



Charter Schools Institute
The State University of New York

Renewal Report

New Covenant Charter School

January 5, 2010

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The final version of Institute renewal reports should be broadly shared by the school with the entire school community. The reports will be posted on the Institute’s website at: www.newyorkcharters.org/pubsReportsRenewals.htm.

REPORT INTRODUCTION

This report is the primary means by which the Charter Schools Institute (the “Institute”) transmits to the Board of Trustees of the State University of New York (the “SUNY Trustees”) its findings and recommendations regarding a school’s application for renewal, and more broadly, details the merits of a school’s case for renewal. This particular renewal report focuses on a one-year charter term granted to the New Covenant Charter School and the extent to which the school has met or not met the academic, legal, and fiscal requirements set forth as part of that renewal.

Information about SUNY’s renewal process, including the Institute’s comprehensive Charter Renewal Handbook and an overview of the requirements for renewal under the New York Charter Schools Act of 1998 (as amended, the “Act”), are available on the Institute’s website at: www.newyorkcharters.org/schoolsRenewOverview.htm.

RECOMMENDATION AND EXECUTIVE SUMMARY

Recommendation

Non-Renewal

At the time of New Covenant Charter School’s last renewal, the SUNY Trustees’ Charter Schools Committee set forth very specific renewal criteria for New Covenant and declared that only two renewal outcomes would be available to the school at the conclusion of a one-year renewal term: non-renewal or a full-term renewal of five years. That determination, which was reviewed and approved by the full SUNY Board of Trustees, effectively changed the Charter Schools Institute’s current renewal analysis for the school, and limited the further exercise of discretion by the Charter Schools Committee.

The Institute’s finding is that New Covenant Charter School did not meet all of the academic conditions set forth as part of its one-year renewal. Therefore, the charter of New Covenant should not be renewed and the Institute recommends that the SUNY Trustees deny the Application for Renewal. In keeping with SUNY practice, the school should not be allowed to provide any instruction beyond the final day of classes for the 2009-10 school year including, but not limited to, summer school.

Executive Summary

In March 2009, the SUNY Trustees granted New Covenant Charter School (“New Covenant”) a heavily conditioned renewal through July 31, 2010 utilizing the discretion reserved to them in the SUNY Renewal Practices. The Institute had made a recommendation of non-renewal for New Covenant in January 2009 as New Covenant, in its tenth year of operation, had not “met or come close to meeting its academic Accountability Plan goals during the Accountability Period,” and, therefore, had not met the standard for subsequent renewal as defined in the SUNY Renewal Practices. The Institute’s recommendation of non-renewal, in keeping with the SUNY Renewal Practices, was based on evidence gathered over the course of the prior charter term, which included two years of management by Edison Schools, Inc. and three years of management by Victory

Schools, Inc., the present management company. The recommendation was shared with the school and the SUNY Trustees at the time of the last renewal and is a matter of public record. The Institute's final 2009 renewal report (which includes a copy of the one-year renewal conditions described below) is available online at: <http://www.newyorkcharters.org/NCCSRenewalReport2009.pdf>.

The school petitioned the SUNY Trustees' Charter Schools Committee (the "Committee") for more time, stating in sum and substance that the school was on track to achieving all of its academic goals contained in its Accountability Plan. In response, the Committee voted to give the school a charter extension through July 31, 2010 under explicit conditions (Committee Resolution dated January 16, 2009). In light of the discussion and events at the Committee meeting, the SUNY Board of Trustees called upon the Institute to develop a detailed summary of the history of the school since its founding in 1999 and other information for the SUNY Trustees' consideration (a copy of the history document is available on the Institute's website at: <http://www.newyorkcharters.org/NCCSFullHistory.pdf>, and a summary of that history is posted at: <http://www.newyorkcharters.org/NCCSSummaryHistory.pdf>). In doing so, on January 27, 2009, the SUNY Trustees decided to table the Committee's action in order to consider the additional information regarding the school's performance and history.

On March 24, 2009, the Committee met and recommended to the full SUNY Board that the school be renewed through the end of the 2009-10 school year with very specific minimum academic, legal and fiscal conditions. If the conditions were not met New Covenant could not be renewed. If the conditions were met, however, it did not mean that New Covenant had to be renewed. Rather, the Committee would then have to decide whether or not the school would be renewed. In addition, the Committee limited its further discretion by permitting only two renewal outcomes for the school's next renewal — full-term renewal of five years or non-renewal. By the foregoing condition, the Committee re-created the renewal outcomes afforded other schools facing subsequent renewal in the event that the school met the minimum conditions and helped assure careful consideration by the Committee of any subsequent renewal decision. On the same date and after discussion, the full SUNY Board of Trustees, which had decided to take up the matter, voted to allow the Committee's recommendation to go forward as it was permitted to do under its May 13, 2008 delegation to the Committee.

Given the importance of the renewal conditions, the SUNY Trustees did request that the terms of the renewal be presented to the New Covenant board of trustees in writing. The chair of the school's board was asked by the Chair of the Charter Schools Committee to return a signed copy of that document to the Charter Schools Institute indicating the school board's understanding of, and agreement with, the renewal conditions and terms. Thereafter, the school board chair resigned, but the Institute received the document signed by the newly elected school board co-chairs on April 28, 2009.

Because the academic, legal, and fiscal requirements promulgated by the SUNY Trustees March 24th resolution represented minimum necessary conditions, the school could not be renewed if it did not meet the conditions. As a result, the Institute's renewal review in this case focused on whether New Covenant met its conditions of renewal for this Accountability Period.

