

**Proposed Charter Renewal
New Foundations Charter School
May 29, 2014**

New Foundations Charter School

Recommendation: 5-Year Renewal with Conditions

Student Body: Serves 1,255 students in grades K-12
9% special education students
1% English language learners
60% economically disadvantaged

Location: Northeast Philadelphia

Mission: The mission of the New Foundations Charter School is to provide students with the academic, social, and emotional foundations and skills necessary to become high achieving, socially competent stewards of their communities.

Opening Date: 2000

New Foundations Charter School





I. Academic Success





Rating	Meets Domain Standard			
---------------	------------------------------	--	--	--

	2009-10	2010-11	2011-12	2012-13
AYP/SPP	Made AYP	Made AYP	Made AYP	SPP: 84
Math Proficiency	91%	90%	85%	80%
Reading Proficiency	78%	81%	77%	78%
Math Growth			Did Not Meet Growth Standard	Exceeded Growth Standard in Math and Met in Algebra
Reading Growth			Did Not Meet Growth Standard	Exceeded Growth Standard in Reading and Literature

New Foundations Charter School





II. Organizational Compliance (1 of 2)





Rating	Approaching Domain Standard	
Special Education Compliance		Placement procedures, personnel, and resources are appropriate.
ELL Compliance		Identification procedures are adequate and instruction aligns with PDE guidelines.
Admissions Policies		School-specific form must be hand-delivered, but accepting common application. HS admission has included an interview pre-lottery. Parent volunteer requirements pose an enrollment barrier.
Student Retention & Discipline		Discipline policy is implemented consistently and clearly communicated to families; 96% of students returned in 2013-14.

-  Meets Standard
-  Approaching Standard
-  Does Not Meet Standard
-  Not Assessed

New Foundations Charter School



II. Organizational Compliance (2 of 2)





Rating	Approaching Domain Standard	
Mission Fulfillment		Mission is understood by stakeholders and operationalized in school systems and activities.
Board Oversight & Compliance		Board possesses knowledge of school and finances and complies with bylaws, Sunshine Act, and submits statements of financial interest timely.
Timely Reporting Requirements		Annual reports and audited financial statements submitted timely. Compliant with IEP SCN requirements.
Personnel Compliance		At least 75% staff certified and meeting 100% highly qualified teachers requirement.

-  Meets Standard
-  Approaching Standard
-  Does Not Meet Standard
-  Not Assessed

New Foundations Charter School

III. Financial Viability

Rating	Approaching Domain Standard	
Financial Health		Sound financial health; meeting standard industry indicators and ratios.
Business Practices		No independent CPA audit findings or deficiencies during charter term. School CEO served on affiliated non-profit Board as non-voting member until 2012. Unpaid real estate taxes for HS location; tax exemption not fully processed by city.

-  Meets Standard
-  Approaching Standard
-  Does Not Meet Standard
-  Not Assessed

New Foundations Charter School

Charter agreement conditions include:

- Revise admissions policy to ensure application can be submitted through multiple avenues and to ban interviews or transcript receipt pre-lottery.
- Revise parent/guardian involvement provisions in Parent/Student Handbook.
- Submit and implement a plan to increase the diversity of the charter school.
- Implement procedures to evaluate the performance of the Chief Executive Officer, Board members, and the Charter School.
- Ensure at least 75% certified and 100% highly qualified teachers with appropriate background checks and clearances.
- Board of Trustees complies with Ethics and Nonprofit Acts and Conflict of Interest policy.
- Board of Trustees statements of financial interest submitted on time annually.

**Proposed Grade Reconfiguration
Maritime Academy Charter School
May 29, 2014**

Maritime Academy Charter School

Recommendation:	4-12 to K-12 Grade Reconfiguration Same enrollment cap – 820 students
Student Body:	Serves 773 students in grades 4-12 9% special education students 1% English language learners 84% economically disadvantaged
Location:	Northeast Philadelphia
Mission:	The Maritime Academy Charter provides a rigorous academic program with the special theme of maritime studies. MACHS students work with the latest technology to learn maritime content while achieving to high standards in English, Math, Science, Social Studies and the Arts.
Academic Success:	2013 SPP academic score: 73 % proficient/advanced: 78% in math and 70% in reading Growth: met or exceeded growth standard in reading & math
Organizational Compliance:	Acceptable ratings in 2013 renewal
Financial Viability	

Maritime Academy Charter School

- Maritime Academy is interested in adding a 25 student class in grades K-3, one grade per year, starting in 2014-15.
- Fewer 6th and 9th graders will be accepted to assist with the transition.

