



**Charter Schools Institute**  
**State University of New York**

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**REPORT TO THE BOARD OF TRUSTEES**

**FINDINGS AND RECOMMENDATIONS  
OF THE CHARTER SCHOOLS INSTITUTE  
AS TO THE APPLICATION FOR CHARTER  
RENEWAL OF THE AMBER CHARTER SCHOOL**

**FEBRUARY 18, 2005**

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## **INTRODUCTION**

The Charter Schools Act of 1998 (the “Act”) authorizes the State University of New York Board of Trustees (the “Board of Trustees”) to grant charters for the purpose of organizing and operating independent and autonomous public charter schools. Charter schools provide opportunities for teachers, parents, and community members to establish and maintain schools that operate independently of existing schools and school districts in order to accomplish the following objectives:

- improve student learning and achievement;
- increase learning opportunities for all students, with special emphasis on expanded learning experiences for students who are at-risk of academic failure;
- provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system;
- create new professional opportunities for teachers, school administrators and other school personnel;
- encourage the use of different and innovative teaching methods; and
- provide schools with a method to change from rule-based to performance based accountability systems by holding the schools accountable for meeting measurable student achievement results.<sup>1</sup>

In order to assist the Board of Trustees in their responsibilities under the Act, the Board of Trustees authorized the establishment of the Charter Schools Institute of the State University of New York (the “Institute”). Among its duties, the Institute is charged with evaluating charter schools’ applications for renewal and providing its resulting findings and recommendations to the Board of Trustees.

This report is the primary vehicle by which the Institute transmits to the Board of Trustees its findings and recommendations regarding a school’s renewal application, and more broadly, the merits of a school’s case for renewal. It has been created and issued pursuant to the “Practices, Policies and Procedures for the Renewals of Charters for State University Authorized Charter Schools” (the “State University Renewal Practices”).<sup>2</sup> More information regarding this report is contained in the “Reader’s Guide” that follows.

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<sup>1</sup> See § 2850 of the Charter Schools Act of 1998.

<sup>2</sup>The State University Renewal Practices, Policies and Procedures (revised January 25, 2005) are available at [www.newyorkcharters.org](http://www.newyorkcharters.org).

## Statutory and Regulatory Considerations

Charters may be renewed, upon application, for a term of up to five years. The Act prescribes the following requirements for a charter school renewal application:

- a report of the progress of the charter school in achieving the educational objectives set forth in its charter;
- a detailed financial statement that discloses the cost of administration, instruction and other spending categories for the charter school that will allow a comparison of such costs to other schools, both public and private;
- copies of each of the annual reports of the charter school including the charter school report cards and certified financial statements; and
- indications of parent and student satisfaction.<sup>3</sup>

The Institute's processes and procedures mirror these requirements and meet the objectives of the Act.<sup>4</sup>

As a charter authorizing entity, the Board of Trustees can renew a charter so long as the Trustees can make each of the following findings:

- the charter school described in the application meets the requirements of the Act and all other applicable laws, rules and regulations;
- the applicant can demonstrate the ability to operate the school in an educationally and fiscally sound manner; and
- granting the application is likely to improve student learning and achievement and materially further the purposes of the Act.<sup>5</sup>

Where the Board of Trustees approve a renewal application, they are required under the Act to submit the application and a proposed charter to the Board of Regents for its review.<sup>6</sup> The Regents may approve or return the proposed charter to the Board of Trustees with the Regents' comments and recommendation. In the former case, the charter will then issue and become operational on the day the initial charter expires. In the latter case (return to the Board of Trustees), the Board of Trustees must review the returned proposed charter in light of the Regents' comments and respond by resubmitting the charter (with or without modification) to the Regents, or by abandoning the proposed charter. Should the Board of Trustees resubmit the charter, the Regents have thirty days to act to approve it. If they do not approve the proposed charter, it will be deemed approved and will issue by operation of law.<sup>7</sup>

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<sup>3</sup> § 2851(4) of the Act.

<sup>4</sup> Further explication of these policies and procedures is available on the Charter Schools Institute's website. See <http://www.newyorkcharters.org/howto/renewal.html>.

<sup>5</sup> See § 2852(2) of the Act.

<sup>6</sup> See § 2852(5) of the Act.

<sup>7</sup> See §§ 2852(5-a) and (5-b) of the Act.

## Process for Renewal

While that renewal process formally commences with submission of a renewal application, a school must work to make the case for renewal from the time it is chartered. From its inception, the school must build its case for renewal by setting educational goals and thereafter implementing a program that will allow them to meet those goals.

Under the State University's accountability cycle, a school that is chartered enters into a plan (the "Accountability Plan")<sup>8</sup> setting forth the goals for the school's educational program (and other measures if the school desires) usually in the first year of the charter. Progress toward each goal is determined by specific measures. Both goals and measures, while tailored in part to each school's program, must be consistent with the Institute's written guidelines. When the Accountability Plan is in final form, it receives approval from the Institute.

Thereafter, the charter school is required to provide an annual update on its progress in meeting its Accountability Plan goals and measures (the "Accountability Plan Progress Report").<sup>9</sup> This permits the school not only the ability to provide all stakeholders with a clear sense of the school's progress, but forces the school to focus on specific academic outcomes. In the same vein, both the Institute and the State Education Department conduct visits to the school on a periodic basis. The main purpose of the Institute's visits is to determine the progress the school is making in implementing successfully a rigorous academic program that will permit the school to meet its Accountability Plan goals and measures. Reports and de-briefings for the school's Board or leadership team are designed to indicate the school's progress, its strengths and its weaknesses. Where possible, and where it is consistent with its oversight role, the Institute provides general advice as to potential avenues for improvement. To further assist the school in this regard, the Institute may contract with third-party, school inspection experts to conduct a comprehensive third-year visit to the school and to look specifically at the strength of the school's case for renewal at that point.

By the start of the fifth year of a school's charter (as set forth above), it must submit an application for charter renewal, setting forth the evidence required by law and the State University. Applicant charter schools are asked to formulate and report evidence of success in answer to four renewal questions:

- Is the school an academic success?
- Is the school a viable and effective organization?
- Is the school fiscally sound?
- If the school's charter is renewed, what are its future plans?

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<sup>8</sup> See <http://www.newyorkcharters.org/resource/reports.html> for detailed information on Accountability Plan guidelines.

<sup>9</sup> See <http://www.newyorkcharters.org/resource/Model%20Progress%20Report1.pdf> for a model Accountability Plan Progress Report.

The application is reviewed by Institute staff. The staff also conducts a desk audit to both gather additional evidence as well as verify the evidence the school has submitted. This audit includes examination of the school's charter, including amendments, Accountability Plan, Accountability Plan Progress Reports, Annual Reports and internal documents (such as school handbooks, policies, memos, newsletters, and Board meeting minutes). Institute staff also examines audit reports, budget materials, and reports generated over the term of the school's charter both by the Institute and the State Education Department.

Thereafter, the Institute conducts a multi-day site visit to the school. Based on a review of each school's application for charter renewal, a lead member of the Institute's renewal visit team works with the school's leadership to design a visit schedule and request any additional documentation the team may require to ensure that analysis of the school's progress is complete (professional development plans, special education plans, school newsletters, *etc.*). Renewal visit team members visit classes, observe lessons, examine student work, sit in on school meetings, interview staff members and speak informally with students. In addition, the team conducts extensive interviews with the school's Board of Trustees and administrators.

The evidence that the Institute gathers is structured by a set of benchmarks that are grouped under the four renewal application questions listed above. These benchmarks are linked to the Accountability Plan structure and the charter renewal requirements in the Act; many are also based on the correlates of effective schools.<sup>10</sup>

Following the visit, the Institute's renewal team finalizes the analysis of all evidence generated regarding the school's performance. The Institute's renewal benchmarks are discussed and the lead writer uses the team's evidence and analysis to generate comments under each renewal benchmark. The completed benchmarks present a focus for discussion and a summary of the findings. The benchmarks are not used as a scorecard, do not have equal weight, and support but do not individually or in limited combination provide the aggregate analysis required for the final renewal recommendation.

The Institute then prepares a draft report and provides a copy to the school for its review and comment. The draft contains the findings, discussion and the evidence base for those findings, but does not contain a recommendation. Upon receiving a school's comments, the Institute reviews its draft, makes any changes it determines are necessary and appropriate and determines its findings in their final form. The report is then finalized, recommendations are included, and copies are provided to the members of the Committee on Charter Schools, the other members of the Board of Trustees and the schools themselves. This report is the product of that process.

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<sup>10</sup> See <http://www.effectiveschools.com>.

## **READER'S GUIDE**

This renewal report contains the following sections: Introduction, Reader's Guide, School Description, Recommendations and Executive Summary, Findings and Discussion and completed Renewal Benchmarks. As this guide, the Introduction, and School Description speak for themselves, no guidance is provided for these sections. Guidance as to the remaining sections is set forth below.

### **1. Recommendations and Executive Summary**

The Institute's Recommendations are the end result of its review process. In this section, the Institute provides not only its recommendation as to whether the charter should be renewed, but the recommended terms of any renewal, *i.e.*, short or long-term, grades and number of students it is recommended the school be authorized to serve, conditions under which the charter is renewed, *etc.* Following the recommendations themselves is a short executive summary that lays out in abbreviated form reasons for the recommendation as well as the findings that support the recommendation.

Pursuant to the State University Renewal Practices, the recommendations made by the Institute can take the following forms.

- *Early renewal*: available to schools in the fourth year of the charter that can at that point make a compelling and unambiguous case for renewal. Schools that gain early renewal will then have five full years of instruction before facing renewal again, thus allowing them to concentrate on instruction and providing them with more ready access to capital markets.
- *Short-term planning year renewal*: available to schools that have taken one or more planning years. These schools will be able with limited review to obtain renewal in order to allow them to gather at least four full years of data before facing a full-blown renewal review.
- *Renewal*: available to schools in their fifth year. Schools that have a compelling and unambiguous case for renewal will be eligible for renewal term of five years.
- *Renewal with conditions*: available to schools that 1) have a compelling and unambiguous educational record of success but that have material legal, fiscal or organizational deficiencies that practically cannot be completely corrected by the time of renewal — so long as such deficiencies are not fatal to a determination that the school is fiscally, legally and organizationally sound, or 2) have demonstrated sufficient academic performance for renewal, but require conditions to improve the academic program. Such

conditions may include but are not limited to restrictions on the number of students and grades served.

- *Short-term renewal*: available to schools in their fifth year that present an ambiguous or mixed record of educational achievement, but that have effectively implemented measures to correct those deficiencies and such measures are likely to lead to educational success and students' academic improvement with additional time. Typically, but not always, short-term renewal will be for two years. A short-term renewal may also be coupled with conditions relating to organizational, fiscal or legal deficiencies.
- *Restructuring renewal*: available to schools that have not presented a case for renewal of any kind, but that are voluntarily willing to enter into a restructuring plan whereby the current school would cease instruction at the end of the school's final year of instruction under the current charter and its Board of Trustees would wind up operations of the school. Thereafter, the school's Board would legally commit itself to implementing a wholesale restructuring of the education corporation, including a new Board of Trustees, administrative team, academic program, enrollment and organizational structure, and potentially a new location, which school then could meet and exceed state standards and all the requirements of the Act. Once restructured the education corporation would have authority to recommence instruction.
- *Non-renewal*: where a school does not present a case for renewal (short term, conditional, or otherwise), the charter will not be renewed and the charter will be terminated upon its expiration.

