

June 13, 2013

IDAHO PUBLIC CHARTER SCHOOL COMMISSION
AUTHORIZER WORKSHOP

PCSC Performance Certificate
&
Performance Framework Development

June 13, 2013

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TAB 1: WORKSHOP FOCUS AND GOALS

Workshop Focus

During the 2013 legislative session, Idaho's legislature passed two bills that significantly affect public charter school stakeholders, including authorizers such as the Public Charter School Commission (PCSC). Among other provisions, the legislation requires that authorizers develop performance frameworks for incorporation into performance certificates. Each school's performance outcomes will, by comparison to the terms of its performance certificate, ultimately inform the authorizer's periodic renewal or non-renewal decisions for that school.

This workshop provides an opportunity for the PCSC to review the role of a charter school authorizer, as well as the updated toolkit available for the fulfillment of that role. Additionally, the PCSC will consider a draft performance certificate and performance framework, receive stakeholder comments, and provide direction to staff regarding further development of the documents.

Workshop Goals

1. Review authorizer role and oversight tools in light of 2013 charter school legislation.
2. Receive stakeholder input regarding draft performance certificate and performance framework.
3. Move toward PCSC consensus and provide direction to staff regarding revisions to draft performance certificate and performance framework.

"The critical first step in effective performance management is to set and communicate clear and rigorous expectations for performance."

~ NACSA

TAB 2: AUTHORIZER ROLE AND TOOLS

This section provides an overview of the role of a charter school authorizer in Idaho, as well as the statutory tools available for use in the fulfillment of that role.

PCSC Mission Statement

The Public Charter School Commission's mission is to ensure PCSC-authorized public charter schools' compliance with Idaho statute, protecting student and public interests by balancing high standards of accountability with respect for the autonomy of public charter schools and implementing best authorizing practices to ensure the excellence of public charter school options available to Idaho families.

The PCSC's mission statement is consistent with the three core principles of charter school authorizing identified by the National Association of Charter School Authorizers (NACSA) in the [2012 Principles & Standards for Quality Charter School Authorizing](#):

1. Maintain High Standards
2. Uphold School Autonomy
3. Protect Student and Public Interests

These principles are also reflected in the National Alliance for Public Charter Schools' [Model Charter Law](#), which heavily informed Idaho's 2013 charter legislation, as well as the Center for Education Reform's [Model Legislation for States](#).

Authorizer Focus and Responsibility

Authorizers such as the PCSC are responsible for prudent evaluation of new charter petitions, as well as the oversight of existing public charter schools' academic, operational, and financial status. The bulk of an authorizer's focus should be on academic outcomes, but schools' operational compliance and financial health are also important to ensure the protection of student and public interests.

Authorizers must set expectations for performance and hold schools accountable for results. Emphasis should remain on outcomes; the upholding of school autonomy demands that authorizers avoid dictating inputs or controlling processes. Authorizers should establish a consistent standard for performance while freeing schools to manage their operations as needed, within the bounds of the law, to meet or exceed that standard.

*“A quality authorizer engages in responsible and effective performance management
by ensuring that schools have the autonomy to which they are entitled
and the public accountability for which they are responsible.”*

~ NACSA

Authorizing Tools for Petition Evaluation

The 2013 charter school legislation does not change the required elements of a charter petition. For this reason, the PCSC’s Petition Evaluation Rubric (PER), adopted in January 2013, requires few modifications. The legislation does change the application process in a manner largely consistent with existing PCSC policy.

Upon its initial consideration of a new charter petition, the PCSC has three options:

1. Approve the petition
2. Deny the petition
3. Provide a written response identifying the specific deficiencies in the petition

If the third option is chosen, the PCSC must limit its consideration at the second hearing to the identified deficiencies and any other changes made to the petition. Additional criteria not previously identified may not be considered. At the second hearing, the PCSC has only two options:

1. Approve the petition
2. Deny the petition

Best practices identified by NAPCS, NACSA, the Center for Education Reform (CER), and the U.S. Department of Education emphasize the importance of approving only high quality charter petitions. The PCSC’s PER establishes a clear standard for petition quality and is available to petitioners throughout the charter application process.

It is important to recognize that while petition quality remains critical, the charter itself no longer serves as the document to whose provisions the authorizer must hold schools accountable. That function is filled by the performance certificate.

Petition / Charter	Performance Certificate
<ul style="list-style-type: none"> • Presents proposed academic and operational vision and plans • Demonstrates petitioner’s capacity to execute proposed vision and plans • Provides authorizer with clear basis for assessing petitioner’s plans and capacities 	<ul style="list-style-type: none"> • Specifically defines roles, powers, responsibilities, and performance expectations for the school and its authorizer • Serves as the basis for renewal or non-renewal decisions

The academic, operational, and financial provisions of the performance certificate are specified through incorporation of the performance framework. The performance framework is available to petitioners throughout the application process and clarifies the indicators, measures, metrics, targets, and ratings that will be used to inform the authorizer’s decision-making at the end of the certificate term.

Authorizing Tools for Charter School Oversight

Previous Accountability System

Prior to the passage of House Bill 221, Idaho's charter school authorizers used the Notice of Defect (NOD) process to address deficiencies at public charter schools. That process involved issuance of a NOD by the authorizer and submission of a Corrective Action Plan by the school, followed by either curing of the defect or the authorizer's decision to proceed toward revocation. The NOD process tended to promote micromanagement and focus on inputs rather than outcomes, and proved largely ineffective in ensuring that public charter schools were able to exercise operational autonomy while being held accountable to high performance expectations and prudent use of taxpayer dollars.

New Accountability System

The 2013 legislation establishes a new accountability system for Idaho's public charter schools. Authorizers will no longer issue notices of defect or base their evaluations of school effectiveness on compliance with the charter itself. Instead, in accordance with best practices identified by the NAPCS, NACSA, the CER, and others, public charter schools will be subject to periodic renewals based on specific academic, operational, and financial performance expectations established in written performance certificates.

Initial performance certificate terms for newly-authorized charter schools will be three years; thereafter, performance certificates will be renewed for five year terms. Annually throughout the certificate term, authorizers will provide schools with publically available, written reports comparing actual performance to the standards set forth in the performance certificate. Such reports will not result in sanctions, but will simply serve to inform schools and the public of each school's status, and provide ample opportunity for schools to correct any deficiencies.

At the end of the performance certificate term, authorizers will evaluate each school's outcomes in light of the certificate's provisions, and in the context of trends and circumstances, in order to make a renewal or non-renewal decision. Statute specifies that an authorizer must renew if the school has met all terms of the certificate at the time of renewal. If the school has met only some of the terms of the certificate, the authorizer may renew or non-renew.

The authorizer may also elect to renew with specific, written conditions that the school must meet. If the latter option is chosen, the authorizer may follow through with revocation of the charter if the school fails to meet the written conditions within the specified timeframe. This is the only circumstance in which revocation may occur; revocation processes may not be undertaken outside the context of a conditional renewal.

Authorizer Action

Under the new accountability system, authorizers will use a new set of tools for charter school oversight. The following represents the PCSC’s avenues for responding to possible deficiencies of the public charter schools it authorizes:

Academic	Operational / Compliance	Financial
<ul style="list-style-type: none"> • No immediate consequences are imposed by PCSC in the event of academic deficiencies. • Deficiencies (by comparison to terms of performance certificate) are noted in PCSC’s annual report to school. • Persistent or severe deficiencies are considered during the periodic renewal process. • PCSC may issue courtesy letters, without sanctions, to schools in order to provide early notice of concerns and maximize opportunity to correct. <hr/> <p>Note: ESEA waiver requirements and sanctions apply to public charter schools as with any other public schools, but are handled by the SDE rather than the authorizer.</p>	<ul style="list-style-type: none"> • No immediate consequences are imposed by PCSC in the event of operational / compliance deficiencies. • If PCSC identifies possible law violation, PCSC must notify the entity responsible for enforcing said law. • Deficiencies (legal violations and operational weaknesses) are noted in PCSC’s annual report to school. • Persistent, excessive, or severe deficiencies are considered during the periodic renewal process. • PCSC may issue courtesy letters, without sanctions, to schools in order to provide early notice of concerns and maximize opportunity to correct. 	<ul style="list-style-type: none"> • No immediate consequences are imposed by PCSC in the event of fiscal deficiencies. • If PCSC determines that school may not remain fiscally sound through remainder of contract term, PCSC may notify SDE of this concern. SDE may modify payment schedule to minimize taxpayer risk in case of mid-year closure. • Deficiencies (according to near-term and sustainability measures) are noted in PCSC’s annual report to school. • Deficiencies that threaten the fiscal health of the school are considered during the periodic renewal process. • PCSC may issue courtesy letters, without sanctions, to schools in order to provide early notice of concerns and maximize opportunity to correct.

Of primary importance is continual recognition that the PCSC’s role is to evaluate and make decisions regarding performance outcomes. Charter school boards must retain autonomy regarding inputs, and such boards are responsible for selecting and implementing the best means to reach the desired ends. The PCSC should not guide this process, but rather may direct schools toward appropriate entities for support and assistance while remaining focused on demonstrable results.

TAB 3: PERFORMANCE CERTIFICATES

Idaho's 2013 charter school legislation contains a new provision requiring that all public charter schools and their authorizers sign performance certificates. Performance certificates replace charters as the documents to whose provisions authorizers must hold schools accountable, and must contain the following information:

1. The term of the performance certificate (3 years for new schools, and 5 years thereafter)
2. The academic and operational performance expectations and measures by which the public charter school will be judged, including but not limited to applicable federal and state accountability requirements.
3. The administrative relationship between the authorizer and the school, including each party's rights and duties

In most states, performance certificates (often referred to as charter contracts) consist largely of boilerplate language; this coincides with NACSA recommendations. Certain sections of each certificate, such as the School Mission and Educational Program sections, are unique to each school. Additionally, performance certificates incorporate a performance framework that is largely boilerplate but contains some individualized indicators and measures.

The draft certificate included with these materials is based on PCSC staff research encompassing NACSA's model charter contract and the contracts used by a number of states that were given high marks regarding performance contracts in the National Alliance for Public Charter Schools' 2013 Charter Law Rankings Database.

Statutory Timelines

Performance certificates for new public charter schools approved after July 1, 2013, must be executed within 75 days of approval of the charter petition.

In the case of public charter schools approved prior to July 1, 2013, performance certificates must be executed no later than July 1, 2014.

Process for Development of PCSC Performance Certificates

Reaching consensus between schools and authorizers regarding the individualized sections of each performance certificate will require one-on-one meetings between PCSC staff and school representatives, followed by final approval and signing by the PCSC chairman and the school board president. The PCSC may wish to appoint a sub-committee to participate in certificate negotiations and/or consider each certificate prior to signing. Alternatively, the PCSC may wish to consider each certificate as a whole prior to signing.

Due to the time involved in negotiating certificate provisions for the 32 schools presently authorized by the PCSC, it is imperative that performance contract language be finalized completed by early fall 2013. Gathering stakeholder input is an important part of this process. The following provides a recommended schedule for development of the boilerplate sections that will comprise the bulk of the PCSC's performance certificates.

June 13, 2013

- May 23, 2013: Listening session for stakeholders and public to inform initial draft (completed)
- June 13, 2013: PCSC consider initial draft, receive additional stakeholder input, and provide direction to staff for revisions
- Early July 2013: Round table discussion with stakeholders to consider revisions and inform further revisions; special PCSC meeting and/or additional stakeholder meetings in follow-up may be required
- August 15, 2013: PCSC consider revisions and either approve boilerplate language or provide direction to staff for further revisions; special PCSC meeting and/or additional stakeholder meetings in follow-up may be required
- Late August, 2013: PCSC approve boilerplate language
- Fall 2013: Begin one-on-one certificate meetings with schools
- Spring 2014: Complete one-on-one certificate meetings with schools prior to July 1, 2014

Order of Consideration for Renewal or Non-Renewal

Statute requires that the performance certificates for existing schools ensure all schools will be evaluated for renewal or nonrenewal between March 2016 and March 2019. The PCSC must decide in what order the 32 schools it currently authorizes will be considered.

The PCSC may wish to use 2013 star ratings to establish the order in which schools are considered for renewal or nonrenewal. For example, schools with low star ratings could be considered first, with an eye to protecting student and taxpayer interests.

Below is a hypothetical renewal consideration schedule based on 2012 Star Ratings, as 2013 ratings are not yet available. Note that this schedule ensures that all existing schools will have at least three years of operation prior to consideration for renewal or nonrenewal; most will have considerably longer.

“One of the essential characteristics of the public charter school concept is a fixed-term, renewable contract between a school and its authorizer. Such a contract defines the roles, powers, responsibilities and performance expectations for the school and its authorizer.”

~ National Alliance for Public Charter Schools

March 2016

School	2011-12 Star Rating	Opening Year	Age at Renewal
Another Choice	1	2012	6
Heritage Academy	1	2011	5
ICON	1	2009	7
KBA	1	2009	7
Wings	1	2009	7

March 2017

School	2011-12 Star Rating	Opening Year	Age at Renewal
HCCS	2	2011	6
Monticello	2	2010	7
PPSEL	2	2009	8
TVCS	2	2011	6
Odyssey	n/a	2013	3.5
CTEA	n/a	2013	3.5
AHCS	n/a	2013	3.5

March 2018

School	2011-12 Star Rating	Opening Year	Age at Renewal
ISTCS	3	2009	9
IDVA	3	2002	16
INSPIRE	3	2005	13
Legacy	3	2011	7
RMCHS	3	2002	16
BCCLC	4	2000	19
Liberty	4	1999	20
Victory	4	2004	15
WPCS	4	2003	16
Bingham	n/a	2014	3.5

March 2019

School	2011-12 Star Rating	Opening Year	Age at Renewal
ARC	4	2006	13
FRPCS	4	2000	19
NVA	4	2008	11
RHPCS	4	2005	14
Sage	4	2010	9
TCPCS	4	2006	13
Vision	4	2007	12
XCS	4	2007	12
Compass	5	2005	14

Questions for PCSC Consideration

- Does the PCSC wish to establish a sub-committee for one-on-one performance certificate negotiation with schools?
- Does the PCSC, as a whole, wish to consider each performance certificate prior to signing?
- How does the PCSC wish to determine the order in which existing schools are considered for renewal or nonrenewal between 2016 and 2019?
- What is the PCSC's direction to staff regarding revisions to the draft performance certificate?

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This performance certificate is executed on this _____ day of _____, 20____ by and between the Idaho Public Charter School Commission (the “Authorizer”), and _____ (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Law, Idaho Code Section 33-5201 *et seq*, as amended (the “Charter Schools Law.”)

RECITALS

[FOR EXISTING SCHOOLS] WHEREAS, on [DATE], the Authorizer approved a charter petition for the establishment of the School; and

WHEREAS, the School began operations in the year 20__; and

WHEREAS, the Charter Schools Law was amended effective as of July 1, 2013 to require all public charter schools approved prior to July 1, 2013 to execute performance certificates with their authorizers no later than July 1, 2014;

[FOR NEW SCHOOLS] WHEREAS, on [DATE], Authorizer received a petition to request the creation of a new charter school referred to as [NAME OF SCHOOL;] and

WHEREAS, on [DATE], the Authorizer approved the charter petition (the “Charter”) subject to conditions outlined in Appendix A;

[FOR RENEWAL SCHOOLS:] WHEREAS, on [DATE], the Authorizer approved a charter petition for the establishment of the School; and

WHEREAS, on [DATE], the Authorizer issued to the school a public charter school performance report and charter renewal application guidance; and

WHEREAS, on [DATE], Authorizer received a renewal application from the School; and

WHEREAS, on [DATE], the Authorizer approved the renewal application subject to conditions outlined in Appendix A;

NOW THEREFORE in consideration of the foregoing recitals and mutual

understandings, the Authorizer and the School agree as follows:

SECTION 1: AUTHORIZATION OF CHARTER SCHOOL

- A. Establishment [or Continued Operation] of School.** Pursuant to the Charter Schools Law, the Authorizer hereby approves the establishment [OR continued operation] of the School on the terms and conditions set forth in this Charter School Performance Certificate (the “Certificate”). The approved Charter is attached to this Certificate as Appendix B.
- B. Pre-Opening Requirements.** Pursuant to Idaho Code Section 33-5206(6), the Authorizer may establish reasonable pre-opening requirements or conditions (“Pre-Opening Requirements”) to monitor the start-up progress of a newly approved public charter school to ensure that the school is prepared to open smoothly on the date agreed. The School shall not commence instruction until all pre-opening requirements have been completed to the satisfaction of the Authorizer. Pre-opening requirements are attached as Appendix C. If all pre-opening conditions have been completed to the satisfaction of the Authorizer, the School shall commence operations/instruction with the first day of school on [DATE]. In the event that all pre-opening conditions have not been completed to the satisfaction of the Authorizer, the School may not commence instruction on the scheduled first day of school. In such event, the Authorizer may exercise its authority to prohibit the School from commencing operation/instruction until the start of the succeeding semester or school year.]
- C. Term of Agreement.** This Certificate is effective as of [DATE], and shall continue through [DATE], unless earlier terminated as provided herein.

SECTION 2: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a board (the “Charter Board”) in a manner that is consistent with the terms of this Certificate so long as such provisions are in accordance with state, federal, and local law. The Charter Board shall have final authority and responsibility for the academic, financial, and organizational performance of the School. The Charter Board shall also have authority for and be responsible for policy and operational decisions of the School, although nothing herein shall prevent the Charter Board from delegating decision-making authority for policy and operational decisions to officers, employees and agents of the School.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the entity holding the charter shall provide for governance of the operation of the School as a nonprofit corporation and public charter school and shall at all times be consistent with all applicable law and this Certificate. The articles of incorporation and bylaws are

attached to this Certificate as Appendix D (the “Articles and Bylaws”). Any modification of the Articles and Bylaws must be submitted to the Authorizer within five (5) business days of approval by the Charter Board.

- C. Charter Board Composition.** The composition of the Charter Board shall at all times be determined by and consistent with the Articles and Bylaws and all applicable law and policy. The roster of the Charter Board is attached to this Certificate as Appendix E (the “Board Roster”). The Charter Board shall notify the Authorizer of any changes to the Board Roster and provide an amended Board Roster within five (5) business days of their taking effect.

SECTION 3: THIRD PARTY MANAGEMENT PROVIDERS

- A. Contracts with Third Party Management Providers.** The School shall not contract with a third party to provide comprehensive (all or a substantial portion of) services necessary to manage and operate the school without explicit approval of the Authorizer. If a contract with a third party management provider is approved, that contract will be attached to this Certificate as Appendix F (the “Management Contract”).
- B. Changes in Third Party Management Providers.** The School shall not modify or terminate the contract attached as Appendix F, or enter into any new or additional contract for comprehensive school management services to be performed in substantial part by any other entity without receiving explicit approval from the Authorizer.

SECTION 4: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
- B. Grades Served.** The School may serve students in grade XX through grade XX.
- C. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
- D. Standardized Testing.** Students of the School shall be tested with the same standardized tests as other Idaho public school students.
- E. Accreditation.** The School shall be accredited as provided by rule of the state board of education.

SECTION 5: AUTHORIZER MONITORING OF SCHOOL PERFORMANCE

- A. School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as Appendix G. The School Performance Framework shall be used to evaluate the School’s academic, financial and operational performance, and shall supersede and

replace any and all assessment measures, educational goals and objectives, financial operations metrics, and operational performance metrics set forth in the Charter and not explicitly incorporated into the Performance Framework. The specific terms, form and requirements of the Performance Framework, including any required indicators, measures, metrics, and targets, are determined by the Authorizer and will be binding on the School.

- B. Authorizer to Monitor School Performance.** The Authorizer shall monitor and periodically report on the School's progress in relation to the indicators, measures, metrics and targets set out in the Performance Framework. The School shall be subject to a formal review of its academic, operational, and financial performance at least annually.
- C. School Performance.** The School shall annually *Meet Expectations* or *Exceed Expectations* on the Authorizer's School Performance Framework.
- D. Performance Framework As Basis For Renewal of Charter.** The School's performance in relation to the indicators, measures, metrics and targets set forth in the Academic, Organizational and Financial Performance Frameworks shall provide the basis upon which the Authorizer will decide whether to renew the School's Charter at the end of the Certificate term.
- E. Alignment with All Applicable Law.** The School shall comply with all applicable federal and state laws, rules, and regulations. In the event any such laws, rules, or regulations are amended, the School shall be bound by any such amendment upon the effective date of said amendment.
- F. Authorizer's Right to Review.** The School will be subject to review of its academics, operations and finances by the Authorizer, including related policies, documents and records, when the Authorizer, in its sole discretion, deems such review necessary.
- G. Site Visits.** In addition to the above procedures, the Charter School shall grant reasonable access to, and cooperate with, the Authorizer, its officers, employees and other agents, including allowing site visits by the Authorizer, its officers, employees, or other agents, for the purpose of allowing the Authorizer to fully evaluate the operations and performance of the Charter School.
- H. Required Reports.** The School shall prepare and submit reports regarding its governance, operations, and/or finances according to the established policies of and upon the request of the Authorizer.

SECTION 6: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Board shall operate at all times in accordance with all federal and state laws, local ordinances, regulations and Authorizer policies applicable to charter schools.
- B. Maximum Enrollment.** The maximum number of students who may be enrolled in

the school shall be [NUMBER] of students. The maximum number of students who may be enrolled per class/grade level shall be as follows:

- C. Enrollment Policy.** The School shall make student recruitment, admissions, enrollment and retention decisions in a nondiscriminatory manner and without regard to race, color, creed, national origin, sex, marital status, religion, ancestry, disability or need for special education services. In no event may the School limit admission based on race, ethnicity, national origin, disability, gender, income level, athletic ability, or proficiency in the English language. If there are more applications to enroll in the charter school than there are spaces available, the charter school shall select students to attend using a random selection process that shall be publicly noticed and open to the public. The School shall follow the enrollment policy approved by the Authorizer and incorporated into this agreement as Appendix I.
- D. School Facilities.** [FOR NEW SCHOOLS:] Location. The School shall identify the location of its facilities pursuant to the terms of the Pre-Opening Requirements. The School shall notify the Authorizer of any change in the location of its facilities no later than thirty (30) days prior to the change. [FOR RENEWAL SCHOOLS:] Location. The School shall notify the Authorizer of any change in the location of its facilities no later than thirty (30) days prior to the change.
- E. Attendance Area.** The School's primary attendance area is as follows:
- F. Staff.** Instructional staff shall be certified teachers as provided by rule of the state board of education. All staff members of the School will be covered by the public employee retirement system, federal social security, unemployment insurance, worker's compensation insurance, and health insurance.

SECTION 7: SCHOOL FINANCE

- A. General.** The School shall comply with all applicable state financial and budget statutes, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School Performance Framework incorporated into this contract as Appendix G.
- B. Financial Controls.** At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls which procedures and controls shall include, but not be limited to: (1) commonly accepted accounting practices and the capacity to implement them (2) a checking account; (3) adequate payroll procedures; (5) an organizational chart; (6) procedures for the creation and review of monthly and quarterly financial reports, which procedures shall specifically identify the individual who will be responsible for preparing such financial reports in the following fiscal year; (7) internal control procedures for cash receipts, cash disbursements and purchases; and (8) maintenance of asset registers and financial procedures for grants in accordance with applicable state and federal law.

- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than September 15 of each year. If such audit is not received by September 15th of each year, it shall be considered a material violation of the terms of this contract and may be grounds for revocation or other remedy as provided by this agreement.
- D. Annual Budgets.** On or before July 15th of each year, the School will submit to the Authorizer the School's proposed budget for the upcoming fiscal year (July 1st to June 30th). The School shall adopt a budget for each fiscal year, prior to the beginning of the fiscal year. The budget shall be in the Idaho Financial Accounting Reporting Management Systems (IFARMS) format and any other format as may be reasonably requested by the Authorizer.

SECTION 8: TERMINATION, NON-RENEWAL AND REVOCATION

- A. Termination by the School.** Should the School choose to terminate its Charter before the expiration of the Certificate, it may do so upon written notice to the Authorizer. Any school terminating its charter shall work with the Authorizer to ensure a smooth and orderly closure and transition for students and parents, as guided by the public charter school closure protocol established by the Authorizer attached as Appendix J.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one (1) or more of the terms of its Certificate. Any school which is not renewed shall work with the Authorizer ensure a smooth and orderly closure and transition for students and parents, as guided by the public charter school closure protocol established by the Authorizer attached as Appendix J.
- C. Revocation.** The School's Charter may be revoked by the Authorizer if the School has failed to meet any of the specific, written conditions for necessary improvements established pursuant to Idaho Code§ 33-5209B(1) by the dates specified. Revocation may not occur until the public charter school has been afforded a public hearing, unless the Authorizer determines that continued operations of the public charter school presents an imminent public safety issue. If the School's Charter is revoked, the School shall work with the Authorizer ensure a smooth and orderly closure and transition for students and parents, as guided by the public charter school closure protocol established by the Authorizer attached as Appendix J.
- D. Dissolution.** Upon termination of the Charter for any reason by the Board, or upon nonrenewal or revocation, the Charter Board will supervise and have authority

to conduct the winding up of the business and other affairs of the School; provided, however, that in doing so the Authorizer will not be responsible for and will not assume any liability incurred by the School. The Charter Board and School personnel shall cooperate fully with the winding up of the affairs of the School.

- E. Disposition of School's Assets upon Termination or Dissolution.** Upon termination of the Charter for any reason, any assets owned by the School shall be distributed in accordance with Charter Schools Law.

