



Charter Schools Institute
The State University of New York

Renewal Recommendation Report

Success Academy Charter School - Harlem 3

OPERATED BY SUCCESS ACADEMY CHARTER SCHOOLS - NYC

REPORT DATE: FEBRUARY 11, 2013

VISIT DATE: NOVEMBER 28-29, 2012

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The school should broadly share the final version of the SUNY Charter Schools Institute’s renewal recommendation report with the entire school community. The Institute will post the final report on its website at: www.newyorkcharters.org/pubsReportsRenewals.htm.

REPORT INTRODUCTION

This report is the primary means by which the SUNY Charter Schools Institute (the “Institute”) transmits to the Board of Trustees of the State University of New York (the “SUNY Trustees”) its findings and recommendations regarding a school’s Application for Charter Renewal, and more broadly, details the merits of a school’s case for renewal. This report has been created and issued pursuant to the *Practices, Policies and Procedures for the Renewal of Charter Schools Authorized by the Board of Trustees of the State University of New York* (the “SUNY Renewal Policies”).¹

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

RECOMMENDATION

Recommendations

Initial Full-Term Renewal

The Institute recommends that the SUNY Trustees approve the Application for Charter Renewal of the Success Academy Charter School – Harlem 3 and renew Success Academy Charter Schools – NYC’s authority to operate the school for a period of five years with authority to provide instruction to students in Kindergarten through 8th grade in such configuration as set forth in its Application for Charter Renewal, with a projected total enrollment of 866 students.

The Institute further recommends that, to the extent needed, the SUNY Trustees renew for a full term of five years the charter of Success Academy Charter Schools – NYC, the New York not-for-profit-charter school education corporation that operates multiple charter schools including Success Academy Charter School – Harlem 3.

Background and Required Findings

Renewal of the Authority to Operate Success Academy Charter School - Harlem 3

In initial renewal reviews, the SUNY Trustees evaluate the strength and effectiveness of a school’s academic program by the degree to which the school has succeeded in meeting its academic Accountability Plan goals during the Accountability Period² and the quality of the instructional program in place at the school at the time of the renewal review, as assessed using the Qualitative

¹ The *Practices, Policies and Procedures for the Renewal of Charter Schools Authorized by the Board of Trustees of the State University of New York* (revised June 25, 2012) are available at: <http://newyorkcharters.org/documents/SUNYRenewalPolicies.pdf>.

² In the case of an initial renewal, the SUNY Trustees consider student achievement data from only the first four years of a school’s operation as evidence of the school’s progress toward achieving its Accountability Plan goals.

Education Benchmarks (a subset of the SUNY Charter Renewal Benchmarks (the “SUNY Renewal Benchmarks”) available on the Institute’s website at: <http://www.newyorkcharters.org/documents/SUNYRenewalBenchmarks5FINAL5-8-12.pdf>). In giving weight to both student achievement and the emergent program, this approach provides a balance between an outcomes-based system of accountability that holds schools accountable for meeting measurable student achievement results and a determination of the likelihood that the educational program will improve student learning and achievement going forward.

The not-for-profit charter school education corporation, Success Academy Charter Schools – NYC, applied for an Initial Full-Term Renewal of its authority to operate Success Academy Charter School – Harlem 3 (“Harlem 3”), one of the five schools it currently operates. The SUNY Renewal Policies provide three possible renewal outcomes for Harlem 3: Full-Term Renewal, Short-Term Renewal or Non-Renewal. To earn a Full-Term Renewal, Harlem 3 must demonstrate that it has either (a) compiled a strong and compelling record of meeting or coming close to meeting its academic Accountability Plan goals, and has a generally effective educational program in place; or (b) made progress toward meeting its academic Accountability Plan goals and has a particularly strong and effective educational program in place.

The SUNY Trustees voted to grant Harlem Success Academy Charter School 3 (later renamed Success Academy Charter School - Harlem 3) a first charter in October of 2007. Based on the Institute’s review of the evidence that it gathered and that the education corporation has provided including, but not limited to, the education corporation’s Application for Charter Renewal, evaluation visits conducted during the charter term, a renewal evaluation visit conducted in the last year of the current charter term, and the school’s record of academic performance determined by the extent to which it has met its academic Accountability Plan goals, the Institute finds that the school has met the criteria for a Full-Term Renewal by compiling a strong and compelling record of meeting its academic Accountability Plan goals, and having in place at the time of the renewal review an educational program that is generally effective.

As part of the renewal process, the Institute reviewed evidence submitted during the Accountability Period, the Application for Charter Renewal and supplemental information requested or provided. Based on the foregoing, the Institute makes the following findings required by the Act:

- the school, as described in the Application for Charter Renewal, meets the requirements of the Act and all other applicable laws, rules and regulations;
- Success Academy Charter Schools - NYC can demonstrate the ability to operate the school in an educationally and fiscally sound manner in the next term of authority to operate; and,
- given the programs it will offer, its structure and its purpose, granting the education corporation authority to operate the school for another five years is likely to improve student learning and achievement and materially further the purposes of the Act.³

As required by Education Law subdivision 2851(4)(e), the Institute, acting on behalf of the SUNY Trustees, considered the means by which Harlem 3 would meet or exceed SUNY’s enrollment and

³ New York Education Law § 2850(2).

retention targets for students with disabilities, English language learners (“ELLs”), and students who are eligible applicants for the federal Free and Reduced Price Lunch (“FRPL”) program. SUNY⁴ and the Board of Regents have finalized the methodology for setting targets but the Institute has not yet set final targets for individual schools. Therefore, the Institute, for this purpose, used district enrollment averages, and will assign final targets by the end of February 2013. Success Academy Charter Schools – NYC will agree to substitute the final school targets for the district average targets as part of its renewal charter agreement. In accordance with the Act, the Institute, acting on behalf of the SUNY Trustees, considered the education corporation’s plans for meeting the school’s enrollment and retention targets prior to recommending the renewal application for approval.

Therefore, in accordance with the standard for Initial Renewal found in the SUNY Renewal Policies, the Institute recommends that the SUNY Trustees approve the education corporation’s Application for Charter Renewal and renew Success Academy Charter Schools – NYC’s authority to operate Harlem 3 for a full term of five years.

Renewal of the Charter of Success Academy Charter Schools - NYC

A merger, approved by the SUNY Trustees on April 24, 2012, of the following SUNY authorized charter schools: Harlem Success Academy Charter School 2; Harlem Success Academy Charter School 4; Harlem Success Academy Charter School 5; and Harlem Success Academy Charter School (authorized by the Board of Regents) into Harlem Success Academy Charter School 3 resulted in the formation of Success Academy Charter Schools – NYC in September 2012 as one education corporation with the authority to operate five charter schools. On June 25, 2012, the SUNY Trustees approved Success Academy Charter Schools – NYC to operate six additional schools to open in the fall of 2013. Pursuant to Education Law subdivisions 2851(2)(p) and 2852(9-a), SUNY’s approval of the six new schools should have extended the provisional charter (certificate of incorporation) of Success Academy Charter Schools – NYC for a period of five years. However, the Board of Regents has not issued a revised provisional charter in final form, which confirms the charter term. As the charter for Success Academy Charter Schools – NYC would otherwise expire after July 31, 2013, the Institute recommends that the SUNY Trustees, out of an abundance of caution, approve a renewal of the education corporation’s charter for a term of five years *to the extent needed under the Act*.

As part of the charter renewal review process and as required by Education Law subdivision 2851(4), the Institute reviewed the progress of each of the education corporation’s operating schools in achieving the educational objectives set forth in their terms of operation in the corporation’s charter agreement. The Institute also reviewed detailed financial statements that disclosed the costs of administration, instruction and other spending categories at each school operated by the education corporation. Finally, the Institute reviewed the annual reports, indications of parent and student satisfaction, organizational capacity and governance structure for each of the schools. All of the foregoing constituted the Corporate Renewal Application. Based on this review and other information submitted to the Institute and in its files, to the extent required the Institute makes the following findings required by the Act:

⁴ SUNY Trustees’ Charter Schools Committee resolution dated October 2, 2012.

- the charter school education corporation, as described in the Corporate Renewal Application, meets the requirements of the Act and all other applicable laws, rules and regulations;
- the education corporation can demonstrate the ability to operate its schools in an educationally and fiscally sound manner in the next charter term; and,
- approving the education corporation to operate for another five years is likely to improve student learning and achievement and materially further the purposes of the Act.

Therefore, the Institute recommends that the SUNY Trustees renew Success Academy Charter Schools – NYC’s charter for a term of five years.

Consideration of School District Comments

In accordance with the Act, the Institute notified the school district in which the charter school is located regarding the education corporation’s application for charter renewal and to renew the authority to operate the above school. As of the date of this report, the Institute has received no district comments in response.

Summary Discussion

Academic Success

Academic Accountability Plan Goals

In 2011-12, the first year in which all five measures in Harlem 3’s Accountability Plan were applicable, the school met its key Accountability Plan goals in both English language arts (“ELA”) and math. In 2010-11, the school met all available measures in both subjects. The school is also meeting its science goal and No Child Left Behind (“NCLB”) goals.

