Charter schools, known as community schools in Ohio, are public schools that operate autonomously of any other authority than the school itself, as represented by its governing authority or board.

The board is one of three key factors in charter school structure, along with the staff of the school, which may be administered directly by the board or provided through various operating arrangements, and the sponsor, a dedicated oversight and assurances body that holds autonomous community schools accountable to their basic commitment established in their charter to operate.

In fulfilling our important role in this system, St. Aloysius and Charter School Specialists subscribe to the three core principles and six performance standards developed in coordination with the National Association of Charter School Authorizers (NACSA), the Ohio Association of Charter School Authorizers (OACSA) and the requirements of Ohio law.

The three core principles for sponsors (or authorizers) are:

- maintaining high standards for schools,
- upholding school autonomy, and
- protecting student and public interests.

The six standards for sponsors include:

- providing technical assistance to schools,
- oversight and evaluation of schools,
- a commitment to quality authorizing and improving our capacity as sponsors of schools,
- a thorough and transparent application process,
- performance contracting, and
- rigorous renewal processes.

Community schools play a crucial and fulfilling role in one of the most important services provided to our youth. This Renewal Report provides an Ohio-specific guide to charter school renewal and the evaluation of the sponsored school’s performance.
GREEN INSPIRATION ACADEMY

4265 Northfield Road
Highland Hills, Ohio 44128
216-283-6589

Mission:

“Green Inspiration Academy is a community of learning & practice, whose core mission is to embody environmental sustainability & social responsibility through a culture of engaged learning. We prepare students to be global ambassadors of forward change through innovation & stewardship in a hands-on experiential learning environment.”
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The foundation of each community school is its charter. The charter is the school’s commitment to serve Ohio students and families, and it defines how the school will operate.

Community schools may be created either by converting a district school or similar entity into a community school, or by starting a school independently of any existing district school or similar entity. In either case, the community school comes into existence upon the establishment of a charter by mutual act of a governing authority and a sponsor. A new start-up school may be located in a challenged school district as defined by R.C. 3314.02 (A)(3).

Required terms of the charter are identified in R.C. 3314.03. Best practices for charters include an emphasis on and, to the extent practicable, a limitation to terms relevant to the renewal decision; a maturation period to allow schools to develop and validate data to be generated and collected; flexibility to allow the school to operate autonomously; and empowering sponsors to enforce contract terms. (NACSA Policy Guide, “Charter School Contracts.”)

St. Aloysius’ charters provide that renewal decisions shall be based primarily on three sources of information and performance: academic performance, financial viability and operational performance, including compliance with the charter and applicable law. These three sources of information are also identified both in Ohio law [R.C. 3314.07(B)] and as a best practice. (NACSA Policy Guide, “Charter School Contract Renewal.”)

In addition, both Ohio law and best practice provides that the sponsor may consider (i) governing authority effectiveness, (ii) mission fulfillment of the school, and (iii) other factors such as leadership, parental and community support and any significant trends in any of the primary factors that in the judgment of the sponsor are relevant to the renewal decision. [See R.C. 3314.07(B)(1)(d)].

**Key Components of the Renewal Process**

The renewal process considers four key components:

1. **Academics:**
   A. Is the educational program a success (taking into account the necessary maturity process for schools in a development phase)?

2. **Financial:**
   A. Is the school financially viable?

3. **Compliance:**
   A. Is the school meeting the obligations of its charter and the law?

4. **Operations:**
   A. Is the school operated effectively and efficiently?

Answering each of these questions is the primary role of the sponsor in making its renewal decision.
St. Aloysius Indicators

Academics

- Local Report Card Data,
- Standardized Tests,
- Performance under Charter Attachment 6.4, and
- Ohio Improvement Plan.

Financial Viability

- Most recent fiscal year audit,
- Monthly financial documents submitted for fiscal reviews,
- Most recent five-year forecast,
- Most recent budget to actual expenditures report,
- Cash flow projection next 12-24 months,
- Other reports as considered essential depending on the school,
- Timely submission of financial documentation to the sponsor,
- Adequate debt to asset ratio,
- Acceptable enrollment variance,
- School has maintained timely payments on all loans/debts,
- School maintains an adequate amount of unrestricted cash,
- The school’s positive/negative cash flow, and
- The school’s debt service coverage ratio.