In addition to discussing the recommendations themselves (and any conditions made part of those recommendations), the executive summary also contains the findings required by subdivision 2852(2) of the Education Law, including whether the school, if renewed, is likely to improve student learning and achievement.

## 2. Finding and Discussion

The findings are grouped and separated into four sections corresponding to the four questions that a charter school seeking renewal must answer and must provide evidence supporting its answer. They are:

- Is the school an academic success?
- Is the school a viable and effective organization?
- Is the school fiscally sound?
- If the school's charter is renewed, what are its future plans?



Below each group of findings is a summary of the evidence supporting the finding. This evidence is a synthesis of information gathered over the life of the school's charter and is analyzed through the lens of the Institute's Renewal Benchmarks (available on the Institute's website).

The ordering of the findings—with those regarding a school's academic performance and outcomes placed first—reflect the fact that renewal of a State University authorized charter is primarily based on a school's progress towards performance-based goals that the charter school and the Institute agreed to in the school's Accountability Plan. However, while success in meeting these goals is the primary determining factor, the school's ability to demonstrate that its educational program as implemented is effective and that the organization is viable, fiscally stable and in compliance with applicable law are also important factors. So, too, the school must be able to show that its plans for the charter renewal term are feasible, reasonable and most of all achievable.

### **3. Renewal Benchmarks**

The Renewal Benchmarks section contains each renewal benchmark together with a review of the pertinent evidence gathered during the renewal cycle. As noted earlier, the benchmarks, similar to the findings, are grouped under the four renewal questions.

## **SCHOOL DESCRIPTION**

Amber Charter School (Amber) was approved by the State University Board of Trustees in January 2000 and the Board of Regents in March, and opened in the fall of that year. The school's charter called for an initial enrollment of 120 students in Kindergarten through first grades, with planned expansion to educate 280 students in Kindergarten through the fifth grade by the end of its five-year charter. The school opened on the second floor of a building at 125<sup>th</sup> and Lenox Avenue in Harlem, which also housed retail and office facilities. At the time of the renewal visit, the school enrolled 291 students in grades Kindergarten through five at its permanent facility at 220 East 106<sup>th</sup> Street in Central Harlem.

Amber is partnered with the Community Association of Progressive Dominicans. The Association has a strong community service history and education experience, through its extensive role in the development and operation of the Twenty-first Century Academy for Community Leadership, a New York City public school.

The school had hoped to locate in a predominately Spanish-speaking area of New York City (Washington Heights), with the objective of enrolling a population that was one-half Spanish-dominant and one-half English-dominant. However, the Board was unable to identify an appropriate facility in an area where such a mix of students could be enrolled. Initially, the school used a project-based, dual language immersion curriculum, with the goal that all Amber students, both Spanish-dominant and English-dominant, would attain fluency in both languages. One day students were taught in English and the next in Spanish in the same content area. Amber sustained the implementation of the immersion program for the first three years of the charter. In 2004, based on an analysis of student academic achievement, the school requested and received an amendment to its charter, changing from a full immersion program to a modified immersion Spanish program, where students are instructed in Spanish for at least five hours a week.

Amber Charter School's mission statement is as follows:

*Amber Charter School's mission is to provide comprehensive learning experiences that will enable all students to become fully-educated, creative adults, prepared to play leadership roles in New York City and in our global society. To fulfill this mission, Amber Charter School will prepare every student to demonstrate proficiency and/or distinction in all New York State Learning Standards and will enable all students, both Spanish-dominant and English-dominant, to achieve full fluency in both languages.<sup>11</sup>*

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<sup>11</sup> Amber Charter School Accountability Plan, September 2001

## **RECOMMENDATION AND EXECUTIVE SUMMARY**

**Recommendation:** The Charter Schools Institute recommends that the State University Board of Trustees approve the application for charter renewal submitted by Amber Charter School and that it authorize renewal of the charter for five years with authority limited, however, to providing instruction in grades Kindergarten through six in each year of the charter with a maximum student population of 300 in the 2005-06 school year, 350 in the 2006-07 school year and a maximum of 620 students every year thereafter for the remaining term of the charter, consistent with the other terms of the charter renewal application.

### **Summary Discussion**

The Amber Charter School (Amber) is located in Central Harlem and currently serves students in grades Kindergarten through five with a present enrollment of approximately 291 students. The school has applied to the State University Board of Trustees for a full-term charter of five years, with authority to grow to a Kindergarten through eighth grade school from its present Kindergarten through five configuration.

In order for the Charter Schools Institute to recommend that a charter school authorized by the State University Board of Trustees be awarded a five-year renewal of its charter, a school must show that it has met its Accountability Plan measures and goals or at least made consistent and meaningful progress towards meeting those outcome measures and goals. It must also demonstrate that if renewed it would be operated in an educationally and fiscally sound manner, that it meets the requirements of the Charter Schools Act and that it would materially further the purposes of the Charter Schools Act.

Based on all the evidence gathered during the charter period, the Institute has determined that Amber has met the standard for a full-term renewal of five years, subject however to the condition that its authority to provide instruction be limited to Kindergarten through sixth grade, and not the Kindergarten through eighth grade configuration that the school has sought. Accordingly, the Institute recommends that the State University Board of Trustees approves the school's application for such renewal and authorize renewal of the charter, subject to the above-stated condition.

In regards to student assessment outcomes, Amber met some, though not all, of the measures of student academic performance it set for itself in its Accountability Plan. In December of 2003, 43.5 percent of Amber's third graders scored at proficient or above compared to 21.7 percent of students enrolled in Community School District (CSD) 5, the district in which the school is located. In 2004, 30.6 percent of Amber's third graders passed the test outperforming CSD 5 for the second year in a row. With data limited to one year, Amber Charter School fourth graders outperformed the CSD 5 average passing rate in English Language Arts and mathematics. On the

2003-04 administration of the New York State English Language Arts assessment, 35.3 percent of Amber's fourth graders scored proficient or better compared to CSD 5's 31.2 percent passing rate. On the state's mathematics assessment, 70.6 percent of Amber's fourth graders passed compared to CSD 5's passing rate of 54.6 percent. Amber is currently in good standing under No Child Left Behind. Taken as a whole, the student achievement data the school has amassed during its first four years of operation indicates that the school has improved student learning and achievement.

At the time of the renewal visit in November 2004, the school generally had effective systems and programs in place that provide a basis for concluding (together with the outcome data noted above) that the school would, if approved for renewal, likely continue to improve student learning and achievement. In addition, the school has benefited from consistent leadership from the school's Board of Trustees, located and renovated a suitable facility, and maintained overall financial health. The school is a viable and effective organization and has demonstrated that, if renewed, it would be operated in an educationally and fiscally sound manner.

The school requested in its renewal application that it be granted authority to provide instruction in grades Kindergarten through eight. The instructional program at the Kindergarten through fifth grades has demonstrated that it is educationally sound and has improved student achievement. However, the school has enrolled fifth graders for one year and, at the time of this renewal recommendation, presents only one year of quantitative data indicating achievement in the fourth grade. As such, the Institute recommends the school's charter be renewed for a period of five years to serve students in Kindergarten through grade six to allow the school to amass additional evidence of success and demonstrate its effectiveness as it grows to serve students at the upper grades. At such time as the school is able to demonstrate such effectiveness in increasing student achievement, it may seek a revision to its charter to expand to serve students in grades seven and eight.

The Institute finds that the school would continue to be run in an educationally and fiscally sound manner, would likely continue to improve student learning and achievement, meets the requirements of the Charter Schools Act and applicable law and, if re-chartered, would materially further the purposes of the Charter Schools Act. Accordingly, the Institute recommends that the State University Board of Trustees approves Amber Charter School's application for charter renewal and authorize renewal of the school's charter for a full five-year period with authority to provide instruction during the second term of the charter limited to students in grades Kindergarten through six with a maximum enrollment of 300 students during the 2005-06 school year, 350 students during the 2006-07 school year and a maximum of 620 students thereafter, and subject to such conditions and terms as are set forth in the renewal application and consistent therewith.

## FINDINGS AND DISCUSSION

### 1. Is the School an Academic Success?

*Finding 1: Amber Charter School has had mixed success in meeting the key academic outcomes it set for itself. These results are based on limited data insofar as it administered state examinations for the first time in the last year of its four years of operation. Based on the 2003-04 state examinations, the school did not meet any of the key English Language Arts (ELA) outcomes in its Accountability Plan, but did meet all of its math goals. In this one administration of the state test, the school outperformed its local district.*

*Finding 2: The Amber Charter School aims to build a nurturing community, but the present approach to classroom management has not reliably fostered calm, productive classrooms at every grade level where students are required to (and not distracted from) participating fully in all learning activities. The school has yet to create a scholarly environment of high academic expectations.*

*Finding 3: The school has developed a detailed curriculum aligned with state standards. Over the first charter term, the school examined both internal and external assessment data and, in response, overhauled key components of the curriculum.*

*Finding 4: The Amber Charter School's faculty is committed and develops consistently structured lesson plans, linked to state standards, which vary in their effectiveness. The school has rightly determined the need for a staff developer who would assist teachers in improving their construction and delivery of lessons.*

Amber Charter School continues to develop and refine its educational program. When the school was first proposed to the State University of Trustees, The Board intended to locate the school in an area where it would enroll in equal measure Spanish-dominant and English-dominant children and offer a dual language immersion program, with students instructed equally in English and Spanish. Difficulties in finding an appropriate facility in the targeted area of the city resulted in the school opening in a location that enrolled primarily African-American, English-speaking children. After operating the dual language program for several years with disappointing academic results, the school's Board and leadership team applied for and obtained an amendment to the school's charter to change the school's program to a modified immersion approach, where children are instructed primarily in English, with a minimum of five hours a week of instruction in Spanish. The Board and school's leaders have continued to refine the school's programs in response to student

achievement data and annual reports from the Institute; most recently, the school adopted a new English Language Arts (ELA) program. Over the years, the school has also strengthened its approach to student discipline and order; student behavior has improved.

Academic outcomes at Amber are mixed. The school's performance in English Language Arts remains below school goals, but the Board fully acknowledges the problem and is taking appropriate steps to address it. The school has improved the focus of instruction by establishing a complete curriculum and ensuring that all teaching is guided by written lesson plans linked to state standards. During the renewal visit, visitors observed generally effective teaching in the lower grades with instructional strength less strong in the upper grades. The school's Board restructured its administration and currently seeks a Chief Executive Officer for Amber Charter School as well as a Director for upper grade levels. This restructuring is focused on infusing the school with additional expertise in the fifth through eighth grade levels that the school seeks to serve in the future. The Board has defined the necessary attributes of both positions to include selecting individuals with the expertise to coach, develop, guide and evaluate Amber's teaching staff and help them obtain the level of competence necessary to ensure upper grade students will attain the demands of New York State Performance Standards at the eighth grade level.