SECTION 9: MISCELLANEOUS

- A. No Employee or Agency Relationship.** Neither the School, its employees, agents, nor contractors are employees or agents of the Authorizer; nor are either the Authorizer or its employees, agents, or contractors employees or agents of the School. None of the provisions of this Certificate will be construed to create a relationship of agency, representation, joint venture, ownership, or control of employment between the Authorizer and the School.
- B. Additional Services.** Except as may be expressly provided in this Certificate, as set forth in any subsequent written agreement between the School and the Authorizer, or as may be required by law, neither the School nor the Authorizer shall be entitled to the use of or access to the services, supplies, or facilities of the other.
- C. No Third-Party Beneficiary.** This Certificate shall not create any rights in any third parties, nor shall any third party be entitled to enforce any rights or obligations that may be possessed by either party to this Certificate.

IN WITNESS WHEREOF, the Authorizer and the School have executed this Performance Certificate to be effective [DATE].

June 13, 2013

Appendix A: Conditions of Authorization/Renewal
Appendix B: Charter
Appendix C: Pre-Opening Requirements
Appendix D: Articles of Incorporation and Bylaws
Appendix E: Board Roster
Appendix F: Third Party Management Contract
Appendix G: School Performance Framework
Appendix H: Pre-Opening Conditions
Appendix I: Enrollment Policy
Appendix J: Public Charter School Closure Protocol

TAB 4: PERFORMANCE FRAMEWORK

Idaho's 2013 charter school legislation contains a new provision requiring each public charter school authorizer to develop a performance framework on which the performance provisions of the performance certificate will be based. Performance frameworks must clearly set forth the academic and operational performance indicators, measures, and metrics that will guide the authorizer's evaluations of each public charter school, and must contain the following:

1. Indicators, measures, and metrics for student academic proficiency
2. Indicators, measures, and metrics for student academic growth
3. Indicators, measures, and metrics for college and career readiness (for high schools)
4. Indicators, measures, and metrics for board performance and stewardship, including compliance with all applicable laws, regulations and terms of the performance certificate

The measurable performance targets contained within the framework must require, at a minimum, that each school meet applicable federal, state, and authorizer goals for student achievement.

In most states, performance frameworks consist largely of indicators, measures, metrics, and ratings that apply to all schools. Most frameworks also contain a section for measures that are unique to each school, and many states have developed modified frameworks for evaluation of alternative schools.

The draft framework included with these materials is based on PCSC staff research encompassing NACSA's Core Performance Framework and Guidance, as well as stakeholder input and the frameworks used by a number of authorizers in other states whose evaluation processes have been established for an extended period.

Process for Development of PCSC Performance Frameworks

Reaching consensus between the PCSC and stakeholders regarding the indicators, measures, and metrics contained within the performance framework will require thoughtful collaboration.

Due to the time involved in negotiating performance certificates (which will incorporate the framework) and mission-specific performance measures for each of the 32 schools presently authorized by the PCSC, it is imperative that the PCSC's framework be completed by early fall 2013. Gathering stakeholder input will be an important part of this process. The following provides a recommended schedule for development of the PCSC's performance framework.

"It is also important for authorizers to recognize and plan for the reality that no matter how strong their Performance Framework is, it will not remove the need for authorizer judgment, nor enforce itself. Authorizers must have the agency capacity and political will to use the framework as it is intended to reap its benefits."

~ NACSA

June 13, 2013

- May 23, 2013: Listening session for stakeholders and public to inform initial draft (completed)
- June 13, 2013: PCSC consider initial draft, receive additional stakeholder input, and provide direction to staff for revisions
- Early July 2013: Round table discussion with stakeholders to consider revisions and inform further revisions; special PCSC meeting or additional stakeholder meetings in follow-up may be required
- August 15, 2013: PCSC consider revisions and either approve framework or provide direction to staff for further revisions; special PCSC meeting or additional stakeholder meetings in follow-up may be required
- Late August, 2013: PCSC approve final framework
- Fall 2013: Begin one-on-one certificate meetings with schools, to include development of mission-specific performance measures
- Spring 2014: Complete one-on-one certificate meetings with schools prior to July 1, 2014

Draft Framework Structure

The draft Performance Framework is divided into four sections: Academic, Mission-Specific, Operational, and Financial. The Academic and Mission-Specific sections comprise the primary indicators on which renewal or non-renewal decisions should be based. The Operational and Financial sections contribute additional indicators that should, except in cases of egregious failure to meet standards, be considered secondary.

Academic:

Consistent with best practices and guidance from Idaho's legislature, the bulk (66%) of a school's total score on the framework reflects the school's performance on a set of academic measures. These measures are the same for all schools.* The "Meets Standard" rating for each measure is designed to align closely with state minimum standards as established in the ESEA waiver and Star Rating System.

Mission-Specific:

Consistent with best practices and input from stakeholders, a significant portion (34%) of a school's total score on the framework reflects the school's performance on a set of mission-specific measures. These measures may be academic or non-academic in nature, but must be objective and data-driven. The number and weighting of mission-specific measures should be established during one-on-one negotiations between school and authorizer.

*PCSC staff remains in communication with the SDE regarding ongoing development of a modified SRS that will apply to alternative schools. It is very likely that the PCSC will need to make similar modifications for evaluation of the alternative charter schools it authorizes. Mission-specific indicators will further tailor the framework to the needs of both alternative schools and

schools that are not designated as “alternative” but nevertheless serve a high percentage of at-risk students.

Operational:

Consistent with best practices and guidance from Idaho’s legislature, operational indicators comprise a secondary element for consideration during the renewal process. While each school will receive a score in the operational section, this score should not be used as the primary rationale for non-renewal unless the non-compliance with organizational expectations is severe or systemic. Particularly for a school whose academic performance meets or exceeds standards, poor results in this area are more likely to lead to a conditional renewal decision than to non-renewal.

Financial:

Consistent with best practices and guidance from Idaho’s legislature, financial indicators comprise a secondary element for consideration during the renewal process. While each school will receive a score in the financial section, this score should not be used as the primary rationale for non-renewal unless the school’s financial state at the time of renewal is dire. Particularly for a school whose academic performance meets or exceeds standards, poor results in this area are more likely to lead to a conditional renewal decision than to non-renewal. The PCSC may also elect to renew a financially troubled school that is clearly providing a high quality education, but notify the SDE of the situation so that the payment schedule may be modified in order to safeguard taxpayer dollars.

Draft Accountability Designations

Calculation of the percentage of points earned for which each school was eligible will guide the determination of that school’s accountability designation: Honor, Good Standing, Remediation, or Critical. The accountability designation will, in turn, guide the PCSC’s renewal or non-renewal decision-making. Measures for which a given school lacks data due to factors such as grade configuration or small size will not contribute to that school’s accountability designation.

Honor:

Schools achieving at this level in all categories (academic, mission-specific, operational, and financial) are eligible for special recognition and will be recommended for renewal. Replication and expansion proposals are likely to succeed.

As drafted, the framework places schools that earn 75-100% of the combined academic and mission-specific points possible in this accountability designation.

It is possible for 5-star schools, high-range 4-star schools with solid mission-specific outcomes, and mid-range 4-star schools with strong mission-specific outcomes to receive an honor designation.

Schools that fall into this point-percentage category but have poor operational and/or financial outcomes will not be eligible for an honor designation.

Good Standing:

Schools achieving at this level will be recommended for renewal; however, conditional renewal may be recommended if operational and/or financial outcomes are poor. Replication and expansion proposals will be considered. To be placed in this category, schools must receive the appropriate percentage of the combined academic and mission-specific points possible and have at least a 3-star rating.

As drafted, the framework places schools that earn 55-75% of the combined academic and mission-specific points possible in this accountability designation.

It is possible for 3-star or 4-star schools with solid mission-specific outcomes, or 5-star schools with poor mission-specific, financial, and/or operational outcomes to receive a good standing designation.

Although 2-star schools with strong mission-specific outcomes could fall into this point-percentage category, they would not be eligible to receive a good standing designation due to their star ratings; the framework is drafted thus in recognition of Idaho's statutory provision that the performance framework shall, at a minimum, require that each school meet applicable federal and state goals for student achievement.

Remediation:

Schools achieving at this level may be recommended for non-renewal or conditional renewal, particularly if operational and/or financial outcomes are poor. Replication and expansion proposals are likely to succeed.

As drafted, the framework places schools that earn 31-54% of the combined academic and mission-specific points possible in this accountability designation.

It is possible for 3-star schools with poor mission-specific outcomes, 2-star schools, or 1-star schools with strong mission-specific outcomes to receive a remediation designation.

Critical:

Schools achieving at this level face a strong likelihood of non-renewal, particularly if operational and/or financial outcomes are also poor. Replication and expansion proposals should not be considered.

As drafted, the framework places schools that earn less than 30% of the combined academic and mission-specific points possible in this accountability designation.

It is possible for 1-star schools or 2-star schools with poor mission-specific outcomes to receive a Critical designation.

Questions for PCSC Consideration

- Does the PCSC approve the concept of having consistent academic measures for all schools (with likely future modifications for alternative schools?) in addition to mission-specific measures that will be negotiated with individual schools?
- Does the PCSC approve the concept of considering operational and financial measures as separate from, and secondary to (except in egregious cases), the academic and mission-specific measures?
- Does the PCSC wish to add, eliminate, or amend any indicators, measures, metrics, or ratings?
- Does the PCSC wish to weight academic and mission-specific measures differently than proposed in the draft?
- Does the PCSC wish to weight certain operational and fiscal measures more than others?
- Does the PCSC wish to direct staff to make changes to the draft accountability designations?

June 13, 2013

NAME OF SCHOOL --- ACADEMIC FRAMEWORK (2011-2012 data)

INDICATOR 1: STATE AND FEDERAL ACCOUNTABILITY			
Measure 1a	Is the school meeting acceptable standards according to existing state grading or rating systems?	Result (Stars)	Points Possible
Overall Star Rating	<p>Exceeds Standard: School received five stars on the Star Rating System</p> <p>Meets Standard: School received three or four stars on the Star Rating System</p> <p>Does Not Meet Standard: School received two stars on the Star Rating System</p> <p>Falls Far Below Standard: School received one star on the Star Rating System</p>	5 4 3 2 1	50 35 20 0 0
Notes	<p>Stakeholder comment indicates general consensus that the PCSC's minimum to "meet standard" should coincide with Idaho's minimum standard under the ESEA waiver; the ratings throughout this framework presently reflect this standard.</p> <p>This measure is weighted lightly to reflect the fact that other measures below are based on different aspects of the same data that contributes to the overall star rating. Categorizing both 3 and 4 star results as "meets standards" but offering more points to 4 star schools rewards the higher achievers while still acknowledging the success of 3-star schools. The possible points (0) for "does not meet" and below sets a floor at 3 stars.</p>		<hr style="width: 100%; border: 0.5px solid black;"/> 0.00
Measure 1b	Is the school meeting state designation expectations as set forth by state and federal accountability systems?	Result	Points Possible
State Designations	<p>Exceeds Standard: School was identified as a "Reward" school.</p> <p>Meets Standard: School does not have a designation.</p> <p>Does Not Meet Standard: School was identified as a "Focus" school.</p> <p>Falls Far Below Standard: School was identified as a "Priority" school.</p>	Reward None Focus Priority	25 15 0 0
Notes	<p>In this draft, this measure is weighted lightly to reflect the fact that state designations are based heavily on the star rating already accounted for in Measure 1a. This measure adds value to the framework because it reflects additional detail.</p> <p>The possible points (0) for "does not meet" and below sets a floor recognizing that schools identified as "focus" or "priority" are not meeting minimum state standards.</p>		<hr style="width: 100%; border: 0.5px solid black;"/> 0.00
Measure 1c	Did the school meet Adequate Yearly Progress (AYP) requirements?	Result	Points Possible
Adequate Yearly Progress (AYP)	<p>Exceeds Standard:</p> <p>Meets Standard: School met AYP targets in all areas.</p> <p>Does Not Meet Standard: School met AYP targets in all academic subjects overall, but did not meet AYP targets in 1-3 subgroups.</p> <p>Falls Far Below Standard: School did not meet AYP targets in one or more academic subjects overall, and/or did not meet AYP targets in 4 or more subgroups.</p>		25 15 0
Notes	<p>This measure is weighted lightly to reflect the fact that other measures below are based on different aspects of the same data that contributes to the designation. Although the state's minimum requirement is that schools meet AYP targets in all areas, the scoring for this measure is designed to reward the efforts of schools who have fallen short only in a small number of subgroups while meeting AYP in overall academic subjects.</p>		<hr style="width: 100%; border: 0.5px solid black;"/> 0.00

INDICATOR 2: STUDENT ACADEMIC PROFICIENCY							
Measure 2a ISAT / SBA % Proficiency Reading	Are students achieving reading proficiency on state examinations? Exceeds Standard: 90% or more of students met or exceeded proficiency. Meets Standard: Between 65-89% of students met or exceeded proficiency. Does Not Meet Standard: Between 41-64% of students met or exceeded proficiency. Falls Far Below Standard: Fewer than 41% of students met or exceeded proficiency.	Result (Percentage)	Points Possible Overall	Possible in this Range	Percentile Targets	Percentile Points	Points Earned
			57-75	18	90-100	11	0.00
			38-56	18	65-89	25	0.00
			20-37	18	41-64	24	0.00
			0-19	19	1-40	40	0.00
							0.00
Notes	NACSA's recommended percentages cross the point-eligibility lines established by Idaho's SRS. The percentages used above align to Idaho's SRS as follows: Exceeds = High 4-5 point range; Meets = 3-Mid 4 point range; Does Not Meet = 2 point range; Falls Far Below = 1 point range. Although some categories are broad, the scoring system is designed to reflect where in the range an individual school falls.						Points are calculated using a method that recognizes schools' varied levels of achievement within each rating category: School's result minus number of percentile points in the range = X. School receives X% of the possible percentile points in the range, which means the school gets X% of all the possible overall points in this range plus all the possible points from the lower ranges combined, for a total of Y points earned on this measure. Note that if the school's actual result is lower than the number of percentile points in the "Falls Far Below" range, the number of points earned for the measure will be zero.
	In this draft, proficiency measures are weighted at 75% of the criterion-referenced growth measures. Norm-referenced growth measures are weighted the same as proficiency measures in order to protect schools whose high proficiency rates limit their capacity for norm-referenced growth. Growth is further emphasized within the framework by the greater number of growth measures (7) as compared to proficiency measures (3). The PCSC should consider, with the input of stakeholders, whether this represents an appropriate balance.						
		School's actual result	Number of points available within each rating range. May be adjusted to weight different measures.		Taken from ratings at left.	Number of percentile points in each rating's range	
Measure 2b ISAT / SBA % Proficiency Math	Are students achieving math proficiency on state examinations? Exceeds Standard: 90% or more of students met or exceeded proficiency. Meets Standard: Between 65-89% of students met or exceeded proficiency. Does Not Meet Standard: Between 41-64% of students met or exceeded proficiency. Falls Far Below Standard: Fewer than 41% of students met or exceeded proficiency.						
			57-75	18	90-100	11	0.00
			38-56	18	65-89	25	0.00
			20-37	18	41-64	24	0.00
			0-19	19	1-40	40	0.00
							0.00
Notes							
Measure 2c ISAT / SBA % Proficiency Language Arts	Are students achieving language proficiency on state examinations? Exceeds Standard: 90% or more of students met or exceeded proficiency. Meets Standard: Between 65-89% of students met or exceeded proficiency. Does Not Meet Standard: Between 41-64% of students met or exceeded proficiency. Falls Far Below Standard: Fewer than 41% of students met or exceeded proficiency.						
			57-75	18	90-100	11	0.00
			38-56	18	65-89	25	0.00
			20-37	18	41-64	24	0.00
			0-19	19	1-40	40	0.00
							0.00
Notes							

June 13, 2013

NAME OF SCHOOL --- ACADEMIC FRAMEWORK (2011-2012 data)

Measure N/A	Subgroup Comparisons	Result	Weight	Score			
	<p>Exceeds Standard:</p> <p>Meets Standard:</p> <p>Does Not Meet Standard:</p> <p>Falls Far Below Standard:</p> <p>Although NACSA recommends inclusion of subgroup comparisons, this draft does not address such due to the high percentage of Idaho charters whose student populations are too small for the state to obtain statistically significant subgroup data. Schools whose missions/educational programs are focused on serving particular subgroups have the opportunity to include Mission-Specific measures to ensure that their efforts in these areas are recognized.</p>						
Notes							
INDICATOR 3: STUDENT ACADEMIC GROWTH							
Measure 3a	Are students making adequate annual academic growth to achieve proficiency in reading with 3 years or by 10th grade?	Result (Percentage)	Possible Overall	Possible in this Range	Percentile Targets	Percentile Points	Points Earned
Criterion-Referenced Growth in Reading	<p>Exceeds Standard: At least 85% of students are making adequate academic growth.</p> <p>Meets Standard: Between 70-84% of students are making adequate academic growth.</p> <p>Does Not Meet Standard: Between 50-69% of students are making adequate academic growth.</p> <p>Falls Far Below Standard: Fewer than 50% of students are making adequate academic growth.</p>		76-100	25	85-100	16	0.00
			51-75	25	70-84	15	0.00
			26-50	25	50-69	20	0.00
			0-25	25	1-49	49	0.00
							0.00
Notes	<p>The measures in Indicator 3 are important because they consider whether the school is successfully helping most of its students reach or exceed proficiency and continue to grow. In the past, stakeholders have responded favorably to recommended MSES that are similar to this measure.</p> <p>To determine a school's ratings for Measures 3a-3c, the PCSC will need to look not at the median AGP included with each school's SRS report for use in determining star rating, but at student-level data to determine the percentage of students that are making adequate growth. The percentages included in the ratings above align with NACSA's recommendations. Another option is to simply rank a school as "meets standard" if the school "made adequate growth" according to the SRS, or as "does not meet standard" if it doesn't. However, the latter method relies on a formula within the SRS that accounts for median SGP, which leads to double-counting of the SGP measure within this framework.</p>						
Measure 3b	Are students making adequate annual academic growth to achieve math proficiency within 3 years or by 10th grade?	Result (Percentage)	Possible Overall	Possible in this Range	Percentile Targets	Percentile Points	Points Earned
Criterion-Referenced Growth in Math	<p>Exceeds Standard: At least 85% of students are making adequate academic growth.</p> <p>Meets Standard: Between 70-84% of students are making adequate academic growth.</p> <p>Does Not Meet Standard: Between 50-69% of students are making adequate academic growth.</p> <p>Falls Far Below Standard: Fewer than 50% of students are making adequate academic growth.</p>		76-100	25	85-100	16	0.00
			51-75	25	70-84	15	0.00
			26-50	25	50-69	20	0.00
			0-25	25	1-49	49	0.00
							0.00
Notes							
Measure 3c	Are students making adequate annual academic growth to achieve language proficiency within 3 years or by 10th grade?	Result (Percentage)	Possible Overall	Possible in this Range	Percentile Targets	Percentile Points	Points Earned
Criterion-Referenced Growth in Language	<p>Exceeds Standard: At least 85% of students are making adequate academic growth.</p> <p>Meets Standard: Between 70-84% of students are making adequate academic growth.</p> <p>Does Not Meet Standard: Between 50-69% of students are making adequate academic growth.</p> <p>Falls Far Below Standard: Fewer than 50% of students are making adequate academic growth.</p>		76-100	25	85-100	16	0.00
			51-75	25	70-84	15	0.00
			26-50	25	50-69	20	0.00
			0-25	25	1-49	49	0.00
							0.00
Notes							

June 13, 2013

NAME OF SCHOOL --- ACADEMIC FRAMEWORK (2011-2012 data)

		Result (Percentage)	Possible Overall	Possible in this Range	Percentile Targets	Percentile Points	Points Earned
Measure 3d Norm-Referenced Growth in Reading	Are students making expected annual academic growth in reading compared to their academic peers? Exceeds Standard: The school's Median SGP in reading falls between the 66 th and 99 th percentile. Meets Standard: The school's Median SGP in reading falls between the 43 rd and 65 th percentile. Does Not Meet Standard: The school's Median SGP in reading falls between the 30 th and 42 nd percentile. Falls Far Below Standard: The school's Median SGP in reading falls below the 30 th percentile.		57-75	18	66-99	34	0.00
			38-56	18	43-65	23	0.00
			20-37	18	30-42	13	0.00
			0-19	19	1-29	29	0.00
							0.00
Notes	In Measures 3d-3g, this draft looks at the median SGP included with each school's SRS report for use in determining star rating. The percentile ranges included align to the SRS scale for schools that meet adequate growth. This was done in response to stakeholder feedback in an effort to be concientious of high proficiency schools when establishing student growth targets.						
Measure 3e Norm-Referenced Growth in Math	Are students making expected annual academic growth in math compared to their academic peers? Exceeds Standard: The school's Median SGP in math falls between the 66 th and 99 th percentile. Meets Standard: The school's Median SGP in math falls between the 43 rd and 65 th percentile. Does Not Meet Standard: The school's Median SGP in math falls between the 30 th and 42 nd percentile. Falls Far Below Standard: The school's Median SGP in math falls below the 30 th percentile.		57-75	18	66-99	34	0.00
			38-56	18	43-65	23	0.00
			20-37	18	30-42	13	0.00
			0-19	19	1-29	29	0.00
							0.00
Notes							
Measure 3f Norm-Referenced Growth in Language	Are students making expected annual academic growth in language compared to their academic peers? Exceeds Standard: The school's Median SGP in language arts falls between the 66 th and 99 th percentile. Meets Standard: The school's Median SGP in language arts falls between the 43 rd and 65 th percentile. Does Not Meet Standard: The school's Median SGP in language arts falls between the 30 th and 42 nd percentile. Falls Far Below Standard: The school's Median SGP in language arts falls below the 30 th percentile.		57-75	18	66-99	34	0.00
			38-56	18	43-65	23	0.00
			20-37	18	30-42	13	0.00
			0-19	19	1-29	29	0.00
							0.00
Notes							
Measure 3g Subgroup Growth Combined Subjects	Is the school increasing subgroup academic performance over time? Exceeds Standard: School earned at least 70% of possible points in SRS Accountability Area 3. Meets Standard: School earned 45-69% of possible points in SRS Accountability Area 3. Does Not Meet Standard: School earned 31-44% of possible points in SRS Accountability Area 3. Falls Far Below Standard: School earned fewer than 30% of possible points in SRS Accountability Area 3.		76-100	25	70-100	31	0.00
			51-75	25	45-69	25	0.00
			26-50	25	31-44	14	0.00
			0-25	25	1-30	30	0.00
							0.00
Notes	Subgroup growth is combined into a single categyory as a practical measure due to the small size of many of Idaho's public charter schools. The percentages used in this draft are based on a review of the percentage of subgroup points earned by PCSC-authorized schools in 2012. 1-2 star schools generally received 15%-35% of the possible points; 3 star schools received 40%-60%, 4 star schools received 50-75%, and the 5 star school received 80%. Although the "meets standard" rating category is broad, the scoring system is designed to reflect where in the range an individual school falls.						