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
K					25
Grade 1				25	25
Grade 2			25	25	25
Grade 3		25	25	25	25
Grade 4	63	50	25	25	25
Grade 5	75	65	50	25	25
Grade 6	110	80	85	100	75
Grade 7	142	110	100	85	100
Grade 8	143	142	110	100	85
Grade 9	74	110	100	100	100
Grade 10	87	80	110	100	100
Grade 11	60	87	100	110	100
Grade 12	66	70	87	100	110
Total	820	819	817	820	820

FY15 Budget Presentation

May 29, 2014



Overview

- Lump Sum Compared to Proposed Budget
- Our Revenue Request
- Making Up the Difference
 - Cuts and Implications
 - Non-District Operated Schools & Administration
 - Operations
 - Instructional
 - Class Size
 - Other Revenues and Savings
- Risks to the Budget
- Reversing Years of Disinvestment



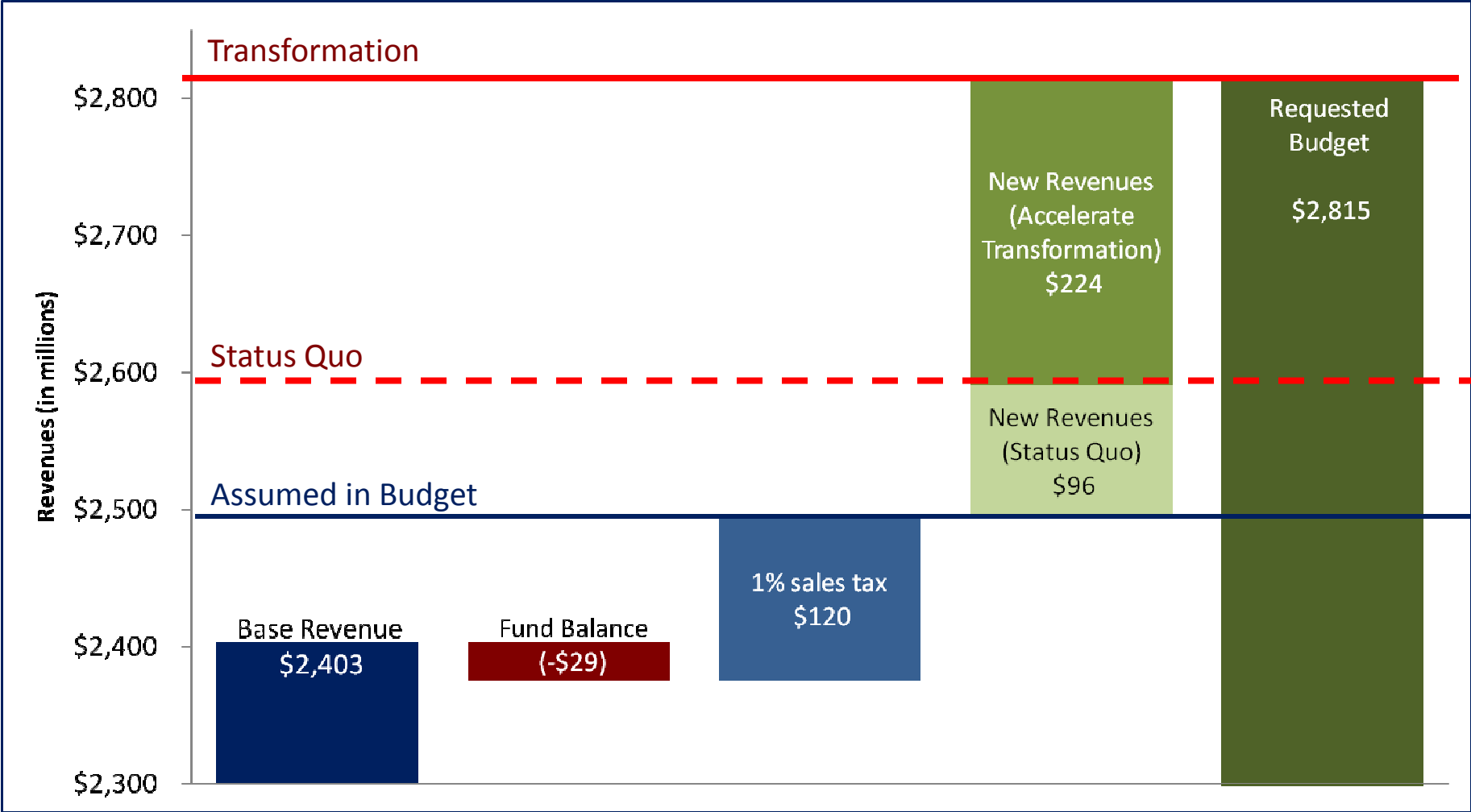
Lump Sum compared to Proposed Budget

SCHOOL DISTRICT OF PHILADELPHIA OPERATING BUDGET (FISCAL YEARS 2013/2014 AND 2014/2015)			
Amounts in Thousands			
	Estimated 2013/2014	Lump Sum Statement 2014/2015	Proposed Budget for Adoption 2014/2015
Revenues	\$2,408,527	\$2,399,518	\$2,385,383
1% Sales Tax		\$120,000	\$120,000
Other Financing Sources	\$65,586	\$3,889	\$3,989
