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GOVERNOR

2017 Charter School Renewal Report – Part A
Anthony Charter School

August 25, 2017

School Name: Anthony Charter School
School Address: 780 Landers Road, Anthony, New Mexico
CEO/Principal: Jimmy Gonzales
Business Manager: Mike Vigil, II
Authorized Grade Levels: 7-12
Authorized Enrollment: 200
Mission: The mission of Anthony Charter School is to work with students and families to identify student abilities, both academically and social-emotionally, using a Personalized Education Plan as a pathway to ensure graduation.

SCHOOL SUMMARY

Anthony Charter School was chartered by the Public Education Commission (PEC) on July 1, 2013. Prior to 2013, Anthony Charter School was locally-authorized by Gadsden Independent School District (GISD). As stated in their charter contract: “Anthony Charter School works with students and families to identify student abilities, both academically and social-emotionally, using a Personalized Education Plan as a pathway to ensure graduation.”

The charter was initially granted by GISD in 2007 and served grades 7-12 with an enrollment cap of 200 students. In December, 2012, the Public Education Commission as the new authorizer approved the School for renewal for an 18 month term (July 1, 2013 to December 31, 2014); during the Commission’s March 2013 meeting, the term was extended to twenty-four months ending on June 30, 2015.

The PEC approved a 3 year contract for Anthony Charter School that ran until June 30, 2015. The PEC included the following conditions in this contract:

1. The School will resubmit part B of its application, working with CSD to write goals that clearly indicate rigor, relevance and with metrics that allow indicators to be properly measured.

2. The School will identify how the short cycle assessment that the School uses aligns to the academic program of the School.
3. The Governing Council of the School will conduct a Strategic Plan that clearly indicates how the School will measure progress in growing its Q1 population scores and its Q3 population scores.
4. The Governing Council of the School will clearly state what leadership competencies/indicators it will use to evaluate the Principal.
5. The School will align its curriculum to match the needs of the students and identify how individualized learning plans will be created using that curriculum. This will align with the mission of the School.
6. Since, Anthony Charter School is moving from a district- authorized school to a PEC-authorized school, they will need to complete the *Board of Finance* application for approval by the PEC no later than April 1, 2013.

Per the charter contract, the school met all of the above conditions prior to April 1, 2013.

On December 2014, the Public Education Commission (PEC) denied the renewal application of Anthony Charter School on the grounds that:

“[T]he application is otherwise contrary to the best interests of the charter school's projected students, the local community, or the school district in whose geographic boundaries the charter school applies to operate. In addition, I note that there have been material violations. Their goals have not been met. Their -- the conditions imposed upon them for the last renewal cycle have not been met. Many of the conditions of their improvement plan have not been met.”

The motion passed 6-1. Subsequently, this decision was appealed by the School pursuant to the provisions of the Act. The Secretary of Education initially upheld the decision of the PEC, and the case was appealed to the district court. The court recommended the parties settle the case and the Secretary of Education agreed to settle the appeal granting the school a contract Jul 1, 2013 through June 30, 2018 according to the terms and conditions stated in the Contract as amended by the First Amendment to the Contract. The First Amendment to the Contract and Performance Framework for 2015-2016 Academic School year was agreed to by and entered into between the School and the Secretary, pursuant to a Settlement Agreement approved by the First Judicial District Court for Santa Fe County. This agreement was signed on January 11, 2016.

GOVERNING BODY PERFORMANCE

The school has six members serving on their Governing Body. The school did not always inform the PEC of changes to their governing body membership in a timely fashion; however, the school has been timely for all recent changes. The following members are currently serving on Anthony Charter School’s Governing Board:

Name	Role	Service Start Date
Charles Wendler	President	*
Rocio Rodriguez	Vice President	9/10/16
Claudia Quinonez	Secretary	*
Elsa Johnston	Member	2/13/17

Maria Delgado	Member	4/11/17
Barbie Garcia	Member	4/11/17

* Anthony Charter School failed to provide governing board member contact forms. No service start dates are available.

The PED has received documentation that the school’s governing body members that served in FY2017 completed their required training for that year. Anthony Charter School did not meet training requirements for all members in FY2015. Eight members attended trainings, but only seven met the required hours. Anthony Charter School met training requirements for all six members in FY2016.

AMENDMENTS AND AMENDMENT REQUESTS

The school submitted its renewal application on [date – to be completed by PED]. The school’s renewal application includes [number of amendment request(s) – to be completed by PED]. The request(s) seek the following: [summary of request(s) – to be completed by PED].

SCHOOL’S MISSION AND MATERIAL TERMS

The School’s mission statement is as follows:

The mission of Anthony Charter School is to work with students and families to identify student abilities, both academically and social-emotionally, using a Personalized Education Plan as a pathway to ensure graduation.

The contract identifies the following educational program as a material term of the charter:

Educational Program of the School.

Personalized Learning: The School provides flexible and personalized programs with each student developing a Personalized Education Plan. The Personalized Education Plan includes a social emotional learning component, based on the NM Core Standards and best instructional practices.

The School requires all students to take a mentoring course, *Consejos*, in which the students are assisted with developing and implementing their Personalized Education Plan. The mentoring course, *Consejos*, also includes targeted instruction and tutoring, especially for those students failing core courses at the nine-week grading period and/or students receiving short cycle assessment scores at and below the 1st Quartile. Through this course, students develop cultural and linguistic competency through the reading of multicultural literature. Finally, students engage in social emotional learning opportunities during this course.

Social Emotional Learning: The School uses an evidence-based social-emotional learning program (Social Skills Improvement System Rating Scales [SSIS]) that creates a safe, caring, well-managed learning environment and provides sequenced, developmentally appropriate, classroom-based instruction designed in the major areas of social, emotional and academic competence. Using SSIS, the School staff and students learn from, understand, and relate respectfully to their own culture and the cultures of others. By cultivating respect and honoring all stakeholders, school staff and students can work effectively in all cultural contexts.

The contract identifies the following student and teacher focused terms as a material term of the charter:

Student – Focused Term(s). Beginning in the 2013 -2014 school year, the School will hold classes four days a week in a manner which complies with the required instructional hours. The School conducts at least two yearly student/parent/teacher conferences to update the Personalized Education Plan, to share student accomplishments, and to keep families involved and informed about their student’s education.

Teacher – Focused Term(s). One non-teaching day of each month is devoted to a professional development/collaboration time for teachers.

ACADEMIC PERFORMANCE

School Grading is part of state and federal statute that mandates accountability for all public schools. In 2011, New Mexico lawmakers enacted requirements that schools demonstrate progress through a grading system similar to that applied to students, A-B-C-D-F [§22-2-1, §22-2-2, and §22-2E-1 to §22-2E-4] [6.19.8.1 NMAC – N, 12-15-11]. The statute requires the governing body of a charter school rated D or F to prioritize its resources toward proven programs and methods linked to improved student achievement until the public school earns a grade of C or better for two consecutive years [§22-2E-4 (E) NMSA 1978].

In 2011, New Mexico lawmakers also enacted requirements that each charter school authorizer develop a performance framework to set forth academic performance expectations. The statute requires each charter authorizer to collect, analyze and report all data from state assessment tests in accordance with the performance framework [§22-8B-9.1 NMSA 1978].

In the New Mexico school grading system, elementary and middle school grades consist of 6 indicators and high schools consist of 8 indicators, resulting in an overall score for the final grade. Each indicator of a school’s grade is assigned points. The points for each indicator are summed to assign a grade. The maximum number of points from all components added together is 100 for each school. The total number of points received by each school determines the school’s overall grade. In addition, schools may earn up to five additional or *bonus* points for reducing truancy, promoting extracurricular activities, engaging families, and using technology. The School Grading Report Card also provides school leaders with information comparing their school to schools with similar student demographic characteristics.

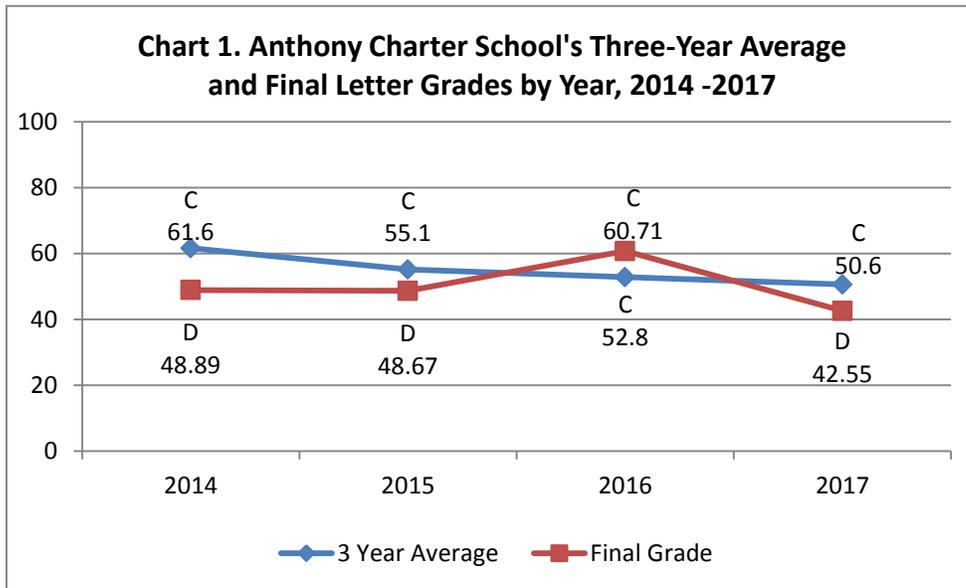
The following information provides a snapshot of the school’s academic performance over the last three years. The analysis in this section will discuss the school’s performance over time in each indicator in the letter grade report.