June 13, 2013

NAME OF SCHOOL --- ACADEMIC FRAMEWORK (2011-2012 data)

INDICATOR 4: COLLEGE AND CAREER READINESS				
Measure 4a	Are students participating successfully in advance opportunity coursework?	Result	Possible Points	Points Earned
Advanced Opportunity Coursework	<p>Exceeds Standard: School earned 5 points in SRS Post-Secondary Content Area: Advanced Opportunity</p> <p>Meets Standard: School earned 3-4 points in SRS Post-Secondary Content Area: Advanced Opportunity</p> <p>Does Not Meet Standard: School earned 2 points in SRS Post-Secondary Content Area: Advanced Opportunity</p> <p>Falls Far Below Standard: School earned 1 or fewer points in SRS Post-Secondary Content Area: Adv Oppty</p>	5 3-4 2 1	50 30 10 0	0.00
Notes	As drafted, these ratings reflect both participation and successful completion (C or better) as reported in the SRS. Participation and successful completion could be accounted for as separate measures.			
Measure 4b1	Does students' performance on college entrance exams reflect college readiness?	Result	Possible Points	Points Earned
College Entrance Exam Results	<p>Exceeds Standard: Effective in 2013-14, at least 35% of students met or exceeded the college readiness benchmark on an entrance or placement exam.</p> <p>Meets Standard: Effective in 2013-14, between 25-34% of students met or exceeded the college readiness benchmark on an entrance or placement exam.)</p> <p>Does Not Meet Standard: Effective in 2013-14, between 20-24% of students met or exceeded the college readiness benchmark on an entrance or placement exam.)</p> <p>Falls Far Below Standard: Effective in 2013-14, fewer than 20% of students met or exceeded the college readiness benchmark on an entrance or placement exam.</p>	5 3-4 2 1	50 30 10 0	0.00
Notes	Idaho will begin including this measure in the SRS in 2013. Idaho's targets in this area will increase annually between until the 2014-15 school year. This draft addresses the 2013-2014 targets in measure 4a2a and the 2014-2015 targets in Measure 4a2b. Rather than varying points across categories, this measure has set points possible. The reason for this approach is statistical in nature - the formula used to allow for variable scores within a category would not function properly on this indicator due to the substantial size of the top category.			
Measure 4b2	Does students' performance on college entrance exams reflect college readiness?	Result	Possible Points	Points Earned
College Entrance Exam Results	<p>Exceeds Standard: Effective in 2014-15 and thereafter, at least 45% of students met or exceeded the college readiness benchmark on an entrance or placement exam.</p> <p>Meets Standard: Effective in 2014-15 and thereafter, between 35-44% of students met or exceeded the college readiness benchmark on an entrance or placement exam.</p> <p>Does Not Meet Standard: Effective in 2014-15 and thereafter, between 30-34% of students met or exceeded the college readiness benchmark on an entrance or placement exam.</p> <p>Falls Far Below Standard: Effective in 2014-15 and thereafter, fewer than 30% of students met or exceeded the college readiness benchmark on an entrance or placement exam.</p>	5 3-4 2 1	50 30 10 0	0.00
Notes				
Measure N/A	College Entrance Exam Participation	Result	Weight	Score
Notes	<p>Exceeds Standard:</p> <p>Meets Standard:</p> <p>Does Not Meet Standard:</p> <p>Falls Far Below Standard:</p> <p>Idaho will begin including this measure in the SRS in 2013. However, detailed information regarding how the data will be reported is not accessible at this time. The PCSC could, with stakeholder input, modify this framework in the future to include this measure as NACSA recommends.</p>			

June 13, 2013

NAME OF SCHOOL --- ACADEMIC FRAMEWORK (2011-2012 data)

Measure 4c	Are students graduating from high school?	Result (Percentage)	Possible Overall	Possible in this Range	Percentile Targets	Percentile Points	Points Earned
Graduation Rate	Exceeds Standard: At least 90% of students graduated from high school.		76-100	25	90-100	11	0.00
	Meets Standard: 81-89% of students graduated from high school.		51-75	25	81-89	9	0.00
	Does Not Meet Standard: 71%-80% of students graduated from high school.		26-50	25	71-80	10	0.00
	Falls Far Below Standard: Fewer than 70% of students graduated from high school.		0-25	25	1-70	70	0.00
							0.00
Notes	<p>The ratings above for "exceeds" and "meets" are consistent with the SRS requirements to earn 5 and 4 stars, respectively, and are 1% different (higher) from NACSA's recommendations. A 71-80% graduation rate would earn 3 stars; NACSA recommends that a 70-79% graduation rate be rated "does not meet." This presents an opportunity for the PCSC to consider whether it believes public charter schools should meet a higher standard than other public schools; stakeholder comment indicates a strong preference for PCSC minimums to meet state minimum requirements.</p> <p>PCSC staff remains in conversation with the SDE regarding this measure. The ESEA waiver states that "in 2013-2014, Idaho will switch to the cohort-based graduation rate and reset the graduation rate goal at that time." The draft performance certificate included with the June 13, 2013, PCSC workshop materials contains a provision indicating that the PCSC may update its performance standards to coincide with changes in state requirements; this is a likely situation in which such updates will become necessary.</p>						

MISSION-SPECIFIC ACADEMIC GOALS				
Measure 1	Is the school ***?	Result	Weight	Score
	Exceeds Standard: Meets Standard: Does Not Meet Standard: Falls Far Below Standard:			
Notes	Consistent with best practices and input from stakeholders, a significant portion (34%) of a school's total score on the framework reflects the school's performance on a set of Mission-Specific measures. These measures may be academic or non-academic in nature, but must be objective and data-driven. The number and weighting of Mission-Specific measures should be established during one-on-one negotiations between school and authorizer.			
Measure 2	Is the school ***?	Result	Weight	Score
***	Exceeds Standard: Meets Standard: Does Not Meet Standard: Falls Far Below Standard:			
Notes				
Measure 3	Is the school ***?	Result	Weight	Score
***	Exceeds Standard: Meets Standard: Does Not Meet Standard: Falls Far Below Standard:			
Notes				
Measure 4	Is the school ***?	Result	Weight	Score
***	Exceeds Standard: Meets Standard: Does Not Meet Standard: Falls Far Below Standard:			
Notes				

June 13, 2013

NAME OF SCHOOL --- MISSION-SPECIFIC FRAMEWORK

		Result	Weight	Score
Measure 5	Is the school ***?			

	Exceeds Standard:			
	Meets Standard:			
	Does Not Meet Standard:			
	Falls Far Below Standard:			
Notes				

INDICATOR 1: EDUCATIONAL PROGRAM		Result	Points Possible	Points Earned
Measure 1a Implementation of Educational Program	Is the school implementing the material terms of the educational program as defined in the performance certificate? Meets Standard: The school implements the material terms of the mission, vision, and educational program in all material respects and the implementation of the educational program reflects the essential elements outlined in the performance certificate, or the school has gained approval for a charter modification to the material terms. Does Not Meet Standard: School has deviated from the material terms of the mission, vision, and essential elements of the educational program as described in the performance certificate, without approval for a charter modification, such that the program provided differs substantially from the program described in the charter and performance certificate.		25	
			0	0.00
Notes	The purpose this measure (and others under this indicator) is to protect public interests by ensuring that the school's educational program is "as advertised." In order to avoid interfering with school autonomy, the PCSC should consider only whether or not the school is implementing the essential elements of the educational program, with an expectation that the school exhibits fidelity to the program. This is not intended to be a qualitative review of how well the school is implementing the program, or how effective the program is (those elements will be reflected in the Academic Framework), but rather, on whether or not the program provided is consistent with that described in the charter and performance contract. Although the scoring mechanism included with this draft includes points for Operational measures, the total number of Operational points earned is intended to be calculated and considered separately from the combined Academic and Mission-Specific points. This is because the bulk of an authorizer's renewal decision-making should be based on Academic and Mission-Specific outcomes; Operational and Financial indicators should be secondary, providing additional information on which to base a decision regarding a school whose Academic and/or Mission-Specific results are marginal. Only in cases of egregious Operational or Financial deficiencies should these indicators serve as the primary rationale for non-renewal.			
Measure 1b Education Requirements	Is the school complying with applicable education requirements? Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to education requirements, including but not limited to: Instructional time requirements, graduation and promotion requirements, content standards including the Common Core State Standards, the Idaho State Standards, State assessments, and implementation of mandated programming related to state or federal funding. Meets Standard: The school has exhibited non-compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to the education requirements; however, matters of non-compliance are minor and quickly remedied, with documentation, by the governing board. Does Not Meet Standard: The school exhibits frequent and/or significant non-compliance with applicable laws, rules, regulations, and provisions of the performance certificate relating to education requirements; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		25	
			0	0.00
Notes	As drafted, this definition (like most of those below) of "Meets Standard" is lower than the standard recommended by NACSA in that it allows for occasional, minor failures to comply, so long as the board takes immediate steps to remedy the situation. The "exceeds standard" category has been added to recognize schools that remain in full compliance. Schools that fail to meet the standard will have an opportunity to correct any matters of non-compliance prior to the following year's review.			

Measure 1c Students with Disabilities	Is the school protecting the rights of students with disabilities?	Result	Points Possible	Points Earned
	<p>Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to the treatment of students with identified disabilities and those suspected of having a disability, including but not limited to: Equitable access and opportunity to enroll; identification and referral; appropriate development and implementation of IEPs and Section 504 plans; operational compliance, including provision of services in the LRE and appropriate inclusion in the school's academic program, assessments, and extracurricular activities; discipline, including due process protections, manifestation determinations, and behavioral intervention plans; access to the school's facility and program; appropriate use of all available, applicable funding.</p> <p>Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to the treatment of students with identified disabilities and those suspected of having a disability. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.</p> <p>Does Not Meet Standard: The school exhibits frequent and/or significant non-compliance with applicable laws, rules, regulations, and provisions of the performance certificate relating to the treatment of students with identified disabilities and those suspected of having a disability; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.</p>		25	
			20	
			0	
				<hr/> 0.00

Notes

Measure 1d English Language Learners	Is the school protecting the rights of English Language Learner (ELL) students?	Result	Points Possible	Points Earned
	<p>Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to requirements regarding ELLs, including but not limited to: Equitable access and opportunity to enroll; required policies related to the service of ELL students; compliance with native language communication requirements; proper steps for identification of students in need of ELL services; appropriate and equitable delivery of services to identified students; appropriate accommodations on assessments; exiting of students from ELL services; and ongoing monitoring of exited students. Matters of non-compliance, if any, are minor and quickly remedied, with documentation, by the governing board.</p> <p>Meets Standard: The school has exhibited non-compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to the treatment of ELL students; however, matters of non-compliance are minor and quickly remedied, with documentation, by the governing board.</p> <p>Does Not Meet Standard: The school exhibits frequent and/or significant non-compliance with applicable laws, rules, regulations, and provisions of the performance certificate relating to requirements regarding ELLs; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.</p>		25	
			20	
			0	
				<hr/> 0.00

Notes

INDICATOR 2: FINANCIAL MANAGEMENT AND OVERSIGHT		Result	Points Possible	Points Earned
Measure 2a Financial Reporting and Compliance	Is the school meeting financial reporting and compliance requirements?			
	Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to financial reporting requirements, including but not limited to: Complete and on-time submission of financial reports including annual budget, revised budgets (if applicable), periodic financial reports as required by the PCSC, and any reporting requirements if the board contracts with and Education Service Provider; on-time submission and completion of the annual independent audit and corrective action plans (if applicable); and all reporting requirements related to the use of public funds.		25	
	Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to financial reporting requirements. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.		20	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to financial reporting requirements; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0	
Notes				0.00
Measure 2b GAAP	Is the school following Generally Accepted Accounting Principles (GAAP)?			
	Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to financial management and oversight expectations as evidenced by an annual independent audit, including but not limited to: An unqualified audit opinion; an audit devoid of significant findings and conditions, material weaknesses, or significant internal control weaknesses; and an audit that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report.		25	
	Does Not Meet Standard: The school exhibits failure to comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to financial management and oversight expectations as evidenced by an annual independent audits; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0	
	Notes	This measure is included in the Operational framework to reflect a school's compliance with GAAP. The financial health of the school, regardless of compliance, is addressed in the Financial framework.			0.00

GOVERNANCE AND REPORTING		Result	Points Possible	Points Earned
Measure 3a Governance Requirements	Is the school complying with governance requirements? Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to governance by its board, including but not limited to: board policies; board bylaws; state open meetings law; code of ethics; conflicts of interest; board composition; and compensation for attendance at meetings. Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to governance by its board. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board. Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to governance by its board; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		25 20 0	<hr/> 0.00
Notes				
Measure N/A Management Accountability	Is the school holding management accountable? Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to the oversight of school management, including but not limited to: For ESPs -- maintaining authority over mangement, holding it accountable for performance as agreed under a written performance agreement, and requiring annual financial reports of the ESP For Others -- oversight of management that includes holding it accountable for performance expectations which may or may not be agreed to under a written performance agreement. Matters of non-compliance, if any, are minor and quickly remedied, with documentation, by the governing board. Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to the oversight of school management; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.			
Notes				
Measure 3b Reporting Requirements	Is the school complying with reporting requirements? Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to relevant reporting requirements to the PCSC, the SDE, and/or federal authorities, including but not limited to: accountability tracking; attendance and enrollment reporting; compliance and oversight; additional information requested by the authorizer. Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to relevant reporting requirements to the PCSC, the SDE, and/or federal authorities. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board. Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to relevant reporting requirements to the PCSC, the SDE, and/or federal authorities; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		25 20 0	<hr/> 0.00
Notes				

INDICATOR 4: STUDENTS AND EMPLOYEES		Result	Points Possible	Points Earned
Measure 4a Student Rights	Is the school protecting the rights of all students?			
	Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to the rights of students, including but not limited to: policies and practices related to recruitment and enrollment; the collection and protection of student information; due process protections, privacy, civil rights, and student liberties requirements; conduct of discipline.		25	
	Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to the rights of students. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.		20	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to the rights of students; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0	
Notes				0.00
Measure 4b Credentialing	Is the school meeting teacher and other staff credentialing requirements?			
	Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to state and federal certification requirements.		25	
	Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or requirements of the performance certificate relating to state and federal certification requirements. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.		20	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to state and federal certification requirements; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0	
Notes				0.00
Measure 4c Employee Rights	Is the school complying with laws regarding employee rights?			
	Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to employment considerations, including those relating to the Family Medical Leave Act, the Americans with Disabilities Act, and employment contracts.		25	
	Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or requirements of the performance certificate relating to employment considerations or employee rights. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.		20	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to employment considerations; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0	
Notes				0.00

		Result	Points Possible	Points Earned
Measure 4d Background Checks	Is the school completing required background checks?			
	Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to background checks of all applicable individuals.		25	
	Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or requirements of the performance certificate relating to background checks of all applicable individuals. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.		20	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to background checks of all applicable individuals; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0	
				<u>0.00</u>
Notes				
INDICATOR 5: SCHOOL ENVIRONMENT				
Measure 5a Facilities and Transportation	Is the school complying with facilities and transportation requirements?			
	Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to the school facilities, grounds, and transportation, including but not limited to: American's with Disabilities Act, fire inspections and related records, viable certificate of occupancy or other required building use authorization, documentation of requisite insurance coverage, and student transportation.		25	
	Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or requirements of the performance certificate relating to the school facilities, grounds, or transportation. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.		20	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to the school facilities, grounds, and transportation; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0	
				<u>0.00</u>
Notes				
Measure 5b Health and Safety	Is the school complying with health and safety requirements?			
	Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to safety and the provision of health-related services.		25	
	Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or requirements of the performance certificate relating to safety or the provision of health-related services. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.		20	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to safety and the provision of health-related services; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0	
				<u>0.00</u>
Notes				

		Result	Points Possible	Points Earned
Measure 5c Information Handling	Is the school handling information appropriately?			
	Exceeds Standard: The school materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to the handling of information, including but not limited to: maintaining the security of and providing access to student records under the Family Educational Rights and Privacy Act and other applicable authorities; accessing documents maintained by the school under the state's Freedom of Information law and other applicable authorities; Transferring of student records; proper and secure maintenance of testing materials.		25	
	Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or requirements of the performance certificate relating to the handling of information. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.		20	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to the handling of information; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0	
Notes				<u>0.00</u>
ADDITIONAL OBLIGATIONS				
Measure 6a Additional Obligations	Is the school complying with all other obligations?			
	Meets Standard: The school materially complies with all other material legal, statutory, regulatory, or contractual requirements contained in its charter contract that are not otherwise explicitly stated herein, including but not limited to requirements from the following sources: revisions to state charter law; and requirements of the State Department of Education. Matters of non-compliance, if any, are minor and quickly remedied, with documentation, by the governing board.		25	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with with all other material legal, statutory, regulatory, or contractual requirements contained in its charter contract that are not otherwise explicitly stated here; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0	
	Notes			<u>0.00</u>

June 13, 2013

NAME OF SCHOOL --- FINANCIAL FRAMEWORK

INDICATOR 2: SUSTAINABILITY MEASURES				
Measure 2a Total Margin and Aggregated 3-Year Total Margin	<p>Total Margin: Net Income divided by Total Revenue AND Aggregated Total Margin: Total 3-Year Net Income divided by Total 3-Year Revenues</p> <p>Meets Standard: Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. <i>Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.</i></p> <p>Does Not Meet Standard: Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard"</p> <p>Falls Far Below Standard: Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR The most recent year Total Margin is less than -10 percent.</p>	Result	Points Possible	Points Earned
			50	
			10	
			0	
				0.00
Notes				
Measure 2b Debt to Asset Ratio	<p>Debt to Asset Ratio: Total Liabilities divided by Total Assets</p> <p>Meets Standard: Debt to Asset Ratio is less than 0.9</p> <p>Does Not Meet Standard: Debt to Asset Ratio is between 0.9 and 1.0</p> <p>Falls Far Below Standard: Debt to Asset Ratio is greater than 1.0</p>	Result	Points Possible	Points Earned
			50	
			30	
			0	
				0.00
Notes				
Measure 2c Cash Flow	<p>Cash Flow: Multi-Year Cash Flow = Year 3 Total Cash - Year 1 Total Cash AND One-Year Cash Flow = Year 2 Total Cash - Year 1 Total Cash</p> <p>Meets Standard (in one of two ways): Multi-Year Cumulative Cash Flow is positive and Cash Flow is positive each year OR Multi-Year Cumulative Cash Flow is positive, Cash Flow is positive in one of two years, and Cash Flow in the most recent year is positive. <i>Note: Schools in their first or second year of operation must have positive cash flow.</i></p> <p>Does Not Meet Standard: Multi-Year Cumulative Cash Flow is positive, but trend does not "Meet Standard"</p> <p>Falls Far Below Standard: Multi-Year Cumulative Cash Flow is negative</p>	Result	Points Possible	Points Earned
			50	
			30	
			0	
				0.00
Notes				
Measure 2d Debt Service Coverage Ratio	<p>Debt Service Coverage Ratio: (Net Income + Depreciation + Interest Expense)/(Annual Principal, Interest, and Lease Payments)</p> <p>Meets Standard: Debt Service Coverage Ratio is equal to or exceeds 1.1</p> <p>Does Not Meet Standard: Debt Service Coverage Ratio is less than 1.1</p> <p>Falls Far Below Standard: Not Applicable</p>	Result	Points Possible	Points Earned
			50	
			0	
				0.00
Notes				

June 13, 2013

NAME OF SCHOOL --- PERFORMANCE FRAMEWORK SCORING

ACADEMIC	Measure	Possible Elem / MS Points	% of Total Points	POINTS EARNED	Possible HS Points	% of Total Points	POINTS EARNED
State/Federal Accountability	1a	50	3%	0.00	50	3%	0.00
	1b	25	2%	0.00	25	1%	0.00
	1c	25	2%	0.00	25	1%	0.00
Proficiency	2a	75	5%	0.00	75	4%	0.00
	2b	75	5%	0.00	75	4%	0.00
	2c	75	5%	0.00	75	4%	0.00
Growth	3a	100	7%	0.00	100	6%	0.00
	3b	100	7%	0.00	100	6%	0.00
	3c	100	7%	0.00	100	6%	0.00
	3d	75	5%	0.00	75	4%	0.00
	3e	75	5%	0.00	75	4%	0.00
	3f	75	5%	0.00	75	4%	0.00
	3g	100	7%	0.00	100	6%	0.00
College & Career Readiness	4a				50	3%	0.00
	4b1 / 4b2				50	3%	0.00
	4c				50	3%	0.00
Total Possible Academic Points		950			1100		
- Points from Non-Applicable							
Total Possible Academic Points for This School		950			1100		
Total Academic Points Received				0.00			0.00
% of Possible Academic Points for This School				0.00%			0.00%

MISSION-SPECIFIC	Measure	Possible Points	% of Total Points	POINTS EARNED	Possible Points	% of Total Points	POINTS EARNED
May be divided among multiple measures as determined through individual negotiations	X	500	34%		575	34%	
Total Possible Mission-Specific Points		500					
Total Mission-Specific Points Received				0.00			0.00
% of Possible Mission-Specific Points Received				0.00%			0.00%
TOTAL POSSIBLE ACADEMIC & MISSION-SPECIFIC POINTS		1450			1675		
TOTAL POINTS RECEIVED				0.00			0.00
% OF POSSIBLE ACADEMIC & MISSION-SPECIFIC POINTS				0.00%			0.00%

OPERATIONAL	Measure	Points Possible	% of Total Points	Points Earned
Educational Program	1a	25	6%	0.00
	1b	25	6%	0.00
	1c	25	6%	0.00
	1d	25	6%	0.00
Financial Management & Oversight	2a	25	6%	0.00
	2b	25	6%	0.00
Governance & Reporting	3a	25	6%	0.00
	3b	25	6%	0.00
Students & Employees	4a	25	6%	0.00
	4b	25	6%	0.00
	4c	25	6%	0.00
	4d	25	6%	0.00
School Environment	5a	25	6%	0.00
	5b	25	6%	0.00
	5c	25	6%	0.00
Additional Obligations	6a	25	6%	0.00
TOTAL OPERATIONAL POINTS		400	100%	0.00
% OF POSSIBLE OPERATIONAL POINTS				0.00%

FINANCIAL	Measure	Points Possible	% of Total Points	Points Earned
Near-Term Measures	1a	50	13%	0.00
	1b	50	13%	0.00
	1c	50	13%	0.00
	1d	50	13%	0.00
Sustainability Measures	2a	50	13%	0.00
	2b	50	13%	0.00
	2c	50	13%	0.00
	2d	50	13%	0.00
TOTAL FINANCIAL POINTS		400	100%	0.00
% OF POSSIBLE FINANCIAL POINTS				0.00%

June 13, 2013

NAME OF SCHOOL --- PERFORMANCE FRAMEWORK SCORING

ACCOUNTABILITY DESIGNATION	Academic & Mission-Specific		Operational		Financial	
	Range	% of Points Possible Earned	Range	% of Points Possible Earned	Range	% of Points Possible Earned
<p>Honor Schools achieving at this level in all categories are eligible for special recognition and will be recommended for renewal. Replication and expansion proposals are likely to succeed.</p>		75% - 100% of points possible				
<p>Good Standing Schools achieving at this level in Academic & Mission-Specific will be recommended for renewal; however, conditional renewal may be recommended if Operational and/or Financial outcomes are poor. Replication and expansion proposals will be considered. To be placed in this category for Academic & Mission-Specific, schools must receive the appropriate percentage of points and have at least a Three Star Rating.</p>		55% - 74% of points possible				
<p>Remediation Schools achieving at this level in Academic & Mission-Specific may be recommended for non-renewal or conditional renewal, particularly if Operational and/or Financial outcomes are also poor. Replication and expansion proposals are unlikely to succeed.</p>		31% - 54% of points possible				
<p>Critical Schools achieving at this level in Academic & Mission-Specific level face a strong likelihood of non-renewal, particularly if Operational and/or Financial outcomes are also poor. Replication and expansion proposals should not be considered.</p>		0% - 30% of points possible				

TAB 5: STAKEHOLDER INPUT

Stakeholder involvement is an important factor in the development of performance certificates and performance frameworks. On May 23, PCSC staff and Chairman Reed hosted a listening session. Representatives from all PCSC-authorized schools, in addition to other individuals who expressed interest, were invited to contribute. The purpose of the listening session was to ensure that the draft performance certificate and performance framework included with these materials were informed by stakeholder input.

Twenty-one individuals representing 17 different schools, a lobbying firm, and the Idaho Charter School Network attended in person and via teleconference. Commissioner O'Donahue also listened via telephone, and Chairman Reed was present in person. Thirteen individuals shared comments, concerns, and suggestions, which are summarized below:

Topic	Summary of Comments	Response to Comments
Model Documents	<ul style="list-style-type: none"> • Several individuals commented that the model contract and framework appeared reasonable. • One said the quarterly fiscal reporting suggested by NACSA is onerous, and recommended that such frequency be limited to schools that are experiencing fiscal difficulty. • One said NACSA's model performance contract focuses too heavily on school responsibility and not enough on authorizer responsibility; the individual offered to provide resources regarding authorizer responsibilities appropriate to the contract, and was encouraged to do so. 	<ul style="list-style-type: none"> • The initial draft certificate and framework are based heavily on NACSA models and other states' documents. Additional input from NAPCS is being sought. • The financial measures in the draft framework are based primarily on information contained in schools' annual independent fiscal audits. Historically, the PCSC has required annual budget updates (with actual and projections), requesting more frequent submissions only for schools whose fiscal stability is questionable. Continuation of such practice could be clarified in the performance certificate.
Reporting Burden	<ul style="list-style-type: none"> • Many individuals emphasized the importance of reducing the reporting burden on schools. • The PCSC was encouraged to avoid duplication of reports that are submitted to entities such as the SDE. • One individual suggested that annual audits have a rotating focus instead of covering the full spectrum of operations every year. 	<ul style="list-style-type: none"> • PCSC staff is working with the SDE on gaining direct access to SRS and ISEE data in order to reduce or eliminate duplicative reporting. Some information, such as board membership changes, will still need to be submitted directly to the PCSC, but this reporting is not duplicative. • Nearly all measures in the framework are designed to be based on data obtained through the SDE or fiscal audits,

	<ul style="list-style-type: none"> • Another individual suggested that the PCSC require only the same budgets as are submitted to the SDE. 	<p>eliminating the need for duplicative reporting. In some cases, mission-specific measures may require submission of additional data directly to the PCSC. This will be considered during certificate negotiations with each school.</p> <ul style="list-style-type: none"> • Annual programmatic operations audits are no longer required. • PCSC staff believes that annual site visits remain important as a means of maintaining relationships with schools and developing authorizer understanding of school culture. The purpose of such visits is to improve authorizer understanding of the school rather than to detect deficiencies, though the latter may occur in some cases. Site visits provide qualitative information that can add context to the quantitative data on which the performance framework depends. • The PCSC has, historically, wished to see not only proposed budgets (such as those submitted to the SDE), but also actuals and projections. Without actuals and projections, evaluation of schools' fiscal status mid-year is not possible. However, PCSC staff is working to modify the format of its budget templates to coincide with IFARMS formatting for improved accuracy and ease of use.
<p>Use of Star Ratings</p>	<ul style="list-style-type: none"> • Several individuals expressed interest in how the Star Rating System, and/or the data collected via the SRS, will be used to inform the performance framework. • Two individuals expressed interest in a framework that does not emphasize the overall star rating. 	<ul style="list-style-type: none"> • The draft framework weights the overall star rating lightly. However, most of the academic data used for other measures is drawn from the SRS to minimize reporting requirements, ensure consistency, and align with state requirements. • The draft framework emphasizes

	<ul style="list-style-type: none"> • One individual suggested a weighting different data points (growth vs. proficiency) in varying combinations for different types of schools. The reasoning was that, due to the regression model used by the SRS, schools with high proficiency rates may be limited in their ability to show growth. • One individual recommended that PCSC staff collaborate with SDE staff regarding how SRS data will be used. 	<p>criterion-referenced growth more heavily than norm-referenced growth in order to address concerns about limited ability to show growth at high proficiency schools. Additionally, the measures focused on criterion-referenced growth use ratings that assume the school met the AGP AGP, which benefits both schools that did and did not meet the AGP.</p> <ul style="list-style-type: none"> • The draft framework’s academic requirements are designed to reflect the state’s minimums for all schools. • PCSC staff has been, and remains, in frequent collaboration with SDE staff regarding how SRS data can and should be used for purposes of the framework.
<p>School Individual-ization</p>	<ul style="list-style-type: none"> • Many individuals emphasized the importance of ensuring that the performance certificate and framework are sufficiently flexible to fairly evaluate schools serving various student populations (at-risk, alternative, and high-turnover populations were specifically mentioned). • One individual noted that even schools serving difficult populations are required by the ESEA waiver to achieve state minimum standards. • Several individuals expressed interest in ensuring that performance expectations are tailored to the mission and population of each individual school. 	<ul style="list-style-type: none"> • Further conversation with stakeholders has, thus far, yielded general agreement that all schools (regardless of student population) are obliged to meet state minimum performance standards. This is consistent with SDE opinion and legislative intent. • PCSC staff remains in conversation with SDE staff regarding modification of the SRS for use with alternative schools. Too little information is available at this time to provide details. • The draft framework contains a section for mission-specific indicators to help schools earn points based on measures relevant to their mission, demographics, etc. Substantial weight in the overall accountability designation is given to the mission-specific indicators, which may or may not be academic in nature.