Total Revenues and Other Financing Sources	\$2,474,113	\$2,523,407	\$2,509,372
Obligations	\$2,544,244	\$2,812,017	\$2,477,982
Other Financing Uses	\$2,264	\$2,518	\$2,518
Total Obligations and Other Financing Uses	\$2,546,508	\$2,814,535	\$2,480,500
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Obligations and Other Financing Uses	(\$72,395)	(\$291,128)	\$28,872
Prior Year Fund Balance (Deficit) July 1	\$39,462	(\$28,872)	(\$28,872)
Fund Balance Prior to Changes in Reserves	(\$32,932)	(\$320,000)	\$0
Changes in Reserve	\$4,061	\$0	\$0
Fund Balance (Deficit) June 30	(\$28,872)	(\$320,000)	\$0
Additional Funding Request		\$320,000	\$0*
Fund Balance (Deficit) June 30	(\$28,872)	\$0	\$0

* The budget is a reflection of District known revenues and expenditures; therefore, a funding request is not explicitly stated. However, the District's \$320M funding request remains.



The District requested \$440M in new, recurring revenues, including the \$120M from the sales tax; \$216M is needed to maintain the status quo. None of this new funding have been approved.

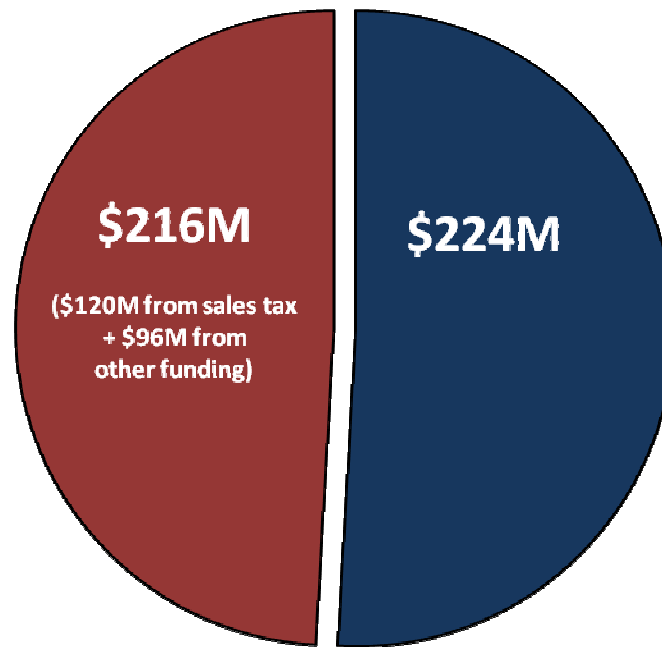


The District needs \$440 million.

