



Massachusetts Department of Elementary and Secondary Education

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Mitchell D. Chester, Ed.D.
Commissioner

MEMORANDUM

To: Members of the Board of Elementary and Secondary Education
From: Mitchell D. Chester, Ed.D., Commissioner
Date: May 13, 2011
Subject: Charter Schools – Report on Conditions for New Leadership Charter School (Horace Mann)

In February 2008, the Board of Elementary and Secondary Education (Board) renewed the charter of New Leadership Charter School (NLCS), a Horace Mann charter school located in Springfield. The renewal was made with seven conditions concerning the school's academic success, organizational viability, and faithfulness to the terms of its charter. The Department's Charter School Office and other Department staff have made multiple visits to the school to monitor its progress toward meeting the conditions. I personally visited the school on January 31, 2011, to meet with school administrators, board members, parents, and teachers.

As discussed below, the school met some, but not all, of the conditions imposed. The school met four of the conditions, although not in a timely manner. Three conditions have not been fully met. In addition, other concerns have been identified since the school's charter was renewed.

The overall performance of this school is well below what we should expect of a charter school midway through its third charter term. The school's academic performance is lackluster, and organizational and financial problems continue to be obstacles to significant improvement. In light of these facts, I have given substantial consideration to revocation. Given that NLCS's charter renewal is scheduled for early 2013; a new academic head is in place this year who has previous experience as a New York City principal; and the fact that the school has not previously been placed on probation, I am not recommending revocation.

Instead, I recommend that you place the school on probation with additional conditions. This will

allow the academic achievement scores from 2011 and 2012 to inform our assessment of the impact of the new academic leadership on student learning. Unless there is substantial improvement in the school’s operation and in the academic performance of its students between now and early 2013, I will consider non-renewal.

New Leadership Charter School

Type of Charter	Horace Mann	Location	Springfield
Regional/Non-Regional	Non-Regional	Districts in Region	NA
Year Opened	1998	Years Renewed	2003, 2008
Maximum Enrollment	500	Current Enrollment	489
Students on Waitlist	111	Grades Served	6-12

According to the school’s charter, “(t)he mission of NLCS is to develop young people in the sixth through twelfth grades morally, mentally and physically; and to imbue them with the highest ideals of duty, honor, and loyalty. Graduates will be academically prepared to attend a college or university of their choice. They will embody three cardinal principles of leadership: vision, integrity, and compassion.”

On October 28, 2010 the Charter School Office (CSO) conducted a site visit to NLCS. The site visit report, and the school’s response to that report, are attached to this memo.

Report on Conditions

In 2008, at the time of the school’s second renewal, the Board imposed seven conditions on the school’s charter. The following information reports on the school’s progress toward meeting those conditions.

Condition 1: No later than March 31, 2008, New Leadership Charter School shall submit all of the following items to the Charter School Office at the Department:

- A charter school Accountability Plan, including goals and annual benchmarks regarding academic success, organizational viability, and faithfulness to charter. The Accountability Plan must be aligned to the school’s current District Plan for School Intervention and School Improvement Plan, and must include as goals that the school will annually achieve Adequate Yearly Progress in the aggregate and for all statistically significant subgroups in English language arts and mathematics.
- All relevant amendments to its charter, as determined through work with the Charter School Office, in accordance with 603 CMR 1.11.
- The bylaws of the board of trustees.

The School shall work with the Charter School Office to receive approval of these items by the

Department no later than June 30, 2008.

Status: Condition not met by the deadline.

The accountability plan was finalized by the June 30, 2008 deadline. The relevant amendments (altering length of school day and year) were received by the Charter School Office in July 2009, fifteen months after the deadline stated in the condition, and approved by August 2009. Documentation to fully process the amended bylaws was received and subsequently approved in August 2009, sixteen months after the deadline stated in the condition.

