

FOUNTAIN SQUARE ACADEMY

2010-2011 Performance Analysis

Core Question 2: Is the organization effective and well-run?

2.1. Is the school in sound fiscal health?	
STANDARD	The school presents significant concerns in no more than <u>one</u> of the following areas: a) its state financial audits (e.g., presence of “significant findings”); b) its financial staffing and systems; c) its success in achieving a balanced budget over the past three years; d) the adequacy of its projections of revenues and expenses for the next three years; e) its fulfillment of financial reporting requirements under Sections 10 and 17 of the charter agreement. In addition, if the school presents significant concerns in one area, it has a credible plan for addressing the concern that has been approved by the Mayor’s Office.

2010-11 Performance: Does Not Meet Standard

In 2010-11 Fountain Square Academy had some challenges with adequate staffing and systems for managing the school’s finances and meeting its reporting deadlines in a timely and accurate manner. The school was under enrolled and coupled with decreasing reserves; these factors have left the school with some financial challenges.

In June 2010, the GEO Foundation, the school’s education management organization, took out a \$150,000 loan in the school’s name and in 2010-11, a temporary loan from the GEO Foundation to the school increased from \$30,000 to \$80,000. In total, the school received \$217,000 in temporary loan funds.

Additionally, the Indiana Department of Education (IDOE) investigated the school’s handling of federal grant funds (Title I, Title II and the McKinney Vento Grant). The IDOE indicated that FSA failed to provide the appropriate expenditure documents for federal grants during the State Board of Accounts audit (SBOA) covering the period of July 1, 2008 to June 30, 2010. Federal law requires that a grantee must immediately refund to the Federal agency any balance of unobligated (unencumbered) cash advance that is not authorized to be retained for use on other grants. FSA failed to take this required action. Based on FSA’s failure to provide the appropriate expenditure documents during the SBOA audit, the IDOE required the school to return a total of \$59,233.

In addition to the above noted corrective action, FSA was required to provide an updated expenditure report to the IDOE for the McKinney Vento Grant which had a remaining balance of \$67,005 and the school was required to remit any balance to the IDOE before December 31, 2011. The IDOE indicated it would delay the distribution of all current federal funds for the affected programs to FSA until receipt of all remaining funds were returned and all final grant reports were amended to reflect the return of funds.

Finally, the Mayor’s Office contracts with an independent accounting firm to complete annual financial performance reviews of each school. Based on a review of FSA’s finances for 2010-11, the Mayor’s Office found that the school had to rely on cash reserves (\$62,009) in order to achieve a balanced budget. Therefore, the school does not meet standard for this indicator.

2.2. Are the school’s student enrollment, attendance, and retention rates strong?	
STANDARD	The school is consistently fully enrolled. Student attendance and retention rates are generally at or above the school’s agreed-upon target rates.

2010-11 Performance: Does Not Meet Standard

Fountain Square Academy did not meet enrollment targets set for 2010-11. The following chart displays the school’s target enrollment compared with its official fall enrollment, as reported by the IDOE.

Year	Target Enrollment	Fall Enrollment	Percent Below
2010-11	300	269	10.3%

Source: Official fall enrollment figures from the IDOE. Target enrollment is the maximum capacity from the school’s charter agreement with the Mayor’s Office, submitted by the school.

The 2010-11 the attendance rate at FSA was below the averages of both the county and the state.

	FSA	MC	IN
2010-11 Attendance rate	91.26%	94.89%	95.92%

No targets have been established for student retention rates for FSA.

Based on the 2010-11 performance, FSA does not meet the Mayor’s Office standard for this indicator because they were not fully enrolled and had an attendance rate below that of both the county and state.

2.3. Is the school’s Board active and competent in its oversight?	
STANDARD	The Board’s membership collectively contributes a broad skill set and fair representation of the community; Board members are knowledgeable about the school; roles and responsibilities of the Board are clearly delineated; Board meetings reflect thoughtful discussion and progress in the consideration of issues; overall, the Board provides consistent and competent stewardship of the school.

2010-11 Performance: Does Not Meet Standard

On June 16, 2011, the GEO Foundation, the school’s management organization, utilized a provision within the Board’s by-laws and removed 100% of the school’s Board of Directors. In July 2011, the GEO Foundation selected three members to serve as interim directors until a permanent Board was named.

While the Interim Board of Directors at Fountain Square Academy is reasonably well-balanced in areas of professional expertise, the board developments have caused serious concerns about the apparent lack of true autonomy the school’s board has in overseeing the management organization it has contracted with. To date, the roles and responsibilities of the school’s Board are unclear, given that the Board is under the authority of the management organization with whom it has a contract. It is also unclear what the timeline or process will be for appointing permanent members to the Board. Further-the Board has made no progress in addressing the issues previously cited as concerns of the Mayor’s Office.

The Mayor’s Office regularly attends board meetings and examines minutes of meetings held by the board. Board meeting minutes consistently do not provide thorough details of the discussions held during meetings nor do they always provide details of any public comment noted during meetings.

In summary, there is no evidence that the Board is fulfilling its obligation to monitor the performance of the school’s education service provider. Roles and responsibilities among the Board and its vendor, the GEO Foundation, remain unclear. This relationship leaves the board dependent upon the EMO, which the Board is tasked with overseeing. Based on the performance demonstrated in the 2010-11 academic year, the Board at FSA does not meet the Mayor’s Office standard for this indicator.

2.4. Is there a high level of parent satisfaction with the school?	
STANDARD	More than 80% but less than 90% of parents surveyed indicate that they are satisfied overall with the school.

2010-11 Performance: **Meets Standard**

In the spring of each year, researchers administer anonymous surveys to parents of students enrolled at Mayor-sponsored charter schools. In 2010-11, 80% of FSA parents reported overall satisfaction with the school. According to the data, the school meets the Mayor’s Office standard for performance for this indicator for the 2010-11 academic year.

2.5. Is the school administration strong in its academic and organizational leadership?	
STANDARD	The school’s leadership a) has sufficient academic and/or business expertise; b) has been sufficiently stable over time; c) has clearly defined roles and responsibilities among leaders and between leaders and the Board; d) actively engages in a process of continuous improvement which has led to some mid-course corrections.

2010-11 Performance: Approaching Standard

The school leader resigned from FSA in the summer of 2011 just prior to the start of the 2011-12 school year. An employee of the GEO Foundation, the school's management organization, was appointed to serve as Interim School Principal. The Interim Principal has previous public school leadership and curriculum development experience. The GEO Foundation hired an Assistant Principal during the summer of 2011 to manage student personnel issues.

The school's leadership appeared to have stabilized but the recent loss of a highly respected school leader has caused an adverse impact on the school's culture and climate as evidenced by numerous concerning phone calls to the Mayor's Office from teachers and staff.

2.6. Is the school meeting its school-specific organizational and management performance goals?	
Meets standard	School has clearly met its school-specific organizational goal.

Not applicable. Fountain Square Academy did not have school-specific organizational and management performance goals that were evaluated in 2010-11.