Survival gap:
Getting to current levels, bare essentials

Schools will have similar services to this year, including:

- Shared guidance counselors
- Shared nurses
- Minimum number of teachers
- Minimal number of school police
- Reduced number of assistant principals
- Minimal cleaning and facilities staff
- Substantially reduced school budgets for books and supplies

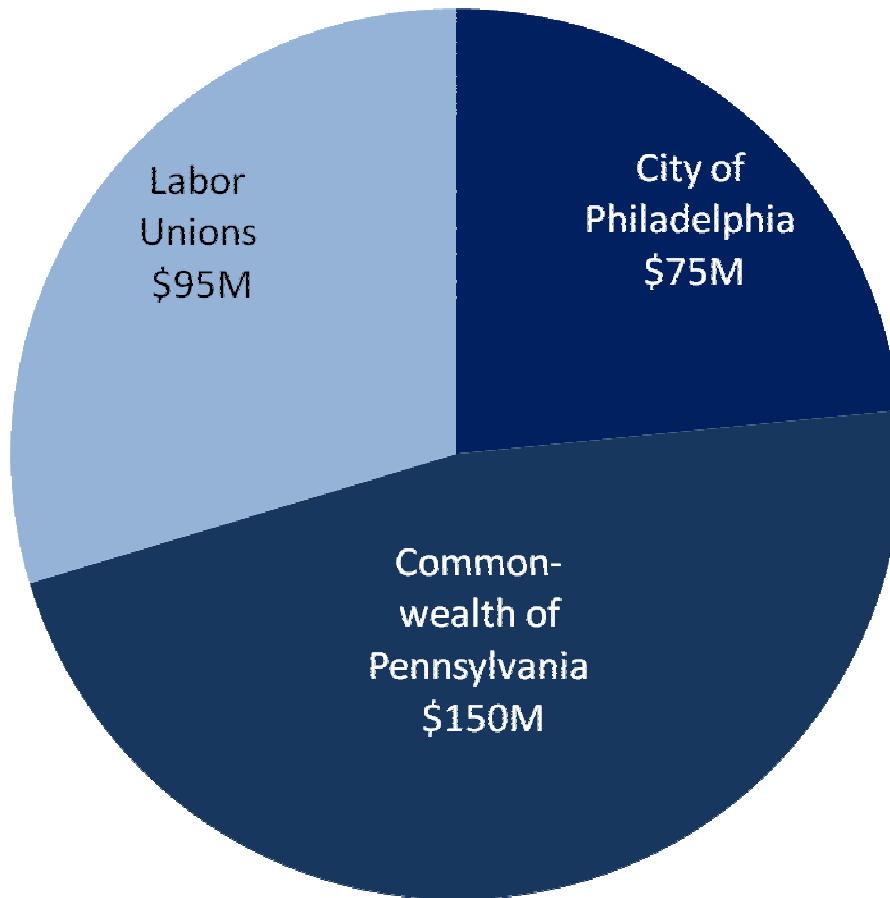


Quality gap:
Getting to better opportunities

- Guidance counselors in every school
- More nurses
- More reading and math teachers
- Advanced placement courses
- More Career and Technical Education programs
- Updated textbooks
- Cleaner schools
- Safer schools
- Credit recovery programs
- Improved school climates
- Increased Pre-K seats
- More teachers to help struggling students
- Art classes



The District neither has the ability to raise revenues nor the authority to raise taxes. It has asked for additional funding from the Commonwealth and the City and savings from labor partners.