The Institute presents Harlem 3’s attainment of its accountability plan goals below under Academic Attainment and Improvement. Specific results for the key academic Accountability Plan goals in ELA and math appear on pages 22 and 23.

In 2011-12, Harlem 3 has met its goal based on all five measures of its Accountability Plan. In the first year that the measure was applicable, 99 percent of students enrolled in at least their second year at the school scored proficient on the state exam,⁵ well exceeding the school’s target of 75 percent. For the second year in a row, Harlem 3 exceeded the Annual Measurable Objective (“AMO”), which is a standard set each year by the New York State Education Department (“SED”) to monitor progress toward the NCLB goal of having all students proficient in ELA and math. Also applicable for the first time, the school met its comparative target, outperforming its local New York

⁵ For the purpose of evaluating the goal’s absolute measure, the Institute has adapted the New York State Education Department’s (“SED’s”) “time-adjusted” ELA cut score for 2011-12 as it had in 2010-11. The other four measures utilize the current, revised ELA cut scores. As such, the cut scores for the state’s Annual Measurable Objective (“AMO”) and cohort growth are different from 2009-10 when the “time-adjusted cut score” was used instead.

City Community School District (“CSD”) by over 40 percentage points. In comparison to demographically similar schools statewide, the school met its target, scoring better than expected to a large degree. Harlem 3 also met its growth target in ELA, with the school’s 4th graders exceeding the target goal by over 15 percentage points.

Harlem 3 has met its math goal. The school far exceeded its absolute goal of 75 percent proficiency on the state math test, with 100 percent of students’ scoring proficient⁶ including students who that had been in the school for less than a year. The school exceeded the state’s AMO in both years it administered the test and outperformed its local CSD by nearly 35 percentage points in 2011-12. In comparison to demographically similar schools statewide, Harlem 3 far exceeded its target in both years. The school also met its cohort growth target in math, despite having extremely high base-line performance the year before.

Qualitative Education Benchmarks

Instructional Leadership. The school has notably strong instructional leadership. Harlem 3 has established an environment of high expectations for teacher performance as evidenced by its unwavering focus on the Qualities of Excellent Teaching (“QET”), a teacher effectiveness rubric used network-wide by all schools managed by Success Academy Charter Schools, Inc., the school’s not-for-profit charter management organization. The school has multiple layers of instructional leadership that support teachers through a system of real-time coaching, provided by school principals, leadership residents and grade team leaders as well as additional support from network staff of Success Academy Charter Schools, Inc., the school’s not-for-profit charter management organization. Instructional leaders provide teachers with ample time to plan instruction and improve their instructional practice through common planning meetings and weekly study groups. In addition, school leadership and network staff provide teachers with extensive professional development opportunities including a three-week “T-School” prior to the start of each school year and weekly half-day professional development sessions, in addition to a variety of embedded professional development opportunities that are interrelated to classroom practice. Instructional leaders regularly conduct teacher evaluations by assessing teachers in classroom observations using the QET rubric. In addition to the observations, teachers each have a personal development plan and student achievement results against which they are held accountable.

The principal reports that the network organizes opportunities for school leaders to refine sample lessons from the curriculum so that they can be better prepared to coach teachers in the delivery of instruction. Grade level leaders indicate that teachers have an opportunity to receive coaching in real-time, whereby a mentor/coach provides feedback and direction directly into an earpiece worn by the classroom teacher. Leadership residents report that they mobilize support for teachers by determining which teachers have particularly strong results on assessments in order to identify opportunities for peer observation in best-practice classrooms. They further report that the teachers’ role is to work together to address common goals and to use each other as resources to improve.

⁶ For the purpose of evaluating the goal’s absolute measure, the Institute has adapted SED’s “time-adjusted” math cut score for 2011-12 as it had in 2010-11. The other four measures utilize the current, revised math cut scores. As such, the cut scores for the AMO and cohort growth are different from 2009-10 when the “time-adjusted cut score” was used instead.

Curriculum. The school's curriculum is aligned to the Common Core State Standards⁷ and supports teachers in their instructional planning. The network develops a curriculum framework that articulates the essential knowledge and skills that students will learn from a curriculum that is both vertically and horizontally aligned, as indicated by the site visit team's classroom observations. The network provides teachers with a set of supporting tools for instructional planning including scope and sequences, unit plans, and lesson plans (at the elementary level). Teachers reported that leaders encourage them to modify materials in order to meet the specific needs of their students. At the middle school (currently consisting of only 5th grade), the principal is responsible for developing the ELA curriculum in collaboration with other Success Academy middle school leaders and teachers develop lesson plans with oversight from the school and network instructional leaders.

The school has a process for reviewing and improving its curriculum based on student achievement results. Specifically, school leaders work together over the summer to refine and improve curriculum documents. During the school year, teachers work together within grade level study groups to refine instructional plans and the delivery of the curriculum, as well as to identify strategies for addressing specific student learning issues. Teachers report that a school expectation is that they be thoroughly knowledgeable about the curriculum and demonstrate both subject matter and grade level competency.

Use of Assessment Data. Harlem 3 has a comprehensive and rigorous assessment system that improves instructional effectiveness and student learning. The school regularly administers assessments aligned to the school's curriculum and state performance standards. Across all grades, the school administers Fountas and Pinnell reading assessments, network developed math interim assessments, and network developed writing prompts. In addition, at the middle school, students receive regular grades for their work based on a middle school course grading system. Network staff and the school's student achievement manager provide extensive training and support to teachers on scoring assessments and analyzing data ensuring the school has a valid and reliable process for evaluating assessment results. The network provides comprehensive and timely student achievement data reports to the education corporation's board, school leaders and teachers, which allow: network and school staff to compare the performance of students within the school to that of students at other schools within the network; and comparisons across grade levels and across classrooms within the school. In addition, the student achievement manager provides teachers with item analyses to enable them to adjust classroom instruction and to identify individual students for intervention. School leaders use assessment results to evaluate teacher effectiveness and to develop professional development and coaching strategies. The school regularly distributes student progress reports to parents and families.

⁷ The Common Core State Standards initiative is a state-led effort coordinated by the National Governors Association Center for Best Practices and the Council of Chief State School Officers. They developed in collaboration with teachers, school administrators, and experts, a clear and consistent framework to prepare students for college training and the workforce. New York State adopted the Common Core State Standards in 2011 and began assessing student achievement toward meeting the standards in 2012.

Teachers report that they can use their SmartPhones to access student achievement data results on the network's dedicated electronic data systems and that the results are network-work wide enabling them to compare their results to those in other Success Academy schools in order to identify successful teachers who can provide effective strategies for teaching the skills that led to the successful performance.

Pedagogy. High quality instruction is evident throughout the school. Teachers at Harlem 3 deliver purposeful lessons. Teachers regularly and effectively check for student understanding through the use of hand signals, student-to-student interaction, teacher questioning and ongoing informal assessments which maximize individual learning. In one classroom, the teacher and assistant teacher circulated around the room observing students work independently. Based on student progress, the teacher identified five students that required re-teaching and support from the teaching assistant, and spontaneously set up a small group for these five students while the remaining students continued to progress as planned through the lesson.

Teachers challenge students with questions and activities to develop depth of understanding and higher-order thinking and problem solving skills. For example, in one math class observed at the time of the renewal site visit, a teacher worked with students to solve a number-story problem. After reviewing the number story with the class, the teacher asked students to work independently to solve the problem. Students utilized a variety of strategies to arrive at the solution and document their work through pictures, diagrams, and number sentences. In a science class, the teacher required early elementary students to refer to the anatomy of a squid using proper terminology such as "chromatophores," "mantle," and "tentacles."

Teachers maximize learning time by ensuring that they provide students with clear directions and through the use of effective routines. In particular, teachers provide students with both oral and written directions, and ask students to repeat the directions audibly for the class. Teachers insist that students repeat directions precisely in order to eliminate any potential confusion about what students are expected to do.

Lastly, teachers have effective classroom management techniques and routines that create an unrelenting focus on academic achievement. Teachers throughout the school use timers to keep the pace of instruction moving and to instill a sense of urgency in students in completing their tasks and moving about the classroom; relying on "table captains" to gather and distribute essential materials to the class; and using other verbal cues (such as "hands on top, that means stop") to elicit a desired student action.

At-Risk Students. Harlem 3 meets the educational needs of at-risk students. The school has clear procedures for identifying at-risk students including students with disabilities, ELLs, and those struggling academically. The student achievement manager oversees the school's Response to Intervention program and monitors the performance of individual students. Using an inclusive approach, the student achievement manager identifies all struggling students at the school (including students with disabilities and ELLs), and supports teachers in meeting the needs of each of these students.

Through the network, the school has implemented a comprehensive English language immersion program to meet the needs ELLs. The network tracks ELLs' performance and implements changes to the delivery of the English language immersion program at the network level. On the most recent state exams, 100 percent of ELL students scored proficient in both ELA and math.

