



Charter Schools Institute
The State University of New York

Renewal Report:

Harbor Science and Arts Charter School

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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 independent 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.¹

In order to assist them 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. This report has been created and issued pursuant to the “Practices, Policies and Procedures for the Renewal of Charter Schools Authorized by the State University Board of Trustees” (the “State University Renewal Practices”).² More information regarding this report is contained in the “Reader’s Guide” that follows.

Statutory and Regulatory Considerations

Charters may be renewed, upon application, for a term of up to five years. There is no limitation upon the number of times that a charter may be renewed. The Act prescribes the following requirements for a charter school renewal application, whether such application be for an initial renewal or any subsequent renewals:

¹ See § 2850 of the Charter Schools Act of 1998.

²The *Practices, Policies and Procedures for the Renewal of Charter Schools Authorized by the State University Board of Trustees* (revised December 13, 2005) are available at: www.newyorkcharters.org/schoolsRenewOverview.htm

- 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.³

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

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 ("Required 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.⁵

Where the Board of Trustees approves a renewal application, it is required under the Act to submit the application and a proposed charter to the Board of Regents for its review.⁶ The Regents may approve the proposed charter or return the proposed charter to the Board of Trustees with the Regents' comments and recommendation(s). In the former case, the charter will then issue and become operational on the day the current 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; as above, it will become operational upon expiration of the current charter.⁷

³ § 2851(4) of the Act.

⁴ Further explication of these policies and procedures is available on the Charter Schools Institute's website. See www.newyorkcharters.org/schoolsRenewOverview.htm.

⁵ See § 2852(2) of the Act.

⁶ See § 2852(5) of the Act.

⁷ See §§ 2852(5-a) and (5-b) of the Act.

Process for Subsequent Renewals

While that renewal process formally commences with the submission of a renewal application, a school must work to make the case for renewal from the time it was last renewed. From that point, the school, just as it built its case for renewal during its initial charter, must build its case for renewal anew 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 has previously been renewed one or more times, will have in place during the present charter period a plan setting forth the goals for the school's educational program (and other measures if the school desires) (the "Accountability Plan").⁸ 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. The Board of Trustees approves each Accountability Plan when it approves the school's renewal application, though the Institute may require changes to that plan before entering into a proposed charter with the school.

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").⁹ The progress report not only allows the school 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 to provide feedback to the school on the Institute's findings. Reports and de-briefings for the school's board or leadership team are designed to communicate the school's progress, its strengths and its weaknesses. Where possible, and where it is consistent with its oversight role, the Institute identifies 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 school visit to look specifically at the strength of the school's case for renewal. The number, breadth and scope of visits that the Institute conducts depend on the length of the charter period that the school was granted as well as the school's performance on standardized assessments.

By the start of the last year of a school's charter (as set forth above), the school must submit an application for charter renewal, setting forth the evidence required by law and the Board of Trustees. 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 an effective, viable organization?
- Is the school fiscally sound?
- What are the school's plans for the term of the next charter and are they reasonable, feasible and achievable?

⁸ See www.newyorkcharters.org/schoolsAccountability.htm for detailed information on Accountability Plan guidelines.

⁹ See www.newyorkcharters.org/schoolsAccountability.htm 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 school 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 site visit to the school. Based on a review of each school's application for charter renewal, the leader 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. A subsequent renewal visit generally is focused on discussions and interviews with senior administrative staff and the school's board of trustees. In contrast with renewal visits during the initial renewal review, the renewal team does not conduct a comprehensive review of the educational program using the Institute's educational renewal benchmarks. However, though less comprehensive in this regard than an initial renewal review, renewal visit team members do visit classes, observe lessons, examine student work and interview staff members to get a sense of the educational program and determine if there are material deficiencies.

In subsequent renewal reviews, and in contrast with initial renewal reviews, the State University evaluates the strength and effectiveness of a school's academic program almost exclusively by the degree to which the school has succeeded in meeting its academic program Accountability Plan goals. In other words, educational soundness and the likelihood that the school will improve student learning and achievement is determined almost wholly by the track record of student achievement that the school has amassed over the life of the charter (which includes where appropriate prior charter periods). This approach is consistent with the greater time that a school has been in operation and a concomitant increase in the quantity and quality of the data set of student assessment outcomes that the school has generated, as well as the fact that the school has successfully navigated the start-up phase of its operational life. It is also consistent with the Act's purpose of moving from a rules-based to an outcome-based system of accountability in which schools are held accountable for meeting measurable student achievement results.

In such cases where a school has generated a set of student assessment outcomes that would lead the Charter Schools Institute to be able to make the Required Findings that are related to academic success, but the Institute's renewal site visit generates overwhelming and incontrovertible evidence that the academic program is in disarray and that the structures, personnel and practices that led to such positive assessment outcomes are, in material respect, no longer in place (through an assessment of the Qualitative Educational Benchmarks), the Institute's recommendations and the Board of Trustees' decisions may take account of such countervailing evidence, and such countervailing evidence, if of sufficient strength and weight, may affect the Institute's recommendations and the Board of Trustees' decisions.

As with initial renewal reviews, 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.¹⁰ However, as indicated above, in

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

subsequent renewal reviews the Institute does not generally utilize the qualitative indicators that relate directly to the quality of the educational program to inform its recommendation on renewal (except in exceptional circumstances). The Institute believes that the inspectors' observations and conclusions about the school provide the school board and leadership with valuable information that only an external inspection team is able to present to the school. As such, the Institute offers observations and insights regarding qualitative aspects of the school's academic program (specifically under Benchmarks 1B – 1F) to the school under separate cover. These are developed using an array of evidence collected during the school's renewal visit, including interviews with the school's leaders, teachers, parents and students; documentary evidence; and classroom observations. Although the information provided in that letter is not intended as a prescription, the Institute expects the school to review thoroughly the issues highlighted and use them, as they deem appropriate, to assist in guiding the school's leadership team to further develop its academic program or other aspects of the School.

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 team members' completed benchmark comments 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, as well as a preliminary recommendation.

The following outcomes are available to schools that are applying for a subsequent renewal. Each outcome contains specific criteria that a school must meet in order to be eligible for that outcome. These criteria are keyed to one or more of the Required Findings. In addition to any specific criteria set forth in a particular outcome, a school, to be eligible for any type of renewal, must be able to provide evidence that permits the State University to make *each* of the Required Findings:

- *Early Renewal*: available to any school that, over the life of the school, has consistently met or come close to meeting its academic program Accountability Plan goals. A school that is able to make that showing is eligible to apply for Early Renewal four years from the time it applied for its prior renewal.
- *Full-Term Renewal*: available to any school that has been previously renewed and that has consistently met or come close to meeting its academic program Accountability Plan goals during the present charter period.
- *Renewal with Conditions*: available to a school (a) that otherwise meets the standards for Full-Term Renewal as regards its educational program, but that has material educational, legal, fiscal or organizational deficiencies that cannot be fully corrected by the time of renewal – so long as such deficiencies are not fatal to the State University making each of the Required Findings, or that (b) meets the standards for Full-Term Renewal as regards some portion of its educational program, but requires conditions to improve the academic program. Such conditions may include, but are not limited to, restrictions on the number of students and grades served. Conditions may also be imposed that are consonant with the requirements of NCLB as to schools requiring corrective action. Where appropriate, conditions may be

imposed which, if not met by the school, shall be deemed a substantial and material violation of the school's charter and therefore expose the school to probation or revocation.

- *Restructuring Renewal*: available to a school that does not meet the standards for any type of renewal but which submits plans to the Board of Trustees for a restructuring of the school that legally commits the school to implementing a wholesale restructuring of the education corporation, including, but not necessarily limited to, a new board of trustees, administrative team, academic program, organizational structure, and such plans, if implemented, would lead to the school likely meeting its standardized assessment measures set forth in its Accountability Plan during the next charter period. Whether to permit a school to submit an application for a Restructuring Renewal is at the discretion of the State University.
- *Non-Renewal*: where a school does not present a case for any kind of renewal, the charter will not be renewed and the charter will be terminated upon its expiration.

Note that *Short-Term Renewal* is not available as an option to schools that have been previously renewed.

Upon receiving a school's comments on the draft report, the Institute makes any changes it determines are necessary and appropriate and renders its findings and recommendations in their final form. The report is then transmitted to the Committee on Charter Schools of the Board of Trustees, the other members of the Board of Trustees and the school itself. This report is the product of that process.