The school has worked diligently in the last two years of its charter to refine its English Language Arts program and significantly its writing program. The school has adopted and is implementing reading and mathematics programs that link to state standards. During the renewal visit, some notable lessons, particularly in mathematics were in evidence. Such instructional strength was most frequent in lower grades with greater variation in classroom instruction observed at upper grade levels.

In mathematics and science, based on limited available data,<sup>12</sup> Amber Charter School bested Community School District 5 (the district the school is located in) on the New York State fourth grade assessments. Amber posted an average scaled score of 645 on the state fourth grade mathematics assessment with CSD 5 posting a score of 637. In science, 64.7 percent of the school's fourth graders passed the New York State fourth grade science exam while 34.9 percent of CSD fourth graders passed.

The academic climate at Amber Charter School has improved over the life of the charter. As the teaching staff works to implement and refine the

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<sup>12</sup> Amber Charter School enrolled fourth grade students for the first time in the 2003-04 school year. As such, at the time of this report in February 2005, only one set of scores on the New York State fourth grade assessments are available.

school's curriculum, teachers have also put in place a school-wide behavior management system that shows initial promise. The Board has identified inconsistencies in the implementation of the behavioral system and continues to focus the school's teachers and current leadership on constantly improving instruction and behavioral management to ensure students focus exclusively on academics.

## **2. Is the School an Effective, Viable Organization?**

*Finding 1: As evidenced by surveys, parents of the Amber Charter School are generally satisfied with the school, and a robust waiting list indicates a strong demand for the school.*

*Finding 2: The Amber Charter School's Board of Trustees has shown strong leadership and both perseverance and flexibility toward realizing its mission.*

*Finding 3: Based on evidence to date and a review of relevant policies and procedures, other internal controls, and Board minutes and interviews, the school is deficient with respect to certain elements of compliance including notification under its charter regarding changes in Board members, Freedom of Information Law compliance, adherence to minor elements of the Open Meetings Law, provision of alternative instruction and special education services, and obtaining proper background checks on prospective employees prior to hiring. Otherwise, the school appears to have been, and presently appears to be, generally in compliance with the Charter Schools Act, applicable provisions of the New York Education Law and other New York law, applicable federal law (e.g., I.D.E.A., F.E.R.P.A.), and its by-laws.*

As discussed in section one above, Amber benefits from a devoted and capable Board that has worked ceaselessly to realize the commitments of its charter and its Accountability Plan. Together with its leadership team, the school continues to define and implement actions that are improving the school. Amber's strength is its demonstrated willingness to respond to evidence and to take responsibility for continually improving the quality of its education program. Parents value the school's welcoming culture, close links to the community, and strong sense of purpose.

## **3. Is the School Fiscally Sound?**

*Finding 1: The Board has provided effective financial oversight during the term of its first charter.*

*Finding 2: Throughout the life of its charter, the school has consistently and in a timely fashion met its financial reporting requirements and maintained appropriate internal controls.*

*Finding 3: The school is in strong financial condition. It is solvent and has maintained adequate cash flow.*

The Board has provided effective financial oversight and has posted evidence of making decisions that further the school's mission, program and goals. The school operates pursuant to a long-range fiscal plan and has produced realistic budgets over the term of the charter.

The school has generally complied with financial reporting requirements and submitted annual financial statement audit reports with unqualified opinions indicating that the school's financial statements fairly represent its financial position. Reports have been complete and the school has followed generally accepted accounting principles.

The school is a viable entity from a purely financial perspective. The school completed FY 2004 in stable financial condition. The school's total net assets have increased in each year and it finished with unrestricted net assets of \$735,368 (\$3,064 per approved enrolled student). Private grants and contributions have been an important part of the school's financial strength and stability. The school has decreasingly relied on such private support.

#### **4. What Are the School's Plans for the Renewal Period and Are They Reasonable, Feasible and Achievable?**

*Finding 1: The school's academic plans for the renewal period include expanding from the current grades served to serving students in Kindergarten through eighth grade. The school's plans are reasonable, feasible, and achievable if the school is able to identify and put in place the administrative and instructional leadership necessary to ensure the success of its planned expansion.<sup>13</sup>*

Amber Charter School provides a detailed set of plans for the term of a future charter. At the end of a potential future five-year charter, the school hopes to serve a total of 620 students in Kindergarten through grade eight. The school has provided the necessary curricular plans and staffing details

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<sup>13</sup> The Accountability Plan, as submitted in the renewal application, is generally reasonable and feasible; however certain additional measures may be required in order to take account of changes in the New York State's testing regimen or revisions to the Institute's Accountability Plan Guidelines. In such cases, these additional measures will be added either prior to the execution of a new proposed renewal charter or thereafter.



for the Institute to find that the plans are reasonable, feasible, and likely to increase academic achievement. Specifically, the school looks to continue providing instruction in Kindergarten through fifth grade at its current facility, referring to this section as Amber’s “Lower School.” At a new, yet to be constructed facility, Amber requests expansion to serve grades six through eight in its “Upper School.” Each school will have its own instructional leader with each leader reporting to a new Chief Executive Officer.

These plans are reasonable, but their immediate feasibility cannot be determined at this time as the school has yet to secure its new Chief Executive Officer. As with all schools, identification of a strong and experienced leader is essential if Amber is to succeed in implementing its ambitious plan.

*Finding 2: The school has provided a reasonable and appropriate five-year fiscal plan for the term of a future charter, although it faces significant challenges concerning its facility expansion plans.*

The school is likely to finish its initial charter period in stable or strong financial condition. Starting with that baseline, the plan projects a modestly improving cash position for the school throughout the proposed new charter period. However, the plan does not project a cushion against significant unexpected expenses or revenue shortfalls. In addition, the school faces a \$6 million gap between the total estimated cost of the expansion and the amount of funding secured to date. Significant additional fundraising is also an integral part of the school’s plans.

The school has demonstrated its ability to operate in a fiscally sound manner at its current facility. Although the school has reasonable plans for expansion, there is no guarantee that it can overcome all the necessary financial and logistical hurdles.

## RENEWAL BENCHMARKS

Evidence Category	Benchmarks	
<p><b>Renewal Question 1</b></p> <p><b>Is the School an Academic Success?</b></p>		
<p><b>Benchmark 1A</b></p> <p><b>Academic Attainment &amp; Improvement</b></p>	<p><b>1A.1.1</b></p>	<p><b>Absolute Measures (New York State Assessments): The school meets or has made meaningful and consistent progress towards meeting the outcome measures contained in its Accountability Plan over the term of the school’s charter.</b></p>
	<p><b>1A.1.2</b></p>	<p><b>Comparative Measures: The school meets or has made meaningful and consistent progress towards meeting the outcome measures contained in its Accountability Plan over the term of the school’s charter.</b></p>
	<p><b>1A.1.3</b></p>	<p><b>Value-added Measures: The school meets or has made meaningful and consistent progress towards meeting the outcome measures contained in its Accountability Plan over the term of the school’s charter.</b></p>
	<p><b>1A.1.4</b></p>	<p><b>NCLB Measure: The school has made adequate yearly progress as required by NCLB.</b></p>
	<p><b>1A.1.5</b></p>	<p><b>Unique Academic Measures: The school meets or has made meaningful and consistent progress towards meeting the outcome measures contained in its Accountability Plan.</b></p>

### *Academic Attainment & Improvement*

Amber Charter School has had mixed success in meeting the key academic outcomes it set for itself. These results are based on very limited data insofar as it administered state examinations for the first time in the last year of its four years of operation. Based on the 2003-04 state examinations, the school did not meet any of the key English Language Arts (ELA) outcomes in its Accountability Plan, but did meet all of its math goals. In this one administration of the state test, the school outperformed its local district in mathematics.

In its absolute level of performance on the fourth grade state examinations, Amber did not meet the criterion of success set in its ELA outcome measure. With a goal of

achieving a School Performance Index (SPI) of 150, the school's SPI was 118 in 2003-04. In contrast, it met its math goal and met at least a component of its science goal. In math, the school's SPI was 165, surpassing its goal of 150. In science, 65 percent of the fourth graders scored at Levels 3 and 4, surpassing its goal of 50 percent.<sup>14</sup>

In its comparative level of performance, Amber's pattern of results is similar to that of its absolute measures. The school's average performance (in scaled scores) on the state's fourth grade ELA test was the same as that of its district of comparison, Community School District (CSD) 5, from where most of its students come. On the other hand, the school outperformed the district on the mathematics test and outperformed the district by a wide margin on the science test.

Consistent with the other measures, Amber did not meet its value-added goal in ELA, but met it in mathematics.<sup>15</sup> In its outcome measure, the value-added to student learning is expressed in average scaled scores. To the extent that a scaled score represents numerically a specific level of skill and knowledge, students would be expected to show a substantial increase in their level from one year to the next. Such an increase was registered in math, but not in ELA.

The State Education Department has deemed Amber to be a *Charter School in Good Standing*, which indicates that the school has not failed to make adequate yearly progress for two successive years under the NCLB requirements. Amber did not include any unique outcome measures in its Accountability Plan.

In addition to the required outcome measures, Amber included a number of supplementary measures. The school has administered the third grade New York City reading and math tests for the last two years. It has been far from its absolute goal in both reading and math, and showed a decline on both tests from 2002-03 to 2003-04. The school has not met its goal on the Early Childhood Language Arts System, but did meet its goal on the EPAL assessment, an on-demand writing assessment for second or third graders.

Any conclusion about Amber's student achievement, based on the state examination results, should be made with caution. With essentially one data point from which to draw, they provide limited evidence about student performance.

### ***Accountability Plan Outcome Measures***

In its Accountability Plan, Amber Charter School set outcome measures to demonstrate its academic success in the key subjects of English Language Arts and mathematics, as well as science. The outcome measures include the following three required types: 1) the absolute level of student performance on state examinations; 2) the comparative level of student performance on state examinations; and 3) the value-added to student learning according to year-to-year comparisons of student cohort performance on a school-selected standardized test. The following tables indicate the specific outcomes Amber set for itself accompanied by its annual results.<sup>16</sup>

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<sup>14</sup> In addition to setting a goal for Levels 3 and 4 in its absolute outcome measure in science, the school also set a goal for the proportion of students scoring at Level 2. Level 2 data have not been reported.

<sup>15</sup> Amber's Accountability Plan value-added outcome measure is a gain in the average scaled score from the third-grade New York City ELA and math tests to the state's fourth-grade examinations. This comparison is valid because the respective ELA and math results have been put on the same scale in grades three through eight. Insofar as any given score on the scales represents a level of skill and knowledge and insofar as students are expected to show year-to-year increases in achievement, cohorts of students, moving through the grades will show notable annual increases in their scaled scores.

<sup>16</sup> Please note: since Amber has had a fourth grade for one year, it administered the state examinations for the first time in 2003-04.