The school's Special Education Teacher Support Services ("SETSS") teachers provide additional support to both students with identified disabilities and those who struggle academically. Besides the SETSS teachers, the school has five collaborative team teaching (CTT) teachers, essentially in each grade, as needed. The school provides opportunities for general education teachers and at-risk staff (including SETSS teachers) to collaborate during grade level meetings. Given the mainstream nature of the program, and the outstanding achievement results, there is strong evidence that general education teachers utilize effective strategies to support students within the general education program. On the most recent state exams, 95 percent of Harlem 3 students with disabilities scored proficient in both ELA and math.

Harlem 3 has sufficient staff and resources available to meet the needs of students with disabilities. In addition as part of the merger of education corporations that created Success Academy Charter Schools – NYC, Harlem 3 together with Success Academy Charter Schools – Harlem 2 and 4, created a joint restricted setting classroom to serve students with disabilities. In an education corporation with just one school, the traditional model of charter schools in New York, the number of students enrolled requiring this setting is usually low and does not allow a single school the ability to create a joint restricted setting. In such a situation, the New York City Department of Education ("NYCDOE") district Committee on Special Education, the entity under state law that makes all decisions regarding placement of students with special needs regardless of their enrollment in a district or charter public school, would require the students' placement change to a district school offering the proper educational setting. The NYCDOE makes these placement decisions even though the charter enrolls the students through the lottery process. Harlem 2, 3 and 4's work to create this setting allows the NYCDOE's Committee on Special Education to keep the students' placements at a Harlem Success charter school.

Organizational Effectiveness and Viability

Mission. Harlem 3 has remained faithful to its mission to equip students "with the knowledge, skills, character and disposition" to succeed. Members of the school community communicate high expectations and frequently discuss college preparation with students at all grade levels. The school has also integrated its key design elements into all aspects of the school. For example, Harlem 3 maintains its commitment to a research-based, results-driven curriculum with its use of the Success for All reading program.

Parent Satisfaction. Parents continue to be satisfied with Harlem 3. Families consistently opt to enroll students year after year; according to the school's renewal application, more than 90 percent of students returned for the 2011-12 school year. The application further notes that the school received 3,215 applications for 60 seats available in the 2012-13 school year, suggesting community demand for seats in the school far exceeds capacity. The school earned a grade of "B" on the school environment portion of the most recent NYCDOE school survey, indicating that parents,

students and teachers rate the school's academic expectations, safety and respect, communication and engagement as strong.

Organizational Capacity. Success Academy Charter Schools – NYC, Success Academy Charter Schools, Inc. and Harlem 3 effectively support the delivery of the educational program. In collaboration with the network, the school has established an administrative structure with staff, operational systems, policies and procedures that allow the school to carry out its academic program. Harlem 3 maintains elementary and middle school campuses. At the time of the renewal visit, the Harlem 3 principals oversaw well-functioning school structures, and staff was clearly aware of their respective roles and responsibilities.

By designing and revising, when necessary, the school program, the network enables the school leadership team to focus on instruction, school culture and teacher practice. Coordination of school operations and the educational program across the elementary and secondary schools is left to the network, as is the task of ensuring that policies remain consistent from school to school within the education corporation. School leaders report that they meet regularly with their counterparts from other schools within the education corporation and network leaders to exchange information and share best practices. The priorities of the school's leadership teams clearly align to the school's mission.

The principals focus on the implementation of the academic program, while leadership residents coordinate the delivery of the program at specific grade levels. In addition, deans ensure the consistent implementation of the discipline system at the elementary and middle school levels. Grade level team leaders facilitate grade level team meetings and provide mentoring and support for their grade-level peers. The school has begun to establish career paths to support the ongoing development of teachers to become master teachers and school leaders to ultimately retain quality staff. A network managing director who oversees and supports the school principals is regularly on site, conducting classroom observations along with the school principals and debriefing with the principals after the walkthroughs. The managing director focuses on the management aspects of the principals' responsibilities including developing communication skills, managing school leadership teams and making data-driven decisions.

The school leverages an abundance of resources including non-academic specials teachers to enrich students' learning experiences (such as dance, chess, and typing). In addition, at the middle school, students have access to iPads. School leaders, with support from the network, regularly monitor and evaluate the school's programs and make changes if necessary.

Harlem 3 has adopted a clear student discipline policy. School leaders report that the professional development programs at the school are front-loaded with instruction on student discipline and school culture, which allows them to empower all teachers and staff to implement the academic program as designed.

The network handles almost exclusively student recruitment and outreach. Network representatives report canvassing the CSDs where Success Academy schools are located in multilingual advertisements, and targeting particular neighborhoods known to have a high concentration of ELLs and FRPL students. Harlem 3 also has in place an admissions at-risk

designation or “preference” for ELLs. Based on these factors and the academic program in place at Harlem 3, the school is likely to meet or exceed the enrollment and retention targets set by the SUNY Trustees.

Board Oversight. The composition of the board of Success Academy Charter Schools – NYC includes trustees with a diverse set of skills with particular expertise in finance, general education and special education. The board also has a non-voting parent representative. Each school within the education corporation also has an informal advisory committee composed of former school board members. The advisory committees meet thrice-yearly and are tasked with assessing school and leadership quality, as well as with actively engaging parents.

The education corporation board fulfills its responsibilities primarily as a committee of the whole with no formal, active committee structure. The board has generally avoided creating conflicts of interest, and where conflicts of interest exist, managed them in a clear and transparent manner through recusal. In all material respects, the education corporation board has implemented adequate board policies and procedures to ensure the effective governance and oversight of the school.

The board regularly requests, and the network supplies, regular reports and statements related to the academic performance and fiscal status of the school, as well as student attendance. The education corporation board generally meets six times per year, timed to follow academic testing cycles, though school leaders are generally present between two and four times per year. The board is formally involved in personnel decisions only at the school leader level, acting on the recommendations of network representatives. All other personnel decisions are delegated to school leaders and the network. The board does not have a formal self-assessment in place.

Board Governance. The board communicates with the school community primarily through regular board meetings. Harlem 3 has a fledgling Parent Council. According to staff tasked with coordinating with the school’s parent counsel, at the time of the renewal visit, the Parent Council had just held its first election and were finalizing plans for parent newsletters and other activities to support the school. Following requests from the education corporation board, efforts to formalize the relationship with the Parent Council to more effectively communicate with the school and surrounding community are underway. At the time of the renewal visit, Parent Council meetings are not yet well attended outside of special events.

The board holds the network accountable for measurable student performance results and for maintaining a fiscally strong and legally compliant organization. During the current charter period, the education corporation board has generally abided by its by-laws and has held its meetings generally in compliance with the Open Meetings Law. The board has effectively delegated the development and revision of school policies to the network. The network revises policies after consultation between the school principals, deans, and appropriate network representatives.

In material respect, the education corporation board has implemented adequate policies and procedures to ensure the effective governance and oversight of the school. The education corporation board reports that the school leadership has clear expectations, and demonstrates a

thorough understanding of its role in holding school leadership and its management partner accountable for academic results, fiscal soundness, and legal compliance.

Legal Requirements. Based on the evidence available at the time of the renewal inspection visit and throughout the current charter term, in material respect, Success Academy Charter Schools – NYC’s operation of Harlem 3 has been in general and substantial compliance with the terms of the provisional charter, charter agreement, bylaws, applicable state and federal law, rules and regulations.

The school’s ELL program produces strong results for ELL students. In 2012, 85 percent of ELL students enrolled across all Success affiliated schools passed the New York State English language arts assessment. In mathematics, 96 percent of ELL students passed the state assessment. These outcomes indicate the program is strong. The school needs to align the monitoring of their ELL program to match the manner in which it is being implemented. The Institute indicated this need to the school and will follow-up during future monitoring activities to ensure it is in place.

Harlem 3 has the required student discipline policy in place but the implementation of the policy relating to expulsion does not align with stated policy language. During renewal interviews, Harlem 3 school leaders reported the Network implements the expulsion policy. The stated policy language does not closely track with the actual expulsion steps implemented. While the policy indicates each school leader may initiate an expulsion, the Success Network handles expulsion situations when they arise. While such an arrangement could be permissible under applicable law, the school has not implemented the discipline policy as drafted. As such, procedures should be modified to properly implement the policy or the policy itself should be amended by the education corporation board to prevent the potential for due process violations. The Institute will follow-up with the education corporation to resolve this and the other compliance issues. Finally, pertaining to student discipline, alternative instruction for suspended students was not consistently presented to parents as mandatory. It was unclear that live instruction was consistently provided in accordance with New York’s compulsory education law.

In terms of academic program issues, Harlem 3 employed a few uncertified teachers, and the school did not maintain adequate documentation to verify that such teachers were “highly qualified” as required by federal NCLB legislation. Institute staff will monitor the school’s collection of such documentation and, where necessary, parental notification of highly qualified status. Lastly, while the education corporation laudably arranged for a joint program between schools to serve special education students requiring a more restrictive setting, the Institute was clear that the students were to remain enrolled in their original schools and, therefore, remain on each school’s Accountability Plan. Without notice to SUNY, some of those students were transferred, with the permission of the local Committee on Special Education, to Success Academy Charter School – Harlem 2, which houses the specialized program. Harlem 3 no longer reports that such transferred students attend Harlem 3 as had been originally contemplated when the schools merged. The Institute notified the school that going forward, such students must remain on the sending school’s Accountability Plan so as not to impact the school’s performance towards meeting enrollment and retention targets, and disrupt the school’s accountability reporting.