Based upon the findings set forth below, New Covenant did not fulfill all of the specific academic conditions set forth in the Committee's March 24, 2009 resolution for the current renewal, which was ratified by the SUNY Trustees on the same date. Therefore, by the terms of the Committee's resolution, the Institute recommends that the school's charter not be renewed and that it cease operation at the end of the 2009-10 school year.

Background and Required Findings

New Covenant Charter School has applied for a subsequent, Full-Term Renewal of five years. Now in its eleventh year of operation, and having previously been awarded one five-year renewal with conditions within the (then) SUNY Renewal Practices and a one-year renewal with conditions outside of the Practices,¹ the Committee's resolution provides only two possible renewal outcomes for New Covenant: Full-Term Renewal or Non-Renewal. In order to be eligible for a Full-Term Renewal, New Covenant must first, at a minimum, demonstrate that it has met the conditions set forth in its current renewal charter. Specifically, aside from the legal and fiscal goals, the school must demonstrate that it has met or come close to meeting both its English language arts and mathematics Accountability Plan goals during the Accountability Period or it must face Non-Renewal. The criteria for "close to meeting" the goals is limited either to 1) meeting the required absolute measure of student proficiency on state assessments and coming close to meeting three out of four of the remaining measures, or 2) coming close to meeting each of the five required measures. Should the school meet such criteria, it would then still have to satisfy the Committee that its performance merits a full-term renewal.

Based on the Institute's review of the evidence that it has gathered and that New Covenant has provided including, but not limited to, the school's Application for Renewal, and the school's record of academic performance, the Institute finds the school has come close to meeting the mathematics Accountability Plan goal but has not come close to meeting the English language arts Accountability Plan goal. In mathematics, the school met its absolute measure and came close to meeting three out of four of the remaining measures. However, the Institute found that in English language arts, the school only came close to meeting three out of five English language arts measures. Therefore, the only outcome available is denial of the present application for charter renewal submitted by the school, and the termination of the educational program of the school at the end of the current school year (2009-10).

Pursuant to the foregoing, the school's board of trustees would have no authority to provide instruction including, but not limited to, summer school, beyond the end of the 2009-10 school year.

Consideration of School District Comments

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

Summary Discussion

Academic Record

For this one-year Accountability Period,² New Covenant met the conditions related to its mathematics goal, but did not meet the conditions related to its English language arts goal.

- **The renewal resolution provides for a further specific condition whereby the School must meet or come close to meeting both its English language arts and**

¹ The SUNY Trustees conditioned the school's first renewal upon eliminating the 7th and 8th grades (which were the weakest grades), reducing enrollment and restricting enrollment in the 5th and 6th grades, which were also weak.

² For the purpose of reporting student achievement results, the accountability period is defined as the time the Accountability Plan was in effect. In the case of a one-year renewal, the plan covers one annual data reporting cycle: the year subsequent to the previous renewal decision.

mathematics goals in the Accountability Plan. Additionally, the criteria for “close to meeting” the goals is limited either to 1) meeting the required absolute measures of student proficiency on state assessments and coming close to meeting three out of four of the remaining measures, or 2) coming close to meeting each of the five required measures.

Specifically, in terms of the criteria set forth in the renewal resolution’s academic conditions, in mathematics the school met the required absolute measure of student proficiency on the state mathematics assessment and came close to meeting three out of four of the remaining measures. In English language arts, where the school did not meet the required absolute measure of student proficiency on the English language arts assessment, it did not come close to meeting each of the five required measures.

In mathematics, with 80 percent of the students who were enrolled in New Covenant in at least their second year scoring at the proficient level, the school exceeded the absolute target of 75 percent and met its required absolute measure. With respect to three of the remaining four measures: 1) the school’s aggregate Performance Index (PI) exceeded the Annual Measurable Objective (AMO); 2) it outperformed the Albany city schools; and 3) students who took the mathematics assessment in both 2007-08 and 2008-09 showed school-wide gains. The school did not come close to meeting the fourth measure, its comparative measure relative to similar schools state-wide.³ By meeting the absolute measures and at least coming close to meeting three of the remaining four measures, New Covenant met the mathematics-related conditions of its current renewal; however, in failing to meet its comparative measure, it is deemed only to have come close to meeting the mathematics goal as stated in its Accountability Plan.

In English language arts, with 67 percent of the students who were enrolled in New Covenant in at least their second year scoring at the proficient level, the school did not meet, or come close to meeting the target of 75 percent for its required absolute measure.⁴ By virtue of not meeting the absolute measure, New Covenant was required to come close to meeting the four remaining measures in order to be considered for renewal. It came close to meeting three of them: 1) New Covenant exceeded the Annual Measurable Objective; 2) outperformed the Albany city schools, and 3) showed the requisite year-to-year gains for coming close to meeting the growth measure. However, it did not come close to meeting its comparative measure in which its performance is related to that of similar schools state-wide. In summary, New Covenant came close to meeting only three of the five measures. The renewal condition stipulated that it had to come close to meeting all five measures if it did not meet the absolute measure.

While New Covenant’s English language arts results last year indicate the school made gains from the previous year, those gains must be put in the context of state-wide performance of all schools last year and the amount of time New Covenant has been in operation. In its 11th year of operation New Covenant did not achieve the level of performance required by the SUNY Trustees, namely to come close to meeting the Accountability Plan’s English language arts goal, defined in the renewal resolution and expected of schools at the end of any subsequent renewal charter period, without the

³ Similar schools are identified based on the percentage of students eligible for free lunch.