<p>Expectations and Measures</p>	<ul style="list-style-type: none"> • Several individuals indicated that the PCSC’s baseline “meets standard” ranking should coincide with (not exceed) the state’s minimum standard. It was generally agreed that the state’s minimum standard equates to a 3-star rating. • One individual confirmed with PCSC staff that existing schools will no longer be evaluated according to the provisions of their charters, but by the provisions of new performance certificates instead. • One individual expressed the view that growth is of greater importance than proficiency in evaluating a school. • One individual emphasized that the measures used should extend beyond Star Rating data to include school-specific measures. 	<ul style="list-style-type: none"> • The draft framework’s academic “meets standard” ratings applicable to all schools are designed to coincide with state minimums, defined as the performance needed in any given area to contribute to an overall 3-star rating. • The draft framework contains a section for mission-specific measures. This section, which may include both academic and non-academic measures, contributes significantly to the overall accountability designation.
<p>Drafting Processes</p>	<ul style="list-style-type: none"> • Several individuals expressed interest in continued involvement in the development of the performance certificate and framework. • Several individuals emphasized the importance of one-on-one, relationship-based conversations with each school as individual performance certificates are developed. • One requested more information regarding the timeline on which performance certificates will be finalized. 	<ul style="list-style-type: none"> • The PCSC’s website includes FAQ documents detailing opportunities for stakeholder input. The website will be updated as additional discussion dates are set. Stakeholders have also been invited to call or submit written comment at any time. • One-on-one certificate negotiations with schools will begin as soon as possible, hopefully in early fall 2013.
<p>Other</p>	<ul style="list-style-type: none"> • Two individuals expressed a desire for additional support from and provision of resources by the PCSC. • One individual noted the importance of schools living up to 	<ul style="list-style-type: none"> • Additional discussion with stakeholders led to broader understanding of the authorizer’s role as an oversight body. Technical assistance is presently available through the SDE, and charter-specific assistance will

	their commitments, remembering the “charter bargain,” and avoiding the tendency toward defensiveness.	likely become increasingly available through the ICSN in coming years; these are more appropriate entities to assist petitioners and struggling schools. The PCSC website includes a resources section to guide schools toward assistance and educational opportunities.
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Additional opportunities for public comment regarding the PCSC’s draft performance certificates and performance frameworks will be available at the June 13 PCSC meeting, at least one interim round table discussion hosted by PCSC staff, and the August 15 PCSC meeting. Stakeholders have also been invited to comment via telephone or emails to PCSC staff. The “Frequently Asked Questions” section of the PCSC’s website provides contact information and meeting opportunities, as well as links to supplementary information and resources.

“It is...critical that authorizers engage with school leaders, board members, and community groups as they are developing their frameworks so that they can hear a variety of perspectives, share their vision about the importance of rigorous standards, and achieve broad buy-in from the beginning.”

~ NACSA

June 13, 2013

Tamara Baysinger

From: Helen Pline
Sent: Thursday, May 23, 2013 11:37 AM
To: Tamara Baysinger; Alison Henken
Cc: 'Michelle Clement Taylor'; Jennifer Swartz
Subject: Peterson Comments from PCSC Listening Session

Follow Up Flag: Follow up
Flag Status: Flagged

Forwarding Nils Peterson's comments.....

From: Nils Peterson [<mailto:nilspete@gmail.com>]
Sent: Thursday, May 23, 2013 10:49 AM
To: Helen Pline
Cc: Joseph Erhard-Hudson; Bayly, Della; Brian Gardner
Subject: Peterson Comments from PCSC Listening Session

My name is Nils Peterson, I am a founding Board member of Palouse Prairie School in Moscow. I currently serve as Board Secretary.

I would like to address the topic today from two perspectives: as a member of Moscow's Planning and Zoning Commission and in my former role in Washington State University's Office of Assessment and Innovation.

Topic 1. Certainty vs Flexibility. We discuss this balance regularly on Planning and Zoning. The challenge is to provide developers a degree of certainty, a prescription. This amounts to unambiguous criteria that gives the developer confidence. If the criteria are met, the project is approved. But land development is dependent on local contexts and specific market objectives. An unambiguous prescription may make a development project unattractive or impossible, for reasons related to the unique circumstances of site or market. Consequently, developers want flexibility. However, with flexibility comes uncertainty regarding approval, with uncertainty comes risk.

Palouse Prairie School had a long and difficult chartering process with this Commission as a few of the current members and staff will recall. I attribute this in part to unwritten or ambiguous criteria or shifting criteria on the part of the commission, combined with a hostile District intent on derailing our efforts. We ended up denied, prevailing on appeal, and finally chartered to open in 2009. Our project required flexibility because Moscow is a rural area and we needed to start at a tiny enrollment (mid 60s) and grow numbers and grades levels.

Topic 2. Loss of Focus. While I was at WSU from the early 90's thru 2011 participated in three accreditation reviews, one at the College level and two at the University level. The NWCCU accreditation review was a once-a-decade event. Consequently much leadership had changed and each time there was an 18 month run-up to the review with much energy devoted to polishing whatever the University had done for the prior decade. And following the successful review a tendency to drift back to business as usual, which was not necessarily aligned with either the polished view or the accreditor's objectives.

My recommendation, and the path that WSU's accrediting agency is taking, is to keep the review on the front burner by having some element (but not necessarily all elements) required each year.

The tension here is between the burden of documenting for external review versus doing the business of education. So I would suggest that a *formative evaluation*, perhaps revolving among various domains of the school's operations take place annually. Palouse Prairie School's affiliation with Expeditionary Learning

June 13, 2013

provides us some of this, as they annually conduct an Implementation Review. The limitation of the EL review is its focus on pedagogy and not the wider life of the school. Palouse Prairie has also participated in the ICSN Programmatic Audit annually since pre-opening. The rubric in that review, and the rotating set of 3rd party reviewers drawn from other Charter school has been valuable in helping the Board reflect and continue its process of improvement.

I agree with comments from several of the other schools during the Listening Session, that paperwork reduction should be a goal. Data, report formats, and schedules being required by the state should be presumed to be the tools used for reporting to the Authorizer.

The State's data requests are narrowly focused and don't provide the attention on all the aspects of a Charter's life that may be required for successful operations. A rubric and formative evaluation process could be elements of a partnership between the Authorizer and School to facilitate the growth and success of the Charter movement.

Thank you

--

Nils Peterson
Peterson Barn Guesthouse
208/882-4620 (main)
509/336-1664 (cell)

June 13, 2013

Tamara Baysinger

From: Scott Thomson [sthomson@northidahostem.org]
Sent: Thursday, May 23, 2013 11:13 AM
To: Tamara Baysinger; Michelle Clement Taylor
Subject: Meeting

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Tamara & Michelle

Great meeting. I like the direction & spirit of the movement!!
Again, I don't like to inundate you with previously made points, however I do want to voice my support for the following points that were made today and maybe be a little more precise:

1. Anything tighter than annual reporting would place an unnecessary burden on schools with what would amount to "Busy work" in my view. I would however, support tighter reporting on schools that were found to be in violation of their contract with the commission. I think this helps the commission by giving them a tool to utilize for schools that may need some guidance without creating an unnecessary mountain of paperwork for schools to create, and just as importantly, for the commission to review. :)
2. Growth vs. Proficiency. Both are valid measurements of success, however, just like no 2 schools are alike, measuring students doesn't always fit into one model either. Statistical regression teaches us that kids at the higher end will make less growth on average. Kids at the lower end have the opportunity to make larger growth. I think allowing for schools to use either one of these metrics would be a reasonable.
3. Contracts should keep in mind the intention of the reform movement. Different models may require different benchmarks or flexibility in some areas. I think this probably relates to item #2.

My last point is that Colleen and I want to say THANK YOU to both of you!!! You two have always been a tremendous help to us as we stumbled through this process. With only two weeks left in our first year, I can honestly say it was worth every sleepless night and overcoming every road block. It has been a wild ride and the success of our students has been extremely rewarding!! NONE of it would have happened without your help. THANK YOU!!! I hope you have a great weekend!!

Tamara any horse riding lately??..tis the season :)

Take care,

Scott

--

Scott Thomson
Charter School Administrator
STEM Charter Academy
A Free K-8 Public School of Choice

TAB 6: RESOURCES

This tab contains a number of resources used to inform the development of these materials, particularly the draft performance certificate and draft performance framework.

Two of the primary resources were developed by the National Association of Charter School Authorizers (NACSA), of which the PCSC is a member. NACSA's mission is "to achieve the establishment and operation of quality charter schools through responsible oversight in the public interest." NACSA publishes a variety of policy guides and comparative reports to assist authorizers with the implementation of best authorizing practices.

1. House Bill 221
2. House Bill 206
3. NACSA Model Charter School Contract
4. NACSA Core Performance Framework and Guidance
5. Understanding the Star Rating System
6. ESEA Waiver (excerpt)

June 13, 2013

LEGISLATURE OF THE STATE OF IDAHO
Sixty-second Legislature First Regular Session - 2013

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 221, As Amended in the Senate

BY EDUCATION COMMITTEE

AN ACT

1
2 RELATING TO EDUCATION; AMENDING SECTION 33-1009, IDAHO CODE, TO PROVIDE
3 FOR AN EXCEPTION AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION
4 33-5202A, IDAHO CODE, TO REVISE DEFINITIONS; AMENDING SECTION 33-5203,
5 IDAHO CODE, TO REVISE PROVISIONS RELATING TO LIMITATIONS ON THE AP-
6 PROVAL OF A PUBLIC CHARTER SCHOOL BY A BOARD OF TRUSTEES, TO REVISE
7 PROVISIONS RELATING TO A PUBLIC VIRTUAL SCHOOL CHARTER, TO REVISE PRO-
8 VISIONS RELATING TO THE DESIGNATION OF A PUBLIC CHARTER SCHOOL AS A
9 LOCAL EDUCATION AGENCY; AMENDING SECTION 33-5205, IDAHO CODE, TO RE-
10 VISE PROVISIONS RELATING TO A PETITION TO ESTABLISH A PUBLIC CHARTER
11 SCHOOL AND A NEW PUBLIC VIRTUAL SCHOOL, TO REMOVE LANGUAGE RELATING TO
12 THE PUBLIC CHARTER SCHOOL COMMISSION, TO REVISE PROVISIONS RELATING TO
13 A PUBLIC HEARING, TO REVISE PROVISIONS RELATING TO A DECISION ON A PETI-
14 TION, TO REVISE PROVISIONS RELATING TO CERTAIN ADDITIONAL STATEMENTS,
15 TO ESTABLISH PROVISIONS RELATING TO AN INITIAL CHARTER AND TERM OF OP-
16 ERATIONS AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 33-5205A,
17 IDAHO CODE, TO REVISE PROVISIONS RELATING TO THE TRANSFER OF A CHARTER,
18 TO REMOVE LANGUAGE RELATING TO THE PUBLIC CHARTER SCHOOL COMMISSION
19 AND TO ESTABLISH LANGUAGE RELATING TO AUTHORIZED CHARTERING ENTITIES;
20 AMENDING CHAPTER 52, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW
21 SECTION 33-5205B, IDAHO CODE, TO ESTABLISH PROVISIONS RELATING TO PER-
22 FORMANCE CERTIFICATES, TO ESTABLISH PROVISIONS RELATING TO PERFORMANCE
23 EXPECTATIONS AND MEASURES, TO ESTABLISH PROVISIONS RELATING TO THE EX-
24 ECUTION OF SUCH CERTIFICATES AND TO PROVIDE THAT CERTAIN PUBLIC CHARTER
25 SCHOOLS SHALL EXECUTE CERTIFICATES NO LATER THAN A CERTAIN DATE; AMEND-
26 ING SECTION 33-5206, IDAHO CODE, TO ESTABLISH PROVISIONS RELATING TO
27 CERTAIN REQUIREMENTS, TO REVISE PROVISIONS RELATING TO THE SUBMISSION
28 OF AN AUDIT, TO REVISE PROVISIONS RELATING TO THE REVISION OF A CHAR-
29 TER OR CERTIFICATE AND TO REVISE PROVISIONS RELATING TO A NONRENEWED
30 CHARTER; AMENDING SECTION 33-5207, IDAHO CODE, TO REVISE PROVISIONS
31 RELATING TO RECONSIDERATION OF A DECISION TO DENY A PETITION; AMENDING
32 SECTION 33-5208, IDAHO CODE, TO REVISE PROVISIONS RELATING TO A PAY-
33 MENT SCHEDULE AND TO REMOVE A REFERENCE TO THE STATE BOARD; REPEALING
34 SECTION 33-5209, IDAHO CODE, RELATING TO ENFORCEMENT, REVOCATION AND
35 APPEAL; AMENDING CHAPTER 52, TITLE 33, IDAHO CODE, BY THE ADDITION OF A
36 NEW SECTION 33-5209A, IDAHO CODE, TO ESTABLISH PROVISIONS RELATING TO
37 ACCOUNTABILITY OF EACH PUBLIC CHARTER SCHOOL AND CERTAIN PERFORMANCE
38 INDICATORS; AMENDING CHAPTER 52, TITLE 33, IDAHO CODE, BY THE ADDITION
39 OF A NEW SECTION 33-5209B, IDAHO CODE, TO ESTABLISH PROVISIONS RELATING
40 TO CHARTER RENEWALS, RENEWAL APPLICATIONS, CHARTER RENEWAL DECISIONS,
41 REVOCATION AND NONRENEWAL PROCESSES AND ESTABLISHING PROVISIONS RE-
42 LATING TO AN AUTHORIZED CHARTERING ENTITY RENEWING OR NONRENEWING ANY
43 CHARTER; AMENDING CHAPTER 52, TITLE 33, IDAHO CODE, BY THE ADDITION OF
44 A NEW SECTION 33-5209C, IDAHO CODE, TO ESTABLISH PROVISIONS RELATING TO
45 AN AUTHORIZED CHARTERING ENTITY MONITORING PERFORMANCE, TO ESTABLISH

1 PROVISIONS RELATING TO A PERFORMANCE REPORT, TO ESTABLISH PROVISIONS
2 RELATING TO CERTAIN FISCAL SOUNDNESS, TO ESTABLISH PROVISIONS RELATING
3 TO NOTIFICATION REGARDING VIOLATION OF LAW, TO ESTABLISH PROVISIONS
4 RELATING TO REVOCATION OR NONRENEWAL OF A CHARTER, TO PROVIDE FOR A
5 REPORT, TO ESTABLISH PROVISIONS RELATING TO A PUBLIC HEARING AND TO PRO-
6 VIDE FOR AN APPEAL; AMENDING SECTION 33-5211, IDAHO CODE, TO REMOVE A
7 REFERENCE TO A PETITION, TO PROVIDE A REFERENCE TO A CHARTER AND PERFOR-
8 MANCE CERTIFICATE AND TO MAKE TECHNICAL CORRECTIONS; AMENDING CHAPTER
9 52, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-5212, IDAHO
10 CODE, TO ESTABLISH PROVISIONS RELATING TO PUBLIC CHARTER SCHOOL CLOSURE
11 DECISIONS AND THE DISTRIBUTION OF ASSETS; AMENDING SECTION 33-5213,
12 IDAHO CODE, TO REVISE PROVISIONS RELATING TO THE MEMBERSHIP AND TERMS OF
13 THE PUBLIC CHARTER SCHOOL COMMISSION AND TO REVISE PROVISIONS RELATING
14 TO THE REQUIREMENTS OF MEMBERSHIP; AND PROVIDING EFFECTIVE DATES.

15 Be It Enacted by the Legislature of the State of Idaho:

16 SECTION 1. That Section 33-1009, Idaho Code, be, and the same is hereby
17 amended to read as follows:

18 33-1009. PAYMENTS FROM THE PUBLIC SCHOOL INCOME FUND.

19 1. a. Payments of the state general account appropriation for public
20 school support shall be made each year by the state board of education
21 to the public school districts of the state in five (5) payments. Pay-
22 ments to the districts shall be made not later than the fifteenth day
23 of August, the first day of October, the fifteenth day of November, the
24 fifteenth day of February, and the fifteenth day of May each year. The
25 first two (2) payments by the state board of education shall be approx-
26 imately thirty percent (30%) of the total general account appropriation
27 for the fiscal year, while the third, fourth and fifth payments shall
28 be approximately twenty percent (20%), ten percent (10%) and ten per-
29 cent (10%), respectively, except as provided for in section 33-5209C,
30 Idaho Code. Amounts apportioned due to a special transfer to the public
31 school income fund to restore or reduce a deficiency in the prior year's
32 transfer pursuant to subsection 4. of this section shall not be subject
33 to this limitation.

34 b. Payments of moneys, other than the state general account appropri-
35 ation, that accrue to the public school income fund shall be made by
36 the state board of education to the school districts of the state on the
37 fifteenth day of November, February, May and July each year. The total
38 amount of such payments shall be determined by the state department of
39 education and shall not exceed the amount of moneys available and on de-
40 posit in the public school income fund at the time such payment is made.

41 c. Amounts apportioned due to a special transfer to the public school
42 income fund to restore or reduce a deficiency in the prior year's trans-
43 fer pursuant to subsection 4. of this section shall not be subject to
44 the limitation imposed by paragraphs a. and b. of this subsection.

45 2. Payments made to the school districts in August, October and Novem-
46 ber are advance payments for the current year and may be based upon payments
47 from the public school income fund for the preceding school year. Each
48 school district may receive its proportionate share of the advance payments

1 in the same ratio that its total payment for the preceding year was to the
2 total payments to all school districts for the preceding year.

3 3. No later than the fifteenth day of February in each year, the state
4 department of education shall compute the state distribution factor based on
5 the total average daily attendance through the first Friday in November. The
6 factor will be used in payments of state funds in February and May. Atten-
7 dance shall be reported in a format and at a time specified by the state de-
8 partment of education.

9 As of the thirtieth day of June of each year the state department of edu-
10 cation shall determine final payments to be made on July fifteenth next suc-
11 ceeding to the several school districts from the public school income fund
12 for the school year ended June 30. The July payments shall take into consid-
13 eration:

14 a. ~~the~~ average daily attendance of the several school districts for
15 the twenty-eight (28) best weeks of the school year completed not later
16 than the thirtieth of June ~~;~~

17 b. ~~a~~ All funds available in the public school income fund for the fiscal
18 year ending on the thirtieth of June ~~;~~

19 c. ~~a~~ All payments distributed for the current fiscal year to the several
20 school districts ~~;~~

21 d. ~~the~~ adjustment based on the actual amount of discretionary funds
22 per support unit required by the provisions of section 33-1018, Idaho
23 Code ~~;~~

24 e. ~~p~~ Payments made or due for the transportation support program and the
25 exceptional education support program. The state department of educa-
26 tion shall apportion and direct the payment to the several school dis-
27 tricts the moneys in the public school income fund in each year, taking
28 into account the advance made under subsection 2. of this section, in
29 such amounts as will provide in full for each district its support pro-
30 gram, and not more than therefor required, and no school district shall
31 receive less than fifty dollars (\$50.00).

32 4. If the full amount appropriated to the public school income fund
33 from the general account by the legislature is not transferred to the public
34 school income fund by the end of the fiscal year, the deficiency resulting
35 therefrom shall either be restored or reduced through a special trans-
36 fer from the general account in the first sixty (60) days of the following
37 fiscal year, or shall be calculated in computing district levies, and any
38 additional levy shall be certified by the state superintendent of public
39 instruction to the board of county commissioners and added to the district's
40 maintenance and operation levy. If the deficiency is restored or reduced
41 by special transfer, the amount so transferred shall be in addition to the
42 amount appropriated to be transferred in such following fiscal year and
43 shall be apportioned to each school district in the same amount as each would
44 have received had the transfer been made in the year the deficiency occurred.
45 The state department of education shall distribute to the school district
46 the full amount of the special transfer as soon as practical after such
47 transfer is made. In making the levy computations required by this subsec-
48 tion the state department of education shall take into account and consider
49 the full amount of money receipted into the public school income fund from
50 all sources for the given fiscal year. Deficits in the transfer of the ap-

1 appropriated amount of general account revenue to the public school income
2 fund shall be reduced by the amount, if any, that the total amount receipted
3 from other sources into the public school income fund exceeds the official
4 estimated amount from those sources. The official estimate of receipts from
5 other sources shall be the total amount stated by the legislature in the ap-
6 propriation bill. The provisions of this subsection shall not apply to any
7 transfers to or from the public education stabilization fund.

8 5. Any apportionments in any year, made to any school district, which
9 may within the succeeding three (3) year period be found to have been in error
10 either of computation or transmittal, may be corrected during the three (3)
11 year period by reduction of apportionments to any school district to which
12 over-apportionments may have been made or received, and corresponding ad-
13 ditions to apportionments to any school district to which under-apportion-
14 ments may have been made or received.

15 SECTION 2. That Section 33-5202A, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 33-5202A. DEFINITIONS. As used in this chapter, unless the context re-
18 quires otherwise:

19 (1) "Authorized chartering entity" means either any of the following:

20 (a) A local board of trustees of a school district in this state, or;

21 (b) The public charter school commission created pursuant to the pro-
22 visions of this chapter;

23 (c) An Idaho public college, university or community college;

24 (d) A private, nonprofit Idaho-based, nonsectarian college or univer-
25 sity that is accredited by the same organization that accredits Idaho
26 public colleges and universities.

27 (2) "Charter" means the grant of authority approved by the authorized
28 chartering entity to the board of directors of the public charter school.

29 (3) "Founder" means a person, including employees or staff of a pub-
30 lic charter school, who makes a material contribution toward the establish-
31 ment of a public charter school in accordance with criteria determined by
32 the board of directors of the public charter school, and who is designated
33 as such at the time the board of directors acknowledges and accepts such con-
34 tribution. The criteria for determining when a person is a founder shall not
35 discriminate against any person on any basis prohibited by the federal or
36 state constitutions or any federal, state or local law. The designation of a
37 person as a founder, and the admission preferences available to the children
38 of a founder, shall not constitute pecuniary benefits.

39 (4) "Performance certificate" means a fixed-term, renewable certifi-
40 cate between a public charter school and an authorized chartering entity
41 that outlines the roles, powers, responsibilities and performance expecta-
42 tions for each party to the certificate.

43 (5) "Petition" means the document submitted by a person or persons to
44 the authorized chartering entity to request the creation of a public charter
45 school.

46 (5) "Professional-technical regional public charter school" means a
47 public charter secondary school authorized under this chapter to provide
48 programs in professional-technical education which meet the standards and
49 qualifications established by the division of professional-technical ed-

1 ucation. A professional-technical regional public charter school may be
2 approved by an authorized chartering entity and, by the terms of its char-
3 ter, shall operate in association with at least two (2) school districts.
4 Notwithstanding the provisions of section 33-5205(3) (j), Idaho Code, par-
5 ticipating school districts need not be contiguous.

6 (67) "Public charter school" means a school that is authorized under
7 this chapter to deliver public education in Idaho.

8 (78) "Traditional public school" means any school existing or to be
9 built that is operated and controlled by a school district in this state.

10 (89) "Virtual school" means a school that delivers a full-time, se-
11 quential program of synchronous and/or asynchronous instruction primarily
12 through the use of technology via the internet in a distributed environment.
13 Schools classified as virtual must have an online component to their school
14 with online lessons and tools for student and data management.

15 SECTION 3. That Section 33-5203, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 33-5203. AUTHORIZATION -- LIMITATIONS. (1) The creation of public
18 charter schools is hereby authorized. Public charter schools shall be part
19 of the state's program of public education.

20 (2) New public charter schools which may begin educational instruction
21 in any one (1) school year shall be subject to the following:

22 (a) No whole school district may be converted to a charter district or
23 any configuration which includes all schools as public charter schools;
24 and

25 (b) A petition must be received by the initial authorized chartering
26 entity no later than September 1 to be eligible to begin instruction the
27 first complete school year following receipt of the petition; and

28 (c) To begin operations, a newly chartered public school must be autho-
29 rized by no later than January 1 of the previous school year.

30 (3) A public charter school may be formed either by creating a new pub-
31 lic charter school, which charter may be approved by any authorized char-
32 tering entity, or by converting an existing traditional public school to a
33 public charter school, which charter may only be approved by the board of
34 trustees of the school district in which the existing public school is lo-
35 cated.

36 (4) No charter shall be approved under this chapter:

37 (a) Which provides for the conversion of any existing private or
38 parochial school to a public charter school.