At the time of the renewal visit, Success Academy Charter Schools - NYC was involved in litigation with respect to the co-location of its middle school program in NYCDOE facility. A petition challenging the co-location was filed in April 2012 to the New York State Commissioner of Education. School representatives reported that the petition was not expedited due to improper notice. The co-location was in effect during the renewal visit, and it appears unlikely that the school would have to vacate the space during the middle of the school year. The education corporation maintains a relationship with outside counsel to assist with school issues, where necessary, and has generally followed the terms of its monitoring plan.

Fiscal Soundness

Budgeting and Long Range Planning. Over the course of the charter period, Success Academy Charter Schools - NYC has created realistic budgets for Harlem 3 and routinely monitors and adjusts budgets when appropriate. The network's finance and operations teams, the school-based operations team, the school principals and the education corporation board collaborate on developing annual budgets. The network and the education corporation approach the budgeting process under the assumption that the school should be able to sustain its program on per-pupil funding alone. The network presents monthly budget variance reports to the school's operations team and principal, and quarterly to the education corporation's board. They collectively discuss material variances and make adjustments or revisions when necessary. Both the education corporation and network evaluate spending trends and staffing needs strategically when developing and monitoring the budgets. Over the course of the charter period, operating results for the school unit have been positive.

Internal Controls. The education corporation has adopted the network's written fiscal policies and procedures related to cash management, cash receipts and disbursements, personnel and payroll, fixed assets, grants/contributions, and the preparation of financial statements. The school-based operations team accurately records transactions in accordance with the network's directives. The network's staff works with the school principals, school leadership team and education corporation board of trustees to ensure that school staff document and follow the written policies and procedures. The school's annual audit reports on internal controls over financial reporting and compliance with laws, regulations and grants (last conducted when it was a separate education corporation), did not disclose any reportable conditions, material weaknesses, or instances of non-compliance. The absence of other deficiencies in the reports provides some, but not absolute, assurance that the school has maintained adequate internal controls and procedures at the school.

Financial Reporting. The education corporation has complied with financial reporting requirements for Harlem 3 during the charter term. Though at times filing Institute required financial reports late, the education corporation filed its budget, quarterly and annual financial statement audit reports in an accurate and complete manner. Each of the education corporation's annual financial audits indicate that school staff followed and conducted reports in accordance with generally accepted accounting principles and received an unqualified opinion, indicating that in the auditor's opinion, the education corporation's financial statements and notes fairly represent, in all material respects, its financial position, changes in net assets, and cash flows. The education corporation's board has reviewed and approved various quarterly financial reports along with the annual financial audit reports.

Financial Condition. As a component of the education corporation, Harlem 3's financial condition is good. The education corporation has successfully managed cash flow and has adequate financial resources to ensure stable operations at Harlem 3. Harlem 3 (as an independent education corporation) pre-merger had \$3.04 million in cash and equivalents, \$1.3 million in investments (invested in a certificate of deposit) and unrestricted net assets of approximately \$4.8 million at fiscal year-end June 30, 2012.

The SUNY Fiscal Dashboard, a multi-year financial data and analysis for SUNY authorized charter schools, is an appendix to this report. As illustrated in the Fiscal Dashboard, Harlem 3 as an independent education corporation had a "fiscally strong" financial responsibility composite score rating over the current charter term that includes fiscal year 2012, indicating a consistent level of fiscal stability. The composite score assists in measuring the financial health of a school using a blended score that measures the school's performances on key financial indicators. The blended score offsets the school's financial strengths against areas where there are financial weaknesses. Over the years, the school has averaged a "low risk/excellent" rating in its working capital ratio and quick ratio, indicating that the school has had sufficient short term assets to cover liabilities due in the near to medium term. The school has averaged a "low risk/excellent" rating debt-to-asset ratio, indicating the low proportion of debt the school has relative to its assets. The school has no long-term debt; it operates in a NYC DOE facility that is cost free. The school's months of cash ratio averaged 3.1 months, it is compliant with the Institute's minimum three months cash guideline, which is the length of time the school could continue its operations without tapping into other non-cash forms of financing in the event that state revenues were to cease flowing to the school. The school averaged about 82 percent of all expenses being allocated to program services over the current charter term. The school also showed revenues exceeding expenses per student on an average of 25 percent.

Based on all of the foregoing, Harlem 3, as an independent education corporation, has demonstrated fiscal soundness over the course of its charter term. In addition, a review of the limited and unaudited financial information available with respect to the merged Success Academy Charter Schools – NYC for the period September 2012 to date demonstrates that the education corporation operated in a fiscally sound manner over the charter term.

Plans for the Next Charter Term

The education corporation plans few changes to Harlem 3's current educational program; it will continue to implement the key design elements that have supported the success of the educational program during the current charter term. The school plans to expand to serve students in 6th through 8th grades and the education corporation will hire additional teachers and administrative staff to support this expansion. The school will undertake the expansion following the design of the network's existing middle school organizational structure.

Renewal Charter Exhibits. The education corporation has provided all of the key structural elements for a renewal of its authority to operate Harlem 3 for a period of five years and those elements are reasonable, feasible and achievable. The education corporation does not plan to make changes to Harlem 3's mission or key design elements.

The mission of Harlem 3 will continue to be that of all network schools:

The mission for each school operated by Success Academy Charter Schools – NYC is to provide children in New York City with an exceptionally high-quality education that gives them the knowledge, skills, character, and disposition to meet and exceed New York State Common Core Learning Standards and the resources to lead and succeed in school, college, and a competitive global economy.

Plans for the School’s Educational Program. Harlem 3 will continue to provide instruction to students in Kindergarten through 5th grade, while expanding to provide instruction to 6th through 8th grade students. Harlem 3 would operate with a total projected enrollment of 866 students. To accommodate the grade expansion and increased student enrollment, the education corporation would hire 17 additional staff members for Harlem 3 over the course of the charter term.

The same core elements that have led Harlem 3 to meet its Accountability Plan goals during the initial charter term would drive the 6th to 8th grade program. The elementary school curriculum, as well as that of the middle school curriculum going forward, is redesigned to align to the Common Core Standards. In the next charter term, students in 5th-8th grade will attend classes at a consolidated middle school operated in conjunction with Success Academy Charter School - Harlem 2 (“Harlem 2”).

Plans for Board Oversight and Governance. Education corporation trustees expressed interest in continuing to serve on the education corporation board, which may recruit additional members in the future.

School Fiscal and Facility Plans. The education corporation has presented a reasonable and appropriate fiscal plan to operate Harlem 3 for the next charter term that is reasonable, feasible and achievable. The fiscal plan includes the addition of 6th through 8th grades with the school’s enrollment reaching 866 students in fiscal year 2018, the end of the next term of authority to operate the school. The plan presents balanced budgets that will need to be closely monitored and adjusted when appropriate to ensure fiscal stability. The education corporation has taken a strategic approach to budgeting and planning for the next charter term. The operating plan uses the current per pupil allowance throughout the next operating term. Expenses are increased at reasonable rates and include a four percent annual increase in salaries. The budget assumes the middle school will be co-located in a NYCDOE public school building; the budget includes expenses related to the staffing increase. Operational balance is contingent upon the school meeting enrollment goals, which the school has generally met in the past.

The education corporation and its management partner continually develop budget outcomes to ensure the school has adequate funds to cover organizational priorities and planned initiatives as well as a contingency plan should unexpected funding challenges arise. Projections are subject to revision due to changes in local conditions, objectives, laws and state funding. The education corporation will be required to continually develop and adopt annual budgets for the school based on known per-pupil amounts for the districts from which the school draws enrollment. Critical

financial needs of the school will be tied to the proposed grade expansion going forward and will be supported by revenues from projected student enrollment as noted above.

Harlem 3 plans to continue to share its NYCDOE facility enabling the school to continue to provide instruction to students in Kindergarten to 4th grade at its current elementary school location. A permanent location for the middle school program has not yet been determined, but the education corporation's plan is to be co-located in a NYCDOE facility.

The Application for Charter Renewal contained all necessary elements as required by the Act. The proposed school calendar allots an appropriate amount of instructional time to comply with all necessary requirements, and taken together with other academic and key design elements, should be sufficient to allow the school to meet its proposed Accountability Plan goals. The education corporation has amended other key aspects of the renewal application, to include the proposed bylaws and code of ethics to comply with various provisions of the Education Law, Not-for-Profit Corporation Law, Public Officers Law and the General Municipal Law, as appropriate.

Education Corporation Plans. Success Academy Charter Schools – NYC is currently authorized to oversee the operations and finances of five existing schools as well as six additional schools approved by the SUNY Trustees that have yet to open. The education corporation would continue contracts with Success Academy Charter Schools, Inc. for comprehensive management services. The education corporation intends to site all new schools, and secure additional sites for existing schools, in NYCDOE space.