⁴ The Institute’s professional judgment on the meaning of “close to meeting” the absolute measure is based on precedent and the relative difficulty of the exam each year, given changes in state-wide performance. In general, the proficiency rate on the English language arts exam increased by five percent from the previous year in 2008 and by nine percent in 2009. Specifically, the Institute has interpreted “close to” to be that a school’s percent proficient must be at least the 25th percentile amongst all schools state-wide. For a school to score in that percentile range on the 2009 ELA exam, it would have to have scored at about 70 percent proficient.

benefit of the extra time afforded to New Covenant. Further, a general state-wide increase in scores from 2007-08 to 2008-09 indicates that the school's progress is not as great as its increase in absolute performance would suggest – from 48 percent to 67 percent proficiency. While New Covenant's performance relative to the Albany City School District improved – from under-performing the district in 2007-08 to slightly outperforming it in 2008-09, schools in the Albany City School District for the most part remain low-performing schools and continue to perform worse than predicted in comparison to their state-wide peers.⁵ Correspondingly, New Covenant still performed below its predicted level in comparison to similar schools state-wide, reflecting the overall state-wide increase.

In sum, notwithstanding New Covenant's gains in scores, the results suggest that the school is still not adequately preparing students in English language arts with the skill and knowledge that will enable them to succeed in middle school, high school and beyond. When put in the context of a school in its 11th year of operation, the Institute finds this level of performance to be below its renewal standard.

Aside from the key English language arts and mathematics goals in its Accountability Plan, New Covenant had the following record in meeting its other Accountability Plan goals: based on limited data, the school is *not* meeting its science goal but met its social studies goal. According to the state's NCLB accountability system, the school is deemed to be in good standing.⁶

Organizational Effectiveness and Viability

In addition to the academic conditions, the SUNY Trustees set the following school design conditions in their March 2009 renewal resolution for New Covenant:

- **The conditions from the previous charter regarding the grades to be served by the School and limitations on enrolling students in the upper grades continue in the current renewal charter. Specifically, instruction shall be in grades Kindergarten through sixth only, and students entering the fifth and sixth grades must have been previously been enrolled in the School's fourth and fifth grades, respectively. In addition, the Projected Enrollment of the School, as described in its Charter Agreement, shall be 625 students and the school shall not be permitted to enroll less than 80% of the Projected Enrollment.**

During the 2008-09 school year, the school ensured that no students entered the fifth and sixth grades who had not been previously enrolled in the school's fourth and fifth grades. The Institute did investigate an anonymous allegation from an alleged former school employee that the school had violated this condition, but determined the claim to be unfounded. In addition, the school had at the time of the renewal inspection an enrollment of 648 students, 23 students over projections but within the variance allowed by its charter.

⁵ From a different perspective: with 65 percent of its students at the proficient level on the English language arts assessment, the Albany City School District exhibited a ten percent increase from the previous year. However, in light of the nine-percent state-wide increase from 2007-08 to 2008-09, a school with a 65 percent proficiency rate would still place it below the 20th percentile when the results of all schools state-wide are ranked. This ranking does not suggest that Albany is comparable to the state as a whole, but rather that, because of what appear to be overall inflated scores, apparent gains require context. The effect of the overall increase in scores on relative school progress is also manifest in mathematics. Despite a seven-percent increase in absolute results, New Covenant outperformed the district by the same margin as it had in the previous year and its Effect Size measuring the extent of the difference between its actual and predicted scores increased slightly in comparison to similar schools. Indeed, while an 80 percent proficiency rate appears to be a high level of performance, it places the school below the 35th percentile in mathematics when the results of all schools state-wide are ranked.

⁶ A full analysis of New Covenant's attainment of its Accountability Plan goals appears in the appendix below.

Given the weak financial condition of the school at the time the current renewal was issued—operating under a Forbearance Agreement with its facility bondholders and with significant pending litigation—the SUNY Trustees also framed several operational/fiscal conditions for the school as follows:

- **the School must have in effect at all times the terms of a forbearance agreement with its bondholders that are substantially similar to the current Forbearance Agreement terms;**
- **the School must not be in default of its bond covenants or agreements except as otherwise permitted by a forbearance agreement;**
- **the School must increase its dissolution reserve fund to \$125,000, the full amount of which must be placed in either a third-party escrow account or an attorney trust account, and such funds shall not be disbursed except upon approval of the Institute, and shall not be used for payment of existing litigation or settlement thereof; and**
- **the School must establish a litigation reserve fund in the amount of \$145,000, the full amount of which must be placed in a third-party escrow account, an attorney trust account or in a segregated bank account, and such funds shall only be used to satisfy judgments or to settle existing litigation.**

By way of background, it is important to understand that the legal and fiscal conditions contained in the renewal resolution were effective only for the 2009-10 school year because the previous charter did not expire until September 17, 2009. Based on its brief evaluation visit on September 21, 2009 and materials submitted prior to and after the visit, the Institute concludes that the school was meeting all of the above legal and fiscal conditions as discussed in this and the following section.