READER'S GUIDE

This renewal report contains the following sections: Introduction, Reader's Guide, School Description, Recommendations and Executive Summary, and 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.

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., 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.

In addition to discussing the recommendations themselves (and any conditions made part of those recommendations), the executive summary also discusses 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.

Renewal Benchmarks

The Renewal Benchmark section contains the renewal benchmarks that the Institute uses in subsequent renewals, together with a review of the pertinent evidence gathered during the renewal cycle (both at the school and through Institute staff's desk audit of the school's file). In a subsequent renewal report, depending on whether the preliminary recommendation is for renewal or non-renewal of the school's charter, the evidence in response to the first renewal question ("Is the school an academic success?") will be provided somewhat differently. If the preliminary recommendation is for renewal, with or without conditions, the report will contain a full discussion of the school's academic performance, per Benchmark 1A. However, if the renewal visit team has any additional observations and insights regarding the school's attainment of the Qualitative Educational Benchmarks, 1B - 1F, that information will be provided in a separate letter to the school's board of trustees. If the preliminary recommendation is for non-renewal, the report will contain not only the full discussion of the school's academic performance, but also a discussion of the evidence related to the Qualitative Education Benchmarks, 1B - 1F. In all cases, the subsequent renewal report will address the evidence gathered and analyzed regarding the school's organizational (governance and legal) and fiscal performance as viewed through the benchmarks under Questions 2 and 3. Also, in all cases, the initial and subsequent renewal reports will include discussion of the benchmarks contained under Question 4 ("What are the school's plans for the term of the next charter and are they reasonable, feasible and achievable?").

SCHOOL DESCRIPTION

The Harbor Science and Arts Charter School (Harbor) was approved by the Board of Trustees of the State University of New York in January 2000 and by the Board of Regents in April of that same year. The school opened in September 2000, serving 149 students in grades K-6. The school remains at its original location, One East 104th Street, Suite 603 in East Harlem, New York, occupying two full floors within the large Boys & Girls Harbor, Inc. building. The school has use of the facility's cafeteria and swimming pool and students have the opportunity to participate in unique after-school programming.

In 2005, the Board of Trustees awarded Harbor a Short-Term Renewal for a period of two years, providing the school with an opportunity to build on the successes made primarily in its fourth year of operation. Harbor served 211 students in grades 1-8 in the 2005-06 school year.

The Harbor Science and Arts Charter School's mission statement is as follows:

It is the mission of the Harbor Science and Arts Charter School to create a learning environment where children and adults are engaged together in the learning process, where children use technology to support a hands-on curriculum that integrates math, science and technology with the arts and where all students are held to high academic standards in a non-competitive, supportive environment.

Key design elements include:

- a focus on academic rigor with an emphasis on English Language Arts and Mathematics;
- the provision of sufficient resources for students with special needs;
- a partnership with Boys & Girls Harbor Incorporated to provide academic and enrichment resources;
- building a culture of respect for self and community;
- being appreciative and aware of self through various activities that enrich students such as physical education classes, athletics, and lunchroom health seminars;
- 75% of students scoring on or above grade level on New York State tests;
- outperforming Community School District 4 on New York State tests;
- being "In Good Standing" each year under the state's NCLB accountability system;
- receiving a high degree of parent satisfaction;
- 100% of students participating in the school's annual art gallery exhibition;
- 90% of students re-enrolling; and
- achieving a 95% daily attendance rate.

The school has developed *Harbor Science and Arts Charter School Benchmarks* for both writing and mathematics which are aligned to the New York State standards. The benchmarks are now seamless across all grade levels. The school utilizes McGraw-Hill literacy materials and Kaplan test preparation materials for English Language Arts. The school utilizes the Saxon math curriculum, supplemented by the problem-solving component of the McGraw-Hill mathematics series.

School Year (2005-06)

180 days for grades 1, 4, 5, 6, 7 and 8

195 days for grades 2 and 3 (this includes a summer readiness program)

School Day (2005-06)

8:30 a.m. to 2:50 for grades 1-4

8:00 a.m. to 2:50 for grades 4-8

Enrollment

	Original Chartered Enrollment	Approved Chartered Enrollment	Actual Enrollment	Original Chartered Grades	Approved Grades Served	Actual Grades Served	Complying
2000-01	132	132	149	K-6	K-6	K-6	Yes
2001-02	154	154	155	K-7	K-7	K-7	Yes
2002-03	176	176	175	K-8	1-8	K-8	No
2003-04	196	196	196	K-8	1-8	1-8	Yes
2004-05	196	196	208	K-8	1-8	1-8	Yes
2005-06	210	210	211	1-8	1-8	1-8	Yes
2006-07	210	210	211	1-8	1-8	1-8	Yes

	2002-03		2003-04		2004-05	
Race / Ethnicity	No. of Students	% of Enroll.	No. of Students	% of Enroll.	No. of Students	% of Enroll.
American Indian, Alaskan, Asian, or Pacific Islander	0	0.0%	1	0.5%	0	0.0%
Black (Not Hispanic)	128	74.0%	164	80.0%	165	78.9%
Hispanic	45	26.0%	40	19.5%	44	21.1%
White (Not Hispanic)	0	0.0%	0	0.0%	1	1.0%

Source: NYSED 2004-05 Report Card

	2002-03		2003-04		2004-05	
Free / Reduced Lunch	No. of Students	% of Enroll.	No. of Students	% of Enroll.	No. of Students	% of Enroll.
Eligible for Free Lunch	134	77.5%	131	63.9%	140	67.0%
Eligible for Reduced Lunch	20	9.8%	16	7.8%	34	16.3%

Source: NYSED 2004-05 Report Card

School Charter History

Charter Year	School Year	Year of Operation	Evaluation Visit	Feedback to School	Other Actions Taken
1 st Charter – 1 st Year	2000-01	1 st	Yes	Evaluation Report	None
1 st Charter – 2 nd Year	2001-02	2 nd	Yes	Evaluation Report	None
1 st Charter – 3 rd Year	2002-03	3 rd	Yes	Evaluation Report	None
1 st Charter – 4 th Year	2003-04	4 th	No		
1 st Charter – 5 th Year	2004-05	5 th	Yes	Renewal Visit, Summary of Findings	Granted Short-Term Renewal to run through 2007
2 nd Charter – 1 st Year	2005-06	6 th	No		
2 nd Charter – 2 nd Year	2006-07	7 th	Yes	Subsequent Renewal Report	Renewal Visit Conducted in Oct. 2006 Recommended for Full-Term Five-Year Renewal

Recommendation and Executive Summary

RECOMMENDATION: Full-Term Five-Year Renewal

The Charter Schools Institute (the “Institute”) recommends that the State University Board of Trustees approve the application for charter renewal of the Harbor Science and Arts Charter School (Harbor) and that it authorize the renewal of the charter for a period of five years with authority to provide instruction to students in first through eighth grades with a maximum enrollment of 228 students for the duration of the charter period, subject however to the applicable terms of the renewal application.

REQUIRED FINDINGS

Harbor Science and Arts Charter School is an educationally sound entity that the Institute finds is likely to increase student learning and achievement during the next charter period. It is organizationally effective and viable, as well as operated in a fiscally sound manner. Based on all the evidence submitted and its past record, the school as described in the renewal application meets the requirements of the Act and other applicable laws, rules, regulations. Finally, given the programs it will offer, and its structure and purpose, approving the school to operate for another five years is likely to materially further the purposes of the Act. Accordingly, the Institute recommends the charter be renewed for a full term of five years.

SUMMARY DISCUSSION

Academic Success

In order for a charter school authorized by the State University Board of Trustees to make the necessary case for a subsequent full-term renewal of five years, the school must show that it has consistently met or come close to meeting its academic program Accountability Plan goals during the present charter period. It must also demonstrate that it is, at the time of renewal, a fiscally and organizationally sound entity and meets the requirements of the Act and applicable law. Further it must demonstrate that its plans for the next charter period are reasonable, feasible and achievable.

During the charter period, Harbor Science and Arts Charter School has consistently met or come close to meeting its academic program Accountability Plan goals. On the state’s English language Arts (ELA) and mathematics examinations in 2004-05 and 2005-06, Harbor continually outperformed its local school district and enabled a higher proportion of students to achieve proficiency than would be predicted by the performance of comparable public schools across the state.