Anthony Charter School’s 2017 School Grade. On the 2017 School Grading Report Card, Anthony Charter School earned a total of 42.55 of the total, including 2.00 bonus points. Overall, Anthony Charter School earned a D grade, with F grades in current standing, school improvement, improvement of lowest-performing students, and graduation. The school earned a D grade in 2014 and 2015, a C in 2016, and a D again in 2017.

According to the 2017 School Grading Report, Anthony Charter School ranks on the lower end across four (current standing, school growth, growth of higher-performing students, and graduation) of the seven indicators when compared to 32 similar schools in the state (see p. 6 of the 2017 School Grading Report).

Chart 1, below, illustrates Anthony Charter School’s three-year average grade and its overall school grade from 2014 through 2017. While the school’s the three-year average grade (blue line) has

remained a C, the final grade has gone from a D to a C and back to a D over the last three years (red line) – demonstrating inconsistent and poor performance. Further, the three year average points earned have continued to drop over the four years.

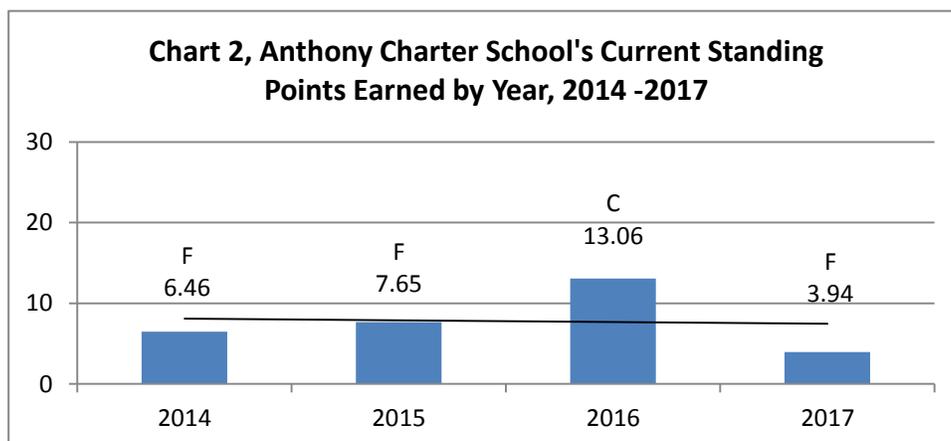


Anthony Charter School’s academic performance, as measured by the school grading report cards, demonstrates a trend of low academic proficiency in reading and math (students are not performing on grade level) and a lack of growth (students at this school are not improving as expected).

These results over the three year term indicate that the school has not addressed the PEC’s concerns about low student achievement which was part of the reason the PEC initially denied the school renewal application for a three-year contract ending June 2015. Consistently, in the last three years, Anthony Charter School’s academic performance has been low.

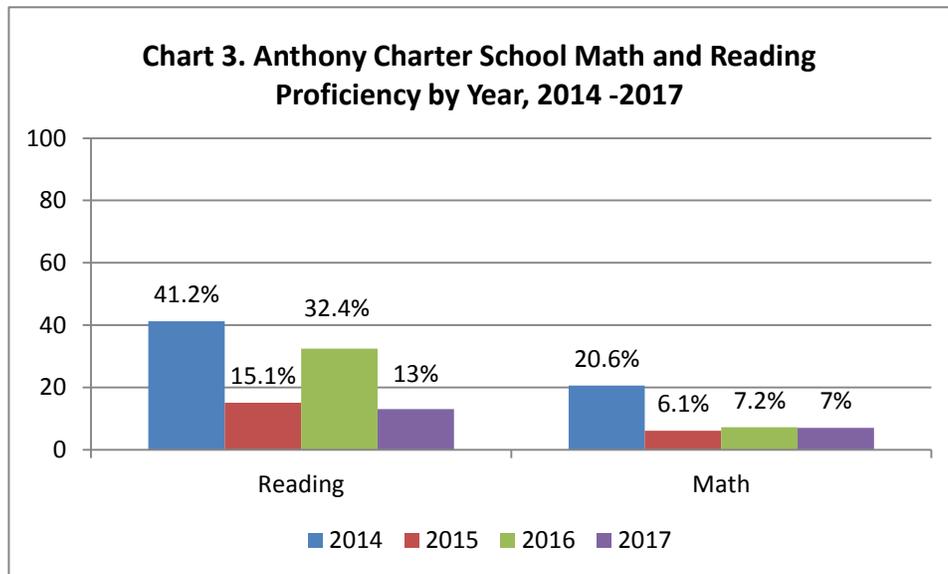
Current Standing. Current standing measures both grade level proficiency and student performance in comparison to expected performance based on statewide peer performance; statewide peers are identified based on prior achievement and student mobility. Over the past 3 years the weighting between these two components has changed. In 2015, the comparative performance was most highly weighted. In 2016, the two components were equally weighted. In 2017, the grade level proficiency is most highly weighted.

In 2017, the school earned only 3.94 points out of 30 possible points in this category, far behind the statewide average (established in 2012) of 12.5 points. Yet the school earned 13.06 points in 2016. Chart 2, below demonstrates the decrease of 9.12 points in one just one year. Overall from 2014 to 2017 the school’s points earned have decreased from 6.46 to 3.94, a decline of 2.52 points.

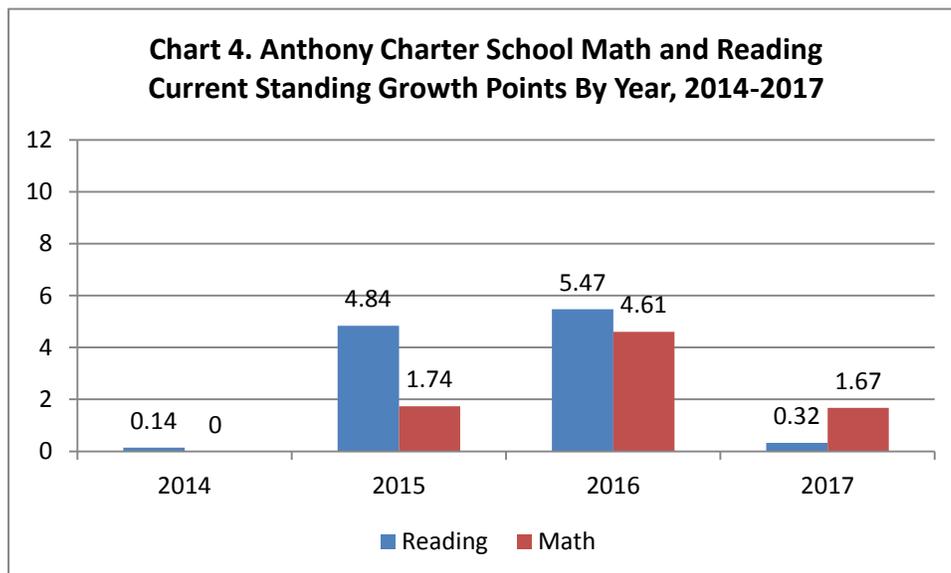


The school's low grade in Current Standing is a result of two factors, both the school's poor comparative proficiency rates to students and schools across the state in math and reading and the poor comparative growth of the school's students to their academic peers across the state.

In 2017, the state reported 28.6% of students were proficient in reading and 19.7% of students were proficient in math. The school's 2017 report card indicates that 13% of students were proficient in reading and 7% of Anthony Charter School's students were proficient in math. In 2016, 32.4% of Anthony Charter School's students were proficient in reading and 7.2% were proficient in math. Chart 3, below, illustrates the low academic proficiency over time and the declines in reading proficiency from 2015 to 2017; the chart shows only minimal improvement in math proficiency.



In addition, in 2017 the school could have earned up to 5 points for comparative growth of the school's students to their academic peers across the state in both math and in reading, for a total of 10 points in Current Standing that are based on growth measures. The school earned 0.32 points in reading and 1.67 points in math. These values are down from 2016 and 2015. The school did not make improvement in this element of current standing from the previous years and the school's performance is well below expected.