In addition to being held to these accountability measures, Amber is expected, under No Child Left Behind (NCLB), to make adequate yearly progress toward enabling all students to score at the proficient level on the state ELA and math examinations. In holding charter schools to the same standards as other public schools, the state issues a school accountability report. Amber's accountability status in the most recent report is indicated below.

Besides the three required outcome measures, and the NCLB outcome measure, the school has additional self-selected academic outcome measures included in its Accountability Plan. These various outcome measures constitute the renewal benchmarks for academic attainment and improvement.

*Absolute Level of Performance on State Examinations*

Accountability Plan		Results				
Subject	Outcome Measure	Grade	School Year			
			2000-01	2001-02	2002-03	2003-04
ELA	Students at Amber Charter School will achieve the Commissioner's Standard of Performance Index of <b>150</b> on the 4 <sup>th</sup> Grade New York State ELA Test. <sup>1</sup>	4	No students in grade	No students in grade	No students in grade	<b>118</b>
Math	Students at Amber Charter School will achieve the Commissioner's Standard of Performance Index of <b>150</b> on the 4 <sup>th</sup> Grade New York State Math Test. <sup>1</sup>	4	No students in grade	No students in grade	No students in grade	<b>165</b>
Science	In the first cohort of students to take the New York State 4 <sup>th</sup> Grade Science Test, <b>50%</b> will score at or above standard (Levels 3 & 4) and 40% will approach the standard (Level 2). <sup>2</sup>	4	No students in grade	No students in grade	No students in grade	<b>64.7%</b>

<sup>1</sup>The Performance Index is the sum of the percentage of students approaching standard (Level 2) and twice the percentage of students achieving standard (Levels 3 and 4).

<sup>2</sup> Level 2 results are not available.

*Comparative Level of Performance on State Examinations*

Accountability Plan		Results					
Subject	Outcome Measure	Grade	Comparison	School Year			
				2000-01	2001-02	2002-03	2003-04
ELA	Students at Amber Charter School will perform at a level higher than their peers in Community School District 5 on the 4 <sup>th</sup> Grade ELA Test as demonstrated by <b>a higher average scale score</b> than that achieved by all students in the district.	4	Amber	No students in grade	No students in grade	No students in grade	<b>632</b>
			CSD 5	N/A	N/A	N/A	632
Math	Students at Amber Charter School will perform at a level higher than their peers in Community School District 5 on the 4 <sup>th</sup> Grade Mathematics Test as demonstrated by <b>a higher average scale score</b> than that achieved by all 4 <sup>th</sup> grade students in the district.	4	Amber	No students in grade	No students in grade	No students in grade	<b>645</b>
			CSD 5	N/A	N/A	N/A	637
Science	Students at Amber Charter School will perform at a level higher than their peers in Community School District 5 on the 4 <sup>th</sup> Grade Science Test as demonstrated by <b>a higher proportion</b> of Amber students scoring at Levels 3 and 4 than students in the district.	4	Amber	No students in grade	No students in grade	No students in grade	<b>64.7%</b>
			CSD 5	N/A	N/A	N/A	34.9%

\* The results for the district are presented as an additional comparison; it is not included in the Accountability Plan.

*Value-Added to Student Learning According to Spring-to-Spring Cohort Gains*

Accountability Plan		Results				
Subject	Outcome Measure	Grade	School Year			
			2000-01	2001-02	2002-03	2003-04
Reading	The average scale score gains of students in each 4 <sup>th</sup> grade cohort will show an increase of <b>16</b> scale score points from the 3 <sup>rd</sup> grade Metropolitan 8 to the 4 <sup>th</sup> grade ELA exam.	4	No students in grade	No students in grade	No students in grade	<b>5.4</b>
Math	The average scale score gains of students in each 4 <sup>th</sup> grade cohort will show an increase of <b>30</b> scale score points from the 3 <sup>rd</sup> grade CTB Math Test to the 4 <sup>th</sup> grade State Math Test.	4	No students in grade	No students in grade	No students in grade	<b>42.7</b>

*Adequate Yearly Progress as Required by NCLB*

The State Education Department's School Accountability Report states Amber's 2003-04 School Accountability Status: *Charter School in Good Standing*, which indicates that the school has not failed to make adequate yearly progress for two successive years.

*Student Achievement According to Unique Academic Measures*

Accountability Plan		Results				
Subject	Outcome Measure	Grade	School Year			
			2000-01	2001-02	2002-03	2003-04
ELA	Students at Amber Charter School will achieve a Performance Index of <b>150</b> on the 3 <sup>rd</sup> Grade ELA Test administered by the New York City Department of Education.	3	No students in grade	No students in grade	<b>135</b>	<b>104</b>
Math	Students at Amber Charter School will achieve a Performance Index of 150 on the 3 <sup>rd</sup> Grade Math Test administered by the New York City Department of Education.	3	No students in grade	No students in grade	<b>117</b>	<b>107</b>

Accountability Plan		Results		
Subject	Outcome Measure	Grade	2002-03	2003-04
			Reading	One hundred percent ( <b>100%</b> ) of children who have attended Amber Charter School for three years will achieve Level 6 of the Early Childhood Language Arts Survey (ECLAS) by the end of second grade.

Accountability Plan		Results		
Subject	Outcome Measure	Grade	2002-03	2003-04
			(first cohort)	(second cohort)
Reading, Writing, Mechanics	Upon achieving ECLAS Level 6, all children will take the EPAL assessment; <b>55% of the first cohort</b> of third-graders <b>65% of the second cohort</b> will achieve a medium score or higher. (Average of three strands).	3	<b>49.3%</b>	<b>76.8%</b>

<p><b>Benchmark 1B</b></p> <p><b>Use of Assessment Data</b></p>	<p><b>1B</b></p> <p><b>The school effectively and systematically uses assessment and evaluation data to improve instructional effectiveness and student learning.</b></p> <p>A school that fully meets this benchmark will have put in place during the life of the charter a system for the effective use of assessment data. Such a system would include at least the following elements.</p> <ul style="list-style-type: none"> <li>● the collection and analysis of student performance data, including data gathered from an analysis of student work pursuant to a set of well-defined and well-aligned standards;</li> <li>● the use of assessment instruments and data to determine accurately whether State performance standards and other academic goals are being achieved;</li> <li>● the use of assessment data to make changes and improvements, where the data indicates a need, to curriculum and instruction;</li> <li>● the regular communication between teachers and administrators of assessment results and a common understanding between and among teachers and administrators of the meaning and consequences of those results; and</li> <li>● the regular communication to parents of assessment data to assist them in their efforts to improve student learning and achievement.</li> </ul> <p>More generally, a school should be able to demonstrate a system where performance standards, instruction, required student work and assessments are integrated and have led to increased student knowledge and skills.</p>
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Amber Charter School’s use of internal assessment information has grown over the term of its five-year charter. In the charter’s first years, school struggled to identify instruments that would both accurately assess student progress and permit the school to assess and improve the school’s instructional program. The school initially chose to use the ECLAS and EPAL assessments designed by the New York City Public Schools to assess student progress in grades Kindergarten through two. These assessments were frequently administered by classroom teachers, and as noted in previous Institute reports on the school, the administration of these assessments early on was inconsistent and poorly documented. In course, the school adopted the Terra Nova and TERC standardized tests which the school’s administration believed would provide them more accurate data and remedy the problems experienced with the administration of ECLAS and EPAL.

The school uses the results of state tests, TERC, and the Terra Nova to evaluate student performance. The Developmental Reading Assessments (DRA) are used to make Title I determinations. In addition, the school’s Principal uses standardized test results to determine how the school’s curriculum should be modified and supplemented.

The school recently adopted the Scott Foresman English Language Arts/reading curriculum which includes regular assessments. At the time of the renewal visit in November 2004, the implementation of this program was at an early stage. The school had yet to attain the greatest benefits from the program as the professional development

received by teachers was incomplete. The program includes end of unit tests that are aligned with the demands of state standards. Teachers report that, in response to the results of these tests, they adjust lesson plans and provide appropriate remediation to students. However, the school has yet to put in place a systemic review of student progress as they move through the system of assessments. Teachers report that they use the results of the tests to modify instruction and provide additional support in areas of knowledge and skills the tests identify as in need of improvement. The school would benefit from evaluating teachers' corresponding interventions to capture and define the most successful interventions. In that way, the school would benefit from sharing strong and proven teaching strategies across classrooms and potentially grade levels.

The school also maintains portfolios of student work. Rubrics developed for each grade level guide the selection of work to be included in the portfolios. A review of these portfolios during the Institute's renewal visit to the school found the use of portfolios systemically implemented. While student writing included in the portfolios shows growth over the writing placed in the portfolios in early years of the school's charter, student writing is not yet sufficient to ensure that most, if not all, Amber students reach the demands of state standards on a regular basis.

In interviews with Amber faculty, the Institute renewal visit team detected an important weakness in the school's use of assessment. Faculty occasionally conveyed a certain detachment toward standardized tests results. Some did not seem overly concerned that standardized scores failed to correlate with students' report card grades and internal assessment results. "Our students aren't great test-takers," one noted. This analysis is misguided: the analysis of student performance as measured by standardized tests is a powerful way for teachers to analyze their own instructional skills, for administrators to direct professional development opportunities, and to design lessons that focus consistently and powerfully on ensuring students learn the knowledge and skills identified as lacking through standardized test performance.



<p><b>Benchmark 1C</b></p> <p><b>Curriculum</b></p>	<p><b>1C</b></p> <p><b>The school has a clearly defined quality curriculum that prepares students to meet State performance standards.</b></p> <p>The school that meets this benchmark has defined with precision the essential knowledge and skills that all students are expected to achieve (and that are aligned with the relevant State standards) and makes them a priority within the curriculum. Course offerings and outlines reflect those priorities. The curriculum as implemented is organized, cohesive, and seamless from grade to grade.</p>
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For the first three years of its operation, the school operated a dual-language immersion model, where students were taught in English on one day and in Spanish the next day in the same content area. In light of the predominately English-speaking population the school enrolled and the poor results the school was attaining, the school changed to a modified immersion model (for which the school applied for, and obtained, an amendment to its charter) where students are taught primarily in English and receive at least five hours a week of instruction in Spanish.

Over the term of its charter, Amber Charter School refined its curriculum to improve academic achievement and to ensure that the skills and knowledge students were expected to learn were aligned with state standards. In the fifth year of the school’s charter, the school is operating according to a detailed curriculum aligned with state standards.

The school’s curriculum now includes a writing program explicitly linked to the demands of the state’s fourth grade English Language Arts assessment and Scott Foresman reading program.

The school supplements the TERC mathematics with Scott Foresman mathematic unit assessments and additional materials that afford students increased opportunities to practice the algorithms and number operations necessary to hone computational skills. The school has also created a series of thematic units that combine content knowledge in the areas of social studies and science with language arts, and to a limited degree, mathematics.