While the evidence indicates that the upper grades did not generally perform as well as the lower grades on the 2005-06 state exams, each grade with basically one exception surpassed the state-wide average for that grade. The eighth grade results were particularly strong, suggesting that students are well-prepared for high school when they graduate.

In addition to meeting its ELA and math goals, Harbor also met its science and social studies goals. Harbor has made adequate yearly progress according to the state's No Child Left Behind (NCLB) accountability system and is deemed to be in good standing.

At the time of the Institute's subsequent renewal visit, inspectors observed numerous successful academic and organizational practices. The instructional leadership team provides significant pedagogical support to teachers in pursuit of high levels of student learning and achievement such that teachers have internalized the message of high expectations. By consistently documenting individual teacher progress, conducting ongoing, informal teacher observations, providing rapid feedback to teachers based on those observations and discussing progress at face-to-face meetings with teachers, the school leadership customizes its teacher support, including especially offering first-year teachers daily in-class coaching. Further, all teachers are well aware of the goals and specified measures articulated in the school's Accountability Plan.

The instructional leadership team has identified aspects of the academic program that need improvement and has developed plans to put alternative systems in place. After six years of operation, Harbor continues to revise and refine its academic program. In response to the Institute's conclusions in Harbor's Initial Renewal Report, the school leadership implemented many changes including: replacing the model of two teachers in a classroom to a lead teacher and an assistant in each classroom; formulating more rigorous assessment systems for student writing; instituting school-wide curriculum benchmarks to replace the previous curriculum; facilitating a culture of high expectations for students in the upper grades; and changing the morning schedule to provide more instructional time at the beginning of the school day.

The quality of classroom instruction generally ranges from adequate to high. At the time of the renewal visit, inspectors found that lessons were generally clear to students, teachers asked probing, and at times challenging, questions, and many students were performing at high levels. The school has a well-developed system for identifying special needs and at-risk students and has implemented an inclusionary remedial program.

The school's instructional leadership team reports that they are developing interim assessments aligned to the school's curriculum benchmarks. However, at the time of the subsequent renewal visit, the process for developing the interim assessments aligned with the school's curriculum was not clear and evidence suggests that these interim assessments may not be developed in a timely manner. It is also unclear how, and to what extent, interim assessments will be developed and administered in literacy, given the absence of a uniform curriculum. Notwithstanding the absence of these documents and related procedures at the time of the renewal visit, the leadership's unrelenting focus on, and effectiveness in, improving the quality of daily instruction increases the likelihood that Harbor will continue to improve student learning and achievement.

Organizational Effectiveness and Viability

At the time of the visit, the Institute found evidence that the school is an effective and viable organization in terms of its corporate governance and meeting legal requirements. The school director provides regular reports in writing to the school's board on key indicators of the school's academic progress, including student achievement data and progress in meeting its Accountability Plan goals. The board in turn provides constructive criticism by asking the director to explain planning decisions. The board is knowledgeable about the school's academic program and

understands the core business of the school—student achievement—in sufficient depth to permit it to provide effective program oversight

With a number of exceptions to be addressed through corrective plans, the school appears to be in general and substantial compliance with applicable law, rules and regulations and its by-laws and charter. One area requiring action is the creation and institution of policies and procedures for the proper expulsion of students (whose actions prompt the school to seek to not allow the student to return after the end of a school year). Such a policy must incorporate federal due process safeguards, ensure compliance with the Individuals with Disabilities Education Act and provide for alternative instruction pending an expulsion hearing. Since the time of the school's initial renewal, it has put in place additional systems, policies and controls for helping ensure the terms of its charter and applicable laws and regulations are met. Even with these measures, however, there remain areas where the school must work with the Institute to ensure that it ultimately has in place the necessary policies and procedures. Review of school board minutes and other evidence demonstrated that the school's governance structures are sound and sustainable. The conflict of interest inherent in the relationship with the Boys & Girls Harbor Incorporated has not interfered with the school's operations, but the board of trustees must remain vigilant in closely following its conflict of interest provisions and documenting same.

Parents are satisfied with the school program. Responses to parent surveys reflect for the most part extremely positive attitudes. The school has consistently operated at or above full enrollment, has a modest waitlist at each grade, and a high retention rate. The school has addressed the key design elements incorporated into its charter.

Fiscal Soundness

The school completed the 2005-06 school year in weak but stable financial condition, finishing with a net asset deficiency of \$57,806. In all but two years of its existence the school has finished with a net asset deficiency. Stated simply, the school has consistently owed more than it owns. However, the school has no long-term debt and has generated sufficient cash to fund ongoing operations.

The school's audit reports during its renewal charter period have not identified any reportable conditions related to deficiencies in the design and operation of its internal control over financial reporting nor has it been cited for noncompliance. The school has met its financial reporting requirements and such reporting has been complete and accurate. However, the school requires constant reminders about timeliness and is often one to two-weeks late in submitting reports.

The school has generally operated in a fiscally sound manner in its current grade configuration and is likely to continue to do so assuming continued strong enrollment demand. The school does have opportunities for improvement in the areas of budgeting, timeliness of financial reporting and board oversight of transactions with the Boys & Girls Harbor (BGH). The school has presented a reasonable and appropriate fiscal plan for the proposed new charter period that draws on its experience of six years of operations. The plan does not anticipate any significant changes in facilities or operations and projects a modest improvement in the school's financial position.

ATTAINMENT OF RENEWAL BENCHMARKS

Evidence Category	Benchmarks	
Renewal Question 1 Is the School an Academic Success?		
Benchmark 1A Academic Attainment & Improvement	1A.1	English Language Arts: The school meets or has come close to meeting the English Language Arts goal in its Accountability Plan over the term of its charter.
	1A.2	Mathematics: The school meets or has come close to meeting the mathematics goal contained in its Accountability Plan over the term of its charter.
	1A.3	Science: The school meets or has come close to meeting the science goal contained in its Accountability Plan over the term of its charter.
	1A.4	Social Studies: The school meets or has come close to meeting the social studies goal contained in its Accountability Plan over the term of its charter.
	1A.5	NCLB: The school has made adequate yearly progress as required by NCLB.

Accountability Plan Academic Goals

In its Accountability Plan, the school established academic goals in the key subjects of English language arts (ELA) and mathematics, as well as science and social studies. For each goal there are specific outcome measures to demonstrate academic success. These 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 (in reading and math only). The following table shows the required outcome measures for each subject area goal.

Type of Measure	Required Accountability Plan Outcome Measure	Goal			
		ELA	Math	Science	Social Studies
Absolute	75 percent of students who are enrolled in at least their second year will perform at or above Level 3 on the New York State exam.	✓	✓	✓	✓
	Each year the school's aggregate Performance Index on the State exam will meet its Annual Measurable Objective set forth in the State's No Child Left Behind (NCLB) accountability system.	✓	✓		

Type of Measure	Required Accountability Plan Outcome Measure	Goal			
		ELA	Math	Science	Social Studies
Comparative	Each year the percent of students who are enrolled in at least their second year and are performing at or above Level 3 on the State exam will be greater than the local school district.	✓	✓	✓	✓
	Each year, the school will exceed its expected level of performance on the State exam by at least a small Effect Size (performing higher than expected to small degree) according to a regression analysis controlling for students eligible for free lunch among all public schools in New York State.	✓	✓		
Value Added	Grade level cohorts of students will reduce by one-half the gap between their average NCE in the previous spring on a nationally normed test and an NCE of 50 in the current spring. If a grade level cohort exceeds an NCE of 50 in the previous year, the cohort is expected to show at least an increase in the current year.	✓	✓		

Besides the required outcome measures under each subject area goal and a required NCLB outcome measure, the school may also have included additional self-selected academic outcome measures as part of its Accountability Plan. As the basis for determining if a school has met its goals, the various required and optional outcome measures provide the framework for evaluating the school's performance and addressing the sub-sections of this benchmark. The following tables indicate the specific outcomes under each of the goals and measures contained in the school's Accountability Plan for the charter period.¹¹

¹¹ Bold numbers appearing in the tables are the critical values for determining if a measure was met in a given year.