Compliance and Operations

- Timely submission of assessment summary data analysis,
- Timely submission of community school leadership team (CSLT) meeting forms,
- Timely submission of academic coach resumes (if applicable),
- Timely hiring of an academic coach after credentials are approved by the sponsor (if applicable),
- Timely submission of the Management Company evaluation (if applicable),
- Attendance at Ohio Improvement Process workshops offered by the sponsor,
- Timely submission of the intervention plan (if applicable),
- Timely submission of quarterly academic reports (if applicable),
- Adequate and timely communication with the sponsor regarding any/all changes to the Community School Contract,
- Monitoring the implementation of 6.4 interventions by the Governing Authority at regularly scheduled board meetings,
- Performance on compliance visits,
- Performance on annual audits, and
- Number and magnitude of corrective action plans.
I. Local Report Card

a. Performance Index

Information presented in the graph above represents the raw score performance index data. To calculate the grade level designation for 2012-2013 and 2013-2014, the raw score is divided by 120 possible points. The raw score for the 2013-2014 performance index for this school was 73, which equates to a 60.9% and a grade of D. This is a slight decrease in the raw score of 75.3 and a percentage score of 62.7% with a grade of D for the 2012-2013 school year. The raw score for performance index for 2011-2012 was 80, for 2010-2011 76.6 and for 2009-2010 72. The school’s Performance Index has remained relatively flat with small fluctuations year to year. The performance index has declined the last two years. For the 2013-2014 school year, approximately 54% of the students’ scores are in the bottom two achievement levels of limited and basic.

b. Value Added

<table>
<thead>
<tr>
<th>SCHOOL YEAR</th>
<th>VA Combined</th>
<th>VA Math</th>
<th>VA Reading</th>
<th>Overall Value Added</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>Above</td>
<td>Above</td>
<td>Above</td>
<td>-</td>
</tr>
<tr>
<td>2010-11</td>
<td>Above</td>
<td>Above</td>
<td>Above</td>
<td>-</td>
</tr>
<tr>
<td>2011-12</td>
<td>Above</td>
<td>Above</td>
<td>Above</td>
<td>-</td>
</tr>
<tr>
<td>2012-13</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>A</td>
</tr>
<tr>
<td>2013-14</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>B</td>
</tr>
</tbody>
</table>

The overall Value Added grade for 2013-2014 is a B with a grade of C for students in the lowest 20% statewide. This indicates that overall, students at this school are achieving more than a year’s worth of growth for one year’s worth of instruction and student in the lowest 20% are achieving approximately one year’s worth of growth for one year’s worth of instruction. This school’s overall Value Added grade for 2012-2013 was an A. Reading, Math, and overall value added were in the Above range for 2009-2010, 2010-2011 and 2011-2012. This indicates that students are consistently making significantly more than one year’s worth of growth for one year’s worth of instruction.
c. Annual Measurable Objectives (AMOs)

Annual Measurable Objectives (AMOs) compare the performance of student groups to a state goal which is displayed as the red line in the following charts. These charts show how well each group achieves that goal in reading and math – and emphasize any achievement gaps that exist between groups. The ultimate goal is for all groups to achieve at high levels. The red line on each graph identifies the Annual Measurable Objective. The 2014 AMO for Reading is 84.9% and for Math is 80.5%. Subgroups with fewer than 30 students are not rated and do not appear on the graphs.

In 2012-2013 this school received an AMO Grade of F with a score of 0%. In 2013-2014 this school received an AMO grade of F with a score of 0%. Not only is there a significant gap between the AMO goals and student achievement levels in reading and math, math and reading scores declined for 2013-2014 in all measured subgroups. This school did meet the required attendance and participation rates for AMO.
**d. Number of Indicators Met**

<table>
<thead>
<tr>
<th>SCHOOL YEAR</th>
<th># OF INDICATORS REQUIRED</th>
<th># MET</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>2010-11</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>2011-12</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>2012-13</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>2013-14</td>
<td>14</td>
<td>0</td>
</tr>
</tbody>
</table>

This school met 2 of the 15 required state indicators in 2009-2010, 2 of 15 required state indicators in 2010-2011, 3 of 15 required state indicators in 2011-2012, 0 of 14 required state indicators in 2012-2013 for a grade of F, and 0 of 14 required state indicators in 2013-2014 for a grade of F. This school consistently fails to meet the required state indicators.

**e. School Improvement**

<table>
<thead>
<tr>
<th>SCHOOL YEAR</th>
<th>SCHOOL IMPROVEMENT DESIGNATION</th>
<th>YEAR OF SCHOOL IMPROVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>Yes</td>
<td>4</td>
</tr>
<tr>
<td>2010-11</td>
<td>Yes</td>
<td>5</td>
</tr>
<tr>
<td>2011-12</td>
<td>Yes</td>
<td>6</td>
</tr>
<tr>
<td>2012-13</td>
<td>Improvement</td>
<td>7</td>
</tr>
<tr>
<td>2013-14</td>
<td>Improvement</td>
<td>8</td>
</tr>
</tbody>
</table>

This school has a long history of school improvement designation. 2012-2013 was the school’s seventh year in school improvement status. This school was designated as an Improvement School again in 2013-2014.