39 (b) To a for-profit entity or any school which is operated by a for-
40 profit entity, provided however, nothing herein shall prevent the board
41 of directors of a public charter school from legally contracting with
42 for-profit entities for the provision of products or services that aid
43 in the operation of the school.

44 (c) By the board of trustees of a school district if the public charter
45 school's physical location is outside the boundaries of the authoriz-
46 ing school district. ~~The limitation provided in this subsection (4) (c)~~
47 ~~does not apply to a home-based public virtual school.~~

48 (5) A public virtual school charter may be approved by ~~the public char-~~
49 ~~ter school commission~~ any authorized chartering entity except a local school

1 district board of trustees. In addition, a charter may also be approved by
2 the state board of education pursuant to section 33-5207(5) (b), Idaho Code.

3 (6) The state board of education shall adopt rules, subject to law, to
4 establish a consistent application and review process for the approval and
5 maintenance of all public charter schools.

6 (7) ~~The state board of education shall be responsible to designate~~
7 ~~those public charter schools that will be identified~~ Each public charter
8 school authorized by an authorized chartering entity other than a local
9 school district board of trustees is hereby designated as a local education
10 agency (LEA) as such term is defined in 34 CFR 300.287. ~~however, only p~~Public
11 charter schools chartered by the board of trustees of a school district may
12 also be designated by the board of trustees as an LEA, with the concurrence of
13 the public charter school board of directors. Otherwise, the public charter
14 school shall be included in that district's LEA.

15 SECTION 4. That Section 33-5205, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 33-5205. PETITION TO ESTABLISH PUBLIC CHARTER SCHOOL. (1) Any group
18 of persons may petition to establish a new public charter school, or to con-
19 vert an existing traditional public school to a public charter school. The
20 purpose of the charter petition is to present the proposed public charter
21 school's academic and operational vision and plans, demonstrate the peti-
22 tioner's capacities to execute the proposed vision and plans and provide the
23 authorized chartering entity a clear basis for assessing the applicant's
24 plans and capacities. An approved charter petition shall not serve as the
25 school's performance certificate.

26 (a) A petition to establish a new public charter school, including a
27 public virtual charter school, shall be signed by not fewer than thirty
28 (30) qualified electors of the attendance area designated in the peti-
29 tion, unless it is a petition for approval by an authorized chartering
30 entity permitted pursuant to subsection (1)(c) or (1)(d) of section
31 33-5202A, Idaho Code. Proof of elector qualifications shall be pro-
32 vided with the petition. A petition to establish a new public charter
33 school may be submitted directly to an authorized chartering entity
34 permitted pursuant to subsection (1)(c) or (1)(d) of section 33-5202A,
35 Idaho Code; provided however, that no such individual authorized char-
36 tering entity shall approve more than one (1) new public charter school
37 each year within the boundaries of a single school district. Except as
38 provided in this paragraph, authorized chartering entities permitted
39 pursuant to the provisions of subsection (1)(c) or (1)(d) of section
40 33-5202A, Idaho Code, shall be governed by the same laws and rules in
41 approving new public charter schools as the public charter school com-
42 mission.

43 (b) A petition to establish a new public virtual school ~~must~~ shall not
44 be submitted directly to the public charter school commission a local
45 school district board of trustees. Except as provided in paragraph
46 (a) of this subsection, a A petition to establish a new public charter
47 school, other than a new public virtual school, shall first be submitted
48 to the local board of trustees in which the public charter school will be
49 located. A petition shall be considered to be received by an authorized

1 chartering entity as of the next regularly scheduled meeting of the au-
2 thorized chartering entity after submission of the petition.

3 (c) The board of trustees may either: (i) consider the petition and
4 approve the charter; or (ii) consider the petition and deny the charter;
5 or (iii) refer the petition to the public charter school commission, but
6 such referral shall not be made until the local board has documented its
7 due diligence in considering the petition. Such documentation shall be
8 submitted with the petition to the public charter school commission. If
9 the petitioners and the local board of trustees have not reached mutual
10 agreement on the provisions of the charter, after a reasonable and good
11 faith effort, within seventy-five (75) days from the date the charter
12 petition is received, the petitioners may withdraw their petition from
13 the local board of trustees and may submit their charter petition to
14 the public charter school commission. Documentation of the reason-
15 able and good faith effort between the petitioners and the local board
16 of trustees must be submitted with the petition to the public charter
17 school commission.

18 ~~(d) The public charter school commission may either: (i) consider the~~
19 ~~petition and approve the charter; or (ii) consider the petition and deny~~
20 ~~the charter.~~

21 ~~(e)~~ A petition to convert an existing traditional public school shall
22 be submitted to the board of trustees of the district in which the school
23 is located for review and approval. The petition shall be signed by
24 not fewer than sixty percent (60%) of the teachers currently employed
25 by the school district at the school to be converted, and by one (1) or
26 more parents or guardians of not fewer than sixty percent (60%) of the
27 students currently attending the school to be converted. Each petition
28 submitted to convert an existing school or to establish a new charter
29 school shall contain a copy of the articles of incorporation and the
30 bylaws of the nonprofit corporation, which shall be deemed incorporated
31 into the petition.

32 (2) Not later than seventy-five (75) days after receiving a petition,
33 the authorized chartering entity shall hold a public hearing for the purpose
34 of discussing the provisions of the charter, at which time the authorized
35 chartering entity shall consider the merits of the petition and the level of
36 employee and parental support for the petition. In the case of a petition
37 submitted to the public charter school commission, such public hearing must
38 be not later than seventy-five (75) days after receipt of the petition, which
39 may be extended for an additional specified period of time if both parties
40 agree to an extension. Such agreement shall be established in writing and
41 signed by representatives of both parties.

42 In the case of a petition for a public virtual charter school, if the
43 primary attendance area described in the petition of a proposed public
44 virtual charter school extends within the boundaries of five (5) or fewer
45 local school districts, the ~~public charter school commission~~ prospective
46 authorizer shall provide notice in writing of the public hearing no less
47 than thirty (30) days prior to such public hearing to those local school
48 districts. Such public hearing shall include any oral or written comments
49 that an authorized representative of the local school districts may provide

1 regarding the merits of the petition and any potential impacts on the school
2 districts.

3 In the case of a petition for a non-virtual public charter school sub-
4 mitted to the public charter school commission, the board of the district in
5 which the proposed public charter school will be physically located, shall
6 be notified of the hearing in writing, by the public charter school commis-
7 sion, no less than thirty (30) days prior to the public hearing. Such pub-
8 lic hearing shall include any oral or written comments that an authorized
9 representative of the school district in which the proposed public charter
10 school would be physically located may provide regarding the merits of the
11 petition and any potential impacts on the school district. The hearing shall
12 include any oral or written comments that petitioners may provide regard-
13 ing any potential impacts on such school district. If the school district
14 chooses not to provide any oral or written comments as provided for in this
15 subsection ~~(2)~~, such school district shall notify the public charter school
16 commission of such decision. This public hearing shall be an opportunity
17 for public participation and oral presentation by the public. This hearing
18 is not a contested case hearing as described in chapter 52, title 67, Idaho
19 Code. Following review of any petition and any public hearing provided for
20 in this section, the authorized chartering entity shall within seventy-five
21 (75) days either approve or deny the charter within seventy-five (75) days
22 after the date of the public hearing, provided however, that the date may be
23 extended by an additional specified period of time if the petition fails to
24 contain all of the information required in this section, or if both parties
25 agree to the extension. Such agreement shall be established in writing and
26 signed by representatives of both parties. This public hearing shall be an
27 opportunity for public participation and oral presentation by the public.
28 This hearing is not a contested case hearing as described in chapter 52, ti-
29 tle 67, Idaho Code:

30 (a) Approve the charter;

31 (b) Deny the charter; or

32 (c) Provide a written response identifying the specific deficiencies
33 in the petition.

34 If the authorized chartering entity exercises the option provided for
35 in paragraph (c) of this subsection, then the petitioners may revise the pe-
36 tion and resubmit such within thirty (30) days. Within forty-five (45)
37 days of receiving a revised petition, the authorized chartering entity shall
38 review the revised petition and either approve or deny the petition based
39 upon whether the petitioners have adequately addressed the specific defi-
40 ciencies identified in the authorized chartering entity's written response,
41 or based upon any other changes made to the petition, and upon no other crite-
42 ria.

43 (3) An authorized chartering entity may approve a charter under the
44 provisions of this chapter only if it determines that the petition contains
45 the requisite signatures, the information required by subsections (4) and
46 (5) of this section, and additional statements describing all of the follow-
47 ing:

48 (a) The proposed educational program of the public charter school, de-
49 signed among other things, to identify what it means to be an "educated
50 person" in the twenty-first century, and how learning best occurs. The

- 1 goals identified in the program shall include how all educational thor-
2 oughness standards as defined in section 33-1612, Idaho Code, shall be
3 fulfilled.
- 4 (b) The measurable student educational standards identified for use
5 by the public charter school. "Student educational standards" for the
6 purpose of this chapter means the extent to which all students of the
7 public charter school demonstrate they have attained the skills and
8 knowledge specified as goals in the school's educational program.
- 9 (c) The method by which student progress in meeting those student edu-
10 cational standards is to be measured.
- 11 (d) A provision by which students of the public charter school will be
12 tested with the same standardized tests as other Idaho public school
13 students.
- 14 (e) A provision which ensures that the public charter school shall be
15 state accredited as provided by rule of the state board of education.
- 16 (f) The governance structure of the public charter school including,
17 but not limited to, the person or entity who shall be legally account-
18 able for the operation of the public charter school, and the process to
19 be followed by the public charter school to ensure parental involve-
20 ment.
- 21 (g) The qualifications to be met by individuals employed by the pub-
22 lic charter school. Instructional staff shall be certified teachers as
23 provided by rule of the state board of education.
- 24 (h) The procedures that the public charter school will follow to ensure
25 the health and safety of students and staff.
- 26 (i) A plan for the requirements of section 33-205, Idaho Code, for the
27 denial of school attendance to any student who is an habitual truant, as
28 defined in section 33-206, Idaho Code, or who is incorrigible, or whose
29 conduct, in the judgment of the board of directors of the public charter
30 school, is such as to be continuously disruptive of school discipline,
31 or of the instructional effectiveness of the school, or whose presence
32 in a public charter school is detrimental to the health and safety of
33 other pupils, or who has been expelled from another school district in
34 this state or any other state.
- 35 (j) The primary attendance area of the charter school, which shall be
36 composed of a compact and contiguous area. For the purposes of this sec-
37 tion, if services are available to students throughout the state, the
38 state of Idaho is considered a compact and contiguous area.
- 39 (k) Admission procedures, including provision for overenrollment.
40 Such admission procedures shall provide that the initial admission
41 procedures for a new public charter school, including provision for
42 overenrollment, will be determined by lottery or other random method,
43 except as otherwise provided herein. If initial capacity is insuffi-
44 cient to enroll all pupils who submit a timely application, then the
45 admission procedures may provide that preference shall be given in the
46 following order: first, to children of founders, provided that this
47 admission preference shall be limited to not more than ten percent (10%)
48 of the capacity of the public charter school; second, to siblings of
49 pupils already selected by the lottery or other random method; third,
50 to students residing within the primary attendance area of the public

1 charter school; and fourth, by an equitable selection process such as
2 a lottery or other random method. If so stated in its petition, a new
3 public charter school may include the children of full-time employees
4 of the public charter school within the first priority group subject to
5 the limitations therein. Otherwise, such children shall be included in
6 the highest priority group for which they would otherwise be eligible.
7 If capacity is insufficient to enroll all pupils who submit a timely
8 application for subsequent school terms, then the admission procedures
9 may provide that preference shall be given in the following order:
10 first, to pupils returning to the public charter school in the second or
11 any subsequent year of its operation; second, to children of founders,
12 provided that this admission preference shall be limited to not more
13 than ten percent (10%) of the capacity of the public charter school;
14 third, to siblings of pupils already enrolled in the public charter
15 school; fourth, to students residing within the primary attendance
16 area of the public charter school; and fifth, by an equitable selection
17 process such as a lottery or other random method. There shall be no
18 carryover from year to year of the list maintained to fill vacancies. A
19 new lottery shall be conducted each year to fill vacancies which become
20 available. If so stated in its petition, a public charter school may
21 include the following children within the second priority group subject
22 to the limitations therein:

23 (i) The children of full-time employees of the public charter
24 school;

25 (ii) Children who previously attended the public charter school
26 within the previous three (3) school years, but who withdrew as a
27 result of the relocation of a parent or guardian due to an academic
28 sabbatical, employer or military transfer or reassignment.

29 Otherwise, such children shall be included in the highest priority
30 group for which they would otherwise be eligible.

31 (l) The manner in which annual audits of the financial and programmatic
32 operations of the public charter school are to be conducted.

33 (m) The disciplinary procedures that the public charter school will
34 utilize, including the procedure by which students may be suspended,
35 expelled and reenrolled, and the procedures required by section 33-210,
36 Idaho Code.

37 (n) A provision which ensures that all staff members of the public char-
38 ter school will be covered by the public employee retirement system,
39 federal social security, unemployment insurance, worker's compensa-
40 tion insurance, and health insurance.

41 (o) If the public charter school is a conversion of an existing tra-
42 ditional public school, tThe public school attendance alternative for
43 students residing within the school district who choose not to attend
44 the public charter school.

45 (p) A description of the transfer rights of any employee choosing to
46 work in a public charter school that is approved by the board of trustees
47 of a school district, and the rights of such employees to return to any
48 noncharter school in the same school district after employment at such
49 charter school.

- 1 (q) A provision which ensures that the staff of the public charter
2 school shall be considered a separate unit for purposes of collective
3 bargaining.
- 4 (r) The manner by which special education services will be provided to
5 students with disabilities who are eligible pursuant to the federal in-
6 dividuals with disabilities education act, including disciplinary pro-
7 cedures for these students.
- 8 (s) A plan for working with parents who have students who are dually en-
9 rolled pursuant to section 33-203, Idaho Code.
- 10 (t) The process by which the citizens in the primary attendance area
11 shall be made aware of the enrollment opportunities of the public char-
12 ter school.
- 13 (u) A proposal for transportation services including estimated first
14 year costs.
- 15 (v) A plan for termination of the charter by the board of directors, to
16 include:
- 17 (i) Identification of who is responsible for dissolution of the
 - 18 charter school;
 - 19 (ii) A description of how payment to creditors will be handled;
 - 20 (iii) A procedure for transferring all records of students with
 - 21 notice to parents of how to request a transfer of student records
 - 22 to a specific school; and
 - 23 (iv) A plan for the disposal of the public charter school's as-
24 sets.
- 25 (4) ~~The public charter school commission~~ An authorized chartering en-
26 tity, except for a school district board of trustees, may approve a charter
27 for a public virtual school under the provisions of this chapter only if it
28 determines that the petition contains the requirements of subsections (3)
29 and (5) of this section and the additional statements describing the follow-
30 ing:
- 31 (a) The learning management system by which courses will be delivered;
 - 32 (b) The role of the online teacher, including the consistent availabil-
33 ity of the teacher to provide guidance around course material, methods
34 of individualized learning in the online course and the means by which
35 student work will be assessed;
 - 36 (c) A plan for the provision of professional development specific to
37 the public virtual school environment;
 - 38 (d) The means by which public virtual school students will receive
39 appropriate teacher-to-student interaction, including timely and fre-
40 quent feedback about student progress;
 - 41 (e) The means by which the public virtual school will verify student at-
42 tendance and award course credit. Attendance at public virtual schools
43 shall focus primarily on coursework and activities that are correlated
44 to the Idaho state thoroughness standards;
 - 45 (f) A plan for the provision of technical support relevant to the deliv-
46 ery of online courses;
 - 47 (g) The means by which the public virtual school will provide opportu-
48 nity for student-to-student interaction; and

1 (h) A plan for ensuring equal access to all students, including the pro-
2 vision of necessary hardware, software and internet connectivity re-
3 quired for participation in online coursework.

4 (5) The petitioner shall provide information regarding the proposed
5 operation and potential effects of the public charter school including, but
6 not limited to, the facilities to be utilized by the public charter school,
7 the manner in which administrative services of the public charter school
8 are to be provided and the potential civil liability effects upon the public
9 charter school and upon the authorized chartering entity.

10 (6) An initial charter, if approved, shall be granted for a term of
11 three (3) operating years. This term shall commence on the public charter
12 school's first day of operation.

13 SECTION 5. That Section 33-5205A, Idaho Code, be, and the same is hereby
14 amended to read as follows:

15 33-5205A. TRANSFER OF CHARTER. (1) A charter and performance certifi-
16 cate for a public charter school ~~approved by the board of trustees of a local~~
17 ~~school district~~ may be transferred to, and placed under the chartering au-
18 thority of, ~~the public charter school commission~~ any authorized chartering
19 entity if the board of trustees of such local school district current autho-
20 rizer, the public charter school commission receiving authorizer, and the
21 board of directors of the public charter school all agree to such transfer,
22 including any revision to the charter and performance certificate that may
23 be required in connection with such transfer. A charter for a public charter
24 school approved by the public charter school commission may be transferred
25 to, and placed under the chartering authority of, the board of trustees of
26 the local school district in which the public charter school is located if
27 the public charter school commission, the board of trustees of such local
28 school district, and the board of directors of the public charter school all
29 agree to such transfer, including any revisions to the charter that may be
30 required in connection with such transfer. Provided however, that a char-
31 ter and performance certificate shall not be transferred to a school dis-
32 trict board of trustees in which the public charter school is not physically
33 located. A request to transfer a charter may be initiated by the board of
34 directors of a public charter school or by the authorized chartering entity
35 with chartering authority over the charter of such public charter school.

36 (2) A public charter school, authorized by ~~the public charter school~~
37 ~~commission~~ any authorized chartering entity except a school district board
38 of trustees, which has a primary attendance area located within more than
39 one (1) school district, may transfer the physical location of its public
40 charter school within its primary attendance area to locate the facilities
41 within the boundaries of another school district within the primary atten-
42 dance area if the ~~public charter school commission~~ authorized chartering
43 entity, the board of trustees of each of the relevant school districts and
44 the board of directors of the public charter school all approve of such
45 transfer of facilities location, and if the ~~public charter school commission~~
46 authorized chartering entity approves any revisions to the charter that may
47 be required in connection with such transfer.

48 (3) If all parties fail to reach agreement in regard to the request to
49 transfer a charter and performance certificate, as required herein, then the

1 matter may be appealed directly to the state board of education. With re-
2 spect to such appeal, the state board of education shall substantially fol-
3 low the procedure as provided in section 33-5207(5)(b), Idaho Code. A trans-
4 ferred charter school shall not be considered a new public charter school and
5 shall not be subject to the limitations of section 33-5203(2), Idaho Code.

6 SECTION 6. That Chapter 52, Title 33, Idaho Code, be, and the same is
7 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
8 ignated as Section 33-5205B, Idaho Code, and to read as follows:

9 33-5205B. PERFORMANCE CERTIFICATES. (1) Within seventy-five (75)
10 days of approval of a charter application, the authorized chartering entity
11 and the governing board of the approved public charter school shall execute
12 a performance certificate that clearly sets forth the academic and opera-
13 tional performance expectations and measures by which the public charter
14 school will be judged and the administrative relationship between the autho-
15 rized chartering entity and public charter school, including each party's
16 rights and duties. The performance expectations and measures set forth in
17 the performance certificate shall include, but need not be limited to, ap-
18 plicable federal and state accountability requirements. The performance
19 provisions may be refined or amended by mutual agreement after the public
20 charter school is operating and has collected baseline achievement data for
21 its enrolled students.

22 (2) The performance certificate shall be signed by the president of the
23 authorized chartering entity's governing board and the president of the pub-
24 lic charter school's governing body. Within fourteen (14) days of executing
25 a performance certificate, the authorized chartering entity shall submit to
26 the state board of education written notification of the performance cer-
27 tificate execution, including a copy of the performance certificate.

28 (3) No public charter school may commence operations without a perfor-
29 mance certificate executed in accordance with this provision and approved in
30 an open meeting of the authorized chartering entity's governing board.

31 (4) All public charter schools approved prior to July 1, 2013, shall
32 execute performance certificates with their authorizers no later than July
33 1, 2014. Such certificates shall ensure that each public charter school ap-
34 proved prior to July 1, 2014, is evaluated for renewal or nonrenewal between
35 March 1, 2016, and March 1, 2019.

36 SECTION 7. That Section 33-5206, Idaho Code, be, and the same is hereby
37 amended to read as follows:

38 33-5206. REQUIREMENTS AND PROHIBITIONS UPON APPROVAL OF A PUBLIC
39 CHARTER SCHOOL. (1) In addition to any other requirements imposed in this
40 chapter, a public charter school shall be nonsectarian in its programs,
41 affiliations, admission policies, employment practices, and all other op-
42 erations, shall not charge tuition, levy taxes or issue bonds, and shall
43 not discriminate against any student on any basis prohibited by the federal
44 or state constitutions or any federal, state or local law. Admission to
45 a public charter school shall not be determined according to the place of
46 residence of the student, or of the student's parent or guardian within the
47 district, except that a new or conversion public charter school established

1 under the provisions of this chapter shall adopt and maintain a policy giving
2 admission preference to students who reside within the primary attendance
3 area of that public charter school.

4 (2) No board of trustees shall require any employee of the school dis-
5 trict to be involuntarily assigned to work in a public charter school.

6 (3) Certified teachers in a public charter school shall be considered
7 public school teachers. Educational experience shall accrue for service in
8 a public charter school and such experience shall be counted by any school
9 district for any teacher who has been employed in a public charter school.

10 (4) Employment of charter school teachers and administrators shall be
11 on written contract in form as approved by the state superintendent of public
12 instruction, conditioned upon a valid certificate being held by such profes-
13 sional personnel at the time of entering upon the duties thereunder.

14 (5) No board of trustees shall require any student enrolled in the
15 school district to attend a public charter school.

16 (6) ~~Upon approval of the petition by the authorized chartering entity,~~
17 ~~the petitioner shall provide written notice of that approval, including a~~
18 ~~copy of the approved petition, to the state board of education. For the pur-~~
19 ~~pose of implementing the provisions of section 33-5203(2), Idaho Code, the~~
20 ~~state board of education shall assign a number to each petition it receives.~~
21 ~~Petitions shall be numbered based on the chronological order in which no-~~
22 ~~tice of the approved petition is received by the state board of education~~
23 Authorized chartering entities may establish reasonable pre-opening re-
24 quirements or conditions to monitor the start-up progress of newly approved
25 public charter schools and ensure that they are prepared to open smoothly on
26 the date agreed, and to ensure that each school meets all building, health,
27 safety, insurance and other legal requirements for school opening.

28 (7) ~~Each public charter school shall annually submit a report to the~~
29 ~~authorized chartering entity which approved its charter. The report shall~~
30 ~~contain the audit of the fiscal and programmatic operations as required in~~
31 ~~section 33-5205(3) (1), Idaho Code, a report on student progress based on the~~
32 ~~public charter school's measurable student educational standards identi-~~
33 ~~fied in section 33-5205(3) (b), Idaho Code, and a copy of the public charter~~
34 ~~school's accreditation report to the authorized chartering entity that ap-~~
35 ~~proved its charter.~~

36 (8) A public charter school or the authorized chartering entity may
37 enter into negotiations to revise its a charter or performance certifi-
38 cate at any time. A If a public charter school may petitions to revise its
39 charter or performance certificate, at any time. The the authorized char-
40 tering entity's review of the revised petition shall be limited in scope
41 solely to the proposed revisions. In those instances where Except for public
42 charter schools authorized by a school district board of trustees, when a
43 non-virtual public charter school submits a proposed charter revision to
44 the public charter school commission its authorized chartering entity and
45 such revision includes a proposal to increase such public charter school's
46 approved student enrollment cap by ten percent (10%) or more, the commission
47 authorized chartering entity shall hold a public hearing on such petition.
48 The public charter school commission authorized chartering entity shall
49 provide the board of the local school district in which the public charter
50 school is physically located, notice in writing of such hearing, no later

1 than thirty (30) days prior to the hearing. The public hearing shall include
2 any oral or written comments that an authorized representative of the school
3 district in which the public charter school is physically located may pro-
4 vide regarding the impact of the proposed charter revision upon the school
5 district. Such public hearing shall also include any oral or written com-
6 ments that any petitioner may provide regarding the impact of the proposed
7 charter revision upon such school district.

8 (9) When a charter is nonrenewed pursuant to the provisions of section
9 33-5209B, Idaho Code, revoked pursuant to section 33-5209C, Idaho Code, or
10 the board of directors of the public charter school terminates the charter,
11 the assets of the public charter school remaining after all debts of the pub-
12 lic charter school have been satisfied must be returned to the authorized
13 chartering entity for distribution in accordance with applicable law.

14 SECTION 8. That Section 33-5207, Idaho Code, be, and the same is hereby
15 amended to read as follows:

16 33-5207. CHARTER APPEAL PROCEDURE. (1) If a local school board of
17 trustees, acting in its capacity as an authorized chartering entity, ap-
18 proves a petition for the conversion of an existing traditional public
19 school within the school district over the objection of thirty (30) or more
20 persons or employees of the district, or if an authorized chartering entity
21 denies a petition for the establishment of a new public charter school for
22 any reason including, but not limited to, failure by the petitioner to fol-
23 low procedures or for failure to provide required information, then such
24 decisions may be appealed to the state superintendent of public instruction
25 within thirty (30) days of the date of the written decision, at the request of
26 persons opposing the conversion of an existing traditional public school, or
27 at the request of the petitioner whose request for a new charter was denied.

