

STONEGATE EARLY COLLEGE HIGH SCHOOL

2010-2011 Performance Analysis

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

| 2.1. Is the school in sound fiscal health? | |
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| 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, Stonegate Early College High School (SECHS) demonstrated unstable fiscal health. The school was under enrolled coupled with decreasing reserves; these factors have left the school with financial challenges. SECHS has established an unorthodox staffing and systems for managing the school’s finances which hinders the school’s ability to pay bills on time. The school relied on an experienced accounting firm that serves many charter schools in the state of Indiana. In addition, the school had fulfilled all financial reporting requirements of the charter agreement in a timely manner.

The Mayor’s Office contracts with an independent accounting firm to complete annual financial performance reviews of each school. Based on a review of the SECHS’ finances for 2010-11, the Mayor’s Office found that the school achieved a balanced budget, however had significantly low cash reserves remaining for 2011-2012 which compromised the adequacy of its projections and revenues moving forward, and revealed inaccuracy in projections and revenues for the 2010-11 fiscal year.

Although the school had begun to address fiscal problems by focusing on increasing student enrollment and discussing possible fundraising efforts, SECHS demonstrated major concerns with regard to its fiscal viability if student enrollment and/or fundraising do not materialize.

2.2. Are the school's student enrollment, attendance, and retention rates strong?

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| STANDARD | The school is consistently fully enrolled. Student attendance and retention rates are generally at or above the school's agreed-upon target rates. |
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2010-11 Performance: Approaching Standard

Stonegate Early College High School did not meet its enrollment target 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 | 236 | 22% |

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 attendance rate at SECHS was below the average of the state and county.

| | SECHS | MC | IN |
|--------------------------------|--------------|-----------|-----------|
| 2010-11 Attendance rate | 93.99% | 94.89% | 95.92% |

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

Based on the 2010-11 performance, SECHS approached the Mayor's Office standard for this indicator because they were under enrolled and had an attendance rate lower than that of the state and county.

2.3. Is the school's Board active and competent in its oversight?

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| 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. |
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2010-11 Performance: Approaching Standard

In 2010-11, the Board added three new members in the past year to compensate for the resignation of the board treasurer (founding board member, former board chair) and secretary (founding task force member). The new Board members' skill sets were in the areas of business, development, and real estate, which improved a broader area of expertise for the Board and the school.

The Board met monthly to discuss many issues including curriculum, finances, discipline and enrollment. Specific committees observed included marketing and school leader recruitment. Board members are clear about their roles and responsibilities. The school's contracted

accountant, who served the board in a CFO capacity and attended meetings monthly to provide updates on the financial status of the school.

Much of the Board’s efforts in 2010-2011 were addressing appropriate space for the school to expand and addressing fiscal issues—namely ways to improve dwindling reserves. The Board was also involved in the decision to appoint a new leader, as the school’s Executive Director resigned spring 2011. Before resigning, the Executive Director had not had a formal evaluation from the Board since he began his leadership at the school three years ago, which is problematic.

While the board has focused all of its attention on providing enhanced oversight and activity related to facility capacity and finances, lack of structures such as updated by-laws, lack of processes to evaluate school leadership, and clear plans to increase financial stability of the school were present which compromised the board’s ability to provide consistent and competent oversight of the school. The board also resisted engagement with the Mayor’s Office in discussing financial contingency plans, if grants and student recruitment efforts were not successful. Accordingly, the board approached the Mayor’s Office standard for this indicator.

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

Not Evaluated. In the spring of each year, researchers administer anonymous surveys to parents of students enrolled at Mayor-sponsored charter schools. In 2010-11, 83% of SECHS parents reported overall satisfaction with the school. However, this parental feedback represented only 6.5% of students at SECHS; therefore accurate parental satisfaction could not be obtained to provide the school a rating for this performance indicator.

| 2.5. Is the school administration strong in its academic and organizational leadership? | |
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| 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: Meets Standard

In 2010-11, the school leader had considerable building level leadership experience. The school had made some mid-course corrections, including development towards a more aligned curriculum to Indiana state standards; however the curriculum had yet to be amended into their charter. The school leader served six years as principal at two different traditional public high schools prior to his role at SECHS. He was extremely knowledgeable regarding all aspects of secondary education and had shown strong academic leadership.

In addition to managing day-to-day activities and academic leadership at the school, the school leader was also responsible for operational areas, including building relationships with external partners and increasing the school’s enrollment. The school leader resigned in the spring of this

academic year, leaving the board tasked with finding a leader with comparable academic and business expertise.

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| 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. SECHS did not have school-specific organizational and management performance goals that were evaluated in 2010-11.