<p><b>Benchmark 1D</b></p> <p><b>Pedagogy</b></p>	<p><b>1D.1</b></p> <p><b>Strong instructional leadership girds the school’s work in improving student learning and achievement.</b></p> <p>The school that meets this benchmark has instructional leadership that has demonstrated the capacity to lead the comprehensive implementation of the school’s curriculum and has facilitated the alignment of classroom instruction, learning activities, instructional resources, support, and assessments. Instructional leaders at the school ensure that teacher planning time, lesson development, and internal assessment systems lead to the successful attainment of the school’s mission and academic goals.</p>
	<p><b>1D.2</b></p> <p><b>Quality instruction is evident throughout the school fostering an academic learning environment and actively supporting the academic achievement of children.</b></p> <p>The school that meets this benchmark is one in which classroom practice reflects competent teaching and instructional strategies that engage students. The academic learning environment at the school is one in which effective teaching and learning are valued and supported; there is a clear and strong focus on achievement goals, and student and staff accomplishments are recognized.</p>
	<p><b>1D.3</b></p> <p><b>The school has strategies in place to identify and meet the needs of students at risk of academic failure, students not making reasonable progress towards achieving school goals, and students who are English Language Learners.</b></p> <p>The school that meets this benchmark has implemented special programs and provides the necessary resources to help students who are struggling academically to meet school goals. The programs are demonstrably effective in helping students meet goals.</p>

Annual reports from the Institute show that, in the early years of the school’s charter, classroom instruction was of a poor quality and little effective instructional leadership was in evidence at the school. Students rarely engaged demanding content and infrequently produced products of their learning—stories, worksheets, science reports, and math presentations—that were commensurate with state standards. The school did not benefit from strong instructional leadership in the early years of the charter.

The rigor and academic demand of Amber’s instructional program increased notably during the final two years of its charter. The renewal visit team noted areas of dramatic improvement, especially in writing. Students now write frequently and teachers’ attention to improving students’ compositional skills is evident. Also in evidence are class and student graphs, student-composed story problems, pattern development, and other artifacts of mathematics instruction that show strong growth in the school’s mathematics program.

Amber's teachers use the Cognitive Academic Language Learning Approach (CALLA)<sup>17</sup> lesson plan format that requires planning instruction by listing the standards the lesson is designed to address and the measurable objectives or assessments teachers will use to gauge progress toward those standards. As a result, instruction at the school is geared toward explicit achievement goals.

For example, in Kindergarten classrooms observed during the Institute's renewal visit, the morning meeting began with the teacher and students reading a "morning message" about how "today" was different than "yesterday." The class read the date; discussed the concepts of yesterday, today, and tomorrow; completed a pattern on the calendar; and made an entry into a well-organized weather graph. The class reviewed the alphabet letter of the week, matched the letter with pictures that started with it, practiced writing the letter, and generated a list of ways in which the letter was "alike" and "different" from previous letters of the week. Next, students reviewed a story they read earlier that exemplified how things were "alike" and began a story that exemplified how things are "different." Students identified well with the story and were engaged, focused and enthusiastic about identifying "differences." At the conclusion of the lesson, teachers assisted students in generating ideas about "different" to be used in a future writing activity.

In a second grade classroom, students worked in pairs to count bags of coins distributed by the teacher. Students used the materials productively, completed the task with relative speed, and worked well in pairs. Across the hall in another second grade class, students read quietly in pairs as the teacher worked with small groups of students on specific reading skills. Students stayed on task and at their assigned place, and were engaged by the reading assignment. The teacher then transitioned into mathematics instruction. The teacher reviewed previous instruction on dividing objects into groups evenly, and dividing objects into groups where there are items left over. The teacher then modeled the learning task she was about to assign the students. Students were attentive during the instruction. The transition from teacher instruction to student work was smooth as pairs of students received the manipulatives for the division activity.

Generally, instruction and classroom management was excellent in Kindergarten through third grade, with third grade being somewhat transitional into less demand for academic rigor and student attentiveness in upper grades. Institute visitors found student engagement in learning at upper grades at times marred by student chatter and inattentiveness to lessons, poor instruction, or both. The academic rigor of upper grade classes varied. In some classrooms, instructional was well planned, appropriately challenging, and students were focused and scholarly in their pursuits. In other classes, students were loud and off-task without any significant consequences. While the presence of Institute visitors may have hindered teachers' comfort levels in disciplining students, teachers at the upper grades were less direct with students in demanding standards of behavior conducive to academic success. At times, students in upper grade level classes appeared not be challenged by the instruction, which resulted in a lack of attention to the teacher and the learning activity. Overall, Amber has strong examples of great instructors and classroom managers amongst the ranks of its teachers and must focus on ensuring all teachers acquire and are adept at deploying interesting instruction and demanding students focus their enthusiasm on learning. The school has rightly determined the need for a staff developer who would assist teachers in improving lesson construction and delivery as well as classroom management.

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<sup>17</sup> CALLA was developed by Anna Uhl Chamot and J. Michael O'Malley out of George Washington University, and is being implemented in approximately 30 school districts in the United States as well as in several other countries. For more information see <http://www.gwu.edu/~calla/>.

<p><b>Benchmark 1E</b></p> <p><b>Teaching Staff</b></p>	<p><b>1E</b></p> <p><b>The school’s instructional staff is qualified to implement the school as envisioned in the charter. Teachers are competent in their assigned content area and generally use instructional practices that lead to student academic success.</b></p> <p>A school that meets this benchmark will be able to demonstrate that teachers are competent in their assigned content area and generally use instructional practices that lead to student academic success. (While handled under the benchmark for legal and charter compliance, it is important to note that a school must also be able to demonstrate that teachers are certified or otherwise qualified under both federal and state law with few exceptions. In instances where the school has not been in compliance with this requirement of law, the school should be able to show that it has taken swift and appropriate remedial measures.)</p>
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Overall, teachers in grades Kindergarten through three are well-prepared and competent in delivery of academically rigorous and effective lessons to their students. Most appear to have a strong hold on behavior management strategies, so disruptions in their classrooms were generally few. Strong, properly paced and organized instruction was less in evidence at upper grade levels.

Nonetheless, teachers were committed to the school and hard-working. The school has identified the need to provide all teachers additional, appropriate coaching and oversight, to ensure that student energy is constantly focused on learning. The first step would be to institute school-wide an entirely different set of behavioral expectations in the classroom. Once these expectations were announced—that classes should be quiet, and free of disruptions—students would rapidly adjust to these new expectations, and the expectations could be easily enforced through the *consistent* and full-fledged implementation of the school’s current discipline system. As the school’s language arts program has only recently been adopted, teachers also need *specific* and abundant training in this program.

<p><b>Benchmark 1F</b></p> <p><b>Student Order &amp; Discipline</b></p>	<p><b>1F</b></p> <p><b>The school has implemented discipline policies and procedures that promote learning for all students.</b></p> <p>The school that meets this benchmark has documented discipline policies and procedures (for regular and special education students) and has consistently enforced those policies. As implemented and enforced, the discipline policy will have promoted calm, safe classrooms where students are required to (and not distracted from) participating fully in all learning activities. Students at a school meeting this benchmark will also generally report a reasonable sense of security. A school will also be able to provide appropriate records regarding expulsions and suspensions.</p>
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According to teachers, parents, and school administrators, the Amber Charter School affords students a nurturing and safe community. While Amber has made progress with student discipline, work remains to ensure that all classrooms are consistently building the academic prowess of students.

Amber has made a sound choice in its behavior management system but has yet to solidify its implementation. A wall chart of colored cards—green, yellow, and red—tracks the behavioral status of each child in the classroom as the day progresses. The students all begin the day “on green,” and as a student misbehaves, the teacher turns the students card, first to yellow, and then to red. Parents, students, teachers, and administrators all identify the card system as the focus of the Amber’s approach to school-wide discipline. In interviews conducted during the renewal visit, parents reported that they were aware of the discipline system and were able to ask their children, “What color was your card today?” as a check on their behavior in school.

However, this well-chosen system was not used consistently and effectively by teachers during the renewal visit. Behavioral infractions drew inconsistent responses across classrooms; in some, teachers warned students, threatened them with a card change, or cited them for poor behavior, all before changing their card. For example, in one upper grade classroom, students talked openly above the teacher’s voice. One student covered his head and face with a shirt or jacket, to the amusement of the rest of the class, while another had to be repeatedly told to sit down, in a stern voice that bordered on exasperation. It was only when the teacher threatened to turn over cards that the class began to take note, albeit briefly.

For the system to be effective, a card change must be an immediate, predictable, non-negotiable consequence in every classroom to an infraction. In classrooms where teachers were observed to use the card system systematically, students were better behaved and more responsive to the teachers’ directions than in rooms where it was not. In interviews, some teachers cited the need for additional professional development to assist them with improving discipline and classroom order.

In the upper grades, the inconsistent quality of instruction exacerbates discipline problems. In interviews, students showed their awareness of behavioral expectations, but admitted they do not always meet them. As the adults in the school have yet to present a consistent and united force in meting out consequences to disruptive behavior, students have cleverly (and rightly) identified the level of disruption they can cause without suffering any consequence. However, at the time of renewal, the culture at Amber appears to be in transition. An earlier culture emphasized nurturing students even while implicitly holding low expectations for their behavior and academic achievement. That

culture has yet to be entirely vanquished by the school's new approach, one that rightly identifies high academic expectations and an orderly, calm, and on-task learning environment as the most beneficial and caring approach to developing Amber's students.

<p><b>Benchmark 1G</b></p> <p><b>Professional Development</b></p>	<p><b>1G.1</b></p> <p><b>The school’s professional development program aligns with the school’s mission, assists teachers in meeting students’ academic needs and school goals, and addresses any identified shortcomings in student learning and/or teacher content knowledge.</b></p> <p>Professional development offerings at a school that meets this benchmark are aligned with the school’s educational philosophy and are effective in helping teachers improve instruction. Most importantly, professional development practices at the school are a priority of the school leadership and buttress the instructional program, meet student learning needs and result in increased student achievement. The school’s calendar reflects that professional development and instructional planning are a high priority. A school should also be able to demonstrate that necessary support for inexperienced teachers is available. Teachers and school leaders report professional development activities have resulted in gains in teacher pedagogic content, knowledge, and skills and this expertise has led to increased student academic achievement.</p>
	<p><b>1G.2</b></p> <p><b>The school has a system in place for ongoing teacher evaluation and improvement that supports the school’s ability to reach the goals contained in its Accountability Plan.</b></p> <p>The school that meets this benchmark has leaders who spend extended time in classrooms. Teachers receive relevant and helpful written and verbal feedback, counsel, support, and opportunities to increase the instructional skills and content knowledge required for the school to meet its academic goals.</p>

Amber conducts ten days of professional development before the start of the school year. Prior to the opening of the 2004-05 year, teachers received training in the school’s new language arts curriculum, school-wide discipline policies, and writing programs. Teachers also received two days of follow-up training in the school’s new language arts/reading curriculum from its publisher. While finding this beneficial, teachers reported that the publisher’s trainer sent mixed messages regarding the implementation of the program; they were told they could pick and choose portions of the program to implement. The School Director was understandably, and rightly, concerned about this message, at a time when she was telling teachers to fully implement the program, so that the administration could then gather data on what was working and what was not and only then make modification decisions.