School Growth. The school growth (Value-Added Modeling) compares overall student performance from year to year. Growth can be positive or negative. When it is positive, school performance is better than expected when compared to others schools with the same size, mobility, and prior student performance. Chart 5, below, illustrates that Anthony Charter School earned 5.42 points out of 10 possible points in the area of School Growth in 2016 but decreased to just 1.99 points in 2017. This score is far below the 5.8 average points earned statewide in 2012 when School Grading was initiated. Overall, the school has seen a decline of 1.77 points earned since 2014, earning a D and 3.76 points in 2014, but an F and only 1.99 points in 2017.

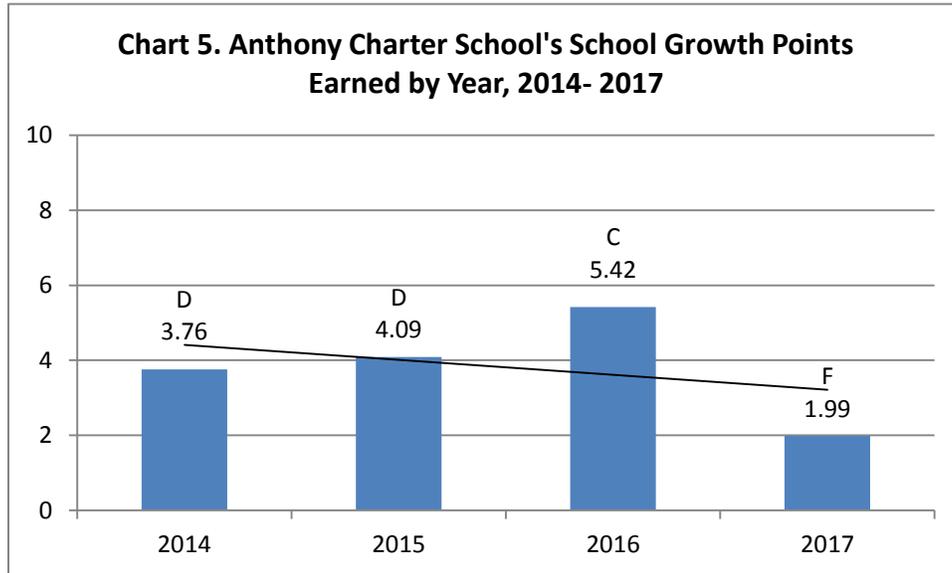
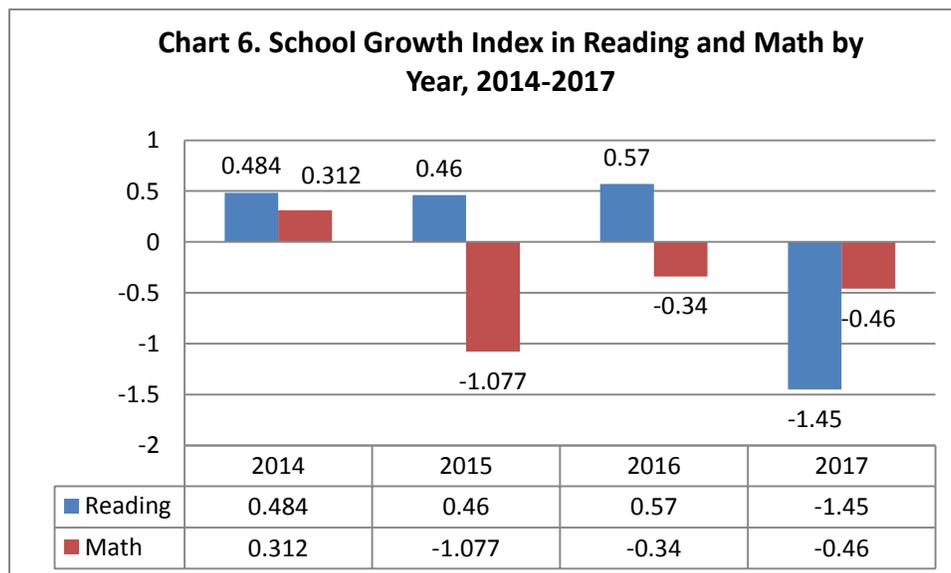
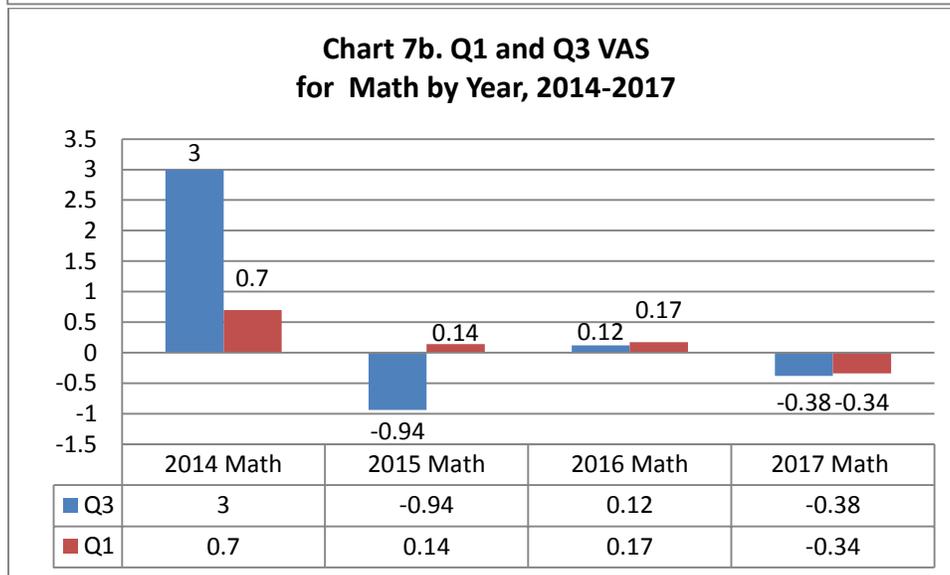
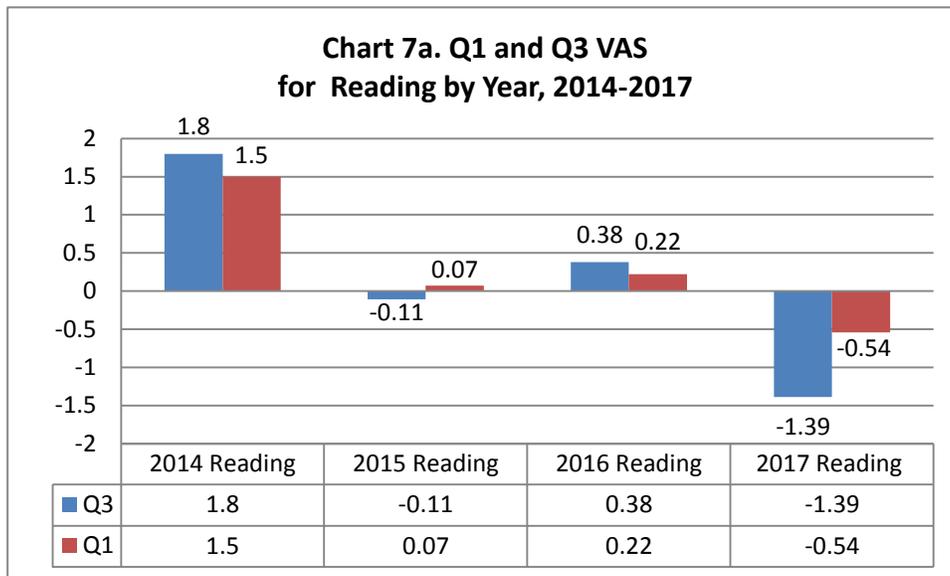


Chart 6, below, illustrates school growth terms of a growth index in reading and math from 2014-2017. In 2016, Anthony Charter School’s reading growth was positive and math growth was negative whereas in 2017, Anthony Charter School’s growth in reading and math were both negative. In 2017, Anthony Charter School earned a total of 1.99 points out of the 10 possible points for school growth (0.32 points for reading and 1.67 points for math, respectively). Growth became more negative (moving in the wrong direction) from 2016 to 2017 and Anthony Charter School performed very poorly compared to other schools with the *same* size, mobility, and prior student performance. The school’s performance is lower than expected. Overall, since 2014 the school’s growth indices have both gone from positive to negative.