The school provided evidence that the Forbearance Agreement was in effect for the current charter term. It was also the expectation of the New Covenant board's co-chairs that the terms would be available for another five years in the event of charter renewal. There was no evidence that the school was in default of its other bond covenants and both the school board and Victory Schools representatives indicated the same. The school provided evidence that the dissolution and litigation reserve accounts had been set up and funded in accordance with the resolution and in the case of the litigation reserve, extra money had been deposited at the suggestion of Victory Schools.

While the \$2.9 million litigation with the school's former management company, Edison Schools Inc., had not been resolved, both the school board and Victory were hopeful that there would be a settlement or other resolution for considerably less than that amount, and that any such settlement, if structured, would fit within budget constraints. Obviously, litigation outcomes are hard to predict so this remains an outstanding organizational viability issue especially given that the school cannot fully meet its bond obligations.

The relatively short Accountability period was also marked by changes in the school's governance. Shortly after the school was granted the current renewal, its long-time board chair resigned. In addition, within the same timeframe, two other trustees also left the board: the first was the individual on the board that brought a good deal of fiscal expertise and who had been central to the school's appeal presentation to the Charter Schools Committee, and the second individual had served on the board's personnel committee. While two co-chairs emerged, the sole board member with fiscal experience had not been replaced at the time of the visit; the board had intentions to identify such a member as well as others to strengthen its governance. The Institute found that the state of the

school's board at the time of the renewal visit was more reflective of a school coming to renewal for the first time rather than a school in its 11th year of operation.

The school continued to use outside counsel for issues related to litigation and bond financing and the counsel's office at Victory Schools for advice on many day-to-day school legal issues. At the time of the renewal visit, it was also reported that the school's long-time issues with the funding of accounts in the Teachers Retirement System, which had dated back to when the school was managed by Edison Schools, were essentially resolved.

In terms of policies, procedures and other state and federal compliance issues, the school continued to have various minor deficiencies even though it has operated for over a decade. None of the deficiencies would prevent the Institute from making a finding that, with exceptions, the school was in general and substantial compliance with the Charter Schools Act, other state law, federal law or the terms of its charter other than the academic conditions described above.

Fiscal Soundness

In addition to the above legal/fiscal conditions, the Trustees' March 2009 renewal also established the following fiscal conditions:

- **the School must submit its completed annual audit report by November 1, 2009;**
- **the School must properly and timely provide all other financial reports (annual budget and cash flow statements, unaudited quarterly report of income and expense) within five days of the due dates for each report as set forth in the School's Charter Agreement;**
- **the School must submit an updated budget for the charter period accurately reflecting the School's debt service under the forbearance agreement, and such budget must be acceptable to the Charter Schools Institute.**

New Covenant has met its financial reporting requirements during the current charter period. Reports have been complete, have followed generally accepted accounting principles and have been filed on a timely basis. The school board reviewed and approved the annual financial statement audit report. Victory Schools oversaw the audit process and submitted reports (budgets, cash flow statements, quarterly reports) to the Institute on behalf of the school. The fiscal year ("FY") 2008-09 financial statement audit report received an unqualified opinion, consistent with previous years. The school's FY 2008-09 audit report on internal controls over financial reporting and compliance with laws, regulations and grants disclosed no material weaknesses, or instances of non-compliance. The lack of other deficiencies in the reports provides some, but not absolute, assurance, that the school had maintained adequate internal controls and procedures.

New Covenant's annual budget was developed by Victory Schools' management, the co-chairs of the school's board of trustees, the school principal, and the business manager. Budget variances were analyzed by Victory's Chief Financial Officer (CFO) and material variances were discussed with the principal and the board. Victory's CFO, due to the lack of a fiscal presence on the board, attends board meetings periodically to report on where the school stands compared to the budget.

The school's expenses exceeded the amount of revenue it collected during this renewal period, as they have since 2004-05. In response, Victory Schools again assisted the school by decreasing its management fee. In describing its plans for the future in its application for renewal, New Covenant uses conservative assumptions when budgeting revenue for the next five years and notes efforts to

reduce expenditures. Still it remains clear that any unforeseen expense could negatively affect the school and add to the deterioration of its fiscal stability.

New Covenant has adopted Victory Schools’ written fiscal policies and procedures related to external and internal compliance for cash disbursements, cash receipts, bank reconciliations, payroll, fixed assets, grants/contributions, and the preparation of financial statements. The Victory financial staff works with the school’s principal, business manager, and board to ensure that the policies and procedures are documented and followed by school staff.

New Covenant completed the FY 2009 school year in deteriorating and unstable financial condition. Total net assets decreased by \$1,008,035 and the school finished the year with total net assets of (\$5,841,888). In addition, the school saw a decrease in cash, for the fifth consecutive year, totaling just over \$300,000. These results can be attributed to the school’s building and associated debt along with funds claimed to be owed to Edison Schools, Inc. New Covenant had property and equipment (net of accumulated depreciation and amortization) totaling \$10,668,319 that consisted of leasehold improvements, furniture and equipment. The school had short- and long-term debt totaling (\$15,970,000) associated with the building and (\$2,501,850) with funds owed to Edison Schools, Inc.