The School Director makes frequent visits to classrooms and formally evaluates teachers each year. Informal visits result in either written or verbal feedback to teachers regarding compliance with the school’s expectations for how the room is arranged, lesson plans are documented, and the like. But only rarely did the written feedback include an analysis of the teacher’s design and delivery of the lesson itself, let alone a discerning diagnosis of what worked and what didn’t, and why. Without this quality and depth of feedback, teachers cannot improve their instructional practice and ensure that their students achieve at high levels.

It should be noted that, at the time of the renewal visit, the school's professional development position was vacant. During the 2003-04 school year, Amber employed a full time instructional developer to work with teachers as they planned and executed lessons. She worked in classroom with teachers to plan lessons linked to standards, appraise and analyze student work, and reflect on the teachers' skills and practices. She left prior to the 2004-05 school year and the school not identified a successor at the time of the renewal visit in November 2004.

As mentioned earlier in this report, Amber's staff and administration cite the need for improving student order and discipline. In an interview, teachers stressed the need for additional professional development in creating a strong, disciplined, scholarly environment. This wish is echoed in the most recent annual survey of school staff on their priorities for professional development. Overwhelmingly, the school's staff requested additional training in student order and discipline.



## Renewal Question 2

### Is the School an Effective, Viable Organization?

<b>Benchmark 2A</b>  <b>School Specific Non-Academic Goals</b>	<b>2A</b>	<b>The school meets or has made meaningful and consistent progress towards meeting the Unique Measures of non-academic student outcomes that are contained in its Accountability Plan over the life of the charter.</b>
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Amber Charter School included four non-academic goals, each with multiple measures, in its Accountability Plan. They are as follows:

**Goal I:** Amber Charter School will make sound decisions and effective, responsible use of financial resources to maximize student learning.

**Measure 1:** The balance sheet for the most recently completed fiscal year demonstrates a balance between resources and expenses.

**Measure 2:** The budget for the next fiscal year demonstrates a balance between expenses and reasonable expected resources.

**Measure 3:** Cash flow charts for the current year and for the subsequent four-year period have been regularly maintained during the fiscal year and regular financial reports to the Board have included the variances in actual income and expenses compared the approved budget.

**Measure 4:** The Board will approve the proposed budget and five-year projections before the start of the fiscal year.

**Measure 5:** A yearly independent audit shows that Amber Charter School has followed fiscally prudent practices and has acted in accordance with Generally Accepted Accounting Practices.

Throughout the life of its charter, the Amber Charter School has met each of the unique measures under its first non-academic goal included in its Accountability Plan.

**Goal II:** Amber Charter School will maintain strong enrollment and strong parent interest.

**Measure 1:** The Board will meet regularly.

**Measure 2:** Each member of the Board will make a financial contribution to Amber Charter School, the amount to be determined by the member.

**Measure 3:** Board members will set a yearly goal for Board fundraising and will participate in reaching that goal through contributions, personal contacts, attendance at meetings with funders, and participation in organizing special events.

**Measure 4:** The Board will produce a summary of policy decisions made during the year.

**Measure 5:** The Board will review the performance of the co-Directors on a yearly basis or more frequently as it designates.

The school presented evidence and assurances satisfying all these measures.

**Goal III:** Parents will be active participants in their children's education, school decision-making and evaluation.

**Measure 1:** By the end of each year, 100 percent of newly enrolled parents will participate in Primary Language Record interviews.

In its application for charter renewal, Amber presents evidence that 86 percent of new parents participated in 2004 in Primary Language Record interviews. This level of success mirrors that reported in annual reports over the life of the school's charter.

**Measure 2:** One hundred percent of parents or guardians will submit school lunch forms each year.

The school has presented evidence of substantially meeting this goal over the life of its charter.

**Measure 3:** One hundred percent of parents or guardians will participate in at least one personal interaction each year with the school, including orientation, curriculum night, parent-teacher conference, conversation with teacher/s or Directors, or field trip.

The school maintains data on parent participation that includes signature pages from parent orientations, conferences as well as teacher logs that outline parent contact both by phone and in person. The school also maintains files of email correspondence between parents, teachers, and administrators.

**Measure 4:** The Parents Association will establish by-laws and hold regular meetings in accordance with its by-laws.

The Parents Association maintains by-laws which are available at the school.

**Measure 5:** Two parents will be elected yearly to the Board of Trustees and will participate actively, as measured by meeting attendance and participation in Board activities.

According to the school's renewal application, two parent members have been elected each year to the Board, from 2001 to 2004.

**Measure 6:** Equal numbers of elected parents and school staff will participate in the School Planning Committee beginning in January 2001; this committee will meet on a regular basis to plan and to advise the co-Directors.

As noted in the school's application for charter renewal, parents and staff have been equally represented on the School Planning Committee from 2001 to 2004.

**Measure 7:** One hundred percent of parents will participate in a parent survey of their child's initial knowledge of English or Spanish as a second language.

The school has presented evidence over the life of its charter that shows it approached this goal with 80 to 90 percent of parents participating in the survey.

**Measure 7:** Eighty percent of parents responding to an annual survey will indicate that they are “satisfied:” or “mostly satisfied” with the child’s education, responding to criteria such as “academic progress,” “child’s desire to come to school,” “school’s effectiveness in promoting child’s interest in learning,” “child is better able to resolve conflicts.”

The school reports that in a 2003-04 survey of parents, 87 percent of parents felt that their children had improved their ability to resolve conflicts. Ninety-one percent of parents surveyed in 2004 reported that they are satisfied with their child’s academic progress.

**Goal IV:** Faculty and staff will be fully engaged partners in the development of the school and their own professional development.

**Measure 1:** At least 80 percent of staff will indicate in an annual survey that they feel that Amber Charter School is a professionally satisfying school in which to work.

In its renewal application, Amber reports that 79 percent of staff in 2004 indicated that Amber is a professionally satisfying place to work, up from 40 percent in the 2001 survey.

**Measure 2:** At least 80 percent of staff will indicate in an annual survey that they have “good” or “excellent” opportunities for professional growth.

The school reports that in 2004 survey 81 percent staff indicated they had such opportunities at the school.

**Measure 3:** One hundred percent of faculty state that they are well represented in school decision-making, either directly or through representation on the School Planning Committee and the Board of Trustees.

The school reports that in a 2004 survey 90 percent of staff report that they are well-represented.

**Measure 4:** Beginning in September 2001, staff absence rates will average eight or fewer days per year.

This data was unavailable at the time of the renewal visit.

<p><b>Benchmark 2B</b></p> <p><b>Mission &amp; Design Elements</b></p>	<p><b>2B</b></p> <p><b>The school is faithful to its mission and has implemented the key design elements included in its charter.</b></p> <p>The school that meets this benchmark has school Board members, parents, teachers, school leader(s) and community partners that consistently present evidence of the school’s success with reference to the school’s mission and the key design elements included in its charter application. Key elements of the school’s design are well implemented and the school’s academic results, governance, and instructional practices reflect the mission of the school.</p>
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Amber’s mission reads, in part: “Amber Charter School will prepare every student to demonstrate proficiency and/or distinction in all New York State Learning Standards and will enable all students, both Spanish-dominant and English-dominant, to achieve full fluency in both languages.” In interviews held during the renewal visit, Board members, school leaders, and teachers emphasized the importance of meeting state standards. While the school sought and obtained an amendment to its charter to change its approach to educating students in both English and Spanish, most actors—from teachers to Board members—seem to remain committed to the school’s stated mission of bringing students to fluency in not only English but also Spanish.

While the efforts of the school’s leaders and staff are directed to toward faithfully fulfilling the school’s mission, work remains for the school to implement all of their programs effectively. As discussed in detail elsewhere in this report, poor student behavior and weak instruction continue to plague the school, particularly in the upper grades. Far more instructional oversight and professional development for the faculty are needed to overcome these weaknesses and to realize the school’s mission.

<p><b>Benchmark 2C</b></p> <p><b>Governance (Board of Trustees &amp; School Leadership)</b></p>	<p><b>2C.1</b></p> <p><b>The Board has implemented and maintained appropriate policies, systems and processes and has abided by them.</b></p> <p>A school that meets this benchmark has implemented a comprehensive and strict conflict of interest policy (and a code of ethics) and has consistently abided by them through the term of the school’s charter. Where possible, the Board has avoided creating conflicts-of-interest. The school Board has also maintained and abided by the corporation’s by-laws. In addition, a Board meeting this benchmark will have actively sought information from the staff, parents, community and student populations. The system for hearing such views and concerns will have been consistently implemented so that all views and concerns were appropriately heard and acted upon. The Board will have published, reviewed and communicated policies annually and currently maintains an up-to-date policy manual.</p>
	<p><b>2C.2</b></p> <p><b>The Board and school leadership clearly articulate the school’s mission and design and work to implement it effectively.</b></p> <p>To fully meet this benchmark, school leaders and Board members should be able to evidence a strong understanding of the school design and demonstrate that they have referred to it regularly in managing and governing the school. Moreover, the Board and the school’s administration should have deployed resources effectively to further the academic and organizational success of the school. At the Board level, the Board should have a process for selecting both Board members and the school leader or school leadership team that is timely and effective and such process should result in a stable and effective Board and leadership team. The Board should also have evaluated school leadership on an annual basis. Such evaluation should be based on clearly defined goals and measurements. The school Board and school leadership should be able to demonstrate that they are facile with the process.</p>

The Board generally has implemented appropriate policies, systems and processes and has abided by them. A notable exception is the school’s inability to follow its own fingerprint policy as discussed under Benchmark 2E. In some cases, however, different groups of employees or stakeholders in the school had different versions of policies. In other cases, such as the complaint policy, the only written policy was in the school’s charter and staff members were not aware of it. In addition, the school has not implemented its Freedom of Information Law (FOIL) policy. Based on compliance deficiencies (set forth under Benchmark 2E), the school needs to revise policies in the areas of special education and background checks. The school has a Board manual but it is not fully updated. Some policies in the Board manual were different from ones given to teachers by the Principal. Similarly, the parent manual has not been updated for recent changes in Spanish/English instruction, and lacks information regarding FOIL and the Open Meetings Law.

The Board has adequate mechanisms for dealing with conflicts of interest and recently reviewed and re-affirmed its conflict of interest policy and code of ethics. While there have been some interested transactions, they have not been a problem for the Board. Board members confirmed the school paid or received fair market value in such contracts, interested Board members recused themselves, and most such contracts were due to services needed on an emergent basis. Separately, there was evidence that the Board has maintained and abided by its by-laws.

<p><b>Benchmark 2D</b></p> <p><b>Parents &amp; Students</b></p>	<p><b>2D</b></p> <p><b>Parents/guardians and students are satisfied with the school as evidenced by survey results as well as the volume of parents who choose the school to provide education for their children and the degree to which parents persist with that choice over the child’s academic career.</b></p> <p>The school that satisfies this benchmark will be able to show through generally accepted surveying standards and practices that a large majority of all parents with students enrolled at the school are satisfied with the school. As only a well-informed parent can be meaningfully satisfied, the school must be able to show that it has provided to parents detailed and accurate information about their child’s performance as well as the performance of the school as a whole. The school should also be able to provide data on application lottery, enrollment and persistence rates to demonstrate that large numbers of parents seek entrance to the school, and far more importantly, keep their children enrolled year-to-year. Ideal survey data will also provide an explanation for the persistence rate experienced by the school.</p>
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According to the school’s renewal application, a 2004 survey of the school’s parents found that 97 percent said they were pleased their child attends the school, 91 percent reported that they were satisfied with their child’s progress at Amber, 97 percent report that their child was motivated to come to school, and 99 percent say their child was interested in learning. The survey return-rate was high, at 92.5 percent. These results suggest that parents are broadly satisfied with the school.