English Language Arts Goal: *Students will become proficient in the ELA skills of reading, writing & listening.*

In 2004-05, the first year of the charter period, Harbor's fourth grade met or came close to meeting all of its absolute, comparative and value-added measures. With 74 percent of the school's fourth grade proficient on the state ELA exam, the school outperformed the district and met the criterion for aggregate fourth grade performance under the state's NCLB accountability system. Its fourth grade also performed better than predicted to a large degree in comparison to similar public schools throughout the state, according to the Institute's Comparative Performance Analysis. While the eighth grade did outperform the local district and met the NCLB aggregate criterion, only 28 percent were proficient on the state exam and it did not perform significantly better than similar public schools statewide. For the value-added measure, six out of eight grade-level cohorts achieved their targeted growth on the Iowa Test of Basic Skills (ITBS), and overall the school approached grade level.

In 2005-06, the second year of its charter period, 71 percent of students in grades three through eight were proficient on the state ELA exam; students in the lower grades were more likely to be proficient than those in the upper grades. The school exceeded the aggregate ELA objective set by the NCLB accountability system. In 2005-06, Harbor again outperformed the local district, and did considerably better than predicted in comparison to similar public schools statewide. However, in this year only three of seven cohorts made their targets under the value-added measure, and the overall school performance improved slightly, just reaching grade level.

Absolute Measures	Results (in percents)			
Each year, 75 percent of students who are enrolled in at least their second year will perform at or above Level 3 on the New York State ELA examination. ¹²	Grade	School Year		
		2004-05	2005-06 (N=143)	
	3	-	92.0	
	4	73.9 (N=23)	87.0	
	5	-	75.0	
	6	-	60.0	
	7	-	45.0	
	8	28.0 (N=25)	61.5	
All	-	70.6		
Each year, the school's aggregate Performance Index (PI) on the State ELA exam will meet its Annual Measurable Objective (AMO) set forth in the state's NCLB accountability system. ¹³	Index	School Year		
		2004-05	2005-06	
		Grade 4 (N=28)	Grade 8 (N=27)	Grades 3-8 (N=162)
	PI	171	130	167
AMO	131	116	122	

¹² New York State administered ELA exams to students only in grades 4 and 8 until the 2005-06 school year when it began testing students in grades 3-8.

¹³ PI is calculated by adding the percent of students in all tested grades who are performing at Levels 2, 3 & 4 to the percent at Levels 3 & 4. Beginning in 2005-06 the aggregate PI for all tested grades is compared to a single AMO rather than comparing the PI of each tested grade to an AMO specific to that grade.

Comparative Measures	Results (in percents)			
A higher proportion of students who have been enrolled for at least two years will score on or above level 3 on the New York State ELA exam than students in the local school district . ¹⁴	Comparison	School Year		
		2004-05		2005-06
		Grade 4	Grade 8	Grades 3-8
	School	73.9	28.0	70.6
District	51.6	20.9	41.4	
Each year, the school will exceed its expected level of performance on the State ELA exam by at least a small Effect Size (performing higher than expected to small degree) according to a regression analysis controlling for students eligible for free lunch among all public schools in New York State. ¹⁵	Analysis	School Year		
		2004-05		2005-06
		Grade 4 (N=28)	Grade 8 (N=27)	Grades 3-8 (N=162)
	Predicted	59.9	29.2	47.2
	Actual	75.0	33.3	68.2
Effect Size	0.88	0.21	1.09	

Value-Added Measures	Results		
Each year grade-level cohorts of students will reduce by one-half the gap between their average NCE in the previous spring on a nationally-normed reading test, and an NCE of 50 (i.e., grade-level) in the current spring. If a grade-level cohort exceeds an NCE of 50 in the previous year, the cohort is expected to show at least an increase in the current year.	MEAN NCE	School Year	
		2004-05 (Grades 1-8) (N=163)	2005-06 (Grades 2-8) (N=163)
	Baseline	46.5	49.0
	Target	47.8	49.5
	Actual	49.1	49.8
	Cohorts Made Target	(6 of 8)	(3 of 7)

Mathematics Goal: *Students will become proficient in the Mathematics skills of problem-solving and computation.*

As in the case of ELA, Harbor's fourth grade performed considerably better than its eighth grade in 2004-05, with 87 and 44 percent respectively achieving proficiency on the state mathematics exam. That year, both grades outperformed the local district and met the aggregate criterion under the state's NCLB accountability system. In addition, these grades performed significantly better than predicted in comparison to similar schools statewide. In terms of the value-added measure, all eight cohorts achieved their targets and overall the school performance improved to an average of almost 10 NCE points above grade level.

In 2005-06, the second year of its charter period, Harbor continued to achieve its math goal; specifically, it met both absolute measures and both comparative measures. Overall, 76 percent of students in grades three through eight were proficient on the state math exam, although the pattern of lower grades performing at higher levels than upper grades persisted. The school exceeded its aggregate math objective under the NCLB accountability system and again outperformed the local district. Its performance in comparison to similar schools statewide was significantly better than

¹⁴ The percentages compare the aggregate of all students performing at Levels 3 & 4 in tested grades who have been enrolled for two or more years in the charter school to the aggregate of all students in the same tested grades in the local school district.

¹⁵ Starting in 2004-05, the Institute conducts this Comparative Performance Analysis of the school's actual performance in relation to its predicted performance based on the performance and free-lunch statistics of all New York State schools with the same grades. This complex and fair statistical analysis provides an opportunity to see where an individual school stands compared to demographically similar schools across the state. A small Effect Size is 0.3 or greater. This analysis is based on free-lunch statistics from 2004-05, the most current ones available.

predicted, according to the Institute's Comparative Performance Analysis. In contrast, the school did not perform as well on its value-added measure, with only three of seven cohorts achieving their targets and the overall performance slipping. Despite this decline Harbor's average did remain above grade level in math.

Absolute Measures		Results (in percents)		
Each year, 75 percent of students who are enrolled in at least their second year will perform at or above Level 3 on the New York State math examination. ¹⁶	Grade	School Year		
		2004-05		2005-06 (N=144)
	3	-		96.0
	4	87.0 (N=23)		91.3
	5	-		75.0
	6	-		80.0
	7	-		50.0
	8	44.0 (N=25)		59.3
	All	-		75.7
Each year, the school's aggregate Performance Index (PI) on the State math exam will meet its Annual Measurable Objective (AMO) set forth in the state's NCLB accountability system. ¹⁷	Index	School Year		
		2004-05		2005-06
		Grade 4 (N=28)	Grade 8 (N=27)	Grades 3-8 (N=163)
	PI	186	141	172
AMO	142	93	86	
Comparative Measures		Results (in percents)		
A higher proportion of students who have been enrolled for at least two years will score on or above level 3 on the New York State math Exam than students in the local school district . ¹⁸	Comparison	School Year		
		2004-05		2005-06
		Grade 4	Grade 8	Grades 3-8
	School	87.0	44.0	75.7
District	65.4	27.4	48.6	
Each year, the school will exceed its expected level of performance on the State math exam by at least a small Effect Size (performing higher than expected to small degree) according to a regression analysis controlling for students eligible for free lunch among all public schools in New York State. ¹⁹	Analysis	School Year		
		2004-05		2005-06
		Grade 4 (N=28)	Grade 8 (N=27)	Grades 3-8 (N=164)
	Predicted	79.1	37.6	52.3
	Actual	85.7	48.1	74.4
Effect Size	0.50	0.51	1.02	

¹⁶ New York State administered ELA exams to students only in grades 4 and 8 until the 2005-06 school year when it began testing students in grades 3-8.

¹⁷ PI is calculated by adding the percent of students in all tested grades who are performing at Levels 2, 3 & 4 to the percent at Levels 3 & 4. Beginning in 2005-06 the aggregate PI for all tested grades is compared to a single AMO rather than comparing the PI of each tested grade to an AMO specific to that grade.

¹⁸ The percentages compare the aggregate of all students performing at Levels 3 & 4 in tested grades who have been enrolled for two or more years in the charter school to the aggregate of all students in the same tested grades in the local school district.

¹⁹ Starting in 2004-05, the Institute conducts this Comparative Performance Analysis of the school's actual performance in relation to its predicted performance based on the performance and free-lunch statistics of all New York State schools with the same grades. This complex and fair statistical analysis provides an opportunity to see where an individual school stands compared to demographically similar schools across the state. A small Effect Size is 0.3 or greater. This analysis is based on free-lunch statistics from 2004-05, the most current ones available.