28 (2) The state superintendent of public instruction shall select a
29 hearing officer to review the action of the authorized chartering entity,
30 pursuant to section 67-5242, Idaho Code. The hearing officer shall, within
31 thirty (30) days of receipt of the request, review the full record regard-
32 ing the charter petition and convene a public hearing regarding the charter
33 petition. Within ten (10) days of the public hearing, the hearing officer
34 shall submit a written recommendation to the authorized chartering en-
35 tity and to the persons requesting the review. The recommendation by the
36 hearing officer either to affirm or reverse the decision of the authorized
37 chartering entity shall be based upon the full record regarding the charter
38 petition, including the standards and criteria contained in this chapter and
39 upon any public charter school rules adopted by the state board of education.
40 The recommendation shall be in writing and accompanied by a reasoned state-
41 ment that explains the criteria and standards considered relevant, states
42 the relevant contested facts relied upon, and explains the rationale for the
43 recommendations based on the applicable statutory provisions and factual
44 information contained in the record.

45 (3) Within thirty (30) days following receipt of the hearing officer's
46 written recommendation, the authorized chartering entity shall hold a meet-
47 ing open to the public for the purpose of reviewing the hearing officer's
48 written recommendation. Within ten (10) days of such meeting, the autho-
49 rized chartering entity shall either affirm or reverse its initial decision.

1 The authorized chartering entity's decision shall be in writing and contain
2 findings which explain the reasons for its decision.

3 (4) If, upon reconsideration of a decision to approve the conversion
4 of a traditional public school to a public charter school, the local school
5 board:

6 (a) Affirms its initial decision to authorize such conversion, the
7 charter shall be approved and there shall be no further appeal.

8 (b) Reverses its initial decision and denies the conversion, that deci-
9 sion is final and there shall be no further appeal.

10 (5) If, upon reconsideration of a decision to deny a petition for a pub-
11 lic charter school, the authorized chartering entity:

12 (a) Reverses its initial decision and approves the public charter
13 school petition, there shall be no further appeal.

14 (b) Affirms its initial decision denying the public charter school pe-
15 tition, the board of directors of the nonprofit corporation identified
16 in the petition may appeal to the state board of education. The state
17 board of education shall hold a public hearing within a reasonable time
18 after receiving notice of such appeal but no later than sixty (60) cal-
19 endar days after receiving such notice, and after the public hearing,
20 shall take any of the following actions: (i) approve or deny the pe-
21 tition for the public charter school, provided that the state board of
22 education shall only approve the petition if it determines that the au-
23 thorized chartering entity failed to appropriately consider the char-
24 ter petition, or if it acted in an arbitrary manner in denying the pe-
25 tition; or (ii) ~~remand the matter back to the authorized chartering en-
26 tity, which shall have authority to further review and act on such mat-
27 ter as directed by the state board of education; or (iii) in the case of
28 a denial by the board of a local school district, redirect the matter
29 to another authorized chartering entity the public charter school com-
30 mission for further review as directed by the state board of education.~~
31 Such public hearing shall be conducted pursuant to procedures as set by
32 the state board of education.

33 (6) A public charter school for which a charter is approved by the state
34 board of education shall qualify fully as a public charter school for all
35 funding and other purposes of this chapter. The public charter school com-
36 mission shall assume the role of the authorized chartering entity for any
37 charter approved by the state board of education as provided in subsection
38 (5) (b) of this section. Employees of a public charter school approved by
39 the state board of education shall not be considered employees of the local
40 school district in which the public charter school is located, nor of the
41 state board of education, nor of the commission.

42 (7) The decision of the state board of education shall be subject to re-
43 view pursuant to chapter 52, title 67, Idaho Code. Nothing in this section
44 shall prevent a petitioner from bringing a new petition for a public charter
45 school at a later time.

46 (8) There shall be no appeal of a decision by a local school board of
47 trustees which denies the conversion of an existing traditional public
48 school within that district to a public charter school, or by an authorized
49 chartering entity which approves a petition for a public charter school.

1 SECTION 9. That Section 33-5208, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 33-5208. PUBLIC CHARTER SCHOOL FINANCIAL SUPPORT. Except as provided
4 in subsection (8) of this section, from the state educational support pro-
5 gram the state department of education shall make the following apportion-
6 ment to each public charter school for each fiscal year based on attendance
7 figures submitted in a manner and time as required by the department of edu-
8 cation:

9 (1) Per student support. Computation of support units for each public
10 charter school shall be calculated as if it were a separate school accord-
11 ing to the schedules in section 33-1002(4), Idaho Code, except that public
12 charter schools with fewer than one hundred (100) secondary ADA shall use a
13 divisor of twelve (12) and the minimum units shall not apply, and no public
14 charter school shall receive an increase in support units that exceeds the
15 support units it received in the prior year by more than thirty (30). Funding
16 from the state educational support program shall be equal to the total dis-
17 tribution factor, plus the salary-based apportionment provided in chapter
18 10, title 33, Idaho Code. Provided however, any public charter school that
19 is formed by the conversion of an existing traditional public school shall
20 be assigned divisors, pursuant to section 33-1002, Idaho Code, that are no
21 lower than the divisors of the school district in which the traditional pub-
22 lic school is located, for each category of pupils listed.

23 (2) Special education. For each student enrolled in the public charter
24 school who is entitled to special education services, the state and federal
25 funds from the exceptional child education program for that student that
26 would have been apportioned for that student to the school district in which
27 the public charter school is located.

28 (3) Alternative school support. Public charter schools may qualify un-
29 der the provisions of sections 33-1002 and 33-1002C, Idaho Code, provided
30 the public charter school meets the necessary statutory requirements, and
31 students qualify for attendance at an alternative school as provided by rule
32 of the state board of education.

33 (4) Transportation support. Support shall be paid to the public char-
34 ter school as provided in chapter 15, title 33, Idaho Code, and section
35 33-1006, Idaho Code. Each public charter school shall furnish the depart-
36 ment with an enrollment count as of the first Friday in November, of public
37 charter school students who are eligible for reimbursement of transporta-
38 tion costs under the provisions of this subsection and who reside more than
39 one and one-half (1 1/2) miles from the school. The state department of edu-
40 cation is authorized to include in the annual appropriation to the charter
41 school sixty percent (60%) of the estimated transportation cost. The final
42 appropriation payment in July shall reflect reimbursements of actual costs
43 pursuant to section 33-1006, Idaho Code. To be eligible for state reimburse-
44 ment under the provisions of section 33-1006, Idaho Code, the student to be
45 transported must reside within the public charter school's primary atten-
46 dance area, and must meet at least one (1) of the following two (2) criteria:

47 (a) The student resides within the school district in which the public
48 charter school is physically located; or

1 (b) The student resides within fifteen (15) miles of the public charter
2 school, by road.

3 The limitations placed by this subsection on the reimbursement of
4 transportation costs for certain students shall not apply to public virtual
5 schools.

6 (5) Payment schedule. The state department of education is authorized
7 to make an advance payment of twenty-five percent (25%) of a public charter
8 school's estimated annual apportionment for its first year of operation, and
9 each year thereafter, provided the public charter school ~~has an increase of~~
10 ~~student population in any given year of twenty (20) students or more~~ is serv-
11 ing more grades or at least ten percent (10%) more classes than the previ-
12 ous year, to assist the school with initial start-up costs or payroll obli-
13 gations. For a public charter school entering its second or greater year of
14 operations, the state department of education may require documentation es-
15 tablishing the need for such an advance payment, including comparative class
16 schedules and proof of a commensurate increase in the number of employees.

17 (a) For a public charter school to receive the advance payment, the
18 school shall submit its anticipated fall membership for each grade
19 level to the state department of education by June 1.

20 (b) Using the figures provided by the public charter school, the state
21 department of education shall determine an estimated annual apportion-
22 ment from which the amount of the advance payment shall be calculated.
23 Advance payment shall be made to the school on or after July 1 but no
24 later than July 31.

25 (c) All subsequent payments, taking into account the one-time advance
26 payment made for the first year of operation, shall be made to the public
27 charter school in the same manner as other traditional public schools in
28 accordance with the provisions of section 33-1009, Idaho Code.

29 A public charter school shall comply with all applicable fiscal requirements
30 of law, except that the following provisions shall not be applicable to pub-
31 lic charter schools: that portion of section 33-1004, Idaho Code, relating
32 to reduction of the administrative and instructional staff allowance when
33 there is a discrepancy between the number allowed and the number actually em-
34 ployed; and section 33-1004E, Idaho Code, for calculation of district staff
35 indices.

36 (6) Nothing in this chapter shall be construed to prohibit any private
37 person or organization from providing funding or other financial assistance
38 to the establishment or operation of a public charter school.

39 (7) Nothing in this chapter shall prevent a public charter school from
40 applying for federal grant moneys.

41 (8) (a) Each student in attendance at a public virtual school shall be
42 funded based upon either the actual hours of attendance in the public
43 virtual school on a flexible schedule, or the percentage of coursework
44 completed, whichever is more advantageous to the school, up to the maxi-
45 mum of one (1) full-time equivalent student.

46 (b) All federal educational funds shall be administered and dis-
47 tributed to public charter schools, including public virtual schools,
48 that have been designated ~~by the state board of education~~ as a local edu-
49 cation agency (LEA), as provided in section 33-5203 (7), Idaho Code.

1 (9) Nothing in this section prohibits separate face-to-face learning
2 activities or services.

3 (10) The provisions of section 33-1021, Idaho Code, shall apply to pub-
4 lic charter schools provided for in this chapter.

5 SECTION 10. That Section 33-5209, Idaho Code, be, and the same is hereby
6 repealed.

7 SECTION 11. That Chapter 52, Title 33, Idaho Code, be, and the same is
8 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
9 ignated as Section 33-5209A, Idaho Code, and to read as follows:

10 33-5209A. ACCOUNTABILITY. (1) Performance framework. The perfor-
11 mance provisions within the performance certificate shall be based upon a
12 performance framework that clearly sets forth the academic and operational
13 performance indicators, measures and metrics that will guide the authorized
14 chartering entity's evaluations of each public charter school. The perfor-
15 mance framework shall include indicators, measures and metrics for, at a
16 minimum:

17 (a) Student academic proficiency;

18 (b) Student academic growth;

19 (c) College and career readiness (for high schools); and

20 (d) Board performance and stewardship, including compliance with all
21 applicable laws, regulations and terms of the performance certificate.

22 (2) Measurable performance targets shall be set by each public charter
23 school in conjunction with its authorized chartering entity and shall, at a
24 minimum, require that each school meet applicable federal, state and autho-
25 rized chartering entity goals for student achievement.

26 (3) The performance framework shall allow the inclusion of additional
27 rigorous, valid and reliable indicators proposed by a public charter school
28 to augment external evaluations of its performance, provided that the au-
29 thorized chartering entity approves the quality and rigor of such school-
30 proposed indicators, and that they are consistent with the purposes of this
31 chapter.

32 (4) For each public charter school it oversees, the authorized char-
33 tering entity shall be responsible for analyzing and reporting all data from
34 state assessments in accordance with the performance framework.

35 SECTION 12. That Chapter 52, Title 33, Idaho Code, be, and the same is
36 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
37 ignated as Section 33-5209B, Idaho Code, and to read as follows:

38 33-5209B. CHARTER RENEWALS. (1) A charter may be renewed for succes-
39 sive five (5) year terms of duration. An authorized chartering entity may
40 grant renewal with specific, written conditions for necessary improvements
41 to a public charter school. Any such specific, written conditions shall
42 state the date by which the conditions must be met.

43 (2) Following the initial three (3) year term, an authorized chartering
44 entity may nonrenew or grant renewal for an additional five (5) years, based
45 upon the performance of the public charter school on the performance indica-

1 tors, measures and metrics contained in the performance certificate. Subse-
2 quent renewals shall be for a term of five (5) years.

3 (3) No later than November 15, the authorized chartering entity shall
4 issue a public charter school performance report and charter renewal appli-
5 cation guidance to any public charter school whose charter will expire the
6 following year. The performance report shall summarize the public char-
7 ter school's performance record to date, based upon the data required by
8 this chapter and the performance certificate, and shall provide notice of
9 any weaknesses or concerns determined by the authorized chartering entity
10 concerning the public charter school that may jeopardize its position in
11 seeking renewal, if not timely rectified. The public charter school shall
12 have thirty (30) days to respond to the performance report and submit any
13 corrections or clarifications for the report.

14 (4) The renewal application guidance shall, at a minimum, provide an
15 opportunity for the public charter school to:

16 (a) Present additional evidence, beyond the data contained in the per-
17 formance report, supporting its case for charter renewal; and

18 (b) Describe improvements undertaken or planned for the school.

19 (5) The renewal application guidance shall include or refer explicitly
20 to the criteria that will guide the authorized chartering entity's renewal
21 decisions, which shall be based on independent fiscal audits and the perfor-
22 mance framework set forth in the performance certificate.

23 (6) No later than December 15, the governing board of a public charter
24 school seeking renewal shall submit a renewal application to the authorized
25 chartering entity pursuant to the renewal application guidance issued by the
26 authorized chartering entity. The authorized chartering entity shall vote
27 on the renewal application no later than March 15.

28 (7) In making charter renewal decisions, every authorized chartering
29 entity shall:

30 (a) Ground its decisions in evidence of the school's performance over
31 the term of the performance certificate in accordance with the perfor-
32 mance framework set forth in the performance certificate;

33 (b) Ensure that data used in making renewal decisions are available to
34 the school and the public; and

35 (c) Provide a public report summarizing the evidence basis for each de-
36 cision.

37 (8) An authorized chartering entity must develop revocation and nonre-
38 newal processes that:

39 (a) Provide the charter holders with a timely notification of the
40 prospect of revocation or nonrenewal and of the reasons for such possi-
41 ble closure, which shall be limited to failure to meet the terms of the
42 performance certificate or the written conditions established pursuant
43 to the provisions of subsection (1) of this section;

44 (b) Allow the charter holders a reasonable amount of time in which to
45 prepare a response;

46 (c) Provide the charter holders with an opportunity to submit documents
47 and give testimony challenging the rationale for closure and in support
48 of the continuation of the school at an orderly proceeding held for that
49 purpose;

- 1 (d) Allow the charter holders to be represented by counsel and to call
- 2 witnesses on their behalf;
- 3 (e) Permit the recording of such proceedings; and
- 4 (f) After a reasonable period for deliberation, require a final deter-
- 5 mination to be made and conveyed in writing to the charter holders.
- 6 (9) An authorized chartering entity shall renew any charter in which
- 7 the public charter school met all of the terms of its performance certificate
- 8 at the time of renewal. An authorized chartering entity may renew or nonre-
- 9 new any charter in which the public charter school failed to meet one (1) or
- 10 more of the terms of its performance certificate.

11 SECTION 13. That Chapter 52, Title 33, Idaho Code, be, and the same is
12 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
13 ignated as Section 33-5209C, Idaho Code, and to read as follows:

14 33-5209C. ENFORCEMENT -- REVOCATION -- APPEAL. (1) An authorized
15 chartering entity shall continually monitor the performance and legal com-
16 pliance of the public charter schools it oversees, including collecting and
17 analyzing data to support ongoing evaluation according to the performance
18 certificate. Every authorized chartering entity shall have the authority
19 to conduct or require oversight activities that enable the authorized char-
20 tering entity to fulfill its responsibilities pursuant to the provisions
21 of this chapter, including conducting appropriate inquiries and investi-
22 gations, so long as those activities are consistent with the intent of this
23 chapter, adhere to the terms of the performance certificate and do not unduly
24 inhibit the autonomy granted to public charter schools.

25 (2) Each authorized chartering entity shall annually publish and make
26 available to the public a performance report for each public charter school
27 it oversees, in accordance with the performance framework set forth in the
28 performance certificate and section 33-5209A, Idaho Code. The authorized
29 chartering entity may require each public charter school it oversees to sub-
30 mit an annual report to assist the authorized chartering entity in gather-
31 ing complete information about each school consistent with the performance
32 framework. Each public charter school shall publish its annual performance
33 report on the school's website.

34 (3) If an authorized chartering entity has reason to believe that a
35 public charter school cannot remain fiscally sound for the remainder of its
36 certificate term, it shall provide the state department of education with
37 written notification of such concern. Upon receiving such notification,
38 the state department of education shall have the authority to modify the
39 percentage of the total appropriation to be paid to the public charter school
40 pursuant to the provisions of section 33-1009(1), Idaho Code, such that
41 equal percentages are paid on each of the prescribed dates.

42 (4) If an authorized chartering entity has reason to believe that a pub-
43 lic charter school has violated any provision of law, it shall notify the
44 public charter school and the entity responsible for administering said law
45 of the possible violation.

46 (5) If an authorized chartering entity revokes or does not renew a char-
47 ter, the authorized chartering entity shall clearly state, in a resolution
48 of its governing board, the reasons for the revocation or nonrenewal.

1 (6) Within fourteen (14) days of taking action to renew, not renew or
2 revoke a charter, the authorized chartering entity shall report to the state
3 board of education the action taken and shall provide a copy of the report to
4 the public charter school at the same time that the report is submitted to the
5 state board of education. The report shall include a copy of the authorized
6 chartering entity's resolution setting forth the action taken and reasons
7 for the decision and assurances as to compliance with all of the requirements
8 set forth in this chapter.

9 (7) A charter may be revoked by the authorized chartering entity if the
10 public charter school has failed to meet any of the specific, written condi-
11 tions for necessary improvements established pursuant to the provisions of
12 section 33-5209B(1), Idaho Code, by the dates specified. Revocation may not
13 occur until the public charter school has been afforded a public hearing, un-
14 less the authorized chartering entity determines that the continued opera-
15 tion of the public charter school presents an imminent public safety issue,
16 in which case the charter may be revoked immediately. Public hearings shall
17 be conducted by the authorized chartering entity or such other person or per-
18 sons appointed by the authorized chartering entity to conduct public hear-
19 ings and receive evidence as a contested case in accordance with the provi-
20 sions of section 67-5242, Idaho Code. Notice and opportunity to reply shall
21 include, at a minimum, written notice setting out the basis for considera-
22 tion of revocation, a period of not less than thirty (30) days within which
23 the public charter school can reply in writing, and a public hearing within
24 thirty (30) days of the receipt of the written reply.

25 (8) A decision to revoke or nonrenew a charter or to deny a revision of
26 a charter may be appealed directly to the state board of education. With
27 respect to such appeal, the state board of education shall substantially
28 follow the procedure as provided in section 33-5207(5)(b), Idaho Code. In
29 the event the state board of education reverses a decision of revocation or
30 nonrenewal, the public charter school subject to such action shall then be
31 placed under the chartering authority of the public charter school commis-
32 sion.

33 SECTION 14. That Section 33-5211, Idaho Code, be, and the same is hereby
34 amended to read as follows:

35 33-5211. TECHNICAL SUPPORT AND INFORMATION. (1) The state department
36 of education shall provide technical assistance to persons or groups prepar-
37 ing or revising charter petitions and to existing public charter schools in
38 the same manner as such assistance is provided to traditional public schools
39 and school districts.

40 (2) Upon request, the state department of education shall provide the
41 following information concerning a public charter school whose petition has
42 been approved:

43 (a) The public charter school's ~~petition~~ charter and performance cer-
44 tificate;

45 (b) The annual audit performed at the public charter school pursuant to
46 the public charter school ~~petition~~; and

47 (c) Any written report by the state board of education to the leg-
48 isature reviewing the educational effectiveness of public charter
49 schools.

1 (3) At least one (1) person among a group of petitioners of a prospec-
2 tive public charter school shall attend a public charter school workshop
3 offered by the state department of education. The state department of ed-
4 ucation shall provide notice of dates and locations when workshops will be
5 held and shall provide proof of attendance to workshop attendees. Such proof
6 shall be submitted by the petitioners to an authorized chartering entity
7 along with the charter petition.

8 (4) Prior to submission of a petition for a new or conversion public
9 charter school to an authorized chartering entity, the state department of
10 education must conduct a sufficiency review of the petition and provide to
11 the petitioners, in writing, the findings of such review.

12 SECTION 15. That Chapter 52, Title 33, Idaho Code, be, and the same is
13 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
14 ignated as Section 33-5212, Idaho Code, and to read as follows:

15 33-5212. SCHOOL CLOSURE AND DISSOLUTION. (1) Prior to any public
16 charter school closure decision, an authorized chartering entity shall have
17 developed a public charter school closure protocol to ensure timely notifi-
18 cation to parents, orderly transition of students and student records to new
19 schools, and proper disposition of school funds, property and assets in ac-
20 cordance with the requirements of this chapter. The protocol shall specify
21 tasks, timelines and responsible parties, including delineating the respec-
22 tive duties of the school and the authorized chartering entity. In the event
23 of a public charter school closure for any reason, the authorized chartering
24 entity shall oversee and work with the closing school to ensure a smooth and
25 orderly closure and transition for students and parents, as guided by the
26 closure protocol. The closing school's board of directors shall be respon-
27 sible for executing the school's closure.

28 (2) In the event of a public charter school closure for any reason,
29 the assets of the school shall be distributed first to satisfy outstanding
30 payroll obligations for employees of the school, including any tax, public
31 employee retirement system and other employee benefit obligations, then to
32 creditors of the school, and then to the authorized chartering entity in the
33 case of a public charter school authorized by the board of a local school
34 district. In the case of a public charter school authorized by any other
35 authorized chartering entity, any remaining assets shall be distributed to
36 the public school income fund. Assets purchased using federal funds shall be
37 returned to the authorized chartering entity for redistribution among other
38 public charter schools. If the assets of the school are insufficient to pay
39 all parties to whom the school owes compensation, the prioritization of the
40 distribution of assets may be determined by decree of a court of law.

41 SECTION 16. That Section 33-5213, Idaho Code, be, and the same is hereby
42 amended to read as follows:

43 33-5213. PUBLIC CHARTER SCHOOL COMMISSION. (1) There is hereby
44 created an independent public charter school commission, referred to here-
45 inafter as the commission, to be located in the office of the state board of
46 education, pursuant to section 33-105, Idaho Code. It shall be the respon-
47 sibility and duty of the executive director of the state board of education

1 acting at the direction of the commission to administer and enforce the
2 provisions of this chapter, and the director or his designee shall serve as
3 secretary to the commission.

4 (2) The public charter school commission shall adopt rules, subject to
5 law, regarding the governance and administration of the commission.

6 (3) The commission shall be composed of seven (7) members:

7 (a) ~~Three (3) members shall be current or former members of boards of~~
8 ~~directors of Idaho public charter schools and shall be appointed by the~~
9 ~~governor, subject to the advice and consent of the senate; provided how-~~
10 ~~ever, that no current board member of a public charter school authorized~~
11 ~~by the commission shall be eligible for appointment;~~

12 (b) ~~Three (3) Two (2) members shall be current or former trustees of an~~
13 ~~Idaho school district and shall be appointed by the governor, subject to~~
14 ~~the advice and consent of the senate~~ speaker of the house of representa-
15 tives; and

16 (c) ~~One (1) Two (2) members~~ shall be a member of the public at large not
17 directly associated with the Idaho public education system and shall be
18 appointed by the governor, subject to the advice and consent of the sen-
19 ate president pro tempore of the senate.

20 Commissioner appointments made pursuant to this section prior to July 1,
21 2013, shall remain valid through the duration of the term to which each
22 commissioner was appointed. To establish a transition to the appointing au-
23 thority structure contained in this subsection, the first four (4) appoint-
24 ments available on or after July 1, 2013, shall be made in an alternating
25 sequence for each appointment by the speaker of the house of representatives
26 and the president pro tempore of the senate, followed by three (3) appoint-
27 ments by the governor. Subsequent appointments shall be made by the same
28 appointing authority that originally appointed the commissioner whose term
29 expired.

30 The term of office for commission members shall be four (4) years. In mak-
31 ing such appointments, the ~~governor~~ appointing authorities shall consider
32 regional balance. Members appointed to the commission shall collectively
33 possess strong experience and expertise in public and nonprofit governance,
34 management and finance, public school leadership, assessment, curriculum
35 and instruction and public education law. All members of the commission
36 shall have demonstrated understanding of and commitment to charter schools
37 as a strategy for strengthening public education. No commissioner shall
38 serve more than two (2) consecutive four (4) year terms. Members of the
39 commission shall hold office until the expiration of the term to which the
40 member was appointed and until a successor has been duly appointed, unless
41 sooner removed for cause by the appointing authority. Whenever a vacancy
42 occurs, the appointing authority shall appoint a qualified person to fill
43 the vacancy for the unexpired portion of the term.

44 (4) All members of the commission shall be citizens of the United States
45 and residents of the state of Idaho for not less than two (2) years.

46 (5) The members of the commission shall, at their first regular meet-
47 ing following the effective date of this act, and every two (2) years there-
48 after, elect, by a majority vote of the members of the commission, a chairman
49 and a vice-chairman. The chairman shall preside at meetings of the commis-

1 sion, and the vice-chairman shall preside at such meetings in the absence of
2 the chairman. A majority of the members of the commission shall constitute a
3 quorum. The commission shall meet at such times and places as determined to
4 be necessary and convenient, or at the call of the chair.

5 (6) Each member of the commission not otherwise compensated by public
6 moneys shall be compensated as provided in section 59-509(h), Idaho Code.

7 SECTION 17. Section 9 of this act shall be in full force and effect on
8 and after June 1, 2014. All other sections of this act shall be in full force
9 and effect on and after July 1, 2013.