In interviews during the renewal visit, Amber parents cited the devotion of teachers to their children as a key factor in choosing the school. Parents also praised the school’s academic focus, the accessibility of Amber staff, and the efforts by Amber’s leaders and staff to keep parents informed. Parents reported frequent communication, by phone and email, from teachers regarding their children’s behavior and homework status.

The school further reports that 90.9 percent of students who had been enrolled for the entire year in 2002-03 returned the following year. This retention figure is significantly higher than in previous years.

The renewal application reports that 241 students were on a waiting list for admission to the school at the time of the report’s preparation. This suggests a healthy demand for the school.

<p><b>Benchmark 2E</b></p> <p><b>Legal Requirements</b></p>	<p><b>2E</b></p> <p><b>The school has substantially complied with applicable laws, rules and regulations and the provisions of its charter.</b></p> <p>A school that meets this benchmark will have compiled a record of substantial compliance with the terms of its charter and applicable laws and regulations. In addition, at the time of renewal, the school will be in substantial compliance with the terms of its charter and applicable laws and regulations. Such school will have maintained and have had in place effective systems and controls for ensuring that legal and charter requirements were and are met. A school should also be able to demonstrate that the school has an active and ongoing relationship with independent legal counsel that reviews relevant policies, documents, and incidents and makes recommendations as needed.</p>
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As part of a compliance review, the Institute reviewed steps Amber took in response to the New York State Education Department’s Third Year Monitoring Report, including a review of special education (“SPED”), which outlined certain instances of non-compliance. The school was either in compliance or was in the process of coming into compliance for most areas noted by the State Education Department including teacher certification, school safety plan, and student transfer records. An area of continued concern is the provision of alternative instruction for suspended students. The school still needs to take more steps to provide alternative instruction to students suspended for more than one day. We also note that the State Education Department has indicated that as of January 28, 2005, the school was only in partial compliance with the Safe Schools Against Violence in Education Act (SAVE) in that the school safety plan submitted pursuant to Education Law section 2801-a was not complete.

Certain SPED issues raised by the State Education Department and others identified by the Institute still need attention. In general, there is a lack awareness of the totality of SPED requirements, and the school’s role in delivering SPED services, which may be the source of some of the complaints made to the school Board. (No complaints gave rise to a grievance under the Education Law that had to be resolved by the Institute.) For example, Individual Education Programs (IEPs) are not properly distributed to general education teachers in all classrooms, and there was evidence that IEP progress reports were not being completed properly or in a timely manner. In addition, the IEPs for some students were not being reviewed annually as required, which is a problem the school and the district must work through jointly. Also, some records related to SPED were not organized or stored in a manner that allowed the SPED coordinator to understand the overall progress of students.

While the school had a fairly poor record of compliance early in its charter, it has steadily improved. In recent years, its record is nearly exemplary. On more than one occasion, the school has not been in compliance with the Monitoring Plan in its Charter with respect to notifying the Institute regarding changes in the school Trustees. The Institute has had continuing problems regarding communication with the School Principal or Board Chair with respect to compliance issues. Problems with developing proper assessments, which gave rise to a July 2003 corrective action plan, were adequately resolved.

The Board generally has implemented appropriate policies, systems and processes to ensure compliance with applicable law and has abided by them. Exceptions were noted in the areas of Freedom of Information Law (FOIL) and Open Meetings Law compliance. While the school has a FOIL policy in its charter, there was no working policy of which



employees were aware, notice or training regarding FOIL. As a result, parents and staff do not know of access to the full range of available records. In contravention of the Open Meetings Law, the school's by-laws state that the school Trustees can participate in Board meetings by conference call; however, there was no evidence that Board members had done so. An additional exception was noted in the area of compliance with the employee background check provision of the Education Law. The school submitted fingerprints for certain employees and did not receive a clearance or any other response for over a year, yet took no further action.

In terms of legal support, the school has two Board members who are lawyers and assist in legal matters on a *pro bono* basis. Through one of the member's law firm, other legal services are also available to the Board free of charge.

Except as set forth above, the school's policies and procedures, other internal controls, Board minutes and other documentation, as well as responses to interview questions by Board members and school personnel, demonstrate the school's general and substantial compliance with the Charter Schools Act, applicable provisions of the New York Education Law and other New York law, applicable federal law (*e.g.*, I.D.E.A., F.E.R.P.A.), its by-laws and the provisions of its charter.

### Renewal Question 3

#### Is the School Fiscally Sound?

**Benchmark 3A**  
**Board Oversight**

**3A**

**The Board has provided effective financial oversight, including having made financial decisions that furthered the school's mission, program and goals.**

The Board has generally provided effective financial oversight. A review of a sample of Board minutes noted evidence that the Board was actively involved with oversight of the school's finances. Budget to actual fiscal reports are prepared and reviewed by the Board on a monthly basis.

The Board has met on a monthly basis throughout the term of its charter and has retained a core group of Board members that has added to the stability of the school and the effectiveness of Board oversight. The Board members are clearly committed to the school and bring a diverse set of skills to aid in its oversight.

A significant accomplishment of the Board was obtaining the necessary financing to purchase its current facility. The rates and terms are reasonable, allowing the school to operate without undo pressure created by the payments required. The first mortgage is due in monthly payments of \$19,229 including interest at six percent per year, matures on June 1, 2011 with a balloon payment of \$2,096,900. The second mortgage is due in monthly installments of \$3,122 including interest at six percent per year with a balloon payment of \$239,500 due on July 1 2011. Without the proactive and effective actions taken by the Board in this regard it is unlikely that such favorable financing could have been procured. The benefits of owning its facility are numerous, the primary benefits being the added fiscal and programmatic stability it provides.

The Board has overseen the development of policies and procedures that guide the direction of the school. The establishment of such policies is a good way to institutionalize school practices and provide sufficient guidance for the effective operation of the school. Currently, the school has not fully developed its written policies and procedures related to purchasing. While a draft of the policy has been developed, it has not yet been finalized and adopted. Based on discussions with school staff, it was noted that a lack of clarity in the area of purchasing was evident. Finalizing and adopting such policies will improve the school's control over procurement and assist staff in carrying out its duties.

<p><b>Benchmark 3B</b></p> <p><b>Budgeting and Long Range Planning</b></p>	<p><b>3B</b></p> <p><b>The school has operated pursuant to a long-range financial plan. The school has created realistic budgets that are monitored and adjusted when appropriate. Actual expenses have been equal to or less than actual revenue with no material exceptions.</b></p>
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The school has operated pursuant to long-range plans beginning with the five-year plan included as part of its charter application. Budgets have provided a realistic framework for the school’s spending activities and monitoring procedures were in place. Billings are submitted to the district on a timely basis.

Amber has maintained consistent positive fund balances and adequate cash flow and has been able to meet its bills at all times. Amber has not borrowed any money, except for the mortgage that funded the purchase of its facility on 106<sup>th</sup> Street. There has been an increase in net assets in each year the school has been in operation. The school reports hiring a Chief Financial Officer on January 1, 2005.

<p><b>Benchmark 3C</b></p> <p><b>Internal Controls</b></p>	<p><b>3C</b></p> <p><b>The school has maintained appropriate internal controls and procedures. Transactions have been accurately recorded and appropriately documented in accordance with management’s direction and laws, regulations, grants and contracts. Assets have been and are safeguarded. Any deficiencies or audit findings have been corrected in a timely manner.</b></p>
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The school’s FY 2004 audit report on internal controls over financial reporting and compliance with laws, regulations and grants did not disclose any reportable conditions, material weaknesses, or instances of non-compliance. The lack of deficiencies in these independent reports provides some, but certainly not absolute, assurance that the school has maintained adequate internal controls and procedures. The purposes of the reports are not to provide assurance on internal control over financial reporting or an opinion on compliance.

In a management letter issued in conjunction with the school’s FY 2003 audit report, the school’s auditors identified several matters that were opportunities for strengthening internal controls and improving operational efficiency. These items included recommendations that the school:

- Hire a full-time bookkeeper to replace a part-time consultant;
- Implement the MIP fund-accounting system (including training of staff);
- Submit monthly financial statements to the Board prepared from the general ledger system after all adjustments have been recorded;
- Enter all revenues on the accrual basis and increase the number of expenses entered on accrual basis;
- Improve recording of in-kind contributions when made, entering them into the accounting system and documenting details of contribution;
- Verify, update, and assure secure safekeeping of employee personnel files;
- Initiate a report system to better manage grant compliance.

The school has taken appropriate steps to address the issues raised, but has not yet fully implemented the adoption of the MIP accounting system. Additional systems and controls will need to be further developed as the school matures. In particular, plans will need to be modified for changes in staff (e.g. the hiring of a CFO).

The Board approved “Accounting System and Operating Procedures” (Procedures) for the school in March 2003. During 2003, the State Education Department (Department) conducted a fiscal review of the school and noted that some of the schools policies had not been finalized and others could be improved by modification or supplementation. As part of the renewal application, the school has addressed the concerns raised by the Department. However, at the time of the renewal visit, such revisions had not been incorporated into the Procedures and there was not evidence that the revisions had been approved by the Board.

Given the small size of the school and the few number of administrative staff, optimal segregation of duties may not be achieved in some instances and therefore the school needs to establish and maintain compensating controls. Also, although the school has a system to record fixed assets; it has not yet established procedures for performing periodic physical inventories.

<p><b>Benchmark 3D</b></p> <p><b>Financial Reporting</b></p>	<p><b>3D</b></p> <p><b>The school has complied with financial reporting requirements. The school has provided the State University Board of Trustees and the State Education Department with required financial reports on time, and such reports have been complete and have followed generally accepted accounting principles.</b></p>
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Generally, the school has met its financial reporting requirements. The annual financial statements, budget, and quarterly financial reports were generally filed on time with the exceptions of the annual budget and cash flow projections for FY 2001 and FY 2002 and the annual audit report for FY 2001. These documents were submitted late by more than one, two and three months respectively.

Each financial statement audit report received an unqualified opinion. An unqualified opinion on the financial statements indicates that, in the auditor’s opinion, the school’s financial statements and notes fairly represent, in all material respects, the financial position, changes in net assets and its cash flows in accordance with accounting principles generally accepted in the United States of America. As noted under Benchmark 3C, the school received a management letter in conjunction with its FY 2003 financial statement audit.

Audits done in accordance with *Government Auditing Standards* include separate reports on internal control over financial reporting and on compliance. The school’s audits did not include these reports in its first three years and as a result, noncompliance, reportable conditions or material weaknesses were not reported. The school’s failure to have its audits completed in accordance with *Government Auditing Standards* was the result of confusion over the requirements in the charter. The school took the necessary steps to obtain a proper audit for FY 2004.