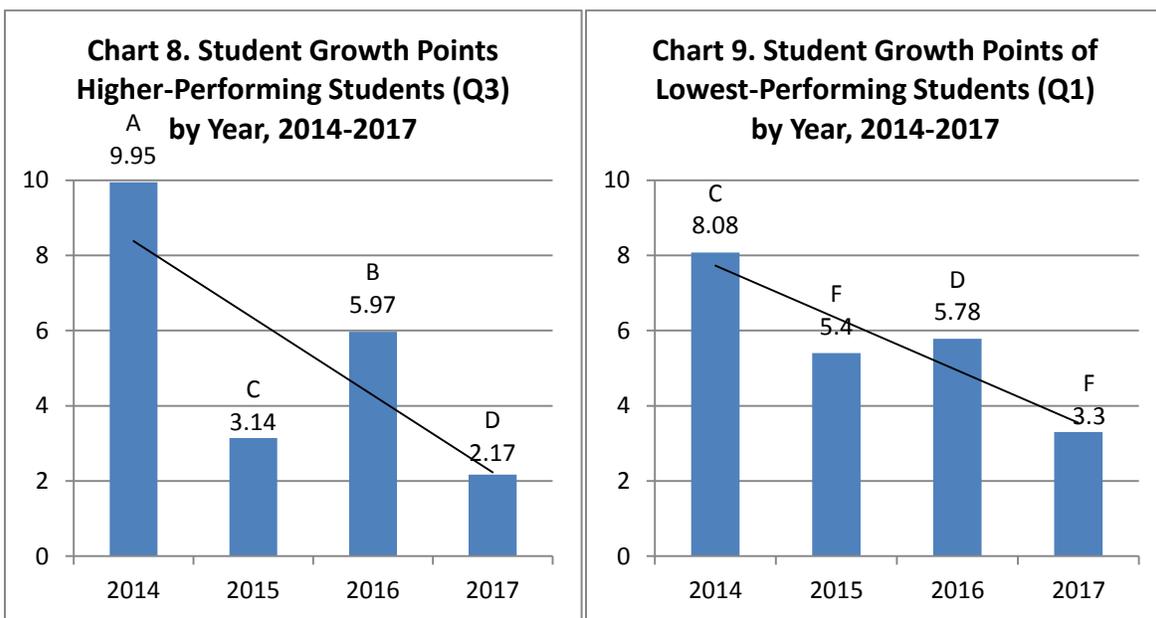
Student Growth. Student growth is measured in three indicators: school growth (discussed previously), growth of the highest-performing 75% of students (students in the first three quartiles, or Q3), and the growth of the lowest-performing 25% of students (students in the last quartile, or Q1). Each of these indicators evaluates the school’s impact on the change in students’ performance in comparison to their peers over time. Peers are identified based prior achievement and student mobility.

Charts 7a and 7b, below, illustrate student growth for the higher-performing (Q3) students and the lowest-performing (Q1) students. The Value Added Scores (VAS) shows that the school’s students performed below expectations. In 2016, Anthony Charter School’s higher-performing and lowest performing students performed slightly above expected. In 2017, performance of both groups of students declined below zero, meaning that the groups were performing below expectations based on their academic histories. Furthermore, gaps between Q3 and Q1 is widening in reading 2017. In both math and reading there is a substantial decline in both math and reading growth indices for Q3 and Q1 students from 2014 to 2017.



Growth of Higher-performing (Q3) and Lowest-performing Student Groups (Q1). In Q3 student growth, the indicator evaluates changes in comparative performance for the school’s higher-performing students (top 75%). In Q1 student growth, the indicator evaluates changes in comparative performance for the school’s lowest-performing students (lowest 25%).

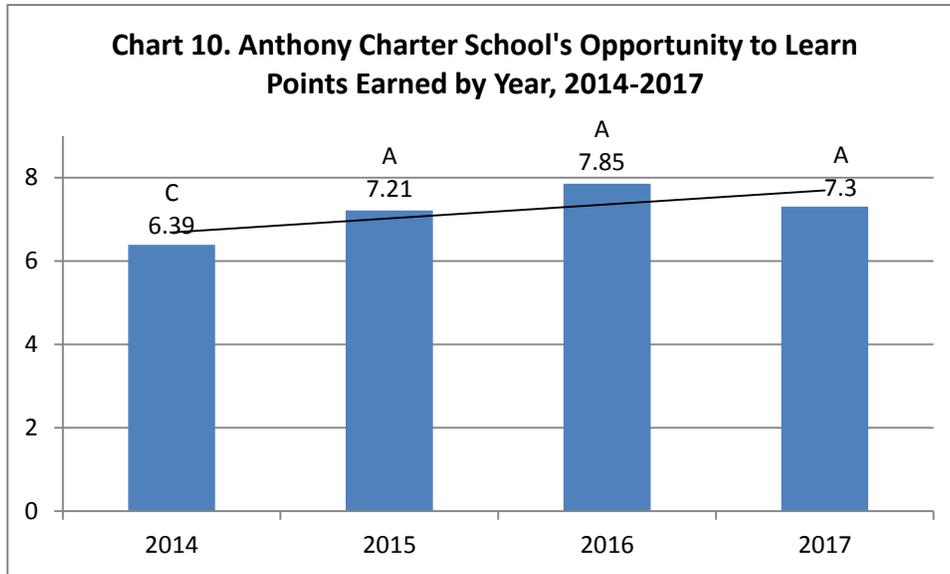
On the 2016 report card, the school earned 5.97 out of 10 possible points in the Student Growth of Higher-Performing Students (Q3) category. In 2017, the school earned less than half as many points (2.17) as it the previous year. See Chart 8, below. In 2016, the school earned 5.78 out of 10 possible points in the Student Growth of Lowest-Performing Students (Q1) category. Compared to the average points earned statewide in this category, the school underperformed by 1.92 points. In 2017, the school earned a total of 3.31 points. See Chart 9, below. Overall, from 2014 to 2017, the school has seen a substantial decline in points earned for Student Growth in both Q3 and Q1.



Opportunity to Learn. Opportunity to learn is a measure that evaluates the quality of the learning environment. This indicator is based on attendance and a classroom survey administered to students (or parents in grades K-2). High schools can earn 8 total points (3 for attendance, 5 for the survey). The target for attendance is 95%. Schools with average rates less than 95% are given partial credit, and schools with greater than 95% can earn more than the maximum allotted points.

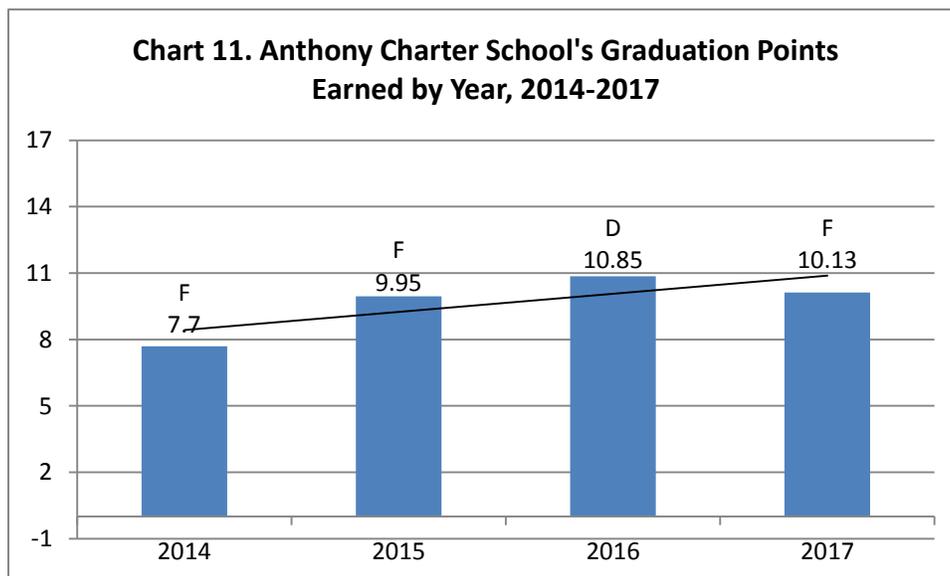
The parent and student surveys consist of 10 questions (scored on a scale of 0-5) about practices known to promote successful learning. The target score of 45 yields 100% of the five total points possible. Schools that average higher than 45 on the total score can earn slightly higher than five points.

The state’s average attendance rate is 94% and in 2017 the school’s attendance rate was 93%. The school’s strong attendance rate earned 2.93 out of 3 for points possible for attendance. The school earned an average of 38.94 out of the 45 points possible for the surveys and 4.33 points out of 5 for the student surveys. The school earned a total of 7.26 points in the Opportunity to Learn indicator, surpassing the statewide average of 6.0 points. The school earned slightly few points in the category from 2016 to 2017. This area has seen an overall increase in points since 2014.



High School Graduation Rates. This indicator is calculated based on 4-year, 5-year, and 6-year rates and the annual increase in the 4-year graduation rate and is based on three years of data. Calculation of 4-year, 5-year, and 6-year cohort graduation rates uses the Shared Accountability method. Schools are proportionally accountable for student graduation for all students in a graduation cohort who were enrolled in their school for any amount of time. The model includes 4-year, 5-year, and 6-year rates, which produce a maximum of 8, 3, and 2 points respectively. The extended-year rates include only members of the prior 4-year cohort and do not allow new entrants in subsequent years.