June 13, 2013

LEGISLATURE OF THE STATE OF IDAHO
Sixty-second Legislature First Regular Session - 2013

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 206, As Amended in the Senate, As Amended in the Senate

BY EDUCATION COMMITTEE

1 AN ACT
2 RELATING TO PUBLIC CHARTER SCHOOLS; AMENDING SECTION 33-1002, IDAHO CODE, TO
3 REVISE PROVISIONS RELATING TO STATE SUPPORT OF SPECIAL PROGRAMS; AMEND-
4 ING SECTION 33-5208, IDAHO CODE, TO PROVIDE A CORRECT CODE REFERENCE, TO
5 ESTABLISH PROVISIONS RELATING TO THE DISTRIBUTION OF FACILITIES FUNDS
6 TO PUBLIC CHARTER SCHOOLS, TO PROVIDE FOR THE USE OF FUNDS, TO PROVIDE
7 FOR A CALCULATION, TO PROVIDE FOR A REIMBURSEMENT CLAIM, TO DEFINE A
8 TERM AND TO ESTABLISH PROVISIONS RELATING TO AN AUTHORIZER FEE; AMEND-
9 ING CHAPTER 52, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION
10 33-5214, IDAHO CODE, TO ESTABLISH THE PUBLIC CHARTER SCHOOL AUTHORIZERS
11 FUND, TO PROVIDE FOR THE DEPOSIT OF CERTAIN MONEYS AND TO PROVIDE FOR THE
12 USE OF SUCH MONEYS; AND AMENDING SECTION 33-1619, IDAHO CODE, TO PROVIDE
13 CORRECT CODE REFERENCES.

14 Be It Enacted by the Legislature of the State of Idaho:

15 SECTION 1. That Section 33-1002, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 33-1002. EDUCATIONAL SUPPORT PROGRAM. The educational support pro-
18 gram is calculated as follows:

19 (1) State Educational Support Funds. Add the state appropriation, in-
20 cluding the moneys available in the public school income fund, together with
21 all miscellaneous revenues to determine the total state funds.

22 (2) From the total state funds subtract the following amounts needed
23 for state support of special programs provided by a school district:

24 (a) Pupil tuition-equivalency allowances as provided in section
25 33-1002B, Idaho Code;

26 (b) Transportation support program as provided in section 33-1006,
27 Idaho Code;

28 (c) Feasibility studies allowance as provided in section 33-1007A,
29 Idaho Code;

30 (d) The approved costs for border district allowance, provided in sec-
31 tion 33-1403, Idaho Code, as determined by the state superintendent of
32 public instruction;

33 (e) The approved costs for exceptional child approved contract al-
34 lowance, provided in subsection 2. of section 33-2004, Idaho Code, as
35 determined by the state superintendent of public instruction;

36 (f) Certain expectant and delivered mothers allowance as provided in
37 section 33-2006, Idaho Code;

38 (g) Salary-based apportionment calculated as provided in sections
39 33-1004 through 33-1004F, Idaho Code;

40 (h) Unemployment insurance benefit payments according to the provi-
41 sions of section 72-1349A, Idaho Code;

- 1 (i) For expenditure as provided by the public school technology pro-
- 2 gram;
- 3 (j) For employee severance payments as provided in section 33-521,
- 4 Idaho Code;
- 5 (k) For distributions to the Idaho digital learning academy as provided
- 6 in section 33-1020, Idaho Code;
- 7 (l) For charter school facilities funds and reimbursements paid pur-
- 8 suant to section 33-5208(5), Idaho Code;
- 9 (m) For the support of provisions that provide a safe environment con-
- 10 ductive to student learning and maintain classroom discipline, an allo-
- 11 cation of \$300 per support unit; and
- 12 (nn) Any additional amounts as required by statute to effect adminis-
- 13 trative adjustments or as specifically required by the provisions of
- 14 any bill of appropriation;
- 15 to secure the total educational support distribution funds.

16 (3) Average Daily Attendance. The total state average daily attendance
 17 shall be the sum of the average daily attendance of all of the school dis-
 18 tricts of the state. The state board of education shall establish rules set-
 19 ting forth the procedure to determine average daily attendance and the time
 20 for, and method of, submission of such report. Average daily attendance cal-
 21 culation shall be carried out to the nearest hundredth. Computation of av-
 22 erage daily attendance shall also be governed by the provisions of section
 23 33-1003A, Idaho Code.

24 (4) Support Units. The total state support units shall be determined
 25 by using the tables set out hereafter called computation of kindergarten
 26 support units, computation of elementary support units, computation of sec-
 27 ondary support units, computation of exceptional education support units,
 28 and computation of alternative school secondary support units. The sum of
 29 all of the total support units of all school districts of the state shall be
 30 the total state support units.

31 COMPUTATION OF KINDERGARTEN SUPPORT UNITS

32 Average Daily		
33 Attendance	Attendance Divisor	Units Allowed
34 41 or more	40.....	1 or more as computed
35 31 - 40.99 ADA....	-.....	1
36 26 - 30.99 ADA....	-.....	.85
37 21 - 25.99 ADA....	-.....	.75
38 16 - 20.99 ADA....	-.....	.6
39 8 - 15.99 ADA....	-.....	.5
40 1 - 7.99 ADA....	-.....	count as elementary

1 COMPUTATION OF ELEMENTARY SUPPORT UNITS

2	Average Daily		Minimum Units
3	Attendance	Attendance Divisor	Allowed
4	300 or more ADA.....	.....	.. 15
5		..23...grades 4,5 & 6....	
6		..22...grades 1,2 & 3....1994-95	
7		..21...grades 1,2 & 3....1995-96	
8		..20...grades 1,2 & 3....1996-97	
9		and each year thereafter.	
10	160 to 299.99 ADA...	20.....	8.4
11	110 to 159.99 ADA...	19.....	6.8
12	71.1 to 109.99 ADA...	16.....	4.7
13	51.7 to 71.0 ADA...	15.....	4.0
14	33.6 to 51.6 ADA...	13.....	2.8
15	16.6 to 33.5 ADA...	12.....	1.4
16	1.0 to 16.5 ADA...	n/a.....	1.0

17 COMPUTATION OF SECONDARY SUPPORT UNITS

18	Average Daily		Minimum Units
19	Attendance	Attendance Divisor	Allowed
20	750 or more	18.5.....	47
21	400 - 749.99 ADA....	16.....	28
22	300 - 399.99 ADA....	14.5.....	22
23	200 - 299.99 ADA....	13.5.....	17
24	100 - 199.99 ADA....	12.....	9
25	99.99 or fewer	Units allowed as follows:	
26	Grades 7-12	.....	8
27	Grades 9-12	.....	6
28	Grades 7- 9	.....	1 per 14 ADA
29	Grades 7- 8	.....	1 per 16 ADA

30 COMPUTATION OF EXCEPTIONAL EDUCATION SUPPORT UNITS

31	Average Daily		Minimum Units
32	Attendance	Attendance Divisor	Allowed
33	14 or more	14.5.....	1 or more as computed
34			
35	12 - 13.99....	-.....	1
36	8 - 11.99....	-.....	.75

1	4 - 7.99.....	- .....	.5
2	1 - 3.99.....	- .....	.25

3 COMPUTATION OF ALTERNATIVE SCHOOL SECONDARY SUPPORT UNITS

4	Pupils in Attendance	Attendance Divisor	Minimum Units
5			Allowed
6	12 or more.....	12	1 or more as
7			computed

8 In applying these tables to any given separate attendance unit, no
9 school district shall receive less total money than it would receive if it
10 had a lesser average daily attendance in such separate attendance unit.
11 In applying the kindergarten table to a kindergarten program of less days
12 than a full school year, the support unit allowance shall be in ratio to
13 the number of days of a full school year. The tables for exceptional edu-
14 cation and alternative school secondary support units shall be applicable
15 only for programs approved by the state department of education following
16 rules established by the state board of education. Moneys generated from
17 computation of support units for alternative schools shall be utilized for
18 alternative school programs. School district administrative and facility
19 costs may be included as part of the alternative school expenditures.

20 (5) State Distribution Factor per Support Unit. Divide educational
21 support program distribution funds, after subtracting the amounts necessary
22 to pay the obligations specified in subsection (2) of this section, by the
23 total state support units to secure the state distribution factor per sup-
24 port unit.

25 (6) District Support Units. The number of support units for each school
26 district in the state shall be determined as follows:

27 (a) (i) Divide the actual average daily attendance, excluding stu-
28 dents approved for inclusion in the exceptional child educational
29 program, for the administrative schools and each of the separate
30 schools and attendance units by the appropriate divisor from the
31 tables of support units in this section, then add the quotients
32 to obtain the district's support units allowance for regular stu-
33 dents, kindergarten through grade 12 including alternative school
34 secondary students. Calculations in application of this subsec-
35 tion shall be carried out to the nearest tenth.

36 (ii) Divide the combined totals of the average daily attendance
37 of all preschool, kindergarten, elementary, secondary, juvenile
38 detention center students and students with disabilities approved
39 for inclusion in the exceptional child program of the district by
40 the appropriate divisor from the table for computation of excep-
41 tional education support units to obtain the number of support
42 units allowed for the district's approved exceptional child pro-
43 gram. Calculations for this subsection shall be carried out to the
44 nearest tenth when more than one (1) unit is allowed.

45 (iii) The total number of support units of the district shall be
46 the sum of the total support units for regular students, subsec-

1 tion (6) (a) (i) of this section, and the support units allowance
2 for the approved exceptional child program, subsection (6) (a) (ii)
3 of this section.

4 (b) Total District Allowance Educational Program. Multiply the dis-
5 trict's total number of support units, carried out to the nearest tenth,
6 by the state distribution factor per support unit and to this product
7 add the approved amount of programs of the district provided in subsec-
8 tion (2) of this section to secure the district's total allowance for
9 the educational support program.

10 (c) District Share. The district's share of state apportionment is the
11 amount of the total district allowance, subsection (6) (b) of this sec-
12 tion.

13 (d) Adjustment of District Share. The contract salary of every noncer-
14 tificated teacher shall be subtracted from the district's share as cal-
15 culated from the provisions of subsection (6) (c) of this section.

16 (7) Property Tax Computation Ratio. In order to receive state funds
17 pursuant to this section a charter district shall utilize a school mainte-
18 nance and operation property tax computation ratio for the purpose of cal-
19 culating its maintenance and operation levy, that is no greater than that
20 which it utilized in tax year 1994, less four-tenths of one percent (.4%). As
21 used herein, the term "property tax computation ratio" shall mean a ratio de-
22 termined by dividing the district's certified property tax maintenance and
23 operation budget by the actual or adjusted market value for assessment pur-
24 poses as such values existed on December 31, 1993. Such maintenance and op-
25 eration levy shall be based on the property tax computation ratio multiplied
26 by the actual or adjusted market value for assessment purposes as such values
27 existed on December 31 of the prior calendar year.

28 SECTION 2. That Section 33-5208, Idaho Code, be, and the same is hereby
29 amended to read as follows:

30 33-5208. PUBLIC CHARTER SCHOOL FINANCIAL SUPPORT. Except as provided
31 in subsection (~~8~~10) of this section, from the state educational support pro-
32 gram the state department of education shall make the following apportion-
33 ment to each public charter school for each fiscal year based on attendance
34 figures submitted in a manner and time as required by the department of edu-
35 cation:

36 (1) Per student support. Computation of support units for each public
37 charter school shall be calculated as if it were a separate school accord-
38 ing to the schedules in section 33-1002(4), Idaho Code, except that public
39 charter schools with fewer than one hundred (100) secondary ADA shall use a
40 divisor of twelve (12) and the minimum units shall not apply, and no public
41 charter school shall receive an increase in support units that exceeds the
42 support units it received in the prior year by more than thirty (30). Funding
43 from the state educational support program shall be equal to the total dis-
44 tribution factor, plus the salary-based apportionment provided in chapter
45 10, title 33, Idaho Code. Provided however, any public charter school that
46 is formed by the conversion of an existing traditional public school shall
47 be assigned divisors, pursuant to section 33-1002, Idaho Code, that are no
48 lower than the divisors of the school district in which the traditional pub-
49 lic school is located, for each category of pupils listed.

1 (2) Special education. For each student enrolled in the public charter
2 school who is entitled to special education services, the state and federal
3 funds from the exceptional child education program for that student that
4 would have been apportioned for that student to the school district in which
5 the public charter school is located.

6 (3) Alternative school support. Public charter schools may qualify un-
7 der the provisions of sections 33-1002 and 33-1002C, Idaho Code, provided
8 the public charter school meets the necessary statutory requirements, and
9 students qualify for attendance at an alternative school as provided by rule
10 of the state board of education.

11 (4) Transportation support. Support shall be paid to the public char-
12 ter school as provided in chapter 15, title 33, Idaho Code, and section
13 33-1006, Idaho Code. Each public charter school shall furnish the depart-
14 ment with an enrollment count as of the first Friday in November, of public
15 charter school students who are eligible for reimbursement of transporta-
16 tion costs under the provisions of this subsection and who reside more than
17 one and one-half (1 1/2) miles from the school. The state department of edu-
18 cation is authorized to include in the annual appropriation to the charter
19 school sixty percent (60%) of the estimated transportation cost. The final
20 appropriation payment in July shall reflect reimbursements of actual costs
21 pursuant to section 33-1006, Idaho Code. To be eligible for state reimburse-
22 ment under the provisions of section 33-1006, Idaho Code, the student to be
23 transported must reside within the public charter school's primary atten-
24 dance area, and must meet at least one (1) of the following two (2) criteria:

25 (a) The student resides within the school district in which the public
26 charter school is physically located; or

27 (b) The student resides within fifteen (15) miles of the public charter
28 school, by road.

29 The limitations placed by this subsection on the reimbursement of
30 transportation costs for certain students shall not apply to public virtual
31 schools.

32 (5) Facilities funds. The state department of education shall distrib-
33 ute facilities funds to public charter schools for each enrolled student in
34 which a majority of the student's instruction is received at a facility that
35 is owned or leased by the public charter school. Such funds shall be used to
36 defray the purchase, fee, loan or lease costs associated with payments for
37 real property used by the students or employees of the public charter school
38 for educational or administrative purposes. Such funds shall be distributed
39 from the moneys appropriated to the educational support program, and shall
40 be calculated as a percentage of the statewide average amount of bond and
41 plant facility funds levied per student by Idaho school districts, as fol-
42 lows:

43 Fiscal Year 2014 Twenty Percent (20%)

44 Fiscal Year 2015 Thirty Percent (30%)

45 For fiscal year 2016 and each fiscal year thereafter, this percentage
46 shall increase by ten percent (10%) each time the total appropriation of
47 state funds for the educational support program increases by three percent
48 (3%) or more over the prior fiscal year, and shall decrease by ten percent
49 (10%) each time the total appropriation of state funds for the educational

1 support program decreases as compared to the prior fiscal year. Provided
2 however, that the percentage shall be no less than twenty percent (20%) and
3 no greater than fifty percent (50%), and that the average amount of funding
4 received per public charter school shall not exceed the average amount of
5 funding received by each school district pursuant to the provisions of sec-
6 tion 33-906, Idaho Code.

7 For those public charter schools that do not receive facilities funds
8 for all enrolled students, the school may submit to the state department of
9 education a reimbursement claim for any costs for which facilities funds may
10 be used. The state department of education shall reduce such claim by the
11 greater of fifty percent (50%) or the percentage of the school's enrolled
12 students for which the school receives facilities funds, and shall pay the
13 balance. Provided however, that the total reimbursements paid to a public
14 charter school, in combination with any facilities stipend received by the
15 school, shall not exceed the amount of facilities funds that would have been
16 received by the school had the school received facilities funds for all en-
17 rolled students. For the purposes of this subsection, the term "real prop-
18 erty" shall be used as defined in section 63-201, Idaho Code.

19 (6) Payment schedule. The state department of education is authorized
20 to make an advance payment of twenty-five percent (25%) of a public charter
21 school's estimated annual apportionment for its first year of operation, and
22 each year thereafter, provided the public charter school has an increase of
23 student population in any given year of twenty (20) students or more, to as-
24 ist the school with initial start-up costs or payroll obligations.

25 (a) For a public charter school to receive the advance payment, the
26 school shall submit its anticipated fall membership for each grade
27 level to the state department of education by June 1.

28 (b) Using the figures provided by the public charter school, the state
29 department of education shall determine an estimated annual apportion-
30 ment from which the amount of the advance payment shall be calculated.
31 Advance payment shall be made to the school on or after July 1 but no
32 later than July 31.

33 (c) All subsequent payments, taking into account the one-time advance
34 payment made for the first year of operation, shall be made to the public
35 charter school in the same manner as other traditional public schools in
36 accordance with the provisions of section 33-1009, Idaho Code.

37 A public charter school shall comply with all applicable fiscal requirements
38 of law, except that the following provisions shall not be applicable to pub-
39 lic charter schools: that portion of section 33-1004, Idaho Code, relating
40 to reduction of the administrative and instructional staff allowance when
41 there is a discrepancy between the number allowed and the number actually em-
42 ployed; and section 33-1004E, Idaho Code, for calculation of district staff
43 indices.

44 (67) Nothing in this chapter shall be construed to prohibit any private
45 person or organization from providing funding or other financial assistance
46 to the establishment or operation of a public charter school.

47 (8) Each public charter school shall pay an authorizer fee to its autho-
48 riized chartering entity, to defray the actual documented cost of monitoring,
49 evaluation and oversight, which, in the case of public charter schools
50 authorized by the public charter school commission, shall include each

1 school's proportional fee share of all moneys appropriated to the public
2 charter school commission, plus fifteen percent (15%). Provided however,
3 that each public charter school's board of directors may direct up to ten
4 percent (10%) of the calculated fee to pay membership fees to an organization
5 or association that provides technical assistance, training and advocacy
6 for Idaho public charter schools. Unless the authorized chartering entity
7 declines payment, such fee shall be paid by February 15 of each fiscal year
8 and shall not exceed the greater of:

9 (a) All state funds distributed to public schools on a support unit ba-
10 sis for the prior fiscal year, divided by the statewide number of public
11 school students in average daily attendance in the first reporting pe-
12 riod in the prior fiscal year; or

13 (b) The lesser of:

14 (i) The result of the calculation in subsection (8) (a) of this
15 section, multiplied by four (4); or

16 (ii) One and one-half percent (1.5%) of the result of the calcula-
17 tion in subsection (8) (a) of this section, multiplied by the pub-
18 lic charter school's average daily attendance in the first report-
19 ing period in the current fiscal year.

20 ~~(79)~~ Nothing in this chapter shall prevent a public charter school from
21 applying for federal grant moneys.

22 ~~(810)~~ (a) Each student in attendance at a public virtual school shall
23 be funded based upon either the actual hours of attendance in the public
24 virtual school on a flexible schedule, or the percentage of coursework
25 completed, whichever is more advantageous to the school, up to the maxi-
26 mum of one (1) full-time equivalent student.

27 (b) All federal educational funds shall be administered and dis-
28 tributed to public charter schools, including public virtual schools,
29 that have been designated by the state board of education as a local edu-
30 cation agency (LEA), as provided in section 33-5203(7), Idaho Code.

31 ~~(911)~~ Nothing in this section prohibits separate face-to-face learning
32 activities or services.

33 ~~(102)~~ The provisions of section 33-1021, Idaho Code, shall apply to pub-
34 lic charter schools provided for in this chapter.

35 SECTION 3. That Chapter 52, Title 33, Idaho Code, be, and the same is
36 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
37 ignated as Section 33-5214, Idaho Code, and to read as follows:

38 33-5214. PUBLIC CHARTER SCHOOL AUTHORIZERS FUND. There is hereby cre-
39 ated in the state treasury a fund to be known as the "Public Charter School
40 Authorizers Fund," hereinafter referred to as "the fund." All authorizer
41 fees paid pursuant to section 33-5208(8), Idaho Code, for public charter
42 schools under the governance of the public charter school commission shall
43 be deposited in the fund. Moneys in the fund shall be appropriated to defray
44 the commission's cost of operations and the state department of education's
45 cost of reviewing, approving and overseeing any charter school authorizers
46 requiring department approval.

47 SECTION 4. That Section 33-1619, Idaho Code, be, and the same is hereby
48 amended to read as follows:

1 33-1619. VIRTUAL EDUCATION PROGRAMS. School districts may offer in-
2 struction in the manner described for a virtual school in section 33-5202A,
3 Idaho Code. For programs meeting such definition, the school district may
4 count and report the average daily attendance of the program's students in
5 the manner prescribed in section 33-5208 (§10), Idaho Code. School districts
6 may also offer instruction that is a blend of virtual and traditional in-
7 struction. For such blended programs, the school district may count and re-
8 port the average daily attendance of the program's students in the manner
9 prescribed in section 33-5208 (§10), Idaho Code. Alternatively, the school
10 district may count and report the average daily attendance of the blended
11 program's students in the same manner as provided for traditional programs
12 of instruction, for the days or portions of days in which such students at-
13 tend a physical public school. For the balance of days or portions of days,
14 average daily attendance may be counted in the manner prescribed in section
15 33-5208 (§10), Idaho Code.



CORE RESOURCE: CORE CHARTER SCHOOL CONTRACT



National Association of Charter School Authorizers
105 W. Adams Street, Suite 3500
Chicago, IL 60603-6253
www.qualitycharters.org

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About NACSA

The National Association of Charter School Authorizers (NACSA) is committed to advancing excellence and accountability in the charter school sector and to increasing the number of high-quality charter schools across the nation. To accomplish this mission, NACSA works to improve the policies and practices of authorizers – the organizations designated to approve, monitor, renew, and, if necessary, close charter schools. NACSA provides professional development, practical resources, consulting, and policy guidance to authorizers. It also advocates for laws and policies that raise the bar for excellence among authorizers and the schools they charter. www.qualitycharters.org.

About NACSA Knowledge Core

NACSA Knowledge Core is a new interactive web-based knowledge and learning portal designed to serve the professional needs of both novice and experienced charter school authorizers in carrying out their complex work. From the basics of authorizing to advanced topics, NACSA Knowledge Core provides a rich array of core authorizing resources, training, guidance, practical tools, and professional networking opportunities to deepen NACSA members' knowledge and help them meet NACSA's *Principles & Standards for Quality Charter Authorizing*. NACSA Knowledge Core includes short interactive courses and self-paced, multimedia learning modules; easy-to-customize templates, protocols, and policies; a dashboard to track individual learning progress; and a discussion forum and searchable peer network to facilitate knowledge sharing among members.



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June 13, 2013

CHARTER SCHOOL CONTRACT

between

[AUTHORIZER]

and

[SCHOOL]

This Core Contract is designed for customization by authorizers and can be customized to meet a variety of circumstances. This document does not constitute and cannot replace legal advice. The parties should each seek advice of legal counsel prior to entering into a charter contract.

NACSA CORE CHARTER SCHOOL CONTRACT

This agreement is executed on this _____ day of _____ 2_____ by and between _____ (the "Authorizer"), and _____ (the "Applicant(s)") (collectively, the "Parties") to establish and operate the _____ CHARTER SCHOOL (the "School"), an independent and autonomous public school under the [NAME AND CITATION OF STATE CHARTER LAW].

RECITALS

[FOR NEW SCHOOLS] WHEREAS, on [DATE], Authorizer received an application for consideration of a charter school referred to as [NAME OF SCHOOL;] and

WHEREAS, on [DATE], the Authorizer approved the application subject to conditions outlined in Resolution # [NUMBER].

[FOR RENEWAL SCHOOLS:] WHEREAS, on [DATE], the Parties have previously entered into an agreement dated [DATE] for the establishment of the School; and

WHEREAS, on [DATE], the Parties previous agreement will expire; and

WHEREAS, on [DATE], Authorizer received a renewal application from the School; and

WHEREAS, on [DATE], the Authorizer approved the application subject to conditions outlined in Resolution # [NUMBER].

NOW THEREFORE in consideration of the foregoing recitals, the Parties agree as follows:

AGREEMENT

This contract can be used for new schools or for renewal of an existing charter. It can and should be customized to accommodate the full range of governance arrangements and authorizer environments. Authorizers are encouraged to customize the contract in ways that maintain a common approach to accountability among an authorizer's portfolio of schools while also making contract creation and negotiation as simple and straightforward as possible. As explained in the Guidance that accompanies this Core Resource, to maximize transparency and accountability, NACSA strongly encourages authorizers to execute an individual contract with each school it authorizes, even when a single board governs multiple schools. This expectation need not and should not result in burdensome negotiations or costly legal fees. By using a uniform and streamlined template for all of its schools, an authorizer can quickly create a strong charter school contract for each of its schools.

ESTABLISHMENT [OR CONTINUED OPERATION] OF SCHOOL

As authorized by the [NAME AND CITATION OF STATE CHARTER LAW], the Authorizer hereby authorizes the establishment [OR continued operation] of the School with the aforementioned conditions, and on the terms and conditions set forth in this Charter School Contract (the "Contract").

MISSION

The mission of the School is as follows:

[SCHOOL'S MISSION AS STATED IN ITS APPROVED CHARTER APPLICATION]

TERM OF AGREEMENT

This Contract is effective [DATE], and will terminate on [DATE], unless earlier terminated as provided herein. Funding under this agreement shall not commence until the pre-opening process described in Appendix [NUMBER] has been completed to the satisfaction of the Authorizer.

GENERAL

- A. Merger. This Contract contains all terms, conditions, and understandings of the Parties relating to its subject matter. All prior representations, understandings, and discussions are merged herein and superseded by this Contract.
- B. Amendments. No amendment to this Contract will be valid unless ratified in writing by the Authorizer and the School's governing body and executed by authorized representatives of the Parties.
- C. Governing Law and Enforceability. This Contract will be governed and construed according to the [STATE CONSTITUTION AND LAWS OF THE STATE]. If any

provision of this Contract or any application of this Contract to the School is found contrary to law, such provision or application will have effect only to the extent permitted by law. The Parties shall, upon the request of either party, negotiate in good faith to adopt any necessary or appropriate replacement provision.