All schools currently operated by the education corporation are authorized to provide instruction for students in Kindergarten through 5th grade; one school, Success Academy Charter School - Harlem 1 ("Harlem 1") is authorized to provide instruction through 8th grade. Each of the six new schools would serve 188 students in Kindergarten and 1st grade in the fall of 2013. The new schools would add one additional grade each year, growing to serve 689 students at full scale. At the time the SUNY Trustees approved the new schools in June 2012, the education corporation submitted sound budgets for the start up and operation of the schools over the next five years.

Harlem 1 plans to begin a high school program in the fall of 2014, pending SUNY Trustees' approval of a revision to the education corporation's charter. Should the Trustees approve a grade expansion, Harlem 1 would grow to serve students from Kindergarten through 12th grade. The high school would enroll approximately 300 students from middle schools operated by the education corporation, specifically from the four other Harlem schools, including Harlem 3. A location for the high school program has not yet been determined. The education corporation submitted fiscally sound budgets for operation of Harlem 1 with the high school as part of the high school revision application, which the Institute has reviewed.

Prior to recommending merger application for approval, the Institute reviewed a business plan and other documents of the education corporation and to ensure the education corporation and network had the combined capacity to operate 11 schools within one education corporation, and that the network could support the other charter schools it serves in New York City in a fiscally sound manner. The education corporation's Applications for Charter Renewal for Harlem 2, 3 and 4, which also contained fiscally sound budgets are consistent with these plans. In addition, the

Institute reviewed the fiscal dashboard and recent financial information for Success Academy Charter School – Harlem 5 and found nothing to suggest the school would not be able to operate in a fiscally sound manner going forward. Based on all of the foregoing, the Institute finds the education corporation would be able to operate all of its schools in a fiscally sound matter in the next charter term.

SCHOOL OVERVIEW

Opening Information

Date Initial Charter Approved by SUNY Trustees	October 26, 2007
Date Initial Charter Approved by Operation of Law	March 11, 2008
School Opening Date	August 25, 2008

Location

School Year(s)	Location(s)	Grades at Location	District
2008-09 to Present	141 East 111 th St. New York, NY	K-4	NYC CSD 4
2012-13	21 West 111 th St. New York, NY	5	NYC CSD 3

Partner Organizations

	Partner Name	Partner Type	Dates of Service
Current Partner	Success Academy Charter Schools, Inc.	Not-For-Profit Charter Management Organization	2007 to Present

Current Mission Statement

The mission for each school operated by SA-NYC⁸ is to provide children in New York City with an exceptionally high-quality education that gives them the knowledge, skills, character, and disposition to meet and exceed NY State Common Core Learning Standards and the resources to lead and succeed in school, college, and a competitive global economy.

The schools seek to provide this exceptionally high-quality education to all students residing within the Community School District ("CSD") of the school location, including English language learners and students with special education needs, irrespective of socioeconomic, racial, ethnic, and/or other status

Current Key Design Elements

• A focus on student achievement;
• Research-based, results-driven curriculum;
• Frequent assessments produced and analyzed in real time;
• Extended school day;
• School leaders with the power to lead;
• Highly-qualified, highly-trained staff; and
• Strong school culture, including reinforcement of ACTION principles (Agency, Curiosity, Try and Try,

⁸ Success Academy Charter Schools - NYC is a not-for-profit charter school education corporation the SUNY Trustees approved through merger to operate the following five charter schools: Success Academy Charter School – Harlem 1, Success Academy Charter School – Harlem 2, Success Academy Charter School – Harlem 3, Success Academy Charter School – Harlem 4 and Success Academy Charter School – Harlem 5.

Integrity, Others, and No Shortcuts).

School Characteristics

School Year	Original Chartered Enrollment	Actual Enrollment ⁹	Original Chartered Grades	Actual Grades
2008-09	155	176	K-1	K-1
2009-10	245	246	K-2	K-2
2010-11	468	458	K-3	K-3
2011-12	531	612	K-4	K-4
2012-13	634	536 ¹⁰	K-5	K-5

Student Demographics

	2008-09 ¹¹		2009-10		2010-11	
	Percent of School Enrollment	Percent of NYC CSD 4 Enrollment	Percent of School Enrollment	Percent of NYC CSD 4 Enrollment	Percent of School Enrollment ¹²	Percent of NYC CSD 4 Enrollment ¹³
Race/Ethnicity						
American Indian or Alaska Native	1	1	2	1	0	0
Black or African American	65	30	60	30	53	29
Hispanic	27	62	23	62	34	62
Asian, Native Hawaiian, or Pacific Islander	0	5	2	5	1	6
White	1	2	9	2	1	3
Multiracial	6	0	5	0	10	0
Special Populations						
Students with Disabilities	N/A	N/A	N/A	N/A	11	N/A
English Language Learners	2	13	4	13	6	13
Free/Reduced Lunch						
Eligible for Free Lunch	53	80	59	83	68	79

⁹ Source: SUNY Charter Schools Institute's Official Enrollment Binder. (Figures may differ slightly from New York State Report Cards, depending on date of data collection.)

¹⁰ Source: 1st Quarter Financial Report, 2012-13.

¹¹ Source: 2008-09, 2009-10 and 2010-11 School Report Cards, SED.

¹² Source: The 2010-11 Students with Disabilities statistic is derived from the school's October 2010 student enrollment report to SED (2010-11 BEDS Report).

¹³ Source: District-level Students with Disabilities enrollment data are not available for 2010-11. SED released these district data for the first time in spring 2012. Based on the state's Empirical Analysis of Enrollment Targets, the CSD's 2011-12 Students with Disabilities enrollment is 23 percent compared to 16 percent for the school.

Eligible for Reduced-Price Lunch	13	7	15	4	9	4
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Current Board of Trustees¹⁴

Board Member Name	Term	Position/Committees
Sam Cole	February 2015	Chair
Bryan Binder	February 2015	Vice Chair
Greg Sawers	February 2015	Secretary
Jay Bryant	February 2015	Trustee
Sam Chainani	February 2015	Trustee
Donna Kennedy	February 2015	Trustee
Lance Rosen	February 2015	Trustee
Khadijah Pickel	February 2015	Parent Representative

School Leader(s)

School Year	School Leader(s) Name and Title
2008-09 to 2010-11	Emily Rodriguez, Principal
2011-12 to Present	Richard Seigler, K-4 Principal and Jim Manly, 5-8 Principal

School Visit History

School Year	Visit Type	Evaluator (Institute/External)	Date
2008-09	First-Year Visit	Institute	February 25, 2009
2009-10	Routine Visit	External (Class Measures)	April 8-9, 2010
2012-13	Initial Renewal Visit	Institute	November 28-29, 2012

¹⁴ Source: Institute Board Records.

ACADEMIC ATTAINMENT AND IMPROVEMENT

Background

At the beginning of the charter term, the school developed and adopted an Accountability Plan that set academic goals in the key subjects of ELA and math. The Accountability Plan also includes science and NCLB goals. For each goal in the Accountability Plan, specific outcome measures define the level of performance necessary to meet that goal. The required subject-area outcome measures include the following three types: 1) the absolute level of student performance on state examinations; 2) the comparative level of student performance on state examinations; and 3) the growth in student learning according to year-to-year comparisons of grade level cohorts. The following table shows the outcome measures currently required by the Institute in each subject area goal, as well as for the NCLB goal. The school may have also elected to include optional goals and measures in the Accountability Plan.

Summary of Required Goals and Outcome Measures in Elementary/Middle School (K-8) Accountability Plans					
GOAL	Required Outcome Measures				
	Absolute¹⁵		Comparative		Growth
	75 percent at or above Level 3 on state exam	Performance Index (PI) meets Annual Measurable Objective (AMO)	Percent proficient greater than that of local school district	School exceeds predicted level of performance compared to similar public schools by small Effect Size	Grade-level cohorts reduce by half the gap between prior year's percent at or above Level 3 and 75 percent
English Language Arts	✦	✦	✦	✦	✦
Math	✦	✦	✦	✦	✦
Science	✦		✦		
NCLB	School is deemed in "Good Standing" under state's NCLB accountability system				

The most important criterion for renewal is academic success, which the school demonstrates in large part by meeting the goals in its Accountability Plan. The Institute determines the outcome of a goal by evaluating the multiple measures associated with that goal.

The following presentation indicates the outcome of each of the school's goals. A general analysis of the key academic goals appears above under Academic Accountability Plan Goals in the summary of the school's academic success. The following presentation divides the data into two sections: 1) the key goals of ELA, math; and 2) the additional goals of science and NCLB.

¹⁵ Note: In 2009-10, SED raised its achievement standard, by increasing the scaled score cut-off for proficiency or Level 3 performance on the ELA and math exams. In order to maintain a consistent standard for determining the absolute measure, the Institute has adapted SED's "time-adjusted" cut-offs. In the presentation below of ELA and math results, the Institute uses the "time-adjusted" Level 3 cut-offs for 2009-10, 2010-11 and 2011-12.

Aside from required Accountability Plan measures, the additional goals section following also presents the results of optional academic measures, included in the school's plan. Based on the Institute's analysis, numbers of students at times differ from those the school reported; these differences do not affect the interpretation of results.