**f. Historical Report Card Grades**

![Report Cards for Green Inspiration Academy](image)

This school was rated in Academic Watch in 2009-2010. In 2010-2011 the school improved to Continuous Improvement. In 2011-2012 the school was rated Effective. Overall report card grades were not issued for the 2012-2013 or the 2013-2014 school years.
g. Historical Adequate Yearly Progress (AYP) Data

<table>
<thead>
<tr>
<th>SCHOOL YEAR</th>
<th>AYP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>Not Met</td>
</tr>
<tr>
<td>2010-11</td>
<td>Not Met</td>
</tr>
<tr>
<td>2011-12</td>
<td>Not Met</td>
</tr>
</tbody>
</table>

The school has not met AYP in 2009-2010 through 2011-2012. AYP has been replaced by the Gap Closing component (AMO) on the report card.

II. Academic Analysis

The Value Added data for this school indicates that students overall are making more than a year’s worth of growth each year. Students in the lowest 20% are making approximately one year’s worth of progress each year. However, there are significant gaps in math and reading achievement in all measured disaggregate subgroups with a decline in reading and math achievement in 2013-2014. The school is not meeting the required indicators in any subject. The school should focus on using data to develop a comprehensive school improvement plan. This plan needs to focus on the reading and math instructional needs of all students as well as the disaggregate groups as evidenced by the grade of F in AMOs. A comprehensive review of the curriculum as well as such resources as pacing guides and curriculum maps could help the school identify achievement and learning gaps as well as instructional curricular gaps. The school should emphasize the development of instructional strategies that focus on improved professional practice and assessment techniques for improved student achievement for all students. The school should continue its focus on value added growth, developing professional practices that stretch students toward reaching higher achievement levels and grade level expectations.

III. Comparison of Similar Schools

The school outperformed a local traditional public school and one similar local community school in performance index score, which assesses student achievement level. The school also compares similarly to these schools in AMO/GAP closing. One local community school did outperform the school in both of these measures. However, the school compares similarly this local community school in overall value added and outperforms the remaining two schools.
IV. Special Education Services

Based on information gathered during site visits over the past two years, the school is in compliance with federal and state laws for special education. Required documents, such as Evaluation Team Reports and Individual Education Plans, have been completed within timelines. The school has not received any parent complaints regarding the provision of special education services.

FINANCE

I. Financial Management

The financial performance of the school has been analyzed by using measures developed by the National Association of Charter School Authorizers (NACSA) for their Financial Performance Framework. There are two sets of formulas used to analyze the school’s financial performance. They are categorized as Near-Term Measures and Sustainability Measures. The following ratios have been prepared based on year-end audits and other available information for the Green Inspiration Academy AKA Hope Academy Chapelside.

NEAR-TERM MEASURES

These are designed to examine the short term impact of the school’s financial performance:

- Current Ratio = Current Assets/Current Liabilities
- Unrestricted Days Cash = Unrestricted Cash/((Total Expenses - Depreciation Expense)/365)
- Enrollment Variance = Actual Enrollment/Projected Enrollment per Approved Budget, however projected numbers were not available thus prior year-end/summer attendance numbers were use, thus we are reflecting a true variance or change in actual enrollment
- Debt Default = whether a school has been unreasonably late on debt payments

The current ratio measures the school’s ability to pay its obligations over the next 12 months. A current ratio that exceeds 1.0 indicates the school does have the ability to meet current obligations.

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</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>1.32</td>
<td>1.25</td>
<td>2.79</td>
<td>3.08</td>
<td>3.59</td>
</tr>
</tbody>
</table>

Comment: Due to the natural reimbursement processes of charter schools and many government entities, cash balances are usually maintained fairly low and accounts payable will often be reflected while waiting on the cash to pay the accrued bills. Although indicative of near term activity; this ratio is not one of the pertinent indicators determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The unrestricted day’s cash on hand ratio indicates whether the school has adequate cash to meet its short term needs. It shows how many days the school can pay its expenses without an additional inflow of cash. Ideally, 60 days is preferred with 15 days felt to be the at risk point.

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</thead>
<tbody>
<tr>
<td>Unrestricted Days Cash on Hand (in days)</td>
<td>27.82</td>
<td>14.46</td>
<td>24.76</td>
<td>32.71</td>
<td>35.13</td>
</tr>
</tbody>
</table>
**Comment:** Again due to the reimbursement process charter schools are usually subject to, cash balances especially at month end when financial reporting is done, will be very low. This is natural to the environment and this ratio is not felt to be a pertinent indicator of determining renewal. It is felt that a few long-term sustainability indicators might be more useful in the renewal process.

The **enrollment variance** measures whether the school is meeting enrollment projections. Enrollment is the key driver of revenue.