Comparative Measures	Results (in percents)				
A higher proportion of students who have been enrolled for at least two years will score on or above level 3 on the New York State science exam than students in the local school district . ²¹	Comparison	School Year			
		2004-05		2005-06	
			Grade 4	Grade 8	Grade 4
	School	91.3	40.0	NA	NA
	District	58.3	33.9	64.2	30.7
Value-Added Measures	Results				
Each year grade-level cohorts of students will reduce by one-half the gap between their average NCE in the previous spring on a nationally-normed math test, and an NCE of 50 (i.e., grade-level) in the current spring. If a grade-level cohort exceeds an NCE of 50 in the previous year, the cohort is expected to show at least an increase in the current year.	MEAN NCE	School Year			
		2004-05		2005-06	
		(Grades 1-8) (N=156)		(Grades 2-8) (N=163)	
	Baseline		49.7		58.5
	Target		49.9		58.6
	Actual		58.9		55.7
	Cohorts Made Target	(8 of 8)		(3 of 7)	

Science Goal: *Students will become proficient in the knowledge, skills and concepts of Science.*

In 2004-05 Harbor's fourth grade far exceeded its absolute measure with 91 percent achieving proficiency on the state science exam; however, only 40 percent did so in the eighth grade. Nevertheless, both grades outperformed their respective grades in the local district. Results for 2005-06 are unavailable at this time.

Absolute Measures	Results (in percents)				
Each year, 75 percent of students who are enrolled in at least their second year will perform at or above Level 3 on the New York State science exam. ²⁰	Grade	School Year			
		2004-05		2005-06	
		(N)	%	(N)	%
	4	(23)	91.3	NA	NA
8	(25)	40.0	NA	NA	

Social Studies Goal: *Students will become proficient in the knowledge, skills and concepts of Social Studies.*

In the first year of the charter period neither fifth nor eighth grade met the absolute measure on the state social studies exam. Despite this, both grades did outperform their respective grades in the local district. In the subsequent year, the fifth grade performance improved to close to meeting the absolute measure with 71 percent achieving proficiency. Results for the eighth grade are unavailable at this time.

²⁰ New York State administers the science exam to the fourth and eighth grades.

²¹ The percentages compare the aggregate of all students performing at Levels 3 & 4 in tested grades who have been enrolled for two or more years in the charter school to the aggregate of all students in the same tested grades in the local school district.

Absolute Measures	Results (in percents)				
Each year, 75 percent of students who are enrolled in at least their second year will perform at or above Level 3 on the New York State social studies exam. ²²	Grade	School Year			
		2004-05		2005-06	
		(N)	%	(N)	%
	5	(22)	54.5	(24)	70.8
	8	(25)	32.0	NA	NA

Comparative Measures	Results (in percents)				
A higher proportion of students who have been enrolled for at least two years will score on or above level 3 on the New York State social studies exam than students in the local school district . ²³	Comparison	School Year			
		2004-05	2005-06		
		Grade 5	Grade 8	Grade 5	Grade 8
	School	54.5	32.0	70.8	NA
District	50.8	20.1	64.8	16.6	

NCLB Goal

Harbor 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 mathematics exams. In holding charter schools to the same standards as other public schools, the state issues a school accountability report indicating the school's accountability status each year. Harbor is deemed to have been in good standing under the state's NCLB accountability system.

Absolute Measures	Results (in percents)		
	Status	School Year	
		2004-05	2005-06
Under the state's NCLB accountability system, the school's Accountability Status will be "Good Standing" each year. ²⁴			
	Good Standing	Yes	Yes

²² New York State administers the social studies exam in the fifth and eighth grade.

²³ The percentages compare the aggregate of all students performing at Levels 3 & 4 in tested grades who have been enrolled for two or more years in the charter school to the aggregate of all students in the same tested grades in the local school district.

²⁴ The New York State Education Department issues report cards for each school which indicate whether a school has made adequate yearly progress (AYP) as required by the federal No Child Left Behind Act (NCLB). Schools that have not failed to make AYP for two successive years are considered to be in "Good Standing."

Evidence Category	Benchmarks
<p style="text-align: center;">Renewal Question 2 Is the School an Effective, Viable Organization?</p>	
<p>Benchmark 2A</p> <p>School Specific Non-Academic Goals</p>	<p>2A</p> <p>The school meets or has come close to meeting the Unique Measures of non-academic student outcomes that are contained in its Accountability Plan over the life of the charter (if any).</p>

In its Accountability Plan, Harbor has Unique Measures of non-academic student outcomes pertaining to student behavior and to knowledge of health, nutrition and hygiene along with an appreciation for physical activity, as well as to knowledge and appreciation of the arts. The effectiveness of the school in improving student behavior and increasing knowledge of health issues were determined by parent and student responses to survey questions. Art appreciation and knowledge were determined by participation in the annual art exhibition.

Through parent surveys, 85 percent of parents were expected to indicate that they see improvements in their children's behavior through the school's program and that they recognize the positive, safe and secure tone of the school. According to the renewal application, in 2005-06, almost all parents gave a positive response to these survey items.

Through parent surveys, 85 percent of parents were expected to indicate that their children have a better understanding of health, nutrition, hygiene and that their children have improved their physical activity through the school's program. According to the renewal application, in 2005-06, the vast majority of parents gave a positive response to these survey items. The application notes that many lower school families (Grades 1-4) feel that the school should offer more athletic opportunities other than physical education during the regular school day.

Each student was expected to participate in the school's annual art gallery exhibition in which students would identify their best work of art, publish an artistic analysis of the piece demonstrating a satisfactory understanding and use of key artistic terms, and display the art work at the annual gallery exhibition. According to the renewal application, in June 2006, all students chose their favorite work of art to show at the annual art exhibit. The school reports that a floor in the school was dedicated to an extended gallery space. It was filled with student work and organized by grade and artistic methods to encourage investigation and discovery. Students were trained as docents to walk guests through the gallery and explain art and the art standards. Aside from the docents' training, the school did not report on the extent to which all students engaged in artistic analyses and used key artistic terms.

Evidence Category	Benchmarks
<p>Benchmark 2B</p> <p>Mission & Design Elements</p>	<p>2B The school is faithful to its mission and has implemented the key design elements included in its charter.</p>

The mission of Harbor Science and Arts Charter School is:

It is the mission of the Harbor Science and Arts Charter School to provide students with a high quality education through a rigorous academic program that infuses character building, physical wellness and the arts. Students will graduate with the skills and knowledge necessary to succeed in higher learning institutions and have the capability to make a positive contribution to society.

Harbor's key design elements include:

- a focus on academic rigor with an emphasis on English Language Arts and Mathematics;
- the provision of sufficient resources for students with special needs;
- a partnership with Boys & Girls Harbor Incorporated to provide academic and enrichment resources;
- building a culture of respect for self and community;
- being appreciative and aware of self through various activities that enrich students such as physical education classes, athletics, and lunchroom health seminars;
- 75% of students scoring on or above grade level on New York State tests;
- outperforming Community School District 4 on New York State tests;
- being "In Good Standing" each year under the state's NCLB accountability system;
- receiving a high degree of parent satisfaction;
- 100% of students participating in the school's annual art gallery exhibition;
- 90% of students re-enrolling; and
- achieving a 95% daily attendance rate.

Harbor has generally implemented its key design elements. The academic program is effective; students have demonstrated solid achievement in ELA and math. Almost half the students are enrolled in after-school programs run by Boys & Girls Harbor Incorporated and all grades participate in its eight-week swimming program. Students participate in a physical education program that promotes daily exercise and ties athletic participation to student performance. The school has met the student academic outcome measures included in the key elements. Parents demonstrate their satisfaction with the school with a high response rate and strong positive sentiments on a parent survey and by re-enrolling their children. The attendance rate was just shy of the stated target.

Despite the school's name "Harbor Science and Arts Charter School," art and science programs are not particularly emphasized. Students in grades 1-6 participate in the Performing Arts Conservatory during the school day (music, dance and drama) and 7th and 8th grade students may participate in the Performing Arts after-school program; however, only participation in the art exhibition (see Benchmark 2A) is identified in the school's key design elements. Moreover, science is neither included as a design element, nor referenced in the school's mission statement.

Evidence Category	Benchmarks
Benchmark 2C Governance	2C.1 The school board has worked effectively to achieve the school's mission and specific goals.
	2C.2 The board has implemented and maintained appropriate policies, systems and processes and has abided by them.