New Covenant, with the assistance of Victory School and the bond forbearance, has been able to maintain adequate financial resources to ensure viable operations and has monitored and managed cash flow since Victory became its management organization. Critical financial needs of the school are dependent on student enrollment and other variable income (title funding, school nutrition program and contributions). New Covenant has carried a negative trend with expenses exceeding revenue from 2004-05 to 2008-09 with expenses exceeding revenue that contributed to the decline in available cash. Due to the limited cash available, the school has had a negative working capital ratio, which indicates the school does not have enough short term assets to cover immediate liabilities/short-term debt. Total revenue, expenses and district funding per student in the last five years were as follows:

| | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|-------------|----------------|----------------|----------------|----------------|----------------|
| Revenue | \$11,017 | \$11,390 | \$11,069 | \$12,440 | \$12,961 |
| Expenses | \$11,354 | \$12,539 | \$13,845 | \$15,205 | \$14,564 |
| District \$ | \$8,894 | \$9,328 | \$10,176 | \$11,149 | \$11,712 |

While the recovery in enrollment revenue since 2007 is encouraging, the enrollment is by no means stable and we note that additional charter middle school capacity will be available in other Albany charter schools in the near future.

ACADEMIC ATTAINMENT AND IMPROVEMENT

Background

At the beginning of the charter period the school developed and adopted an Accountability Plan that set academic goals in the key subjects of English language arts and mathematics, as well as science and social studies. The plan also included an NCLB goal. For each goal in the Accountability Plan specific outcome measures define the level of performance necessary to meet that goal. Furthermore, the Institute has established a set of required outcome measures that include the following three types: 1) the absolute level of student performance on state examinations; 2) the comparative level of student performance on state examinations; and 3) the growth in student learning according to year-

to-year comparisons of grade level cohorts. The following table shows the outcome measures currently required by the Institute in each subject area goal, as well as for the NCLB goal. Schools may have also elected to include additional optional goals and measures in their Accountability Plan.

| Summary of Required Goals and Outcome Measures in Elementary/Middle School (K-8) Accountability Plans | | | | | |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| GOAL | Required Outcome Measures | | | | |
| | Absolute | | Comparative | | Growth |
| | 75 percent proficient on state exam | Performance Index (PI) meets Annual Measurable Objective (AMO) | Percent proficient greater than that of local school district | School exceeds predicted level of performance compared to similar public schools by small Effect Size | Grade-level cohorts reduce by half the gap between prior year's percent proficient and 75 percent |
| English Language Arts | ◆ | ◆ | ◆ | ◆ | ◆ |
| Mathematics | ◆ | ◆ | ◆ | ◆ | ◆ |
| Science | ◆ | | ◆ | | |
| Social Studies | ◆ | | ◆ | | |
| NCLB | School is deemed in "Good Standing" under state's NCLB accountability system | | | | |

The most important criterion for renewal is academic success, which is demonstrated in large part by meeting or coming close to meeting the goals in a school's Accountability Plan. The Institute determines the outcome of a goal by evaluating the multiple measures associated with that goal.

The following section of this renewal report indicates the outcome of each of the school's goals, as well as an analysis of the respective measures for each goal during the Accountability Period.⁷ Italicized text indicates goals or measures as written in the school's Accountability Plan; bold numbers appearing in the tables are the critical values for determining if a measure was achieved in a given year. Aside from required Accountability Plan measures, the following also presents the results of optional measures that the school may have included in its plan.

English Language Arts

Accountability Plan Goal: New Covenant Charter School students will become proficient readers and writers of the English language.

Outcome: New Covenant has not come close to meeting its English language arts goal.

⁷ Because the renewal decision is made in the last year of a Charter Period, the Accountability Period ends the year before the last year of the Charter Period. In the case of the New Covenant's one-year renewal, the Accountability Period is the last year of the previous charter. To put these results in context, the tables below contain data from the last four years, as well as a discussion that centers on 2006-07 to 2008-09, the years the school was under Victory Schools' management.

Since 2006-07, when Victory Schools Inc. became its management company, New Covenant has improved its performance on the state’s English language arts exam, but with three years of growth it has still not performed to a level sufficient to have met its overall goal. In 2006-07, the school fell well-short of achieving its absolute proficiency target and underperformed the Albany City School District and demographically similar schools statewide by a wide margin. With respect to growth, none of the school’s three cohorts achieved their targets and overall performance remained level. In addition, the school failed to meet the Annual Measurable Objective set by the state as part of its NCLB accountability system. In 2007-08, the school’s performance improved somewhat but remained well below its target and the performance level of the district. In comparison to demographically similar schools, the school’s performance remained level and the school performed lower than expected to a medium degree. One out of three of the school’s cohorts achieved its growth target and overall performance improved. In the most recent year, the school again fell short of its absolute proficiency target. The school outperformed the Albany City School District by a slim margin. In comparison to demographically similar schools statewide the school’s performance improved compared to the previous year; however, the school continued to perform lower than predicted. With respect to cohort growth, two of three cohorts achieved their growth targets and overall performance improved.

Analysis of Accountability Plan Measures:

| | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Absolute Measure: <i>Each year, 75 percent of all tested students who are enrolled in at least their second year will perform at or above Level 3 on the New York State English language arts exam.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Grade | 2005-06⁸ (Tested: 247) | 2006-07 (Tested: 219) | 2007-08 (Tested: 225) | 2008-09 (Tested: 221) |
| 3 | 25.6 | 32.9 | 36.8 | 63.5 |
| 4 | 29.4 | 21.6 | 50.0 | 58.0 |
| 5 | 28.3 | 46.3 | 60.0 | 81.6 |
| 6 | 41.8 | 46.4 | 55.9 | 70.0 |
| 7 | - | - | - | - |
| 8 | - | - | - | - |
| All | 30.8 | 33.3 | 48.4 | 67.0 |

Since the 2006-07 school year, New Covenant has improved its performance on the state English language arts exam, but has still not come close to its 75 percent target. In 2006-07, 33 percent of students achieved proficiency, far below the school’s target. In 2007-08, performance improved, but the gap between the school’s performance and its absolute target was still large. In 2008-09 the school’s performance again improved, yet the school was still not close to meeting its target with 67 percent of students scoring proficient: the 67 percent proficiency rate puts the school below the 25th percentile of all public schools in New York State.