<b>Benchmark 3E Financial Condition</b>	<b>3E</b>	<b>The school has maintained adequate financial resources to ensure stable operations and has monitored and successfully managed cash flow. Critical financial needs of the school are not dependent on variable income (grants, donations and fundraising).</b>
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The school completed its latest fiscal year in strong financial condition. The school had an increase in net assets of \$529,167 and finished with unrestricted and total net assets of \$735,368 and \$1,507,389 respectively. Overall, the school’s cash position improved by \$122,708. The school’s operating activities provided positive cash flow of \$677,336 and the school invested in the purchase of property and equipment totaling \$554,628. The school’s total net assets have increased in each year.

Over the first four years of its charter the school received \$940,775 in private grants and contributions indicating that variable income has been an important part of the school’s financial strength and stability. The table below shows the school has decreasingly relied on private grants and contributions on a per-pupil basis while its overall financial strength has improved.

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Approved enrollment	120	160	200	240
Unrestricted Net Assets at year end	\$82,398	\$50,647	\$206,201	\$735,368
Total unrestricted net assets divided by total expenses	7%	4%	11%	28%
Private grants and contributions (unrestricted and temp. restricted)	\$230,963	\$213,645	\$269,457	\$226,710
Private grants and contributions divided by total expenses	21%	16%	14%	9%
Private grants and contributions divided by approved enrollment	\$1,925	\$1,335	\$1,347	\$945

Note: Table includes foundation support for the school’s extended day program.

The school has fixed assets (net of accumulated depreciation and amortization) totaling \$3,873,350 that consists primarily of its building, land, furniture, equipment and leasehold improvements. In February 2003, the school exercised an option to purchase the building it was leasing for \$3,350,000. The school closed on the purchase in June 2004 after obtaining necessary financing. At June 30, 2004, the school had long-term debt related to its facility totaling \$3,050,000.

## Renewal Question 4

### Should the School’s Charter Be Renewed, What Are Its Plans for the Term of a Future Charter?

<p><b>Benchmark 4A</b></p> <p><b>Curricular &amp; Assessment Plans</b></p>	<p><b>4A</b></p> <p><b>The school’s curriculum and assessment plans for the term of a future charter are reasonable, feasible, and achievable and are likely to improve student learning and achievement.</b></p> <p>Schools that plan to retain or augment curricular and assessment designs presented in the original charter application have provided evidence that the implementation of that design has resulted in academic success during the term of the existing charter.</p> <p>Schools that propose a material redesign to the curriculum and assessment plans for the term of a new charter have clearly articulated the new design, provided research and evidence that the proposed new design will result in the increased academic performance of children, and a plan and timeline outlining the implementation of the new curricular design. These plans are likely to improve student learning and achievement and are reasonable, feasible and achievable.</p> <p>Schools that seek to add grade levels not included in the approval of the original charter have presented an outline of the curriculum and specific assessment plans for the term of a future charter. These plans are likely to improve student learning and achievement and are reasonable, feasible and achievable.</p>
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In its renewal application, Amber provides a detailed response to the fourth renewal question. Its plans call for the expansion of the school to a Kindergarten through fifth grade “Lower School” and a sixth through eighth grade “Upper School,” each with its own instructional leaders who report to a new Amber Chief Executive Officer. The renewal application describes in detail the curriculum of both schools, including the plan to use Success For All’s middle school literacy program, and the Reading Edge in the Upper School. While Success For All’s reading program for the elementary grades has been extensively evaluated, with a large number of studies on its effectiveness, Amber presents no empirical data on the effectiveness of the middle school Reading Edge program. If there are studies on its effectiveness, Amber does not present them.

These plans are reasonable, but their immediate feasibility is dependent upon the school’s success in securing a new Chief Executive Officer and, should the school expand in grades, Upper School Director, with the expertise necessary to ensure that instruction at upper grades continues to grow in rigor. This is essential if Amber is to succeed in simultaneously improving its current Kindergarten through fifth grade offering *and* completing its proposed expansion into additional grades at a new site. The imperative of a strong CEO is all the greater given the inevitable stress of operating a charter school spread over two separate facilities as the school proposes to do in its application for charter renewal.

<p><b>Benchmark 4B</b></p> <p><b>Accountability Plan</b></p>	<p><b>4B</b></p> <p><b>The school has provided a draft Accountability Plan that defines the school’s measurable goals for the term of a future charter.</b></p> <p>The school’s proposed Accountability Plan follows the guidelines set forth by the Institute and presents an accountability system that is reasonable, feasible, and achievable.</p>
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The school has submitted a draft Accountability Plan that is largely in line with the demands of the Institute’s Accountability Plan guidelines. The Institute will, based upon the final renewal recommendation and vote of the State University Trustees, work with Amber Charter School to finalize the school’s Accountability Plan goals and measures and will codify it in any final renewal charter document.

The Accountability Plan, as submitted in the renewal application, is generally reasonable and feasible; however certain additional measures may be required in order to take account of changes in the New York State’s testing regimen or revisions to the Institute’s Accountability Plan Guidelines. In such cases, these additional measures will be added either prior to the execution of a new proposed renewal charter or thereafter.

<p><b>Benchmark 4C</b></p> <p><b>School Calendar &amp; Enrollment</b></p>	<p><b>4C</b></p> <p><b>The school has provided a sample school calendar that includes the number of days and proposed daily hours of instruction. Additionally, the school has provided an enrollment plan outlining the grades and growth patterns it anticipates during the term of a future charter.</b></p> <p>The plans are reasonable, feasible and achievable.</p>
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Subject to the Institute’s final recommendation and the State University of Trustee’s vote as to grade levels to be served and length of the renewal charter, the school’s plans are reasonable, feasible, and achievable.



<p><b>Benchmark 4D</b></p> <p><b>Fiscal &amp; Facility Plans</b></p>	<p><b>4D</b></p> <p><b>The school has provided a reasonable and appropriate five-year fiscal plan for the term of a future charter.</b></p> <p>The school has provided a fiscal plan that includes a discussion of how future enrollment and facility plans are supported and/or impacted by the school’s fiscal plan for the term of its next charter. In addition, fiscal plans provided for a future charter term reflect sound use of financial resources that support academic program needs.</p>
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The school has presented a reasonable and appropriate fiscal plan for the proposed new charter period, although it faces several challenges including significant funding issues concerning its proposed expansion. Currently there is a \$6 million gap between the total estimated cost of the expansion and the amount of funding secured to date. Significant additional fundraising is an integral part of the school’s plans. The school’s expansion plans also hinge on sufficient demand for enrollment of as many as 260 students for grades six and seven in FY 2008. The school did have a feasibility study prepared that indicated the expansion is possible.

Long-range fiscal projections are more susceptible to error than those for a single year. Such projections are subject to revision due to changes in local conditions, objectives, and laws. The school will be required, if it receives a charter renewal, to develop and adopt annual budgets based on known per pupil amounts. The school is likely to finish its initial charter period in stable or strong financial condition. Starting with that baseline, the plan projects a modestly improving cash position for the school throughout the proposed new charter period.

Under the terms of its mortgage loan agreement on its current facility, the school must maintain a debt service ratio of 1.15 (typically calculated as net operating income before interest divided by the sum of interest and Principal payments) and certain operating and replacement reserves. The agreement also contains certain restrictions on the school’s ability to borrow money without the prior written consent of the lender. While such requirements will undoubtedly keep the school focused on meeting its financial goals, they also pose a possible constraint on the school’s ability to carry out its proposed expansion. Also, the fiscal plan does not include substantial contingency or other surplus funds to provide a cushion against significant unexpected expenses or revenue shortfalls. As a result, the school may need to modify programmatic plans to ensure that all loan agreement requirements are met.

In support of the summary fiscal plan, the school segregated the plan into two parts, which for the sake of discussion will be referred to as Part I and Part II. Part I relates to its current facility at 106<sup>th</sup> Street with grades Kindergarten through five (the Lower School). Part II relates to the expansion of grades six through eight and the opening of the proposed new facility at the 172<sup>nd</sup> Street site (the Upper School).

Part I assumes the school will operate the Lower School with 300 students at its current facility. The school has demonstrated its ability to operate in a fiscally sound manner with fewer students. The additional students should bolster the fiscal strength of the program. Operating budgets for the Lower School assume three percent increases in most revenue categories. The projected annual increase in per-pupil funding (three percent) is uncertain although it is less than the historical average increase over the life of the school’s charter (6.9 percent). The school has demonstrated that it could meet its financial obligations during which its per-pupil revenue had declined from the previous year (FY 2004). Typically, the school has over-enrolled (within the allowable enrollment

collar allowed in its charter) at the beginning of the school year to help ensure that the eventual full-time equivalent enrollment is close to the approved enrollment. This strategy provides a budgetary cushion for the school.

The fiscal plan assumes a total of \$786,400 will be raised to support the Lower School operations during the proposed new charter. Since this amount is less than the school raised in the first four years of its initial charter period (\$940,775), it appears that the amount is within its demonstrated fundraising capacity. The school has budgeted for a fund development consultant to assist in that process.

Most expense line items are expected to increase by three percent per year. Except for areas such as employee health insurance and utility costs these increases are considered reasonable. One exception to the three percent increase is that most salaries are projected to grow at 1.5 percent per year. Depending on the mix of returning and new teachers, this assumption may be reasonable, but is likely to be optimistic. Potentially more problematic is that the plan projects a substantial increase in personnel expenses on a per-pupil basis. The sustainability of this increase in staffing over the life of the proposed new charter will be challenging to meet even assuming the projected revenue increases are realized. As shown below, there is a dramatic increase from the actual personnel expenses for FY 2004 to the budgeted personnel expenses in the first year of the proposed new charter.

Salary, fringe benefit and payroll tax expenses per-pupil	<u>Actual FY 2004</u>	<u>Estimated FY 2006</u>	<u>Difference</u>	<u>Percent Difference</u>
	\$5,591	\$8,285	\$2,694	48%

Part II assumes that the school will add a 50-student sixth grade in 2006-07 that will utilize space at the 106<sup>th</sup> Street building. In 2007-08, the new building will open with sixth and seventh grades. Amber has received conditional designation from the New York City Economic Development Corporation (EDC) to purchase two City-owned lots on the corner of 172<sup>nd</sup> Street and Amsterdam Avenue in Washington Heights to construct the Upper School, grades six through eight.

The estimated cost of the 172<sup>nd</sup> Street project is approximately \$15.3 million, with \$9 million already secured via a capital funding grant from the City of New York. The school proposes to fill the remaining funding gap through loans from the Local Initiative Support Corporation (LISC) (\$500,000) and a lender to be determined (\$5.8 million). The school also estimates needing to raise \$1.1 million in additional foundation, capital campaign and private donations.

Operating the school at two separate locations presents many logistical challenges and will not allow the school to achieve some of the economies of scale it could otherwise achieve if it was located in only one facility. The school's fiscal plan has budgeted appropriately for this reality.