
Strength Factor Score	Interpretation of Score	Primary Reserve Ratio		Equity Ratio		Net Income Ratio	
		Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary	Private Non-profit	Pro- prie- tary
-1	Liabilities exceed resources	(0.10)	(0.05)	(0.17)	(0.17)	(0.08)	(0.06)
0	No demonstrable net resources	0.00	0.00	0.00	0.00	(0.04)	(0.03)
1	Minimal resources, but not enough for clear financial health	0.10	0.05	0.17	0.17	0.00	0.00
1.5	Minimal level of resources to indicate financial health	0.15	0.08	0.25	0.25	0.01	0.02
3	Clearly financially healthy on that resource	0.30	0.15	0.50	0.50	0.04	0.06

Step 3: Multiply the Strength Factor Scores by a Weighting Factor			
Charter School Educational Sector	Primary Reserve Strength Factor	Equity Strength Factor	Net Income Strength Factor
Private Non-profit	40%	40%	20%
Proprietary	30%	40%	30%

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