⁸ In 2005-06 New York State implemented English language arts and mathematics exams in grades 3-8. Prior to that, the exams in these subjects were administered only in grades 4 and 8.

Absolute Measure: Each year, the school's aggregate Performance Index (PI) on the State English language arts exam will meet that year's Annual Measurable Objective (AMO) set forth in the state's NCLB accountability system.

| Results (in percents) | | | | |
|-----------------------|---------------------------------------|--------------------------|--------------------------|--------------------------|
| Index | School Year | | | |
| | 2005-06 ⁹ (Tested: 313) | 2006-07 (Tested: 282) | 2007-08 (Tested: 291) | 2008-09 (Tested: 299) |
| PI | 96 | 118 | 142 | 162 |
| AMO | 122 | 122 | 133 | 144 |

In the 2006-07 school year, New Covenant's performance fell short of exceeding the English language arts Annual Measureable Objective set by the state as part of its NCLB accountability system. In 2007-08, the school first exceeded the state's target with a Performance Index of 142. In 2008-09, the school improved its performance and the school's performance again exceeded the states Annual Measureable Objective.

Comparative Measure: Each year, the percent of all tested students who are enrolled in at least their second year and performing at or above Level 3 on the State English language arts exam will be greater than that of students in the same tested grades in the local school district.

| Results (in percents) | | | | |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Comparison | School Year | | | |
| | 2005-06 (Grades 3-6) | 2006-07 (Grades 3-6) | 2007-08 (Grades 3-6) | 2008-09 (Grades 3-6) |
| School | 30.8 | 33.3 | 48.4 | 67.0 |
| District | 46.8 | 48.8 | 55.0 | 65.2 |

In the 2006-07 and 2007-08 school years, New Covenant Charter School underperformed the Albany City School District on the state English language arts test. Most recently, in the 2008-09 school year, the school improved its relative performance and the school exceeded the performance of its local school district by a slim margin.

Comparative Measure: Each year, the school will exceed its predicted level of performance on the State English language arts exam by at least a small Effect Size (performing higher than expected to a small degree) according to a regression analysis controlling for students eligible for free lunch among all public schools in New York State.

| Results (in percents) | | | | |
|-----------------------|------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| Index | School Year | | | |
| | 2005-06 (Grades 3-6) (Tested: 313) | 2006-07 (Grades 3-6) (Tested: 282) | 2007-08 (Grades 3-6) (Tested: 291) | 2008-09 (Grades 3-6) (Tested: 299) |
| Predicted | 45.9 | 46.1 | 57.9 | 64.6 |
| Actual | 27.2 | 34.8 | 47.4 | 63.5 |
| Effect Size | -1.11 | -0.77 | -0.77 | -0.06 |

In comparison to demographically similar schools statewide, New Covenant Charter School has consistently performed lower than predicted. In 2006-07 and 2007-08, the school performed lower than expected to a large degree, with a -0.77 Effect Size in both years, well below its 0.3 target. In 2008-09, while the school's relative performance improved somewhat, the school still performed lower than predicted remaining well below the 0.3 Effect Size target.

⁹ In 2005-06 English language arts and mathematics testing began in grades 3-8, and the Performance Index was henceforth calculated based on the aggregate of all tested students.

Growth Measure: Each year, all grade-level cohorts of students will reduce by one-half the gap between the percent at or above Level 3 on the previous year's State English language arts exam and 75 percent at or above Level 3 on the current year's State English language arts exam. If a grade-level cohort exceeds 75 percent at or above Level 3 in the previous year, the cohort is expected to show a positive gain in the current year.

| Results (in percents) | | | | |
|------------------------|-------------|--------------------------------------------------|------------------------------------|------------------------------------|
| Percent Level 3 & 4 | School Year | | | |
| | 2005-06 | 2006-07 ¹⁰ (Grades 4-6) (N=147) | 2007-08 (Grades 4-6) (N=155) | 2008-09 (Grades 4-6) (N=174) |
| Baseline | - | 32.7 | 33.5 | 49.4 |
| Target | - | 53.9 | 54.2 | 62.2 |
| Actual | - | 32.7 | 52.9 | 68.4 |
| Cohorts Made Target | - | (0 of 3) | (1 of 3) | (2 of 3) |

In 2006-07, when two years of English language arts state test data first became available for New Covenant, none of the school's three cohorts achieved their targets and overall performance remained level. In 2007-08, one of the school's cohorts achieved its growth target and overall performance improved. In 2008-09, two of three cohorts achieved their targets and overall performance again improved.

Mathematics

Accountability Plan Goal: New Covenant Charter School students will demonstrate proficiency in mathematics.

Outcome: New Covenant Charter School has come close to meeting its mathematics goal.