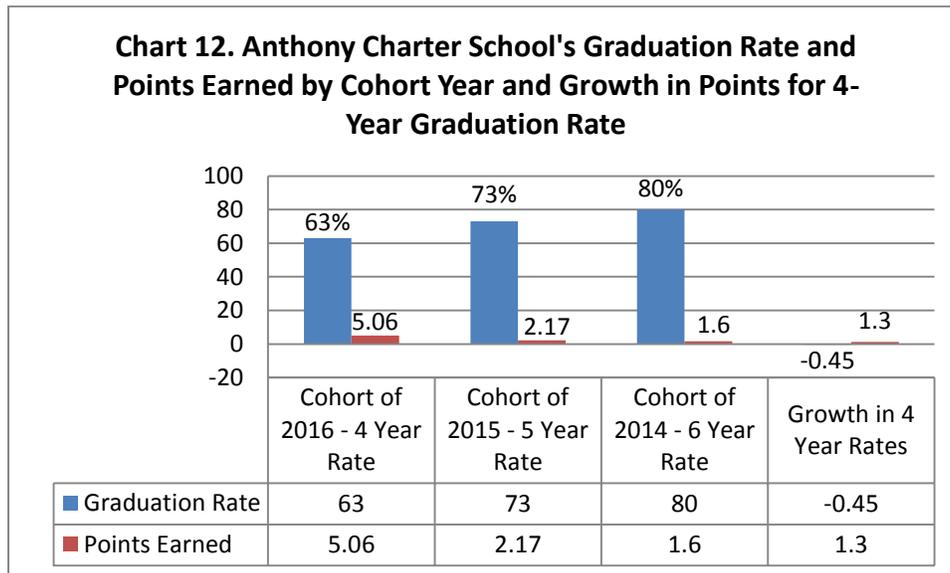
In 2016, the school earned 10.85 points out of 17 in the Graduation category and 10.13 points in 2017. The school fell below the statewide benchmark of 12.8 by 2.67 points. The school has seen an overall increase in points awarded for graduation since 2014, but still has an F in this indicator.



Graduation Growth refers to annual increase in the 4-year graduation rate and is based on three years of data. Growth in the 4-year rate reflects the school's overall ability to help students complete their high school careers in a timely way. The goal is 90% of students graduating in 4 years, so any school that

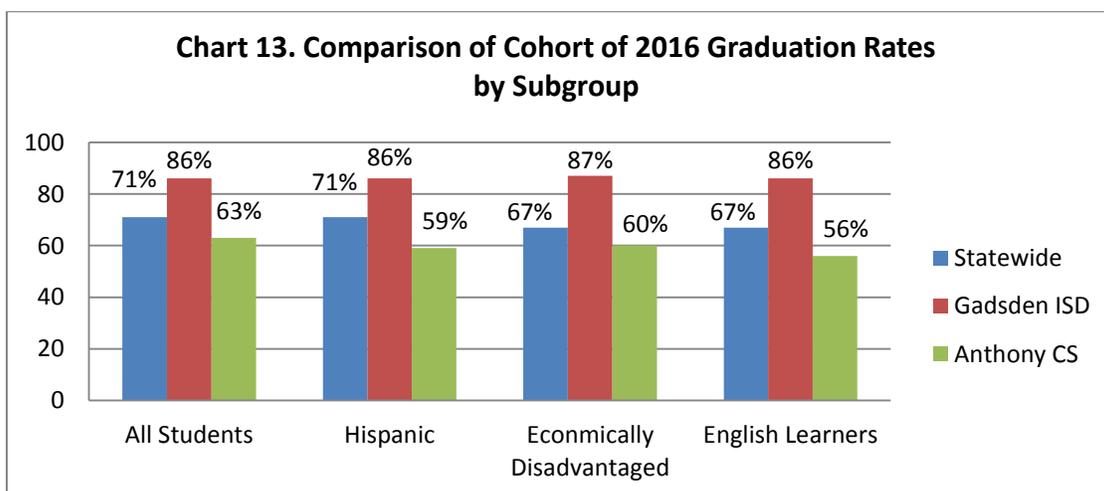
has a graduation rate of 90% in 2015 is awarded all four points. Growth of the 4-year rate is worth an additional 4 points yielding a total of 17 possible points for graduation.

Chart 12, below, demonstrates how the school earned its points in this category. Of the 10.13 total graduation points, the school earned 5.06 points out of 8 for the school's 4-year graduation rate, 2.17 out of 3 points for their 5-year graduation rate, and 1.60 points out of 2 points for their 6-year graduation rate. For 2017, the school's graduation growth index is -0.45 (negative).



Graduation Data by Subgroup. The chart below compares the school's graduation rates to the local school district and to the statewide percentages. The information below is based on a 4-year cohort. A cohort is named by students' expected fourth year of high school; for example the "Class of 2016" is also the "Cohort of 2016." The Cohort of 2016 is the latest- available data, with newest graduation data is released annually in later fall.

Chart 13, below, illustrates that Anthony Charter School's graduation rate for the Cohort of 2016 is 8% lower when compared to the state average, but 23% lower than its local district, GISD. The gap in graduation rates between Anthony Charter School and its local school district are highly pronounced --there is a 30 percentage point gap between the school's graduation rate for English Learners compared to their local district, GISD.

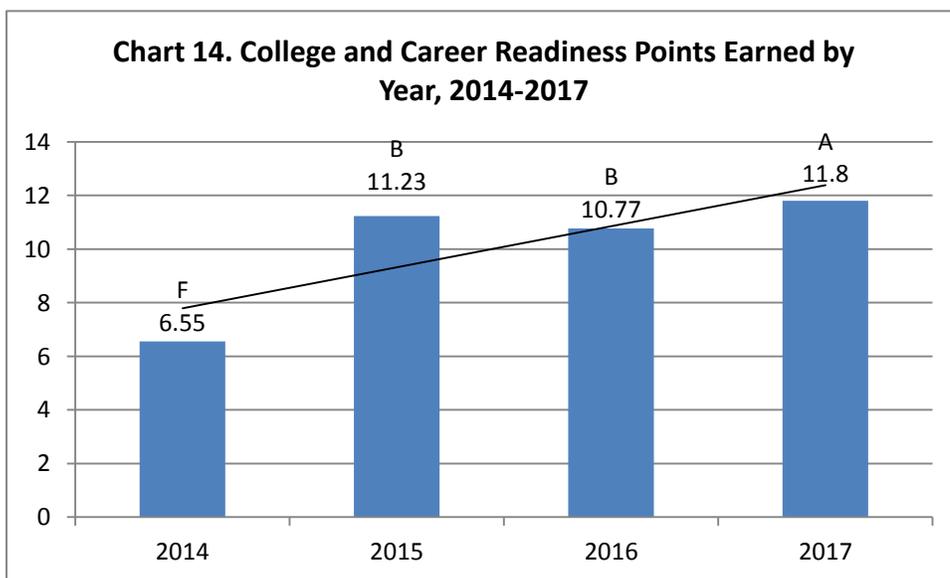


Anthony Charter School graduated 59% of its Hispanic students, 60% of its economically disadvantaged, and 56% of the school's English Learners graduated in 2016. According to the 2017 School Grading Report Card, Anthony Charter School ranks in the bottom third when compared to 32 similar high schools across the state.

College and Career Readiness. This indicator evaluates the percent of cohort members (high school students' 4th year) who show evidence of college or career preparation, along with the proportion of those students meeting a benchmark. Credentials are established through course enrollment leading to an industry recognized certification or through a student's taking a recognized academic precursor to post-secondary education. College and Career Readiness is composed of *Participation* (5 points) and *Success* (10 points) yielding a total 15 points in the high school's overall grade.

Chart 14, below, illustrates the total College and Career Readiness points earned in the last two years. In 2017, the school report card data indicates that 73% of the school's students participated in the college or career readiness program and this percentage of participation resulted in the school earning 3.65 points out of 5 for this indicator. The school earned 8.10 points out of 10 for the participation points of this indicator. Out of the 73% of Anthony's students who participated in College and Career opportunities, 81% were successful.

In 2016, Anthony Charter School earned 10.77 points out of 15 in the College and Career Readiness category of the state report card and 11.8 point in 2017. The statewide average points earned in this category is 9.0 points, which means that in 2017 Anthony Charter school earned 2.8 more points than the state average points earned (9.0) in this indicator. Overall this indicator has improved from an F in 2014 to an A in 2017.



Achievement Gaps in Proficiency and Growth between Student Subgroups. According to reading and math proficiency data available on the 2017 School Grading Report Card, only 13% of Anthony Charter School students are proficient in reading and only 7% are proficient in math; this is down from 32.4% of students proficient in reading and 7.2% of students proficient in math in 2016. Similarly, 12% of economically disadvantaged students are proficient in reading and 7% in math; this is also down from 2016. In comparison to 2015, the proficiencies have declined in reading and are slightly higher in math.