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</thead>
<tbody>
<tr>
<td>Comment</td>
<td>1.04</td>
<td>Not Available</td>
<td>Not Available</td>
<td>Not Available</td>
<td>Not Available</td>
</tr>
</tbody>
</table>

**Comment:** The enrollment variance is felt to be a very pertinent indicator of both near term and sustainable financial health of any school. Although attendance in charter schools is highly fluctuating, any large decreases in attendance are addressed and action plans put in place to reverse trending.

**Debt default** indicate whether the school is late meeting debt obligations or is out of compliance with requirements of its debt covenants.

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<tbody>
<tr>
<td>Comment</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Comment:** Debt default is of utmost concern and is to be addressed immediately with school management. If default were to occur, it would be addressed immediately and an action plan implemented to return to good status with lending institutions.

**SUSTAINABILITY MEASURES**

These are designed to measure if the school’s financial performance indicates that the school can continue as an ongoing entity:

- Total Margin = Net Income/Total Revenue
- Aggregated Three Year Total Margin = 3 Years Net Income/3 Years Revenues
- Debt to Asset Ratio = Total Liabilities/Total Assets
- Multi Year Cash Flow = Year 3 Cash - Year 1 Cash
- One Year Cash Flow = Year 2 Cash - Year 1 Cash
- Debt Service Coverage Ratio = (Net Income + Depreciation + Interest Expense)/(Annual Principal + Interest Expense + Lease Payments)

**Total margin** measures whether the school operates at a surplus or deficit. Deficits over an extended time period increase the risk of closure.

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</tr>
</thead>
<tbody>
<tr>
<td>Comment</td>
<td>(0.01)</td>
<td>(0.06)</td>
<td>(0.04)</td>
<td>(0.02)</td>
<td>(0.01)</td>
</tr>
</tbody>
</table>

The **aggregated three year total margin** measures long term financial stability by smoothing the impact of single year fluctuations.
Comments: Margin ratios are considered very pertinent in the renewal process, however small losses are very common and widely accepted. Larger losses should be investigated and only tolerated when capital assets have been acquired. In cases of large losses without the acquisition of assets, action plans would be implemented to curtail spending and reduce expenses.

The debt to asset ratio measures the extent to which the school relies on borrowed funds.

Comments: Although borrowing is common among some schools, it should be done only when large assets are acquired. Borrowing without asset acquisition is indicative of over spending/excess expenses. Schools should be following a balanced budget and should not need cash inflows large enough to warrant borrowing. In cases, where higher ratios indicate large debt without offsetting assets, action plans should be put in place to reduce spending as well as debt; this will entail large cuts and possible contribution solicitation.

The cash flow measure indicates the school’s change in cash balance between periods.

Comments: As mentioned in near term discussions, charter schools tend run a very low cash balance as when it inflows arrive they are quickly put to use. Any large negative fluctuations in cash flows will be investigated and those not created by asset acquisition will be discussed with management and action taken when deemed necessary.

The debt service coverage ratio measures if the school can cover its debt based on the current year net income. A ratio exceeding 1.1 indicates that obligations can be met and possibly generate a surplus.

Comments: As discussed in the debt to asset section, schools should only be borrowing in cases of asset acquisition. There are instances however, where schools are profitable, usually driven by overhead assumption by management companies or contributions. Here we may see borrowing for start-up programs, leaseholds, etc. It is important to monitor the schools net income to ensure profitability continues. When profit ceases, borrowing would as well and action plans implemented to reduce spending and pay off remaining debt.
Comment: Green Inspiration Academy is operating in its seventeenth year. Green Inspiration previously operated as Hope Academy Chapelside, managed by White Hat Management. St. Aloysius began sponsoring Green Inspiration in 2012. In 2013, Green Inspiration opted to remove its management company and change its location and name. Green Inspiration is currently operated by the Board and a Superintendent. Green Inspiration appears to have a diminished focus on compliance since changing its operational status. In 2012-2013, the school was compliant on all items. In 2013-2014, the school was found to be partially compliant on four items. Additionally, Green Inspiration sought to add ninth grade for the 2014-2015 school year. After submitting the request outside of the time frame prescribed by the charter agreement and reviewing comments/suggestions made by the sponsor in relation to its education plan, the school opted to not add the ninth grade. Historically, the school has performed well on state conducted financial audits.
Conclusion: The Results of the Renewal Process

We have evaluated the overall academic performance, financial records, compliance information and operational performance of the school. In addition, we reviewed the information provided in your renewal application. Our review is conducted in light of both the standards and requirements of Ohio law and education policy and national standards for the operation and oversight of charter schools. In conducting this review, our priorities are, in order, academic success, financial wherewithal, and overall compliance. All the areas being evaluated are important, but the most essential question that St. Aloysius must answer when making renewal decisions is whether the school is an academic success. In consideration of this, St. Aloysius has determined that the charter for Green Inspiration Academy be:

RENEWED for a term of TWO (2) YEARS