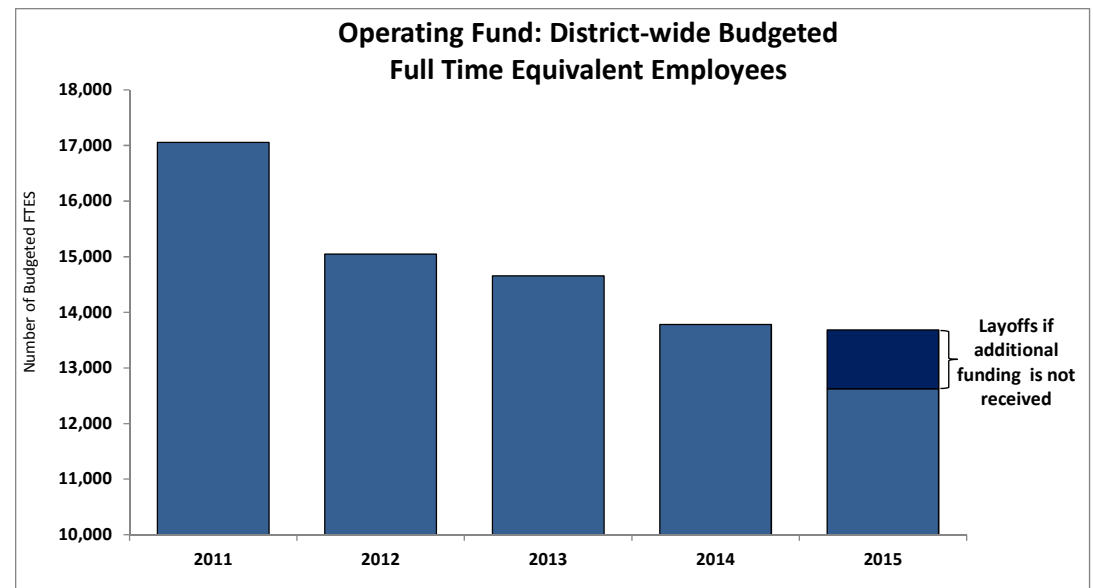
- The District has requested City Council to enact the \$120M in recurring sales tax revenue as approved by the state last year.
- Above the \$120M, it has requested \$320M in additional resources from funders and labor partners.



Making up the Difference: Even if City Council approves the \$120M sales tax revenue, without the additional \$96M in revenue needed to maintain status quo, the District will be forced to cut over \$148 M of expenditures.

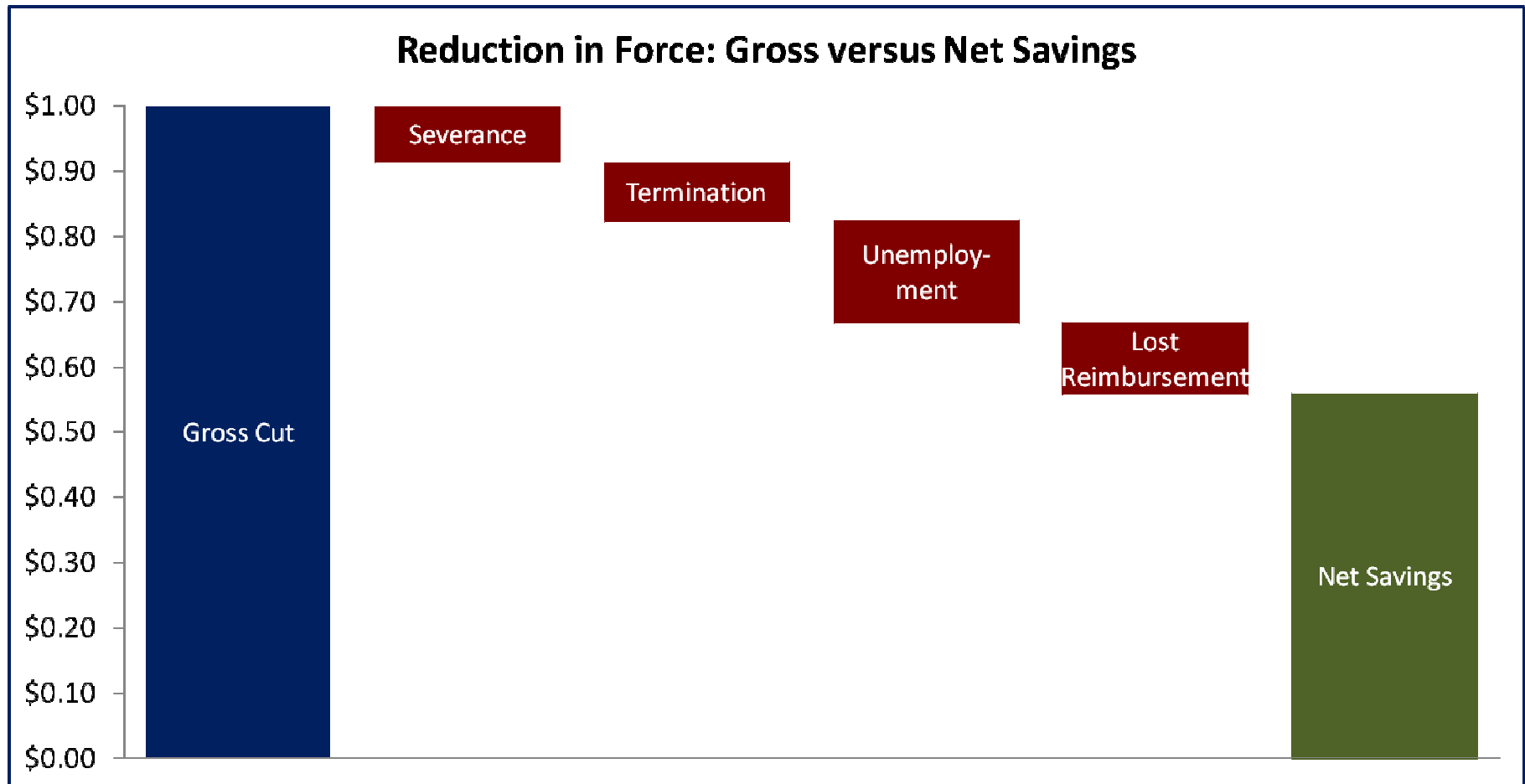
- **The District has little flexibility regarding *what* can be cut:**
61% of the District's expenditures, including debt service, charters, and some transportation, are legally mandated. Therefore, reductions must come primarily from District schools and administrative supports.