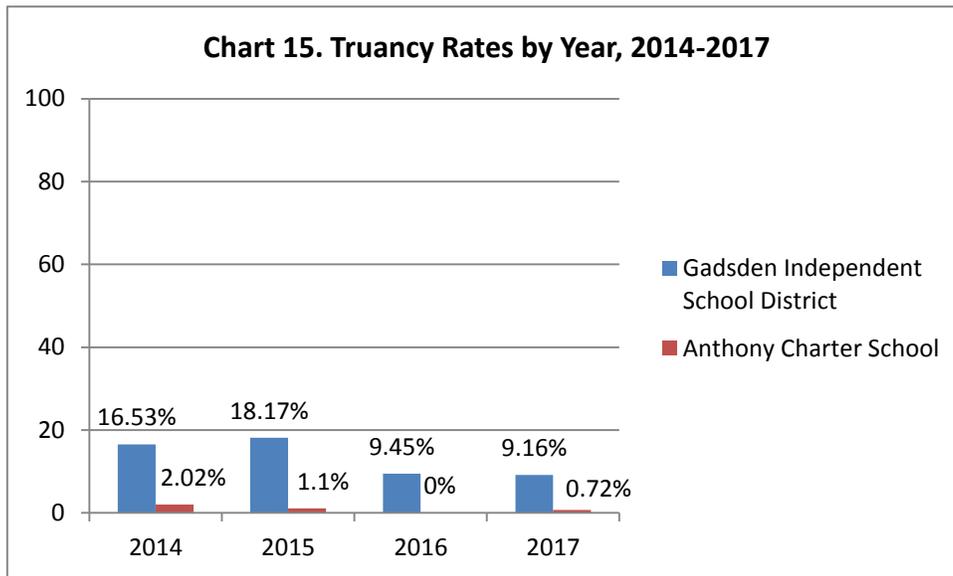
Ninety-nine percent (99%) of students at Anthony Charter School are Hispanic (see Chart 17) and only 13% of Hispanic students are proficient in reading and 6% are proficient in math. Yet 59% of its Hispanic students graduate in 4 years (see Chart 13). Taken together, that data indicates that nearly 60% of the school's students are graduating even as only a very small fraction of those students are proficient in

either reading or math. The school may wish to explain how it knows its graduating students are prepared to succeed in college and are career-ready.

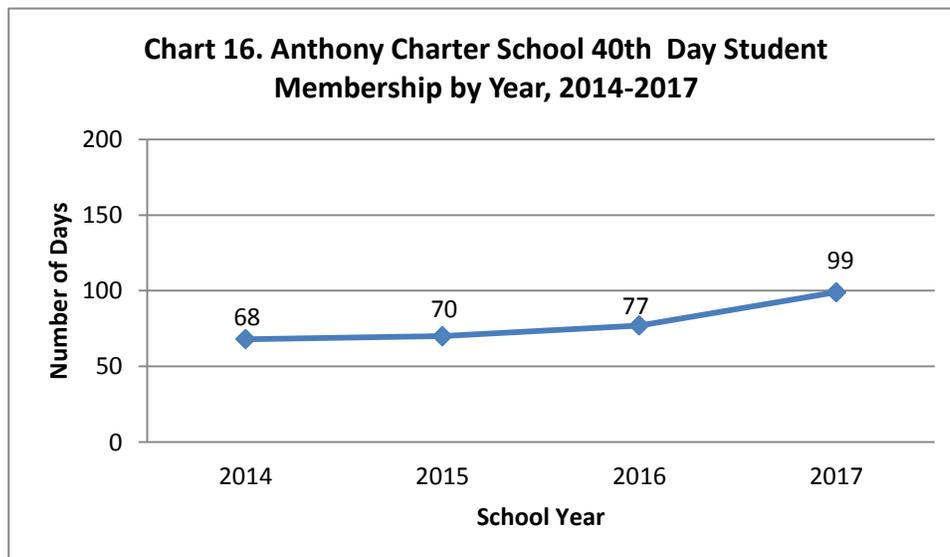
STUDENT ATTENDANCE AND ENROLLMENT

The following information provides a picture of the school’s attendance and truancy, current student membership (enrollment), and enrollment trends over the term of the contract.

Habitual Truancy. The table below reflects the school’s truancy rate and their truancy rate compared to Gadsden Public School’s truancy rate. The school’s habitual truancy rate was substantially below the GISD truancy rate. The school’s habitual truancy rate for the two years has remained below 1%, much lower than the local district’s rate of approximately 10%.

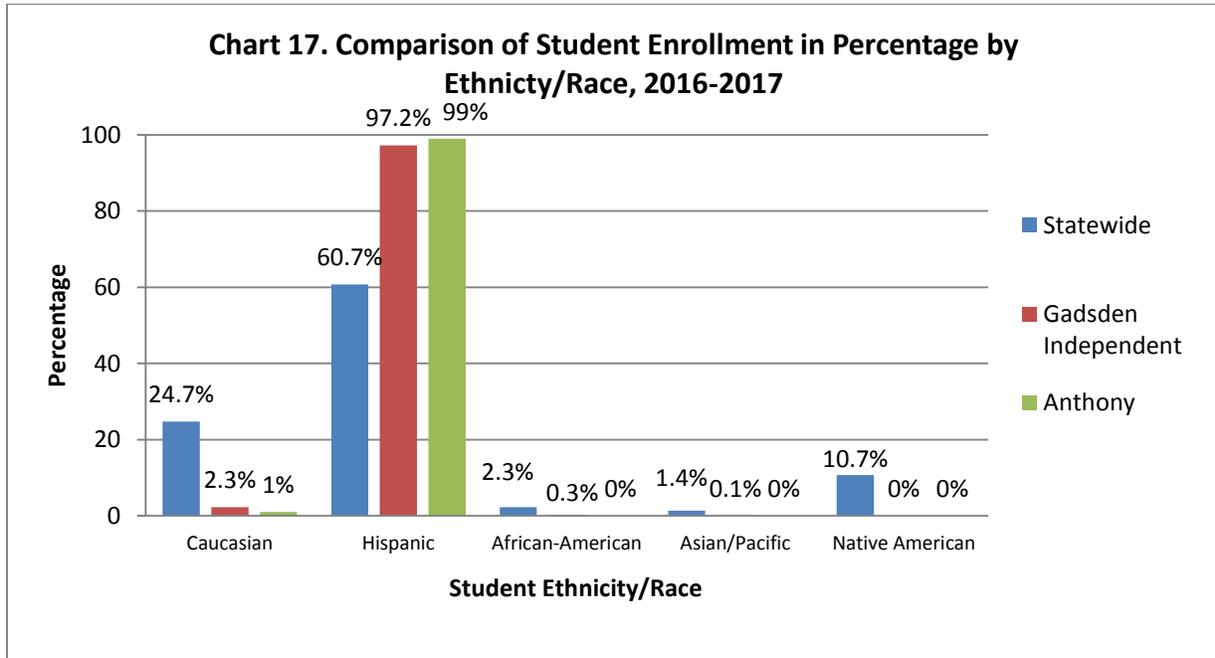


Student Membership (Enrollment). The table below demonstrates the 40th day membership for each of the years in operation during their current contract term. The school’s enrollment increased from 2015-16 to the 2016-17 school years by 22 students. The 40th day count for 2016-2017 indicates that the school was under its enrollment cap by 101 students.

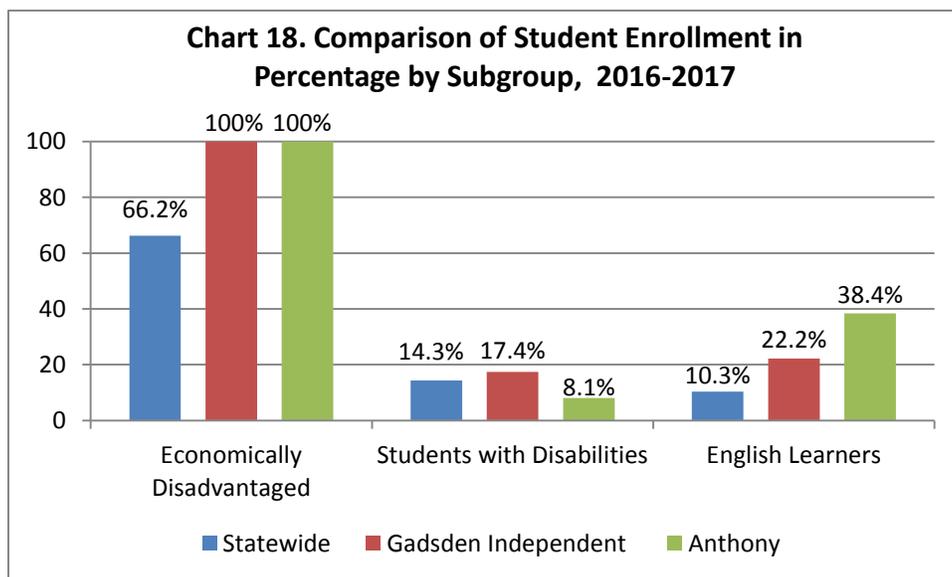


Note: Charts 16 and 17 may be updated with 2017-2018 data later this fall after the 40th day student membership data submitted through the Student Teacher Accountability Reporting System (STARS) is certified. The 40th day reporting window occurs annually from mid to late October.