In 2007-08 and 2008-09, New Covenant Charter School improved its performance on the state mathematics test and came close to meeting its Accountability Plan goals in both years. Earlier, in 2006-07, the school's absolute proficiency rate was well below its target level and the school underperformed its comparison district by a slim margin and demographically similar schools statewide by a wide margin. With respect to cohort growth, two of the school's three cohorts achieved their targets and overall performance improved somewhat. In 2007-08, New Covenant came close to meeting its absolute target and outperformed its local school district. In comparison to demographically similar schools, New Covenant performed lower than expected to a medium degree. In terms of growth, each of the school's three cohorts achieved their targets and overall performance improved. In the most recent year, while the school first exceeded its absolute performance target, in comparison to demographically similar schools statewide, because of a general statewide inflation in scores, the school continued to perform lower than predicted; further, in contrast to the previous year, only one of the school's three cohorts achieved its target and overall performance improved slightly.

¹⁰ New York State began administering English language arts and mathematics exams in grades 3-8 in 2005-06, thus year-to-year growth could not be evaluated until 2006-07 when two years' of results were first available.

Analysis of Accountability Plan Measures:

| | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Absolute Measure: <i>Each year, 75 percent of all tested students who are enrolled in at least their second year will perform at or above Level 3 on the New York State mathematics exam.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Grade | 2005-06¹¹ (Tested: 241) | 2006-07 (Tested: 210) | 2007-08 (Tested: 218) | 2008-09 (Tested: 219) |
| 3 | 40.8 | 62.0 | 68.1 | 90.5 |
| 4 | 39.7 | 42.3 | 77.9 | 54.4 |
| 5 | 25.7 | 65.9 | 75.0 | 91.7 |
| 6 | 27.3 | 66.7 | 67.6 | 90.0 |
| 7 | - | - | - | - |
| 8 | - | - | - | - |
| All | 36.5 | 56.7 | 72.5 | 79.5 |

Since 2006-07, when 57 percent of students scored proficient and the school fell short of its 75 percent target, New Covenant Charter School has improved its performance on the state mathematics test. In 2007-08, 73 percent of students scored proficient and the school fell just short of its target. In 2008-09, the school first exceeded its target with 80 percent of students achieving proficiency.

| | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Absolute Measure: <i>Each year, the school's aggregate Performance Index (PI) on the State mathematics exam will meet that year's Annual Measurable Objective (AMO) set forth in the state's NCLB accountability system.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Index | 2005-06¹² (Tested: 305) | 2006-07 (Tested: 275) | 2007-08 (Tested: 282) | 2008-09 (Tested: 293) |
| PI | 107 | 140 | 167 | 174 |
| AMO | 86 | 86 | 102 | 119 |

Since 2006-07, New Covenant Charter School has surpassed the mathematics Annual Measurable objective established by the state's NCLB accountability system during each year. The school's Performance Index has increased over 30 points from 2006-07 through 2008-09.

| | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Comparative Measure: <i>Each year, the percent of all tested students who are enrolled in at least their second year and performing at or above Level 3 on the State mathematics exam will be greater than that of students in the same tested grades in the local school district.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Comparison | 2005-06 (Grades 3-6) | 2006-07 (Grades 3-6) | 2007-08 (Grades 3-6) | 2008-09 (Grades 3-6) |
| School | 36.5 | 56.7 | 72.5 | 79.5 |
| District | 50.7 | 59.5 | 64.5 | 71.8 |

¹¹ In 2005-06 New York State implemented English language arts and mathematics exams in grades 3-8. Prior to that, the exams in these subjects were administered only in grades 4 and 8.

¹² In 2005-06 English language arts and mathematics testing began in grades 3-8, and the Performance Index was henceforth calculated based on the aggregate of all tested students.

In 2006-07, when 3rd through 6th grade students were tested at New Covenant, the school underperformed the Albany City School District by a small margin. Since then, the school has improved its relative performance and has exceeded the district's performance in each of the two previous years.

| | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Comparative Measure: <i>Each year, the school will exceed its predicted level of performance on the State mathematics exam by at least a small Effect Size (performing higher than expected to a small degree) according to a regression analysis controlling for students eligible for free lunch among all public schools in New York State.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Index | 2005-06 (Grades 3-6) (Tested: 305) | 2006-07 (Grades 3-6) (Tested: 275) | 2007-08 (Grades 3-6) (Tested: 282) | 2008-09 (Grades 3-6) (Tested: 293) |
| Predicted | 56.3 | 66.5 | 77.5 | 88.3 |
| Actual | 37.0 | 54.5 | 70.9 | 77.8 |
| Effect Size | -1.06 | -0.76 | -0.57 | -0.34 |

Since 2006-07, in comparison to demographically similar schools statewide, New Covenant Charter School has performed lower than expected on the state mathematics exam and did not exceed its Effect Size target in any of the three years. In 2006-07 the school performed lower than expected to a large degree, posting an Effect Size of -0.76, well below its 0.3 Effect Size target. In 2007-08, its relative performance improved, but the school still performed lower than expected to a medium degree. In the most recent year, with an Effect Size of -0.34, it continued to perform below its predicted level and did not come close to meeting its target.

| | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Growth Measure: <i>Each year, all grade-level cohorts of students will reduce by one-half the gap between the percent at or above Level 3 on the previous year's State mathematics exam and 75 percent at or above Level 3 on the current year's State mathematics exam. If a grade-level cohort exceeds 75 percent at or above Level 3 in the previous year, the cohort is expected to show a positive gain in the current year.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Percent Level 3 & 4 | 2005-06 | 2006-07¹³ (Grades 4-6) (N=144) | 2007-08 (Grades 4-6) (N=155) | 2008-09 (Grades 4-6) (N=173) |
| Baseline | - | 47.2 | 58.7 | 72.8 |
| Target | - | 61.1 | 66.8 | 73.9 |
| Actual | - | 52.1 | 74.8 | 75.1 |
| Cohorts Made Target | - | (2 of 3) | (3 of 3) | (1 of 3) |

In 2006-07, when two years of state test results first became available for cohort growth analysis, two of the school's three cohorts achieved their targets and overall performance improved. In 2007-08, all three of the school's cohort achieved their target and overall performance improved substantially. In 2008-09, one of three cohorts achieved its target, leading to a slight overall performance increase. Of the remaining two cohorts, however, one exhibited no change and the other a significant decline.