Condition 2: No later than June 30, 2008, New Leadership Charter School shall submit all required documentation and must provide evidence that it has taken corrective actions required by the Department's Program Quality Assurance (PQA) Unit based upon the most recent Coordinated Program Review (CPR) of the School.

Status: Condition not met by the deadline.

PQA conducted a mid-cycle review in April 2010. This review and a site visit from the CSO identified ongoing issues with the implementation of special education, English language learner education, and facility access for persons with disabilities. Following the mid-cycle review by PQA, PQA received and approved three progress reports between October 2010 and May 2011. The final progress report was approved on May 9, 2011, and the CPR mid-cycle review process for NLCS is now closed.

Condition 3: By December 2009, New Leadership Charter School shall demonstrate that it is an academic success by:

- providing evidence to the Department of Education that the school has met or is making substantial progress toward meeting all benchmarks in its 2008-2013 Accountability Plan; and
- making Adequate Yearly Progress in the aggregate and for all statistically significant subgroups in English language arts and mathematics in 2008 and 2009.

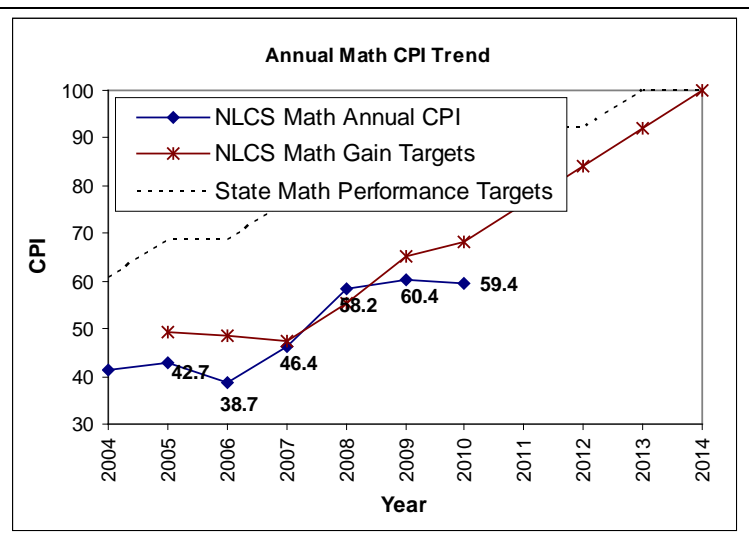
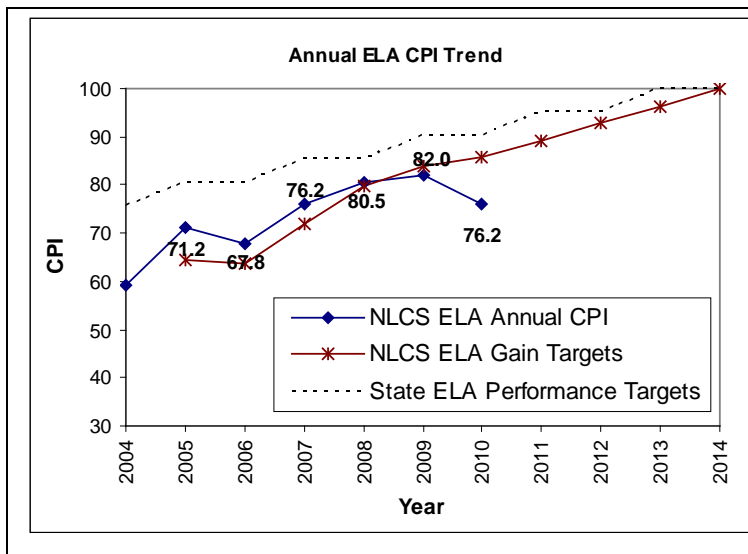
Status: Condition not met.

- NLCS has not made AYP in any of the last three years.
- Performance on the ELA and mathematics MCAS showed a decline in 2010. Please see the academic performance data below.
- In 2009-10, NCLS met three of nine measures in its accountability plan related to academic success; it did not meet the other six measures.
- Also, please see the performance summary spreadsheet which is attached to this memo.