Achieved School Mission and Goals

The school director provides regular reports in writing to the school's board on key indicators of the school's academic progress, including student achievement data and progress in meeting its Accountability Plan goals. The board is knowledgeable about the school's academic program and understands the core business of the school—student achievement—in sufficient depth to permit it to provide effective program oversight.

The board has created Fundraising, Academic Oversight, Finance and Board Development Committees. At the time of the visit, however, the board's Academic Oversight and Finance Committees were not fully functioning. Shortly after the Academic Oversight Committee elected its most recent chair, an experienced educator that board members agreed would provide significant leadership and direction, the chair resigned from the board. When the visit took place, the board was still searching for a replacement. Without the contribution of the academic committee, the board is limited in the extent to which it can make independent professional judgments on the effectiveness of the various components of the academic program.

The board chair and the executive director of Boys & Girls Harbor, also a member of the board, conduct formal evaluations of the school director based on a set of rubrics describing leadership qualities, available through New York City Department of Education. In addition to discussing their findings with the director, they assess the goals set at the previous review and set new goals for the coming year. In the spirit of supporting the school leader's own professional development and in response to their evaluation of her performance, the board has provided a coach to help her improve her planning methods, use of time, delegation of responsibility, etc. While the board has taken a number of steps to support and develop the current school leader, it has not developed any leadership succession plans.

The board has taken an active oversight role in monitoring the implementation of new components of the educational program. It has worked effectively with the school director to change the classroom staffing structure, to improve the school's hiring practices, and to initiate a school-wide focus on physical wellness. In general, while the board is acutely aware of all aspects of the school's program and the extent to which it is effectively delivered, they appear to understand well their program oversight responsibilities, leaving the daily management of the school to the school director.

Implemented Appropriate Policies, Systems, and Processes

As part of its renewal review, the Institute reviewed the status of the school's policies and procedures at the time of the original renewal visit and then determined what progress the school had made since then. The school still presented only mixed evidence that the school's board of trustees had fully developed, implemented and maintained appropriate policies, systems and processes and had abided by them. The Institute also noted that the school board had no defined timetable or system for review of policies. The following areas had deficient policies, procedures and/or publications: handling grievances; student discipline (regular and special education); lateness; parent/student handbook; Family Educational Rights and Privacy Act (FERPA); Freedom of Information Law (FOIL); Open Meetings Law (OML); and health services. The Institute will address the foregoing deficiencies through a corrective plan.

In terms of conflicts of interest, the school did not appear to be abiding by all of the provisions in its by-laws related to avoiding conflicts with Boys & Girls Harbor Incorporated (BGH), its partner organization, as also noted in the Institute's previous renewal report. However, the school did appear to be abiding by its by-laws provision that restricts BGH affiliation on the board to two-fifths.

A review of the school board's meeting minutes and an interview with the school board revealed deficiencies, such as a few cases where e-mail voting was referenced and a school board vote was taken subject to later e-mail ratification in violation of the New York Open Meetings Law; where the finance committee was formed with too few members under the by-laws and Not-For-Profit Corporation; and, in at least one instance, where a quorum was not present but school business was still conducted in violation of the school's by-laws and the Education Law. The Institute addressed the quorum issue through a request for amendment to the by-laws that must be incorporated into the renewal charter. A request for amendment also addressed a provision in the school's code of ethics, which is at odds with the school's by-laws in terms of school trustees being affiliated with BGH, and the code's lack of applicability to employees and officers as envisioned by the Education Law.

In terms of school board governance policies, there was improvement since the last renewal including evidence that all board members receive a copy of the school's by-laws and a board meeting book with a schedule of meetings, staff list and school calendar.

Evidence Category	Benchmarks
Benchmark 2D Parents & Students	2D Parents/guardians and students are satisfied with the school.

Parents at the Harbor Science and Arts Charter School are generally quite pleased with the school's performance, given that 83 percent of students' families responded to the spring 2006 survey. Out of 24 questions, in only four questions did less than 90 percent of the parents choose a positive response, and for all items at least 83 percent were positive. Ninety-five percent of the parents expressed satisfaction with the quality of instruction their child was receiving and expressed overall satisfaction with the school. In addition, Harbor continues to hold a long waiting list. Most recently the list contained 86 students with a school enrollment of 213. Finally, with a 96 percent student retention rate, the school exceeds the 90 percent target goal of students enrolled the previous year returning to Harbor the following September

In 2003, approximately 66 percent of parents completed the survey (69 out of 105); in 2004, there was a 63 percent return rate (95 out of 151); in 2005 after enhancing the survey collection effort, 87 percent (129 out of 148) responded. These response rates attest to the school's interest in getting parental feedback as a way to ensure satisfaction with the school's program. In its renewal application, the school addresses each of the lower scoring items to explain what improvements have been undertaken in response to parents' relative dissatisfaction.

Evidence Category	Benchmarks
<p align="center">Benchmark 2E</p> <p>Legal Requirements</p>	<p align="center">2E</p> <p>The school has substantially complied with applicable laws, rules and regulations and the provisions of its charter.</p>

Except for the policy and other deficiencies noted under Benchmark 2C, and except as set forth below, the Institute finds that the school has had in place and maintained effective systems and other internal controls for ensuring general and substantial compliance with the terms of its renewal charter agreement and applicable laws and regulations. With exceptions, the school's board meeting 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 Act, applicable provisions of the New York Education Law and other New York law and regulations, applicable federal law and regulations, its by-laws and the provisions of its charter during the term of its renewal charter and at the time of the subsequent renewal visit. To the extent there are significant exceptions, the Institute has mandated corrective action or requested revisions to the renewal charter application to remedy deficiencies.

The school continues to have a very uneven record of compliance in terms of sending information to the Institute, as well as the State Education Department, as required by the school's charter. While submissions have improved since the time of the last renewal, compliance in certain areas continues to be an issue. For example, at one point during the two-year renewal period, the Institute had not received school board minutes in over a year, been notified of changes in membership of the school's board of trustees (such as new appointments or departures of trustees), or been notified that the school amended its by-laws in March of 2005. While the school board has been aggressive in dealing with on-going issues regarding all employees being cleared through fingerprint supported criminal background checks, some problems persisted. In 2006, for example, the school hired five employees and allowed them into the school prior to being fingerprinted or confirming prior background checks by the State Education Department. At the time of the renewal visit, only two employees were not properly cleared. It should be noted, however, that emergency conditional appointments for many employees were originally passed by the board in September 2006.

Meeting teacher certification and the federal No Child Left Behind Act of 2001 (NCLB) "highly qualified" teacher requirements proved difficult for the school during the renewal term. For example, the Institute found six teachers were not certified during the 2005-06 school year and at the time of the renewal visit, including one special education teacher in violation of the federal Individuals with Disabilities Education Act (IDEA). With one or two exceptions, it appeared that nearly all teachers were highly qualified under the NCLB. However, in September 2006 the State Education Department required the school to submit a remedial plan for bringing teachers into compliance with the NCLB highly qualified requirements because it found only 36% of the teachers met the requirements during the 2004-05 school year.

One issue related to employment law that surfaced during the renewal was the school's lack of proper posting of a variety of mandated notices related to minimum wage, equal employment opportunity, etc. (The school did have its workers compensation notice posted in the office.) Despite the availability of guidance from the Institute, the school still had difficulty in coming into compliance with the Open Meetings Law and Freedom of Information Law (FOIL) during its

renewal term. For example, there was no evidence that school board committees were properly keeping minutes of meetings, or that the school posted board meeting notices in the building (or other designated public place) in conformance with the Public Officers Law. More minor is the fact that in some cases the school's board minutes reflect only that a resolution was passed rather than stating "unanimously" or detailing each trustee's vote in accordance with the Public Officers Law. The school continued to lack awareness of its obligation to provide records access under state law.

While the school made an honest effort to comply with the federal Family Educational Rights and Privacy Act (FERPA), it did not achieve full compliance. In addition to deficiencies in the information on FERPA supplied by the school, its records handling practices violated FERPA. Specifically, health records, Individualized Education Program files and regular student files all had removal forms or sign-out logs (for taking a record out of the storage room) but did not have the required access log showing who accessed the record.