SCHOOL PERFORMANCE SUMMARY: English Language Arts
Success Academy Charter School- Harlem 3



	2009-10 Grades Served:			MET	2010-11 Grades Served: K-3			MET	2011-12 Grades Served: K-4			MET						
	Grades	All Students % (N)	2+ Years Students % (N)		Grades	All Students % (N)	2+ Years Students % (N)		Grades	All Students % (N)	2+ Years Students % (N)							
ABSOLUTE MEASURES 1. Each year 75 percent of students who are enrolled in at least their second year will perform at or above a Level 3 on the New York State exam.	3	(0)	(0)	-	3	79.7 (69)	(0)	NA	3	97.7 (129)	98.1 (103)	YES						
	4	(0)	(0)		4	(0)	(0)		4	100.0 (77)	100.0 (76)							
	5	(0)	(0)		5	(0)	(0)		5	(0)	(0)							
	6	(0)	(0)		6	(0)	(0)		6	(0)	(0)							
	7	(0)	(0)		7	(0)	(0)		7	(0)	(0)							
	8	(0)	(0)		8	(0)	(0)		8	(0)	(0)							
	All	(0)	(0)		All	79.7 (69)	(0)		All	98.5 (206)	98.9 (179)							
2. Each year the school's aggregate Performance Index on the State exam will meet the Annual Measurable Objective set forth in the State's NCLB accountability system.	Grades	PI	AMO	-	Grades	PI	AMO	YES	Grades	PI	AMO	YES						
					3	170	122		3-4	189	135							
COMPARATIVE MEASURES 3. Each year the percent of students enrolled in at least their second year and performing at or above Level 3 will be greater than that of students in the same grades in the local district.	Comparison: Manhattan District 4			-	Comparison: Manhattan District 4			NA	Comparison: Manhattan District 4			YES						
	Grades	School	District		Grades	School	District		Grades	School	District							
					3		40.9		3-4	90.5	47.2							
4. Each year the school will exceed its predicted percent of students at or above Level 3 on the state exam by at least a small Effect Size (at least 0.3) based on its Free Lunch (FL) rate.	% FL	Actual	Predicted	-	% FL	Actual	Predicted	YES	% FL	Actual	Predicted	YES						
			Effect Size						Effect Size					Effect Size				
					68.1	72.4	45.1		67.9	89.4	46.5							
GROWTH MEASURE 5. The year-to-year school-wide cohort of students will meet the target of reducing by one-sixth the difference between the previous year's baseline and 75 percent performing at or above Level 3 on the New York State exam. An asterisk indicates grade-level cohort met target.	Gr	N	Base	Target	Result	-	Gr	N	Base	Target	Result	NA	Gr	N	Base	Target	Result	YES
	3	0					3	0					3	2	0.0		100.0	
	4	0					4	0					4	64	75.0	75.0	93.8 *	
	5	0					5	0					5					
	6	0					6	0					6					
	7	0					7	0					7					
	8	0					8	0					8					
	All	0					All	0					All	66	72.7	73.1	93.9	

TACS The Institute uses SED's "time adjusted cut scores", or "TACS", for evaluating the designated measures in the respective years. Although a lower standard than that used before 2009-10, TACS provide continuity with the standard used in previous years. Data Sources: SED data; school data workbooks; the Institute's student test database.

SCHOOL PERFORMANCE SUMMARY: Mathematics

Success Academy Charter School- Harlem 3



	2009-10 Grades Served:			MET	2010-11 Grades Served: K-3			MET	2011-12 Grades Served: K-4			MET						
	Grades	All Students % (N)	2+ Years Students % (N)		Grades	All Students % (N)	2+ Years Students % (N)		Grades	All Students % (N)	2+ Years Students % (N)							
ABSOLUTE MEASURES 1. Each year 75 percent of students who are enrolled in at least their second year will perform at or above a Level 3 on the New York State exam.	3	(0)	(0)	-	3	100.0 (69)	(0)	NA	3	100.0 (129)	100.0 (103)	YES						
	4	(0)	(0)		4	(0)	(0)		4	100.0 (77)	100.0 (76)							
	5	(0)	(0)		5	(0)	(0)		5	(0)	(0)							
	6	(0)	(0)		6	(0)	(0)		6	(0)	(0)							
	7	(0)	(0)		7	(0)	(0)		7	(0)	(0)							
	8	(0)	(0)		8	(0)	(0)		8	(0)	(0)							
	All	(0)	(0)		All	100.0 (69)	(0)		All	100.0 (206)	100.0 (179)							
	2. Each year the school's aggregate Performance Index on the State exam will meet the Annual Measurable Objective set forth in the State's NCLB accountability system.	Grades	PI		AMO	-	Grades		PI	AMO	YES		Grades	PI	AMO	YES		
				3	193		137	3-4	195	148								
COMPARATIVE MEASURES 3. Each year the percent of students enrolled in at least their second year and performing at or above Level 3 will be greater than that of students in the same grades in the local district.	Comparison: Manhattan District 4			-	Comparison: Manhattan District 4			NA	Comparison: Manhattan District 4			YES						
	Grades	School	District		Grades	School	District		Grades	School	District							
					3		48.3		3-4	96.1	62.8							
4. Each year the school will exceed its predicted level of students at or above Level 3 on the State exam by at least a small Effect Size (at least 0.3) based on its Free Lunch (FL) rate.	% FL	Actual	Predicted	Effect Size	-	% FL	Actual	Predicted	Effect Size	YES	% FL	Actual	Predicted	Effect Size	YES			
						68.1	92.7	50.0	2.30		67.9	95.2	55.2	2.31				
GROWTH MEASURE 5. The year-to-year school-wide cohort of students will meet the target of reducing by one-sixth the difference between the previous year's baseline and 75 percent performing at or above Level 3 on the New York State exam. An asterisk indicates grade-level cohort met target.	Gr	N	Base	Target	Result	-	Gr	N	Base	Target	Result	NA	Gr	N	Base	Target	Result	YES
	3	0					3	0					3	2	0.0		100.0	
	4	0					4	0					4	64	95.3	95.4	98.4 *	
	5	0					5	0					5					
	6	0					6	0					6					
	7	0					7	0					7					
	8	0					8	0					8					
	All	0					All	0					All	66	92.4	92.5	98.5	

TACS The Institute uses SED's "time adjusted cut scores", or "TACS", for evaluating the designated measures in the respective years. Although a lower standard than that used before 2009-10, TACS provide continuity with the standard used in previous years. Data Sources: SED data; school data workbooks; the Institute's student test database.

ADDITIONAL ACCOUNTABILITY PLAN GOALS

Science

Accountability Plan Goal: *Students will demonstrate competency in the understanding and application of scientific reasoning.*

Outcome: Harlem 3 has met its science goal.

Analysis of Accountability Plan Measures:

Absolute Measure: <i>Each year, 75 percent of all tested students enrolled in at least their second year will perform at or above Level 3 on the New York State science examination.</i>				
Results (in percents)				
Grade	School Year			
	2008-09 (Tested:)	2009-10 (Tested:)	2010-11 (Tested: 37)	2011-12 (Tested: 36)
4	-	-	-	100.0
8	-	-	-	-

Harlem 3 has posted strong performance on the state's 4th grade science exam and has exceeded its absolute target during the one year for which data is available. Every student that took the test passed with a Level 4, the highest level possible on the state science exam.

Comparative Measure: <i>Each year, the percent of all tested students enrolled in at least their second year and performing at or above Level 3 on the state science exam will be greater than that of all students in the same tested grades in the local school district.</i>				
Results (in percents)				
Comparison	School Year			
	2008-09 (Grade 4)	2009-10 (Grade 4)	2010-11 (Grade 4)	2011-12 (Grade 4)
School	-	-	-	100.0
District	76.0	82.0	85.0	81.7

Harlem 3 outperformed the local community school district by over 18 percentage points on the 2011-12 New York State science exam.

NCLB

In addition to meeting its specific subject area goals, the Accountability Plan requires schools under No Child Left Behind to make adequate yearly progress towards enabling all students to score at the proficient level on the state ELA and math exams. In holding charter schools to the same standards as other public schools, the state issues an annual school accountability report that indicates the school's status each year.

Accountability Plan Goal: *The school will make adequate yearly progress.*

Outcome: The school met the goal. The state deemed that Harlem 3 was in good standing each year that it administered the state tests.

Absolute Measure: <i>Under the state's NCLB accountability system, the school's Accountability Status will be "Good Standing" each year.</i>				
Results				
Status	School Year			
	2008-09	2009-10	2010-11	2011-12
Good Standing	-	-	Yes	Yes

Analysis of Additional Evidence

Harlem 3 received a letter grade of "A" on its 2011-12 NYCDOE Progress Report. The NYCDOE bases the overall grade on school performance in three categories: School Environment, Student Performance and Student Progress, with the greatest emphasis placed on Student Progress. To raise the bar for schools and increase stability in the letter grades, the city reports that it set overall cut scores for 2010-11 based on a pre-determined scoring distribution. For elementary and middle schools, the distribution is: 25 percent A, 35 percent B, 30 percent C, seven percent D, and three percent E. For high schools, the distribution is: 33 percent A, 32 percent B, 24 percent C, eight percent D, and four percent E.