Enrollment by Race/Ethnicity. Anthony Charter School’s student demographic data illustrates that it serves a high Hispanic population even when compared to its local district. The school’s population mirrors the local school district’s population.



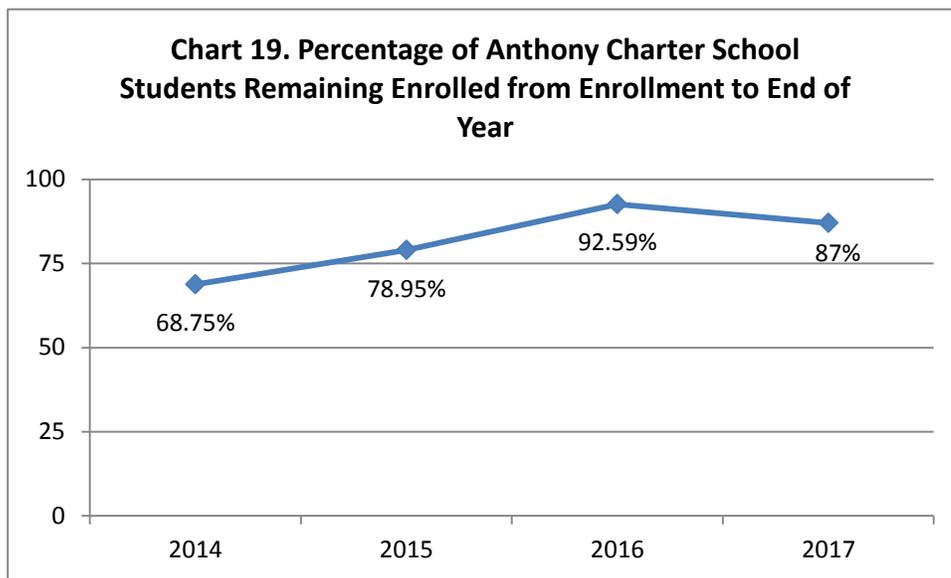
Enrollment by Subgroup. The school has a much higher population of English Learners when compared to the local district and statewide figures. Anthony Charter School serves approximately half the percentage of students with disabilities when compared to the local district. Because the school serves a high population of English Learners, the low academic performance is concerning.



Retention and Recurring Enrollment. In its Performance Frameworks, the PEC has established student retention expectations. For this school, the PEC established a target of 85% recurrent enrollment between years.

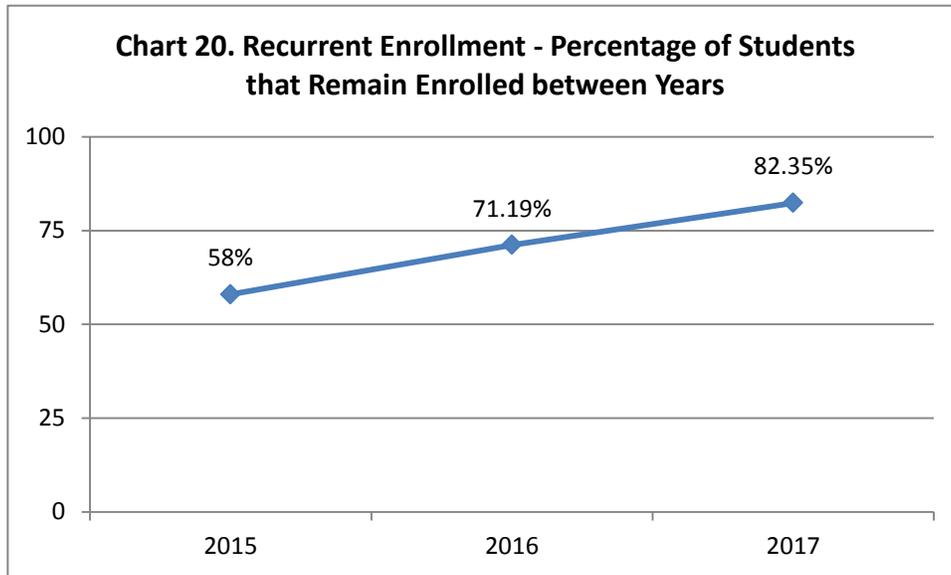
Below, the PED has calculated within-year retention rates to evaluate the percentage of students who remain enrolled in the school from the time they enroll until the end of the school year. This data is calculated by identifying all students who enroll in the school at any time during the year and then evaluating if the students remain enrolled until the end of the school year. Students whose withdrawal codes indicate circumstances beyond their control are removed from the data set.

Chart 19, below, demonstrates the percentage of students that withdraw from Anthony Charter School before the end of the school year for each of the years in operation. For the 2015 school year, 31.25% of the students that enrolled at Anthony Charter School withdrew before the end of school year. In 2016, only 7.41% of students that enrolled at the school withdrew before the end of that school year. In 2017, the number of students withdrawing increased again. The school saw a drop in the percentage of students who chose to remain enrolled until the end of the school year from nearly 93% in 2016 to only 87% in 2017. The data indicates that over time the school has been able to retain more of the students who enroll from the time of enrollment until the end of the school year.



To evaluate recurrent enrollment as required by the PEC, the PED has calculated this measure by identifying the students enrolled at the end of each year who are eligible to reenroll (not graduated), and then identifying the students who reenroll on or before the 10th day of the subsequent year. Students whose withdrawal codes indicate circumstances beyond their control are removed from the data set.

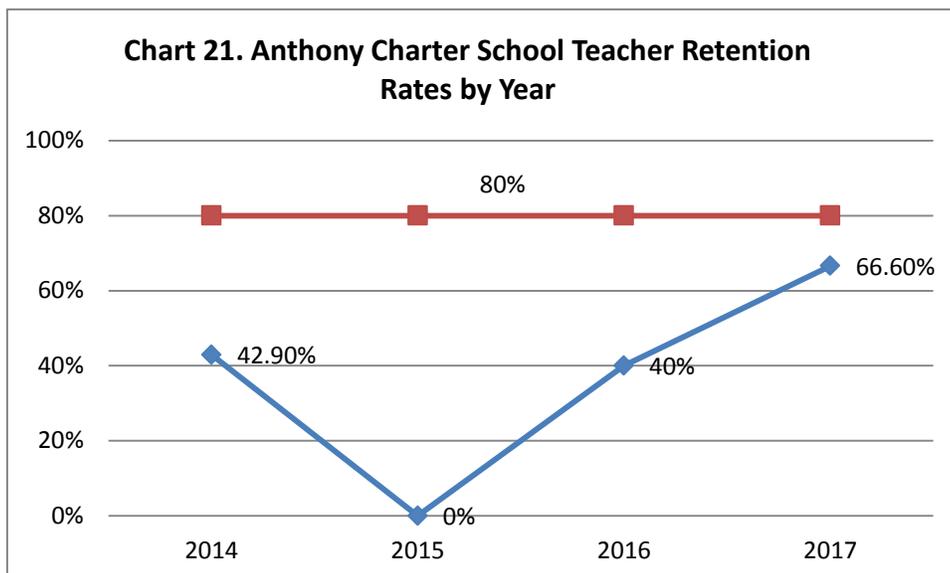
In the chart below, student enrollment data for Anthony Charter School demonstrates that 58.0% of the students who completed the year in 2014-15 returned in 2015-16. Anthony Charter School student enrollment data demonstrates that 82.35% of the students who completed the year in 2015-16 returned to Anthony Charter School in 2016-17. During the term of the contract, the school experienced a 24.35% increase in the percentage of students that remained enrolled from one school year into the next (recurrent enrollment between years).



Anthony Charter School did not meet the PEC recurrent enrollment target of 85% in any of the school years. While the school has experienced a 24 percentage point increase, the percentage of students that remain at the school between years, for the current contract, falls far below the 85% target.

Teacher Retention Rate. The PEC established a goal of 80% teacher retention (lower than 20% turnover) as stated in the performance contract. This data is calculated by comparing the license numbers for teachers from one year to the next. For example, all teacher license numbers reported for the 2015-2016 school year were compared to teacher license numbers the following year for the same reporting period. The percentage of duplicate license numbers were compared in the second year and the retention rate was calculated based on the percentage of teachers who returned the following year.

Chart 21, below, demonstrates the school's teacher retention rate over the last four school years. The school's teacher retention rate was 42.9% in between the 2013 and 2014 school years, 0% between the 2014 and 2015 school years, 40% between the 2015 and 2016 school years, and 66.6% between the 2016 and 2017 school years. Anthony Charter School attained teacher retention rates lower than the PEC's goal for all years in the contract term.



AUDIT PERFORMANCE

The **FY2016 Audit noted no findings** for Anthony Charter School and listed five findings from prior year audits as resolved.

The **FY2015 audit listed two findings of non-compliance** related to per diem reimbursements and budget adjustment reimbursements and **three additional findings of noncompliance** from the prior year, FY2014, related to timely deposits, mileage reimbursements, and audit committee.