		Adequate Yearly Progress History								NCLB Accountability Status
		2003	2004	2005	2006	2007	2008	2009	2010	
ELA	Aggregate	Yes	No	Yes	No	Yes	Yes	Yes	No	Restructuring Year 2 - Subgroups

	All Subgroups	No	No	No	No	Yes	No	No	No	
MATH	Aggregate	No	No	Yes	No	Yes	Yes	No	No	Restructuring Year 2 - Subgroups
	All Subgroups	No	No	No	No	No	Yes	No	No	

	NCLB Accountability Status	Performance Rating	Improvement Rating
ENGLISH LANGUAGE ARTS	Restructuring Year 2 - Subgroups	Moderate	Declined
MATHEMATICS	Restructuring Year 2 - Subgroups	Very Low	No Change



All Grades – Student Growth Percentiles (Aggregate)	2008	2009	2010
English Language Arts	46.0	53.0	34.0
Mathematics	50.0	54.5	42.0

Condition 4: By January 2010, New Leadership Charter School shall demonstrate significant improvement in its financial condition in both FY08 and FY09 as evidenced by:

- unqualified audit opinions with no material weakness findings;
- annual surpluses as determined by audited income statements;
- current assets exceeding current liabilities as determined by audited balance sheets; and
- positive unrestricted net assets balances.

Status: Condition not met.

A review of financial audits for FY08 through FY10 found the following:

- Unqualified audit opinions with no material weakness findings: Met. From FY08 to FY10, NLCS received unqualified audit opinions.
- Annual surpluses: Not met. In FY08 and FY09, NCLS demonstrated annual surpluses. In FY10, NCLS showed a loss of \$1,427.

- Current assets exceeding current liabilities: Not met. In FY08 and FY10 the school's assets did not exceed current liabilities. The school did meet this in FY09.
- NLCS did not have positive unrestricted net asset balances in any year FY08 through FY10. Not met.
- The school's current financial health is weak. A disagreement between the school and the Springfield Public Schools (SPS) over funding and budget has been referred to the Department for resolution. The lack of a current memorandum of understanding with SPS (discussed below) is an obstacle to good financial management.

Table 1. NLCS Financial Position	FY2008 6/30/08 Audited	FY2009 6/30/09 Audited	FY2010 6/30/10 Audited
Current Assets	231,338	311,740	222,519
Current Liabilities	740,000	228,061	376,577
Unrestricted Net Assets	(458,662)	(53,751)	(196,259)
Total Revenue	6,086,951	6,158,427	6,340,488
Total Expenses	5,981,670	5,802,788	6,341,915
Surplus (Loss)	105,201	355,639	(1,427)

Condition 5: By December 2009, New Leadership Charter School shall provide evidence, written and as documented through the site visit process, of consistent implementation of the leadership component of its mission, integrated across the school and school community.

Status: Condition not met. The school continues to implement certain aspects of the leadership program, but has not yet developed a comprehensive program.

- The school's 2009-10 annual report states that the leadership training program contained the following elements: twice annual leadership week, prefect program, student council, leadership course, community service, and advisory.
- The school offers leadership week twice a year, has a student council, and delivers a leadership course to ninth graders.
- There are no measureable outcomes or means of evaluating the success of elements of the leadership program.

Condition 6: By September 30, 2008, the New Leadership Charter School Board of Trustees shall have received approval from the Commissioner for the minimum number of members required in the approved bylaws of the school through the identification and recruitment of additional members who bring appropriate educational and financial expertise to the school. Requests for approval must be submitted to the Department no later than September 1, 2008.

Status: Condition met.

- At the time of the Year Twelve Site Visit, in November 2009, the school had established a board membership that met the minimum number required by the bylaws.