In terms of the provision of health services required by 8 N.Y.C.R.R. Part 136 (made applicable by the Act), and even though charter schools are not strictly required to hire a nurse, the Institute found that the school's lack of a school nurse rendered its program of health services deficient. While different employees and entities are fulfilling different roles in the health services program, no central person is responsible for ensuring that health records are accurate or that all required services are provided, nor is there any legal way for children to have medication dispensed at school. As a result, some children in need of medication during the day may not be able to attend school. In addition, the school does not have a medical practitioner to attend Committee on Special Education (CSE) meetings in appropriate situations or to evaluate potential medically related disabilities under Section 504 of the federal Rehabilitation Act of 1973. The school has made attempts and had some success in getting the New York City Department of Health and Mental Hygiene's Bureau of School Children and Adolescent Health to provide sporadic nursing services. However, this situation has continued from the time of the school's first renewal.

The most serious violation of law and charter that the Institute found during the subsequent renewal visit involved the school's practice of not inviting children back to the school after the end of a school year without providing proper due process protections. To its credit, the school believed it could engage in this expulsion practice (and only offer post-decision appeals to parents), and it was not trying to hide its actions. Nonetheless, the situation must be remedied.

In addition to the lack of due process, certain elements of the school's actions in this regard were troubling. For example, there was evidence that the school regarded at least one child in this situation as being disabled and school personnel had suggested the student be medicated yet there was no referral to the CSE nor was he disciplined under the special education disciplinary rules in violation of the IDEA. Nor were any of the staff medically qualified to offer that opinion. Further, the school decided that the student would be able to re-apply for admission if he met certain academic or other criteria to be developed by the school. As such a structure would seem to generally violate Education Law subdivision 2854(2), which allows any student eligible to attend public schools to attend public charter schools and forbids aptitude and other admission tests, but conditions on re-entry are generally permissible if imposed at the time of a hearing for long term suspension, (or perhaps expulsion), the school should have consulted an attorney familiar with such matters before the condition was imposed or at least at the time of the appeal.

Evidence Category	Benchmarks
<p style="text-align: center;">Renewal Question 3 Is the School Fiscally Sound?</p>	
<p style="text-align: center;">Benchmark 3A Budgeting and Long Range Planning</p>	<p style="text-align: center;">3A 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.</p>

While the school's budgeting practices and procedures are established, there is ample room for improvement. During its renewal charter, the school has operated pursuant to annual budgets adopted by its board. Long-range financial plans, other than those prepared as part of its initial and renewal applications are not updated periodically. Ideally, the school would review and update its long-range plans on at least an annual basis. Budgets have provided a framework for the school's spending activities and monitoring procedures were in place, but not particularly effective. As a result, the school has not always operated on a balanced budget and has an accumulated net asset deficiency of \$57,806 (2.44 percent of total expenses for FY 2006).

The board provides oversight of school finances on an ongoing basis. A regular financial report is provided to the board by the chief financial officer of BGH. The report typically includes a budget to actual comparison, but not an extensive analysis of variances. Now in its seventh operating year, the school has not fully developed sound budget development and monitoring practices. For example, at its May 2006 board meeting, the board was informed that it would likely finish the year with a small surplus, but in reality it finished the year with a substantial deficit of \$117,661. When queried at the time of the renewal visit, the board could not provide a satisfactory answer for how its fortunes could turn so quickly.

In each of the last two years, the school's actual expenses have exceeded budgeted expenses. In 2004-2005 when the school's actual revenue exceeded budgeted revenue, the overspending was offset and the school finished with a modest surplus. However in 2005-2006 actual revenues were less than budgeted which compounded the overspending and resulted in the substantial deficit. This consistent overspending and failure to operate on a balanced budget should prompt the school to reexamine its budget preparation and monitoring procedures as they are clearly not effective.

The school typically starts its annual budget development process much later than other charter schools that begin the process as early as December or January. As a result, during its first charter period, the school often submitted its budget late and for the 2006-2007 school year the board did not approve its budget before June 30th as required. In fact, there was no evidence that the board discussed the preliminary budget until its June meeting.

Evidence Category	Benchmarks
<p>Benchmark 3B</p> <p>Internal Controls</p>	<p>3B</p> <p>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.</p>

Based on interviews with staff and review of documentation, the school has established processes and controls related to receipts, payroll, procurement and the safeguarding of assets. The school's independent certified public accountant has not issued written management letters indicating any deficiencies in conjunction with the school's annual financial statement audits.

The school has established and adopted written fiscal policies and procedures as part of its Accounting Policies and Procedures Manual. These policies address the accounting policies and procedures followed by the BGH. The policies have not been updated since November 2000 and should be reviewed and updated to reflect current practices. While the school generally has good records related to its technology equipment, its records related to other capital assets are not as complete. Also procedures related to identification (tags) and physical inventory procedures are not addressed.

The school is related to the BGH through common management. The school and BGH have a cost allocation plan for transactions between the two entities that is delineated in a memorandum of agreement (MOA) between the two entities. There remain several transactions between the two organizations that require the Board's continued vigilance. All transactions between the two entities should be reviewed and approved by the school's finance committee, but there is no evidence that the finance committee has done so in the renewal charter period.

The board is ultimately accountable and responsible for the finances of the school. At the same time, while the school's leader has overall responsibility for the school's operations, she is primarily and appropriately focused on academic achievement and staff development. As a result, the school relies heavily on the staff of the BGH for its financial operations. The staff of the BGH established and runs the school's back office operations. Under this arrangement, the school benefits by receiving the services of staff that are more highly trained and experienced than the school might otherwise obtain for the same cost. However, as noted in the school's last renewal report, the arrangement does present challenges for the school in that the charter school is just one component of the multi-faceted responsibilities of BGH staff. The school needs to ensure its finances are given the highest priority. Presently, there is evidence that this is not always the case. For example, the school missed an opportunity to spend \$50,000 in grant funds when it was unable to complete approved work on renovating its library, obtaining new lockers and purchasing air conditioners. These funds were leftover from several years prior, but the school could have used these funds because the grant period was extended in March 2006. However, the school did not complete this project before the revised project term expired on September 30, 2006, thereby missing out on an ideal chance to benefit the program with supplemental funds.

Evidence Category	Benchmarks
<p>Benchmark 3C</p> <p>Financial Reporting</p>	<p>3C</p> <p>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.</p>

Generally, the school has met its financial reporting requirements. However, the school requires constant reminders about timeliness and is many times one to two weeks late in submitting reports. Most recently, the school's audit for 2005-2006 was filed two weeks late.

The school's annual financial statement audit reports have all had unqualified opinions. An unqualified auditor's 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 generally accepted accounting principles.

Currently the MOA between the school and Boys & Girls Harbor indicates that BGH will solicit bids for conducting the annual audit. The need for independence dictates that the board should solicit and review proposals for performing the annual audit. BGH should not be controlling this process.

Evidence Category	Benchmarks
<p>Benchmark 3D</p> <p>Financial Condition</p>	<p>3D</p> <p>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)..</p>

The school completed the year in weak but stable financial condition. The school is solvent and has maintained adequate cash flow. For 2005-2006, the school had a deficiency of support and revenue over expenses of \$117,661 and finished with total net asset deficiency of \$57,806. The school has fixed assets of \$35,219 and no long-term debt.

Private grants and contributions were steady in the early years of the school, contributing up to 35 percent of the school's budget. However, such support declined to less than one percent of the school's budget in 2005-2006. Although the school has relatively low facility costs and use of BGH for back office operations is economical, the lack of private funding clearly put a strain on the school's budget given the cost structure it has in place (two teachers in lower grades and small class sizes in grades 6-8). A high percentage of the school's operating budget (more than 75 percent) is devoted to employee salaries and benefits making it difficult to find areas of cost savings without a change to its organizational structure. The school will benefit in the upcoming year from a large jump in the per pupil funding (12.24%) allocation it receives for each student.

Evidence Category	Benchmarks
<p style="text-align: center;"><u>Renewal Question 4</u> <u>Should the School's Charter Be Renewed,</u> <u>What Are Its Plans for the Term of a Future Charter?</u></p>	
<p>Benchmark 4A</p> <p>Plans for the School Structure (mission, enrollment, schedule)</p>	<p>4A</p> <p>Key structural elements of the school's plans for the next charter period are reasonable, feasible and achievable.</p>

The Harbor Science and Arts Charter plans to serve a total of 228 students in grades 1-8 in the proposed renewal charter term. Harbor plans to follow the New York City Department of Education school calendar because Boys & Girls Harbor operates after-school programs which utilize the same space to be occupied by the school. Harbor plans to operate an extended day program during the school year for students who are in need of remediation as well as students who excel in specific core subject areas. The school also plans to operate a summer readiness program for students entering the third and fourth grade, which extends instructional time for second and third graders by 20 days.