- **FY 2015 – Per Diem Rate Reimbursements (Noncompliance):** One finding was in relation to per diem rate reimbursements since the auditor noted that one of the reimbursements tested included payment for meals of non-employees in the amount of \$69.59 and the school could not provide documentation for another travel reimbursement in the amount of \$327.08. The auditor found the school was not compliant with 2.42.2.8(B)(1) NMAC regarding per diem reimbursements since it authorized payments in excess of authorized per diem rates.
- **FY 2015 – Budget Adjustment Request (BAR) (Noncompliance):** The school budgeted more cash carryover in the amount of \$5,768 than it had available from the operational fund. The school did not comply with 6-6-6 NMSA 1978 which requires schools to follow PED procedures relating to Budget Adjustments Requests, which includes ensuring that BARs are included in final budget amounts reports to PED. Further, the school did not comply with 6.20.2.10(B) NMAC which requires that school districts [charters] submit BARs for the operating budget to the PED budget increases, decreases, and transfers between functional categories or transfers from the emergency reserve cash amount. Expenditures shall not be made until the budget authority has been established and approval received from the PED. The auditor found non-compliance with state statutes and regulations due to the fact that the budget was not being properly monitored and recommended that the school become familiar with the PED requirements and 6-6-6 NMSA 1978, and follow the requirements for the budgetary system.
- **FY2014 – Timely Deposits (Noncompliance):** During cash receipts testing, the auditor noted that 15 of the 15 receipts tested, for a total of \$11,159.44, were not deposited within 24 hours or the school could not demonstrate documentation that it had made timely deposits. Thus, the school was out of compliance with 6.20.2.14.B NMAC, which states that deposits must be made within 24 hours or one banking day. The auditor determined such non-compliance was due to a lack of adequate controls over cash and cash receipts. **The auditor noted that no progress had been made on this finding in during FY2015.**
- **FY2014 – Mileage Reimbursements (Noncompliance):** The auditor noted that the school reimbursed employees for mileage at a rate of \$.056 cents per mile and that of 18 mileage reimbursements, 80% reimbursed a rated higher than the current statutory rate per 2.42.2.11(B)(1) NMAC pursuant to Section D of 10-8-5 NMSA 1978. Thus, the auditor found the school was not in compliance with state statute and regulation regarding mileage reimbursement. **The auditor noted that no progress had been made on this finding in during FY2015.**
- **FY 2014 – Audit Committee (Noncompliance):** The third finding from the prior year audit (FY2014) was related to non-compliance with requirements for the school’s audit committee. The auditor found that the school did not have required members on their audit committee, in violation of statute 22-8-12.3 NMSA requiring that each local school [charter] board appoint an audit committee that consists of two board members, one parent volunteer and one volunteer member with experience in accounting or financial matters. The school cited its inability to solicit the required members to date. **Thus, the auditor found that no progress had been made in FY2015.**

In the **FY2014 Audit**, Anthony Charter School received **three findings of non-compliance** related to timely deposits, mileage reimbursements, and audit committee. In addition, the school also had **one significant deficiency** related to supporting documentation.

- **FY2014- Timely Deposits (Noncompliance):** During the cash receipts testing, the auditor noted that deposits were not being made within the 24-hour period after being received per 6.20.2.14(C) NMAC. The school is not in compliance with state statute and has exposed itself to possible misappropriation of funds since, according to the auditor, there is a lack of good controls over cash and check receipts.
- **FY2014 – Mileage Reimbursements (Noncompliance):** The school reimbursed employees for mileage at a rate of \$0.56 per mile in violation of New Mexico State Statutes in regards to mileage reimbursement. Per 2.42.2.11(B)(1) NMAC pursuant to 10-8-5(D) NMSA 1978, public officers and state agency employees must be reimbursed at 80% of the internal revenue service standard mileage rate. While the school contends it is a local public body, the PED had indicated to the auditors that state-authorized charter schools are a component unit of the PED and thus must reimburse mileage at the rate approved by the PED.
- **FY2014 – Audit Committee (Noncompliance):** The school does not have the required members on their audit committee – currently the committee consists of three Governing Board members. Per 22-8-12.3 NMSA 1978, each school board must appoint an audit committee that consists of two board members, one parent volunteer, and a community member who has experiences in accounting or financial matters. The school is not compliance with the state requirements for the audit committee.
- **FY2014 – Supporting Documentation (Significant Deficiency):** During the test-work in a sample of 60 expenditures, there were eight disbursements (\$200.28, \$200.28, \$256.75, \$1,006.98, \$606.64, \$4,788.94, and \$1,081.96) where the school could not provide any supporting documentation. Further, in a sample of seven travel and per diem expenditures tested, three of the items (\$175.86, \$116.24, and \$926.48) were not properly supported. Per state regulation, 6.20.2.11 NMAC, every school district must establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. **It could not be determined if the expenditures were properly recorded on the general ledger because the school misplaced the supporting documentation.** The school should put in place internal controls so that documentation for all financial activity is available for examination both by school personnel and external parties such as auditors.

ORGANIZATIONAL PERFORMANCE

Please note: the analysis of the school’s organizational performance on **the FY2017** Performance Framework will be updated after final reporting from the school is submitted by September 1, 2017.

In the **FY2016** Performance Framework, the school’s organizational performance was rated below meets in one area.

1. **PED rated indicator VI-A.02: Employees** "Working to Meet Standard" because the school had not implemented a material component of the background checks at the time of the site visit. Specifically, the school had hired an employee without a background check in violation of NMSA

22-10A-5. Since the visit, the school's response demonstrated the school had instituted remedies that have resulted in compliance or sufficient movement towards compliance.

School Specific Requirements. The School's Performance Framework included the following school specific requirements as conditions of renewal. The school **has not** reported on these requirements. PED will review evidence during the site visit and the school should report on these in the renewal application.

6.a. Has the School identified how the Discovery short cycle assessment aligns to the academic program of the School?

The school will demonstrate how the Discovery short cycle assessment is being used at the School through evidence of the following:

- Results of baseline testing in fall, 2013 for all students enrolled on the 40th day of school year using the Discovery short cycle assessment;
- Results of end of year testing in spring, 2013 for this same group of students still enrolled in the School in spring, 2014 using the Discovery short cycle assessment; and
- Evidence of training of staff on how to use Discovery as a short cycle assessment tool for testing the curriculum of the School;
- Evidence that the staff has used the Discovery short cycle assessment to improve student outcomes during the 2013- 2014 school year.

6.b. Has the Governing Council conducted a Strategic Plan that clearly indicates how the School will measure progress in growing its Q1 population scores and its Q3 population scores?

The school will demonstrate that the Governing Council has conducted a Strategic Plan, which, in addition to other strategic plans, identified how the School will measure progress in growing its Q1 population and its Q3 population scores. The school shall provide evidence of the following:

- Written self-assessment by the Governing Council identifying the areas of training or support that it determines are needed;
- Evidence of the Governing Council trainings obtained regarding items identified on the self-assessment list;
- Written Strategic Plan;
- Within the Strategic Plan, the School has identified specifically where the Governing Council has identified how the School will measure progress in growing its Q1 and Q3 population ;
- Within the Strategic Plan, the School has provided an accountability oversight plan to ensure that the School is meeting the terms of its performance contract;
- Evidence of how this plan for it Q1 and Q3 populations has been implemented at the School; and
- Evidence of how the accountability oversight plan has been implemented at the School.

6.c. Has the Governing Council clearly stated the leadership competencies/indicators it will use to evaluate the Principal?

The school will demonstrate that evaluation of the Principal has clear competencies and indicators as follows:

- A written job description for the director with identified required administrator competencies/ indicators;

- A written evaluation process or tool that considers the competencies/ indicators;
- A written Professional Development Plan in place for the director that addresses the competencies/ indicators identified by the Governing Council; and
- Written assurance by the Governing Council that the evaluation tool was used to evaluate the Director during the 2013-2014 school year.

6.d. Has the School aligned its curriculum to match the needs of their student population and identify how individualized learning plans are created using that curriculum which align with the mission of the School?

The school will demonstrate that its curriculum matches the needs of their student population as follows:

- Evidence of alignment between the student individualized learning plans align to the existing curriculum at the School; and
- Evidence of alignment between the student individualized learning plans, curriculum and instructional program align to the mission.

6.e. Has the Governing Council approved all School policies required by New Mexico law?

- The school will provide evidence that the Governing Council has considered and approved all School policies required by New Mexico law by providing a list of all required policies and the date that each policy was adopted by the Governing Council.



ANTHONY CHARTER SCHOOL

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Head Administrator

Anthony Charter School

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Esteemed members of the Public Education Commission:

All the indications made on the PED preliminary report are correct and require no further revisions. Thank you very much for your time and consideration. Should you have any questions, please feel free to contact me at the numbers given above at your earliest convenience.

Respectfully,

Jimmy Gonzalez