- Seven is the minimum number of board members allowed by the bylaws. Presently, the board consists of ten members, four of whom are founding members.
- Based on reports from board members, the board has expertise in law, business, education, and human resources.

Condition 7: By January 2010, New Leadership Charter School and the Springfield Public Schools shall complete all activities necessary to permit a relocation of the school to an adequate, programmatically accessible facility no later than September 2010. These activities include, but are not limited to, the School conducting all necessary property acquisition, fundraising, and negotiations.

Status: Condition not met by the deadline.

Prior to the start of the 2009-10 school year, the city of Springfield signed a ten year lease with the Catholic diocese and NLCS relocated to the site of a former parochial school. The facility includes three adjacent buildings on one campus – the high school, the middle school, and a third building called the social center which houses the cafeteria, gymnasium, a library and a few classrooms.

- From the time of the school’s relocation to the new campus in 2009 until January 2011 the school was not fully accessible to persons with disabilities.
- During that time, the school had a wheelchair bound student who had to have other students assist and carry him into and out of the bathroom stall. Being unable to reach the cafeteria, this student also ate lunch separately from his non-disabled peers. Both of these situations are prohibited and violated the student’s right to equal educational access.

This issue has been resolved as of January 2011. The school now has a working chair lift in the social center which enables the student to reach the cafeteria and the handicapped accessible bathrooms located in the basement. The school is now programmatically accessible to persons with disabilities.

Other Areas of Concern

Throughout the current school year, the Department has noted the following ongoing concerns:

- On February 2, 2011, the U.S. Department of Education’s Office of the Inspector General issued a determination letter finding that NLCS administrators subjected a former employee to reprisal after the employee made protected disclosures about NLCS’s use of American Recovery and Reinvestment Act funds. As a result of the Inspector General’s findings, NLCS has been ordered to reinstate the teacher with back pay.
- At the time of the site visit on October 28, 2010, a memorandum of understanding (MOU) with SPS for the current school year had yet to be agreed upon. Negotiations about the MOU

are ongoing. The school's prior MOU with SPS was instituted in 2006 and was extended, via amendment, until June 30, 2010.

- Site visitors have noted that the school is undersupplied. Classrooms lack up-to-date technology, books, and other instructional resources. School administrators and board members have attributed this to inadequate funding from SPS. The school, however, continues to make significant payments for students to attend a summer camp operated by the Urban League (\$75,000 and \$90,000 in FY10 and FY09, respectively). While the camp is mentioned in the school's charter as a partner for the school's leadership program, it is unclear how the summer program supports this component of the school's mission.
- The school continues to lack a fully staffed administrative structure and consistent leadership. In May 2010, the board approved a new organizational structure with three division heads reporting to the school's CEO. This structure is not yet fully staffed, and the CEO is not licensed as a school administrator, as required by law.
- Site visitors observed a range of instructional effectiveness. The use of the specific elements of the school's instructional model was not seen during the visit. In particular, the team did not consistently observe: effective objectives, motivational hooks, student centered classrooms, modeling, or a lesson summary in each classroom.
- English language learner education is not implemented as required. The English language learner program at the school does not provide sheltered English immersion instruction delivered by appropriately trained staff or English language development instruction from licensed staff.
- As of June 2010, site visitors found that the school had not established adequate systems for ensuring student safety during transitions between buildings. By the October 2010 site visit, the school had implemented video recording and an intercom system to better monitor student transitions. Site visitors, however, found that transitions between buildings were prone to unsafe behavior with little adult monitoring.
- On September 24, 2010, the state Division of Occupational Safety (DOS) issued a civil citation and civil penalty to NLCS for the school's repeated failure to comply with the Asbestos Hazard Emergency Response Act (AHERA), which requires all school buildings to be inspected, to identify all locations of asbestos-containing building materials (ACBM), and to develop and submit to the state an asbestos management plan for all school buildings. Since 2002, DOS has conducted three inspections of NCLC school buildings and issued six letters documenting the school's non-compliance with AHERA. NLCS and DOS reached an agreement that the civil penalty could be used to hire a consultant to inspect the school and create a management plan. NLCS submitted the management plan to DOS in February 2011. DOS reports that this plan is not complete.
- During the 2009-10 school year, only 85 percent of NLCS teachers were licensed in their teaching assignment. Because employees of a Horace Mann charter school are employees of SPS, state law requires them to be licensed for their respective positions.
- As of December 2010, four members of the board are also members of the Urban League's board of trustees. This is prohibited by the current bylaws, which stipulate that "up to three (3) members of the board of trustees shall be representatives of the Urban League of Springfield, Inc" (3.1a).