The school plans to enroll essentially the same number of students each year of the new charter period as it enrolls currently. Its staffing plans remain the same and the daily schedule and annual calendar are also constant. Its staff is relatively stable and the leadership is unchanged. As such, the plans to maintain the essential elements of the current school structure are reasonable and feasible.

Given the school's strong academic performance, the quality of instruction observed at the time of the renewal visit, and the leadership's focus on coaching and professional development, it is likely to continue to improve student learning and achievement.

Harbor is likely to carry out its mission of providing students with a high quality education through a rigorous academic program and at the same time address the unique aspects of the program, character building, physical wellness and the arts. Considering the strong eighth grade results in 2005-06, the school is well-positioned to continue to enable students to graduate with the skills and knowledge necessary to succeed in high school, as stated in its mission.

Evidence Category	Benchmarks
<p>Benchmark 4B</p> <p>Plans for the Educational Program</p>	<p>4B The school has clearly laid out its plans for its educational program, shown that it can implement that program and such program will allow the school to meet its Accountability Plan goals.</p>

In its next charter period, Harbor plans to continue to use McGraw Hill materials to deliver instruction in literacy, science (grades 1 – 5) and social studies (grades 1 – 6). In grades 6 – 8, the school will use Globe-Fearon Concepts and Challenges to deliver instruction in science, with supplemental materials. For social studies in grades 7 and 8, the school will use History Alive! Saxon Math will be the foundation for the delivery of instruction in mathematics program. In addition, the school will incorporate a McGraw Hill problem solving component.

Harbor is in the process of establishing a set of curriculum benchmarks for each academic subject to complement those already in place for writing and mathematics. In addition, the school has put in place a self-assessment system whereby the staff monitors benchmark implementation and makes revisions as needed. The school appears to be committed to completing the literacy benchmarks in the near future with science and social studies to follow. These tools will provide the teachers with structure in implementing the instructional program and ensure that the curriculum is aligned from grade to grade.

The school has been in the process of developing a system of interim assessments. When completed, they too will enhance the instructional program by enabling school leaders and staff to track student learning, and thereby evaluate the delivery of instruction and identify students in need of special intervention.

Perhaps, most importantly, the school has in place a support structure for teachers that is likely to improve their pedagogical competency. The school is organized to give the school leaders maximum opportunity to provide coaching and direct ongoing teacher supervision. The leader's quick turnaround in providing feedback to teachers, the modeling of lessons, and the encouragement of personal professional development all give the school a solid foundation for future success.

Harbor's draft Accountability Plan, included in the Renewal Application, is a close approximation of what is required as a final plan.

As stated in the Renewal Application, the key design elements to be addressed in the next charter period are already built into the school structure and ongoing school practices. As such the design elements are reasonable, feasible, and achievable.

Evidence Category	Benchmarks
Benchmark 4C Plans for the Governance Structure	4C The school has provided a reasonable, feasible and achievable governance structure for the term of the next charter.

Working through the Institute's charter renewal process, the school has provided a reasonable, feasible and achievable governance structure for the term of the next charter that includes the following elements:

- 1) The school's proposed by-laws are in accordance with the Act and applicable law;
- 2) The school's code of ethics contains adequate protections against conflict of interest for trustees; and
- 3) The Prospective School Board Organization conforms to the school's by-laws and provides a reasonable governance structure.

Positive responses to interview questions and other evidence demonstrate that the school's governance model is sustainable for a five-year renewal term.

Evidence Category	Benchmarks
<p align="center">Benchmark 4D</p> <p>Fiscal & Facility Plans</p>	<p align="center">4 D</p> <p>The school has provided a reasonable, feasible and achievable appropriate five-year fiscal plan for the term of next charter, including plans for an adequate facility.</p>

The school has provided a reasonable and appropriate five-year fiscal plan for the term of a future charter. The proposed fiscal plan includes a discussion of how future enrollment and facility plans are supported and/or impacted by the plan for the term of its next charter. The school has historically spent more than ¾ of its budget on personal services (salaries, fringe benefits and payroll taxes) and plans to spend similar amounts in the future.

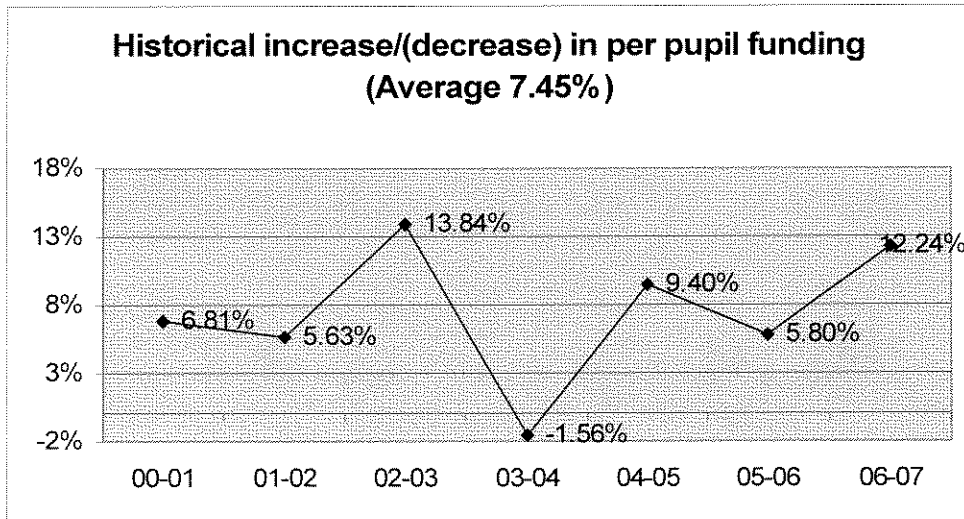
The school's fiscal plan projects a modestly improved financial position over the proposed renewal charter period. Long-range fiscal projections are more susceptible to error than those for a single year. Such projections are subject to revision due to changes in local conditions, objectives, and laws. Should its charter be renewed, the school will be required to develop and adopt annual budgets based on known per-pupil amounts.

The school is planning to continue to operate at its current site. It will utilize the fourth and sixth floors of the facility to conduct classes and have use of the BGH lunchroom, gymnasium and pool facilities. The space is sufficient to serve the projected enrollment, which remains static at 228 students for the length of the proposed new charter period. The school has consistently operated at or above full enrollment and has a modest waitlist for each grade.

The fiscal plan anticipates that the school will need to raise a total of \$54,684 in contributions over the term of the proposed new charter. This amount is within the demonstrated capacity of the school to fundraise. While in its initial charter term, the school demonstrated that it can adjust and meet its financial obligations during a period which its per pupil revenue declined from the previous year (FY 2004), the school is likely to find it difficult to do so in the future because they will not be adding students, unlike in 2004 when they added twenty students.

The school has budgeted assuming three percent increases in both its revenues and expenses beginning in year two of the proposed new charter period. The school's projection of flat annual percentage increases is a simplistic approach to long-range planning, but not necessarily unreasonable. The schools current year (base year) budget includes some conservative assumptions including projecting a 15% increase in employee benefit costs. Given expected turnover in staff, personnel costs may not increase as much as projected over the next five years.

There will always be uncertainty related to projection of revenue increases because of the nature of the charter school funding formula. The school's projections are less than the historical average increase over the life of the school's charter (7.45 percent). Presented below is the per-pupil funding increases and decreases over the school's life.



The school also indicated it will search for new space to allow for the school to further increase enrollment, but has not proposed an increase in its application. This increase in enrollment, subject to approval by the Institute, is estimated by the school to have a positive impact to the projected surplus because most of the projected costs will remain fixed. Those costs that will increase with the added enrollment will be sufficiently covered by the increase in the per pupil reimbursement. Schools are entitled to increase enrollment by 10 percent, in this case 23 students but no more than 25, under the terms of the charter.

The final version of Institute renewal reports should be broadly shared by the school with the entire school community. The reports will be posted on the Institute's website at: www.newyorkcharters.org/schoolsRenewOverview.htm. Further, detailed information about the renewal process—from a summary overview for parents to the full set of Renewal Benchmarks (including the specific elements of each benchmark)—are available at the same web address.