- **The District has little flexibility regarding *where* to cut:**
Prior year cuts of hundreds of millions of dollars have crippled schools and left few remaining areas to cut.



Making up the Difference: The District must cut more than it actually saves.

For every 1 dollar that the District cuts, it only receives 56 cents in actual savings because of costs associated severance, termination, and unemployment as well as a decline in state reimbursements.



Making up the Difference:

Non-District Operated Schools & Administration

Area	Savings (\$)	Impact on Schools and Students
Non-District Operated Schools		
Charter School Over Enrollment	\$3.6M	
Administration		
Administrative Reductions	\$4.5M	Reductions across multiple central office functions, which will affect services to schools



Making up the Difference: *Operations*

Area	Savings (\$)	Impact on Schools and Students
Facilities	\$9.6 M	Reductions in cleaning and maintenance services
Transportation	\$3.8M	Increase walking distance from 1.5 to 2 miles for HS students
School Police	\$2.4 M	Reduction of 36 positions
Tax and Revenue Anticipation Bond (TRAN)	\$0.7M	
Debt Service	\$6.2M	



Making up the Difference: *Instructional*

Area	Savings (\$)	Impact on Schools and Students
Special Education Services	\$5.5M	Reduced costs for similar services and process improvements
Promise Academy <i>District Turnaround Model</i>	\$1.5M	Teacher professional development and staffing bonus eliminated
Alternative Education	\$2.2M	Decreasing outside contracts; students will be attending Philadelphia Learning Academies



Making Up the Difference: *Class Size*

Owing to the lack of revenues, the District will be forced to eliminate approximately 800 teaching positions and increase class sizes by seven to eight students across all schools.

Grade Range	Current Class Size	Projected Class Size (Without \$96M)
Grades 1 -3	30	37
Grades 4-8	33	40
Grades 9-12	33	41
Career and Technical Education Programs	24	32



The following contingencies – either the loss of anticipated savings and budget flexibility or the imposition of new costs -- could result in the District being forced to make additional cuts.

Area	Amount
Ready to Learn Flexibility (State)	\$29 M

Pension Savings (State)	\$10 M
TOTAL EXPOSURE	\$39M



The District requested \$440M in new, recurring revenues, including the \$120M from the sales tax; \$216M is needed to maintain the status quo. None of this new funding have been approved.