Harlem 3 received the "A" based on the composite score of the three categories. The school received a "B" in School Environment, which measures factors other than student achievement. This category is largely based on parent and teacher satisfaction surveys, which measure the conditions necessary for learning. In the category that measures student performance, the school received an "A," indicating that the school's absolute performance was better on the whole than its peer schools in New York City. As a result of Harlem 3's strong year-to-year growth in both ELA and math in comparison to its peer schools, it received an "A" in Student Progress. This result was derived from the school's one student cohort that had scores on state tests for two years.

APPENDIX: FISCAL DASHBOARD



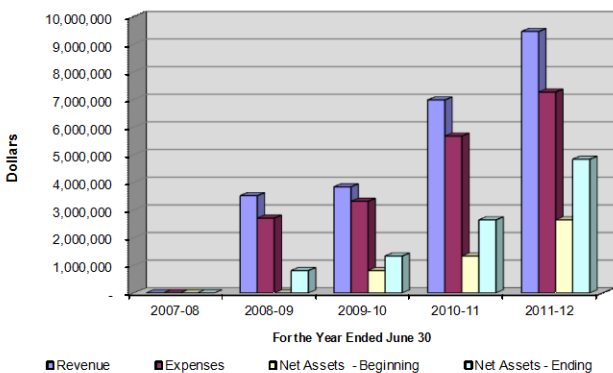
Success Academy - Harlem 3

SCHOOL INFORMATION					
FINANCIAL POSITION	2007-08	2008-09	2009-10	2010-11	2011-12
Assets					
Current Assets					
Cash and Cash Equivalents - GRAPH 2	-	518,084	1,013,556	663,480	3,039,273
Grants and Contracts Receivable	-	225,231	48,388	273,335	287,858
Accounts Receivable	-	-	-	-	-
Prepaid Expenses	-	26,913	6,579	728	-
Contributions and Other Receivables	-	-	-	-	-
Total Current Assets - GRAPH 2	-	770,228	1,068,523	937,543	3,327,131
Property, Building and Equipment, net	-	353,652	547,005	725,365	411,153
Other Assets	-	3,860	50,469	1,375,883	1,380,166
Total Assets - GRAPH 2	-	1,127,740	1,665,997	3,038,791	5,118,450
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable and Accrued Expenses	-	45,879	52,641	92,365	33,600
Accrued Payroll and Benefits	-	96,471	116,672	247,918	86,449
Deferred Revenue	-	-	-	-	-
Current Maturities of Long-Term Debt	-	-	-	-	-
Short Term Debt - Bonds, Notes Payable	-	-	-	-	-
Other	-	173,259	161,676	54,691	161,739
Total Current Liabilities - GRAPH 2	-	315,609	330,889	394,974	281,688
L-T Debt and Notes Payable, net current maturities	-	-	-	-	-
Total Liabilities - GRAPH 2	-	315,609	330,889	394,974	281,688
Net Assets					
Unrestricted	-	812,131	1,335,108	2,643,817	4,836,762
Temporarily restricted	-	-	-	-	-
Total Net Assets	-	812,131	1,335,108	2,643,817	4,836,762
Total Liabilities and Net Assets	-	1,127,740	1,665,997	3,038,791	5,118,450
ACTIVITIES					
Operating Revenue					
Resident Student Enrollment	-	2,321,144	3,083,046	6,197,440	8,247,750
Students with Disabilities	-	-	112,950	391,987	866,721
Grants and Contracts					
State and local	-	150,605	50,503	50,186	23,851
Federal - Title and IDEA	-	475,392	229,766	330,269	280,650
Federal - Other	-	-	200,156	-	33,334
Other	-	-	-	-	-
Food Service/Child Nutrition Program	-	-	-	-	-
Total Operating Revenue	-	2,947,141	3,676,421	6,969,882	9,452,306
Expenses					
Regular Education	-	-	2,380,633	4,272,088	4,812,168
SPED	-	-	299,934	354,690	1,248,649
Regular Education & SPED (combined)	-	2,229,011	-	-	-
Other	-	-	-	-	-
Total Program Services	-	2,229,011	2,680,567	4,626,778	6,060,817
Management and General	-	477,403	635,788	1,045,901	1,203,057
Fundraising	-	-	-	-	-
Total Expenses - GRAPH 1 / GRAPH 4	-	2,706,414	3,316,355	5,672,679	7,263,874
Surplus / (Deficit) From School Operations	-	240,727	360,066	1,297,203	2,188,433
Support and Other Revenue					
Contributions	-	550,206	150,200	1,000	-
Fundraising	-	-	-	-	-
Miscellaneous Income	-	21,198	12,711	10,506	4,512
Net assets released from restriction	-	-	-	-	-
Total Support and Other Revenue	-	571,404	162,911	11,506	4,512
Total Unrestricted Revenue	-	3,518,545	3,839,332	6,981,388	9,456,818
Total Temporarily Restricted Revenue	-	-	-	-	-
Total Revenue - GRAPH 1	-	3,518,545	3,839,332	6,981,388	9,456,818
Change in Net Assets	-	812,131	522,977	1,308,709	2,192,944
Net Assets - Beginning of Year - GRAPH 1	-	-	812,131	1,335,108	2,643,817
Prior Year Adjustment(s)	-	-	-	-	-
Net Assets - End of Year - GRAPH 1	-	812,131	1,335,108	2,643,817	4,836,761
Functional Expense Breakdown					
Personnel Service					
Administrative Staff Personnel	-	-	168,251	300,196	735,016
Instructional Personnel	-	-	1,600,665	2,683,864	2,842,173
Non-Instructional Personnel	-	-	-	-	-
Personnel Services (Combined)	-	1,265,286	-	-	-
Total Salaries and Staff	-	1,265,286	1,768,916	2,984,060	3,577,189
Fringe Benefits & Payroll Taxes	-	266,410	363,539	600,096	685,599
Retirement	-	-	23,108	50,180	63,965
Management Company Fees	-	224,845	308,227	619,589	824,569
Building and Land Rent / Lease	-	-	-	-	-
Staff Development	-	56,171	42,633	70,948	111,193
Professional Fees, Consultant & Purchased Services	-	63,152	38,716	34,323	30,423
Marketing / Recruitment	-	168,206	128,891	168,205	234,224
Student Supplies, Materials & Services	-	341,025	264,353	563,833	687,553
Depreciation	-	40,207	74,058	128,257	498,539
Other	-	283,112	303,914	453,189	550,520
Total Expenses	-	2,706,414	3,316,355	5,672,680	7,263,874
ENROLLMENT					
Chartered Enroll	-	155	245	468	531
Revised Enroll	-	-	-	-	-
Actual Enroll - GRAPH 4	-	155	245	468	531
Chartered Grades	P-Year	K-1	K-2	K-3	K-4
Revised Grades	-	-	-	-	-

SCHOOL ANALYSIS

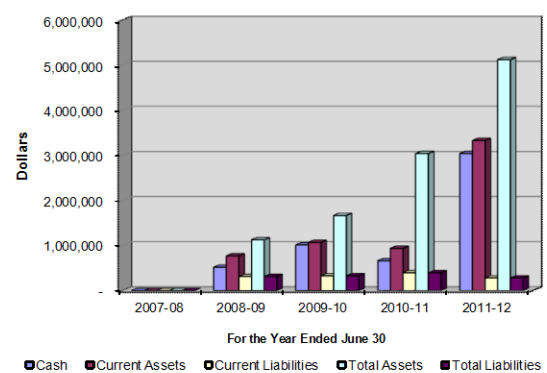
	2007-08	2008-09	2009-10	2010-11	2011-12	
Primary School District	NYC					
Per Pupil Funding	10,196	11,023	12,443	12,443	13,527	
Increase over prior year	#DIV/0!	8.1%	12.9%	0.0%	8.7%	
PER STUDENT BREAKDOWN						Average - 5 Yrs. OR Charter Term
Revenue						
Operating	-	19,014	15,006	14,893	17,801	16,678
Other Revenue and Support	-	3,686	665	25	8	1,096
TOTAL - GRAPH 3	-	22,700	15,671	14,917	17,809	17,774
Expenses						
Program Services	-	14,381	10,941	9,886	11,414	11,656
Management and General, Fundraising	-	3,080	2,595	2,235	2,266	2,544
TOTAL - GRAPH 3	-	17,461	13,536	12,121	13,680	14,199
% of Program Services	0.0%	82.4%	80.8%	81.6%	83.4%	82.0%
% of Management and Other	0.0%	17.6%	19.2%	18.4%	16.6%	18.0%
% of Revenue Exceeding Expenses - GRAPH 5	0.0%	30.0%	15.8%	23.1%	30.2%	25.2%
Student to Faculty Ratio						9.0 8.6
Faculty to Admin Ratio						26.0 6.9
Financial Responsibility Composite Scores - GRAPH 6						
Score	-	-	2.5	2.8	3.0	2.9
Fiscally Strong 1.5 - 3.0 / Fiscally Adequate 1.0 - 1.4 / Fiscally Needs Monitoring -1.0 - 0.9	N/A	N/A	Fiscally Strong	Fiscally Strong	Fiscally Strong	Fiscally Strong
Working Capital - GRAPH 7						
Net Working Capital	-	454,619	737,634	542,569	3,045,443	1,195,066
As % of Unrestricted Revenue	0.0%	12.9%	19.2%	7.8%	32.2%	18.0%
Working Capital (Current) Ratio Score	-	2.4	3.2	2.4	11.8	5.0
Risk (Low > 3.0 / Medium 1.4 - 2.9 / High < 1.4)	N/A	MEDIUM	LOW	MEDIUM	LOW	LOW
Rating (Excellent > 3.0 / Good 1.4 - 2.9 / Poor < 1.4)	N/A	Good	Excellent	Good	Excellent	Excellent
Quick (Acid Test) Ratio						
Score	-	2.4	3.2	2.4	11.8	4.9
Risk (Low > 2.5 / Medium 1.0 - 2.4 / High < 1.0)	N/A	MEDIUM	LOW	MEDIUM	LOW	LOW
Rating (Excellent > 2.5 / Good 1.0 - 2.4 / Poor < 1.0)	N/A	Good	Excellent	Good	Excellent	Excellent
Debt to Asset Ratio - GRAPH 7						
Score	-	0.3	0.2	0.1	0.1	0.2
Risk (Low < 0.50 / Medium 0.51 - .95 / High > 1.0)	N/A	LOW	LOW	LOW	LOW	LOW
Rating (Excellent < 0.50 / Good 0.51 - .95 / Poor > 1.0)	N/A	Excellent	Excellent	Excellent	Excellent	Excellent
Months of Cash - GRAPH 8						
Score	-	2.3	3.7	1.4	5.0	3.1
Risk (Low > 6 mo. / Medium 3 - 6 mo. / High < 3 mo.)	N/A	HIGH	MEDIUM	HIGH	MEDIUM	MEDIUM
Rating (Excellent > 6 mo. / Good 3 - 6 mo. / Poor < 3)	N/A	Poor	Good	Poor	Good	Good