¹³ New York State began administering English language arts and mathematics exams in grades 3-8 in 2005-06, thus year-to-year growth could not be evaluated until 2006-07 when two years' of results were first available.

Science

Accountability Plan Goal: New Covenant Charter School students will have a solid background in science concepts and experimentation.

Outcome: Based on the limited data available, the school is not meeting its science goal.

Analysis of Accountability Plan Measures:

| | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Absolute Measure: <i>Each year, 75 percent of all tested students who are enrolled in at least their second year will perform at or above Level 3 on the New York State science exam.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Grade | 2005-06 (Tested: 68) | 2006-07 (Tested: 64) | 2007-08 (Tested: 62) | 2008-09 (Tested: 64) |
| 4 | 64.7 | 68.8 | 95.2 | 59.2 |
| 8 | - | - | - | - |

Since 2006-07, New Covenant Charter School’s Performance on the state science test has fluctuated. In 2006-07, 69 percent of students scored proficient and the school fell short of its 75 percent target. In 2007-08, performance markedly improved and 95 percent of students were proficient and the school exceeded its target. In 2008-09, performance declined significantly and 59 percent of students were proficient and the school failed to achieve its target.

| | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Comparative Measure: <i>Each year, the percent of all tested students who are enrolled in at least their second year and performing at or above Level 3 on a State science exam will be greater than that of students in the same tested grades in the local school district.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Comparison | 2005-06 (Grade 4) | 2006-07 (Grade 4) | 2007-08 (Grade 4) | 2008-09 (Grade 4) |
| School | 64.7 | 68.8 | 95.2 | 59.4 |
| District | 81.0 | 82.8 | 79.0 | NA |

In comparison to the Albany City School district, New Covenant Charter School’s performance has varied. In 2006-07, New Covenant underperformed the district by a wide margin. In 2007-08, the school’s relative performance improved and New Covenant outperformed the district. In 2008-09, the school’s relative performance declined. While 2008-09 district comparison data are yet unavailable, New Covenant’s low level of performance is well below the district’s performance in each of the two previous years. Assuming district performance remained at a similar level on the 2008-09 test, the school will not have achieved its target.

Social Studies

Accountability Plan Goal: New Covenant Charter School students will demonstrate their understanding of Social Studies.

Outcome: Based on the limited data available, the school has met its social studies goal.

Analysis of Accountability Plan Measures:

| | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------|
| Absolute Measure: <i>Each year, 75 percent of all tested students who are enrolled in at least their second year will perform at or above Level 3 on the New York State social studies exam.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Grade | 2005-06 (Tested: 52) | 2006-07 (Tested: 41) | 2007-08 (Tested: 44) | 2008-09 (Tested:) |
| 5 | 55.8 | 85.4 | 86.4 | 89.8 |
| 8 | - | - | - | - |

Since 2006-07, New Covenant Charter School has consistently exceeded its 75-percent-proficiency target on the state’s social studies exam. In 2006-07, 85 percent of the students scored proficient. In 2007-08, performance remained level and 86 percent of students were proficient. In 2008-09, performance improved slightly and 90 percent of students scored proficient or better.

| | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Comparative Measure: <i>Each year, the percent of all tested students who are enrolled in at least their second year and performing at or above Level 3 on a State social studies exam will be greater than that of students in the same tested grades in the local school district.</i> | | | | |
| Results (in percents) | | | | |
| | School Year | | | |
| Comparison | 2005-06 (Grade 5) | 2006-07 (Grade 5) | 2007-08 (Grade 5) | 2008-09 (Grade 5) |
| School | 55.8 | 85.4 | 86.4 | 89.8 |
| District | 81.0 | 77.0 | 74.0 | NA |

New Covenant has consistently outperformed the Albany City School District on the state social studies exam. While comparison data for the most recent year are yet unavailable, New Covenant’s 90 percent proficiency rate exceeds the district’s performance in each of the two previous years. Assuming district performance remained level on the 2008-09 test, the school will have exceeded its target.

NCLB

In addition to meeting its specific subject area goals, the school is expected under No Child Left Behind to made adequate yearly progress towards enabling all students to score at the proficient level on the state English language arts and mathematics exams. In holding charter schools to the same standards as other public schools, the state issues an annual school accountability report that indicates the school’s status each year.

Accountability Plan Goal: Under the state’s NCLB accountability system, the school’s Accountability Status will be “Good Standing” each year.

Outcome: The school met the goal. New Covenant Charter School was deemed to be in good standing in each of the last four years.

| | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------|----------------|----------------|
| Absolute Measure: <i>Under the state’s NCLB accountability system, the school’s Accountability Status will be “Good Standing” each year.</i> | | | | |
| Results | | | | |
| | School Year | | | |
| Status | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
| Good Standing | Yes | Yes | Yes | Yes |