Recommendation

I recommend that the school be placed on probation with the conditions that follow, and that the Board review the school's progress toward meeting these conditions in January 2013, when we anticipate that the school will seek renewal of its charter for a fourth term.

1. New Leadership Charter School shall demonstrate that it is an academic success by:
 - meeting academic growth targets in English language arts and mathematics, as established by the Department of Elementary and Secondary Education, or achieving Adequate Yearly Progress in the aggregate and for all statistically significant subgroups in English language arts and mathematics in 2011 and 2012, and
 - meeting the academic success measures in its accountability plan.
2. By January 2013, New Leadership Charter School shall demonstrate improvement in its financial conditions as evidenced by audited financial statements showing operating surpluses; current assets in excess of current liabilities; and positive unrestricted net asset balance.
3. By September 2011, New Leadership Charter School's Board of Trustees shall reach agreement with the Springfield School Committee on a memorandum of understanding for the 2011-12 and 2012-13 school years, including agreements with respect to services, facilities, and funding.
4. New Leadership Charter School shall demonstrate that it is organizationally viable by:
 - fully staffing its administrative structure;
 - ensuring that all teachers are licensed to teach in Massachusetts;
 - ensuring that the administrative team includes an instructional leader who is licensed and qualified to supervise and evaluate teachers; and
 - ensuring that the school leader is qualified and licensed as a school administrator.
5. New Leadership Charter School shall demonstrate that it is faithful to the terms of its charter by providing evidence, written and as documented through the site visit process, of consistent implementation of the leadership component of its mission, integrated across the school and school community.
6. New Leadership Charter School shall demonstrate that it is in compliance with legal and regulatory requirements by establishing and operating a program for English language learners in a manner consistent with the requirements of General Laws chapters 71A and 71B.
7. By September 2011, New Leadership Charter School shall submit a complete asbestos management plan as required by the Massachusetts Department of Occupational Safety. The school shall perform ongoing maintenance of the asbestos management plan annually, as required by the Asbestos Hazard Emergency Response Act (AHERA) and its regulations, 40

CFR 763.80 through 763.99.

8. New Leadership Charter School's Board of Trustees shall comply with the terms of its bylaws, including, but not limited to, the number of trustees who are affiliated with the Urban League of Springfield, Inc.

I am recommending probation with these conditions to underscore the seriousness of this situation. This is a charter school in its third term that continues to operate with significant issues and concerns. Under 603 CMR 1.13 (4), the Board of Education may impose probation, rather than revoke a charter, to allow for the implementation of a remedial plan approved by the Board. A vote to impose probation and the conditions listed above will convey the message that continuation of the school's charter and its renewal for a fourth term is contingent upon the school meeting the success indicators established both by the state and by the school itself. Unless there are significant improvements in the school's academic, fiscal, and operational health over the next 20 months, I will consider non-renewal of New Leadership Charter School's charter in January 2013.

If you have any questions or require additional information, please contact Barry Barnett, Acting Director of Charter Schools; Jeff Wulfson, Associate Commissioner; or me.

Attachment: Motion
NLCS Year Thirteen Site Visit Report
NLCS's Response to the Year Thirteen Site Visit Report
NLCS performance summary