GRAPH 1 Revenue, Expenses and Net Assets

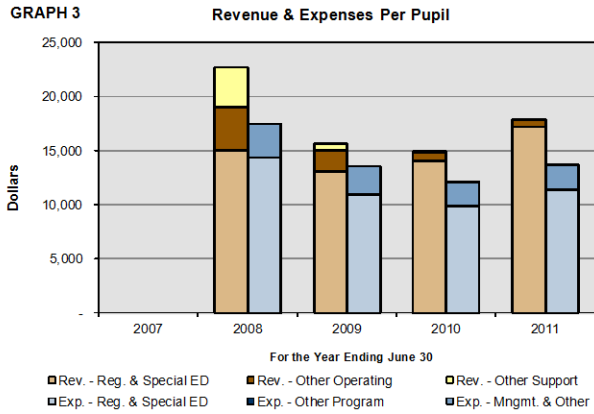


This chart illustrates total revenue and expenses each year and the relationship those subsets have on the increase/decrease of net assets on a year to year basis. Ideally subset 1, revenue, will be taller than subset 2, expenses, and as a result subset 3, net assets - beginning, will increase each year building a more fiscally viable school.

GRAPH 2 Cash, Assets and Liabilities



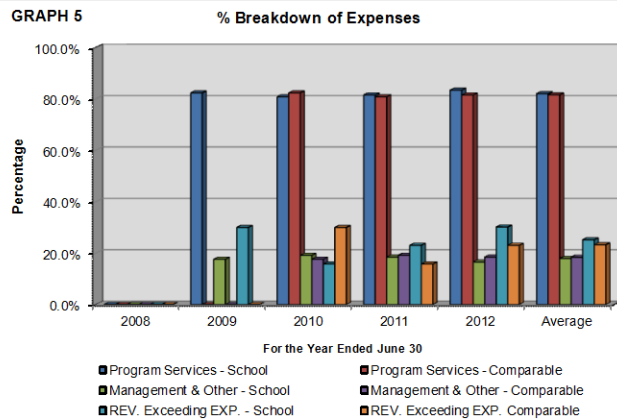
This chart illustrates the relationship between assets and liabilities and to what extent cash reserves makes up current assets. Ideally for each subset, subsets 2 thru 4, (i.e. current assets vs. current liabilities), the column on the left is taller than the immediate column on the right; and, generally speaking, the bigger that gap, the better.



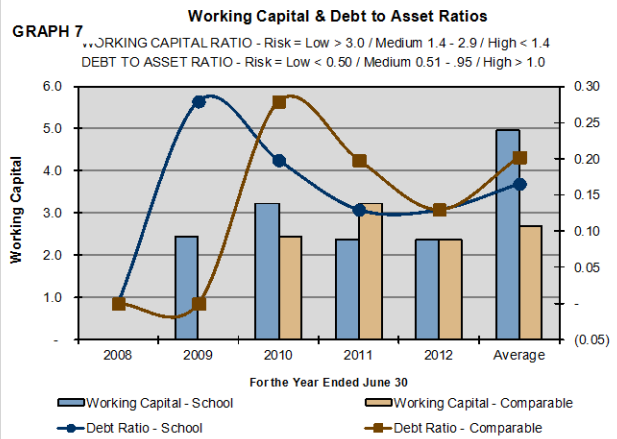
This chart illustrates the breakdown of revenue and expenses on a per pupil basis. Caution should be exercised in making school-by-school comparisons since schools serving different missions or student populations are likely to have substantially different educational cost bases. Comparisons with similar schools with similar dynamics are most valid.

Comparable School, Region or Network

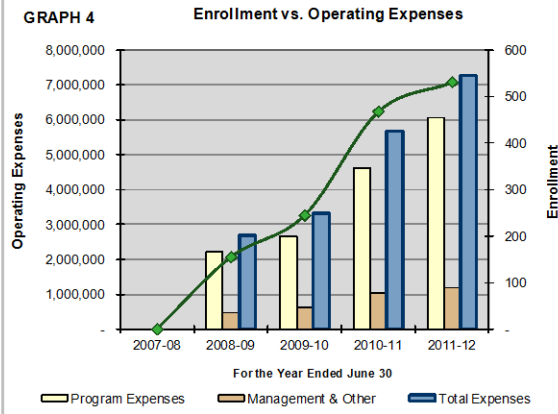
* Average = Average - 5 Yrs. OR Charter Term



This chart illustrates the percentage expense breakdown between program services and management & others as well as the percentage of revenues exceeding expenses. Ideally the percentage expense for program services will far exceed that of the management & other expense. The percentage of revenues exceeding expenses should not be negative. Similar caution, as mentioned on GRAPH 3, should be used in comparing schools.

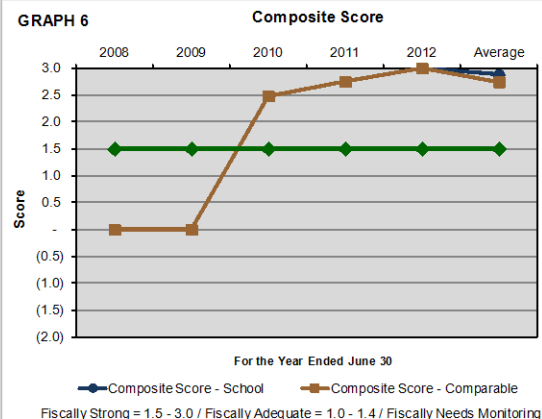


This chart illustrates Working Capital and Debt to Asset Ratios. W/C indicates if a school has enough short-term assets to cover its immediate liabilities/short term debt. Debt to Asset indicates what proportion of debt a school has relative to its assets. The measure gives an idea to the leverage of the school along with the potential risks the school faces in terms of its debt-load.

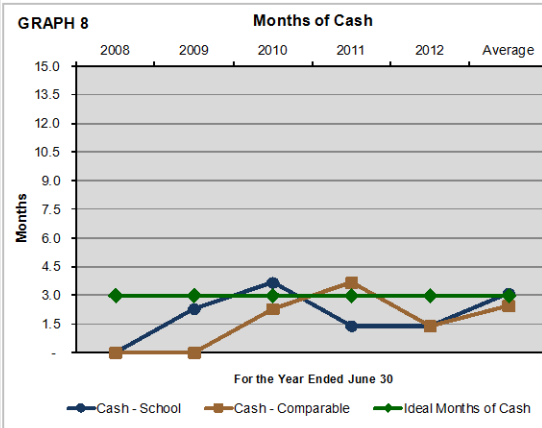


This chart illustrates to what extent the school's operating expenses have followed its student enrollment pattern. A baseline assumption that this data tests is that operating expenses increase with each additional student served. This chart also compares and contrasts growth trends of both, giving insight into what a reasonable expectation might be in terms of economies of scale.

Success Academy - Harlem 3



This chart illustrates a school's composite score based on the methodology developed by the United States Department of Education (USDOE) to determine whether private not-for-profit colleges and universities are financially strong enough to participate in federal loan programs. These scores can be valid for observing the fiscal trends of a particular school and used as a tool to compare the results of different schools.



This chart illustrates how many months of cash the school has in reserves. This metric is to measure solvency – the school's ability to pay debts and claims as they come due. This gives some idea of how long a school could continue its ongoing operating costs without tapping into some other, non-cash form of financing in the event that revenues were to cease flowing to the school.