- D. No Waiver. The Parties agree that no assent, express or implied, to any breach by either party of any one or more of the provisions of this Contract shall constitute a waiver of any other breach.
- E. No Third-Party Beneficiary. This Contract shall not create any rights in any third parties who have not entered into this Contract, nor shall any third party be entitled to enforce any rights or obligations that may be possessed by either party to this Contract.
- F. Non-Assignment. Neither party to this Contract shall assign or attempt to assign any rights, benefits, or obligations accruing to the party under this Contract unless the other party agrees in writing to any such assignment.

GOVERNANCE

The School shall be governed by a board (the “Charter Board”) in a manner that is consistent with the terms of this Contract so long as such provisions are in accordance with state, federal, and local law. The Charter Board shall have final authority and responsibility for the academic, financial, and organizational performance of the School, the fulfillment of the Charter, and approval of the School’s budgets. The Charter Board shall also have authority for and be responsible for policy and operational decisions of the School, although nothing herein shall prevent the Charter Board from delegating decision-making authority for policy and operational decisions to officers, employees and agents of the School. The Charter Board shall govern the School pursuant to the following terms and conditions:

- A. Bylaws. The articles of incorporation and bylaws of the entity holding the charter shall provide for governance of the operation of the School as a public charter school and shall at all times be consistent with all applicable law and this agreement. The articles of incorporation and bylaws are attached to this Contract as Appendix [NUMBER] (initially or as amended, the “Articles and Bylaws”). Any modification of the Articles and Bylaws must be submitted to the Authorizer within five (5) business days of approval by the Charter Board.
- B. Composition. The composition of the Charter Board shall at all times be

determined by and consistent with the Articles and Bylaws and all applicable law and policy. The roster of the Charter Board and each member's disclosure form are attached to this Contract as Appendix [NUMBER] (initially or as amended, the "Board Roster and Disclosures"). The Charter Board shall notify the Authorizer of any changes to the Board Roster and Disclosures within five (5) business days of their taking effect and provide an amended Board Roster and Disclosures.

- C. Affiliation. Notwithstanding any provision to the contrary in the Charter, Application, or the Articles and By-laws, in no event shall the Charter Board, at any time, be composed of voting members of whom a majority are directors, officers, employees, agents or otherwise affiliated with any single entity (with the exception of the School itself or of another charter school), regardless of whether said entity is affiliated or otherwise partnered with the School. For the purposes of this paragraph, "single entity" shall mean any individual entity, as well as any and all related entities to such entity such as parents, subsidiaries, affiliates and partners. The Authorizer may, at its sole discretion, waive this restriction upon a written request from the School.

- D. Conflicts of Interest. On [DATE], the Charter Board adopted the Conflicts of Interest Policy attached to this agreement as Appendix [NUMBER]) and shall at all times comply with its provisions. Any amendment to Appendix [NUMBER] must be adopted by the Charter Board and approved in writing by the Authorizer, which shall not be unreasonably withheld and may be with made without material amendment to this agreement

- E. Non-Commingling. Assets, funds, liabilities and financial records of the School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization unless approved in writing by the Authorizer.

This section can be modified to account for entities that hold multiple charters or otherwise operate multiple schools. Any modifications, however, should maintain the requirement that public funds allocated for the operation of public charter schools be kept separate from the assets, funds, liabilities, and financial records of any person, entity, or organization not engaged in that endeavor.

THIRD-PARTY MANAGEMENT PROVIDERS

The School shall not, without explicit approval of the Authorizer, contract with a third party to provide comprehensive (all or a substantial portion of the) services necessary to

manage and operate the School. If the School intends to enter into such a contract, it shall, no later than 120 days prior to the effective date, enter into a legally binding and enforceable agreement with such entity named in the Application (the "Management Provider") in a form substantially similar to that contained in the Application (the "Management Contract"), subject to the approval of the Authorizer and the requirements set forth in Exhibit [NUMBER]. The Management Contract shall set forth with particularity *inter alia*, (i) the contingent obligations and responsibilities of each party in the event that the contract must be modified in order to obtain or maintain the School's status under state and federal law, and (ii) the extent of the Management Provider's participation in the organization, operation and governance of the School. No later than thirty (30) days prior to entering into the Management Contract, the School shall provide a copy of the Management Contract in proposed final form to the Authorizer. Such Management Contract shall be accompanied by a letter from a licensed attorney representing the School stating that the Management Contract meets the attorney's approval. Such attorney may not represent or be retained by the Management Provider. The Management Contract shall not be executed until the School is notified in writing by the Authorizer that the Management Contract meets its approval. The School shall not enter into any contract for comprehensive school management services to be performed in substantial part by any other entity not identified as such in the Application without receiving prior written approval from the Authorizer.

EDUCATIONAL PROGRAM

- A. Design Elements. The School shall implement and maintain the following essential design elements of its educational program, subject to modification with the Authorizer's written approval:
 - a. [INSERT ELEMENTS FROM APPROVED APPLICATION]
- B. Content Standards. The School's educational program shall meet or exceed [STATE STANDARDS].
- C. Curriculum. The School shall implement the curricula described in the Application, supplemented with such other curricula, which may be helpful to the School's academic progress to the extent that such curricula meet or exceed [STATE AND AUTHORIZER STANDARDS]. The School may, without seeking Authorizer approval, make reasonable modifications to its approved curriculum to permit the School to meet its educational goals and student achievement standards. Any modifications, either individually or cumulatively, that are of such a nature or degree as to cause the approved curriculum to cease to be in operation will require approval

from the authorizer and an amendment to this agreement.

D. Graduation Requirements [for high schools]. Unless otherwise agreed to by the Authorizer and the School, the School's curriculum shall meet or exceed all applicable graduation requirements as established by [STATE DEPARTMENT OF EDUCATION AND AUTHORIZER].

E. Staff Qualifications. Each teacher shall possess all applicable qualifications as required by state or federal law.

F. Staff Training. The School shall provide any training required by state or federal law.

G. Student Assessment.

1. The School shall participate in all testing programs required by the [STATE DEPARTMENT OF EDUCATION]. The School shall comply with all assessment protocols and requirements as established by the [STATE DEPARTMENT OF EDUCATION], maintain test security, and administer the tests consistent with all relevant state and Authorizer requirements. The School shall follow professional and ethical standards in the conduct of testing.

2. [FOR SCHOOLS WITH HIGHLY-SPECIALIZED POPULATIONS AND DESIGNATED IN STATE OR AUTHORIZER POLICY AS "ALTERNATIVE"] The School shall participate in and report to the Authorizer results from [ALTERNATIVE OR ADDITIONAL NORM-REFERENCED ASSESSMENT AS AGREED BETWEEN SCHOOL AND AUTHORIZER].

H. English Language Learners.

See also, [Serving English Language Learners: A Toolkit for Public Charter Schools](#) from the National Alliance for Public Charter Schools.

The School shall at all times comply with all state and federal law applicable to the education of English language learners, including but not limited to [SPECIFIC STATE LAW IF ANY and] the Elementary and Secondary Education Act (ESEA), Title VI of the Civil Rights Act of 1964 and the Equal Educational Opportunities Act of 1974 (EEOA). The School shall provide resources and support to English language learners to enable them to acquire sufficient English language proficiency to participate in the mainstream English language instructional program. The School shall employ and train teachers to provide appropriate services to English language learners. In consultation with the Authorizer and subject to Authorizer approval, the

School shall establish and follow policies and procedures for identifying, assessing and exiting English language learners, consistent with all applicable state and federal law. The Authorizer and School will work to assure compliance with any and all requirements of state and federal law regarding services to English language learners.

I. Students with Disabilities.

1. The School shall provide services and accommodations to students with disabilities as set forth in the Application and in accordance with any relevant policies thereafter adopted, as well as with all applicable provisions of the Individuals with Disabilities Education Act (20 U.S.C. § 1401 *et seq.*) (the “IDEA”), the Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.*) (the “ADA”), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) (“Section 504”), and all applicable regulations promulgated pursuant to such federal laws. This includes providing services to attending students with disabilities in accordance with the individualized education program (“IEP”) recommended by a student’s IEP team. The School shall comply with all applicable requirements of [STATE LAW AND REGULATIONS] concerning the provision of services to students with disabilities.

2. [REQUIRED PROVISIONS]

- a) The Authorizer’s Responsibilities.
- b) The School’s Responsibilities.

A completed contract will require additional provisions depending in large part on State law and the School’s Local Education Agency status. Authorizers and Schools should determine the appropriate allocation of responsibilities within their particular legal environment while at the same time maximizing the autonomy of schools over service delivery. [NACSA’s Principles & Standards for Charter School Authorizing](#) explore an authorizer’s responsibilities in this area. The National Charter School Resource Center also has [materials for schools and authorizers](#) developed by the National Association of State Directors of Special Education.

SCHOOL PERFORMANCE STANDARDS

A. SCHOOL PERFORMANCE FRAMEWORK: The School shall annually *Meet Expectations* or *Exceed Expectations* on the Authorizer’s School Performance Framework.

1. The Authorizer’s Academic, Financial and Organizational Performance Frameworks together constitute the Authorizer’s School Performance Framework (“Performance

Framework”), attached and incorporated into this agreement as Appendix [NUMBER]. The School Performance Framework shall supersede and replace any and all assessment measures, educational goals and objectives, financial operations metrics, and organizational performance metrics set forth in the Application and not explicitly incorporated into the Performance Framework. The specific terms, form and requirements of the Performance Framework, including any required indicators, measures, metrics, and targets, are determined by the Authorizer and will be binding on the School.

2. The Authorizer shall monitor and periodically report on the School’s progress in relation to the indicators, measures, metrics and targets set out in the Performance Framework. Such reporting shall take place at least annually.
3. The School’s performance in relation to the indicators, measures, metrics and targets set forth in the Academic, Organizational and Financial Performance Frameworks shall provide the basis upon which the Authorizer will decide whether to renew the School’s Charter at the end of the Charter term.
4. The Parties intend that, where this Charter references or is contingent upon state or federal accountability laws, that they be bound by any applicable modification or amendments to such laws upon the effective date of said modifications or amendments. The specific terms, form and requirements of the Performance Framework may be modified or amended to the extent required to align with changes to applicable state or federal accountability requirements, as set forth in law. In the event that any such modifications or amendments are required, the Authorizer will use best efforts to apply expectations for school performance in a manner consistent with those set forth in the Performance Framework as initially established in the Charter.

PERFORMANCE AUDITS AND EVALUATION

- A. Annual Performance Review. The school shall be subject to a review of its academic, organizational, and financial performance at least annually and is required to provide by [DATE] of each year, all documentation listed in Appendix [NUMBER].
- B. Ongoing Quality Assurance. The school shall be subject to ongoing quality assurance activities as described in Appendix [NUMBER].
- C. Accreditation. For purposes of State accreditation and Federal funding, the Authorizer, to every extent possible, will hold the School accountable in accordance with the Authorizer’s School Performance Framework. Consequences for issues

related to State accreditation or Federal funding shall be those prescribed by the State accreditation or accountability system.

SCHOOL OPERATIONS

- A. In General. The School and the Charter Board shall operate at all times in accordance with all federal and state laws, local ordinances, regulations and Authorizer policies applicable to charter schools, except to the extent the School has obtained waivers, in accordance with § [NUMBER] below.
- B. Public School Status. The School shall be deemed a public school subject to all applicable provisions of local, state and federal law and regulation, specifically including but not limited to health and safety, civil rights, student assessment and assessment administration, data collection, reporting, grading, and remediation requirements, except to the extent such provisions are inapplicable to charter schools or the School has obtained waivers, in accordance with §7 below.
- C. Nonsectarian Status. The School shall be nonsectarian in its programs, admissions policies, employment practices and all other operations. The School shall not be to any extent under the control or direction of any religious denomination.
- D. Open Meetings and Public Records. The School shall maintain and implement policies to ensure that it complies with all applicable laws and regulations relating to public meetings and records.
- E. Non-discrimination. The School shall not discriminate against any student, employee or any other person on the basis of race, ethnicity, national origin, gender (except with respect to admission of students by single-sex schools), disability or any other ground that would be unlawful if done by any other public school. It shall take all steps necessary to ensure that discrimination does not occur, as required by federal civil rights law.
- F. Authorizer's Right to Review. The School will be subject to review of its operations and finances by the Authorizer, including related records, when the Authorizer, in its sole discretion, deems such review necessary.
- G. Administrative Records. The School will maintain all administrative records, including student academic records, required by law and Authorizer policies and procedures, to the extent no waivers apply. The School agrees to make all administrative and student records promptly available to the Authorizer upon request.

- H. No Encumbrances. The School will not encumber to any third party any of its assets without the written permission of the Authorizer.
- I. Transactions with Affiliates. The School shall not, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any affiliate of the School, any member past or present of the Charter Board, or any employee past or present of the School (except in their employment capacity), or any family member of the foregoing individuals, unless:
1. The terms of such transaction (considering all the facts and circumstances) are no less favorable to the School than those that could be obtained at the time from a person that is not such an affiliate, member or employee or an individual related thereto; *and*
 2. The involved individual recuses him or herself from all Charter Board discussions, and does not vote on or decide any matters related to such transaction.
 3. The Charter Board discloses any conflicts and operates in accordance with a conflict of interest policy that has been approved by the Authorizer.

WAIVERS [IF APPLICABLE]

The School may submit to the Authorizer requests for waivers of state law. Such requests shall be submitted by the Authorizer on behalf of the School to [STATE BOARD OF EDUCATION] (“State Board”). To the extent the State Board does not grant the requested waivers or imposes conditions upon the School with respect to such waivers, the Parties agree that representatives of the Parties will meet to negotiate the effect of such State Board action. The School is requesting the waivers listed in Appendix [NUMBER].

SCHOOL CALENDAR

The School shall adopt a School calendar with an instructional program that meets the compulsory school attendance requirements of state law, financial guidelines, and state regulations. Each year the School will develop a calendar and submit it to the Authorizer by May 1st. Any changes that cause the calendar to differ materially from the calendar proposed and approved in the School’s charter application are subject to Authorizer approval.

ENROLLMENT

- A. Enrollment Policy. The School shall make student recruitment, admissions, enrollment and retention decisions in a nondiscriminatory manner and without regard to race, color, creed, national origin, sex, marital status, religion, ancestry, disability or need for special education services. In no event may the School limit admission based on race, ethnicity, national origin, disability, gender, income level, athletic ability, or proficiency in the English language. If there are more applications to enroll in the charter school than there are spaces available, the charter school shall select students to attend using a random selection process that shall be publicly noticed and open to the public. The School shall follow the enrollment policy approved by the Authorizer and incorporated into this agreement as Appendix [NUMBER].
- B. Maximum Enrollment. The maximum number of students who may be enrolled in the school shall be [NUMBER] of students. This maximum enrollment was determined pursuant to negotiations between the Authorizer and the School and is consistent with facilitating the academic success of students enrolled in the School and facilitating the School's ability to achieve the other objectives specified in the Contract. If the School wishes to enroll more than the maximum number of students listed above, it shall, before exceeding this number, provide evidence satisfactory to the Authorizer that it has the capacity to serve the larger population. The maximum enrollment shall not exceed the capacity of the School facility.
- C. [ANY STATE OR AUTHORIZER REQUIREMENTS REGARDING ENROLLMENT AND ADDMISSIONS]
- D. Student Transfers and Exits. Any student exit out of the School shall be documented by an exit form signed by the student's parent or guardian, which affirmatively states that the student's transfer or exit is voluntary. The School shall collect and report to the Authorizer, in a format required or approved by the Authorizer, exit data on all students transferring from or otherwise exiting the school for any reason (other than graduation), voluntary or involuntary. Such exit data shall identify each departing student by name and shall document the date of and reason(s) for each student departure. In the event that the School is unable to document the reasons for a voluntary withdrawal, the School shall notify the Authorizer and provide evidence that it made reasonable efforts to obtain documentation.
- E. Right to Remain. Pursuant to [STATE LAW], students who enroll in the School shall have the right to remain enrolled in the School through the end of the school year, absent expulsion, graduation, or court-ordered placement. Students who fail to

attend the School as required by [STATE LAW] may be removed from the School's rolls only after the requisite unexcused absences have been documented and all truancy procedures followed, consistent with [STATE LAW] and Authorizer policy.

F. [ADDITIONAL STATE LAW OR AUTHORIZER POLICY PROVISIONS REGARDING STUDENT MOVEMENT, ENROLLMENT COUNTS, AND FUNDING]

TUITION AND FEES

The School will not charge tuition for general education to students who reside in the Authorizer's jurisdiction. Tuition for nonresident students may be charged in accordance with state law and such Authorizer policies and procedures as may be adopted from time to time. The School shall not charge any additional fees except as allowed by state law.

SCHOOL FACILITIES

- A. [FOR NEW SCHOOLS:] Location. The School shall provide evidence that it has secured a location that is acceptable to the Authorizer by [DATE], YEAR. After [DATE], YEAR, the school may move its locations only after obtaining written approval from the Authorizer, subject to such terms and conditions as may be specified. Any change in the location of the School shall be consistent with the Application and acceptable to the Authorizer.
- B. [FOR RENEWAL SCHOOLS:] Location. The location of the School shall be consistent with the Application and acceptable to the Authorizer. The School shall be located at LOCATION. The School may change its location only after obtaining written approval from the Authorizer, subject to such terms and conditions as may be specified. Any change in location of the School shall be consistent with the Application and acceptable to the Authorizer.
- C. [FOR SCHOOLS NOT SHARING OR OCCUPYING IN FULL AN AUTHORIZER OWNED OR CONTROLLED FACILITY:] Construction/Renovation and Maintenance of Facilities. The School will be responsible for the construction/renovation and maintenance of any facilities owned or leased by it. The School will be responsible for ensuring compliance with all ADA accessibility requirements.
- D. Use of the Facility by the School. The School will use the facility for the sole purpose of operating a public school as authorized by this Contract. Only those activities ordinarily incidental to the operation of a public K-12 school will be permitted on the School premises. The School will not conduct, nor will it permit, any activity that

would threaten or endanger the health or safety of occupants, the structural integrity of the facility, or the insurability of the facility. The School may not lease, sublet, or otherwise grant to any third party any right to enter or use the premises without the written approval of the Authorizer, provided that the School may permit use of the facility by persons or groups associated with it for functions and activities consistent with the use of a public school building, and in accordance with Authorizer policies regarding facility use or an alternative policy agreed to by the Authorizer. Approval shall be reasonably withheld.

- E. [FOR SCHOOLS IN AUTHORIZER OWNED OR CONTROLLED FACILITIES]. Alterations. The School will not alter or modify the facility without the written approval of the Authorizer, which will not be unreasonably withheld.
- F. Inspections. The Authorizer will have access at all reasonable times to any facility owned, leased or utilized in any way by the School for purposes of inspection and review of the School's operation and to monitor the School's compliance with the terms of this Contract.
- G. Impracticability of Use. If use by the School of a facility is rendered impracticable by any cause whatsoever, or if the funds necessary to construct/renovate or upgrade a facility cannot be secured, the Authorizer shall not be obligated to provide an alternative facility for use by the School. However, if such an event occurs, the Authorizer shall use its best efforts to locate or provide an alternative facility for use by the School.
- H. Use of Authorizer Facilities. The School may not use Authorizer facilities for activities and events without prior written consent from the Authorizer.

AUTHORIZER SUPPORT OF FACILITY NEEDS

The Authorizer will help support the School's facility needs by providing for the following:

- A. [FOR SCHOOLS AUTHORIZED BY SCHOOL DISTRICTS] Inclusion in Authorizer General Obligation Bond Elections. The School shall have the opportunity to be considered for and included in any Authorizer General Obligation Bond Elections for charter capital construction needs, in accordance with the requirements set forth in [STATE LAW]. Capital construction projects shall be consistent with the purposes set forth in [STATE LAW]. Determination of whether to include the School's request in the Bond Election is at the discretion of the Authorizer.

- B. State Construction Funds. The Authorizer shall make reasonable efforts to assist the School in securing any facilities financing or other capital projects funding. Assistance shall be provided at the Authorizer's discretion, and shall not be unreasonably withheld or delayed.
- C. [FOR NEW SCHOOLS] Start-up Facility Needs. The Authorizer shall cooperate with the School in providing information available to the Authorizer regarding available facilities, furniture and equipment, if any, and will consider any request of the School for the use of such resources by the School.

SCHOOL FINANCE

The School shall comply with all applicable state financial and budget rules, regulations, and financial reporting requirements, as well as the requirements contained in the Authorizer's School Performance Framework incorporated into this contract as Appendix [NUMBER].

- A. At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls which procedures and controls shall include, but not be limited to: (1) commonly accepted accounting practices and the capacity to implement them (2) a checking account; (3) adequate payroll procedures; (5) an organizational chart; (6) procedures for the creation and review of monthly and quarterly financial reports, which procedures shall specifically identify the individual who will be responsible for preparing such financial reports in the following fiscal year; (7) internal control procedures for cash receipts, cash disbursements and purchases; and (8) maintenance of asset registers and financial procedures for grants in accordance with applicable state and federal law. The first payment to the School and no future payments thereafter shall be made to the school unless the school has demonstrated to the Authorizer's satisfaction that it has the appropriate controls in place.
- B. The School shall undergo an independent financial audit conducted in accordance with governmental accounting standards and GASB #34 performed by a certified public accountant each fiscal year. The results of the audit will be provided to the Authorizer in written form by September 15th of each year. The School will pay for the audit. In addition, the School shall transmit the final trial balance to the Authorizer using the [STATE] chart of accounts with the submission of the annual independent financial audit. If such audit is not received by September 15th of each year, it shall be considered a material violation of the terms of this contract and may be grounds for revocation or other remedy as provided by this agreement.

- C. The School shall prepare quarterly financial reports for the Authorizer in compliance with [STATE LAW OR AUTHORIZER POLICY]. Such reports shall be submitted to the Authorizer no later than fifteen (15) days following the end of each quarter, except that all fourth quarter and year end reports shall be submitted with the annual independent financial audit.
- D. The School agrees to maintain financial records in accordance with the governmental accounting method required by the Authorizer and to make such records available promptly to the Authorizer upon request.
- E. The School shall use and follow all policies in the [STATE EDUCATION FINANCE ACCOUNTING HANDBOOK], including appropriate use of the chart of accounts and account and grant codes.
- F. The School shall record all financial transactions in general, appropriations, and revenue and expenditures records. In addition, the School shall make appropriate entries from the adopted budgets in the records for the respective funds, and shall maintain separate accounts for each of the funds.
- G. The School shall assure that all financial records for the School are maintained at the School Principal's administrative office, are posted and reconciled at least monthly, and are open for public inspection during reasonable business hours.
- H. The governing board of the School shall adopt an annual budget statement that describes the major objectives of the educational program and manner in which the budget proposes to fulfill such objectives.
- I. The School shall comply with notice and filing requirements regarding the budget.
- J. The School shall establish procedures for ensuring that funds are disbursed for approved expenditures consistent with the School's budget.
- K. The School shall comply with any other requirement imposed through the [STATE EDUCATION FINANCE LAW], from time to time, on charter school finances, budgeting, accounting and expenditures, provided that the Authorizer shall provide annual technical assistance regarding material changes to the [STATE EDUCATION FINANCE LAW], and the Parties will collaborate to assure that they each remain reasonably current on the impact of any modifications on charter schools. The Parties agree that the School retains primary responsibility for compliance with the [STATE EDUCATION FINANCE LAW].

BUDGET

- A. Annual Budgets. On or before June 1st of each year, the School will submit to the Authorizer the School's proposed budget for the upcoming fiscal year (July 1st to June 30th). The School shall adopt a budget and an appropriation resolution for each fiscal year, prior to the beginning of the fiscal year. The budget shall:
1. Be presented in a summary format which is consistent with accepted practice in the field;
 2. Be presented in a summary format that will allow for comparisons of revenues and expenditures among Authorizer schools by pupil;
 3. Be presented in a format that itemizes expenditures of the School by fund and by pupil;
 4. Show the amount budgeted for the current fiscal year;
 5. Show the amount estimated to be expended for the current fiscal year;
 6. Show the amount budgeted for the ensuing fiscal year;
 7. Specify the proposed expenditures and anticipated revenues arising from the contracting of bonded indebtedness by a capital improvement zone located within the jurisdiction of the Authorizer, if applicable;
 8. Ensure that the School holds unrestricted general fund or cash fund emergency reserves in the amount required under the provisions of [STATE LAW]; and
 9. Not provide for expenditures, inter-fund transfers, or reserves in excess of available revenues and beginning fund balances.
 10. The School is required to provide reconciliation between the beginning fund balance on a budgetary basis and on a modified accrual basis of accounting. The reconciliation shall include but need not be limited to the liability for accrued salaries and related benefits. The reconciliation shall be included with the final version of the amended budget and the annual audited financial statements; and

11. The School shall not expend any monies in excess of the amount appropriated by resolution for a particular fund and may not have a contingency reserve in excess of [ANY LIMIT IMPOSED BY STATE LAW].

B. Allocation of Funds [FOR OTHER SPECIFIED PURPOSES]. [AS REQUIRED BY STATE LAW]

SCHOOL AND AUTHORIZER FUNDING

[AS DETERMINED BY STATE LAW]

EMPLOYMENT MATTERS

This area is generally highly state specific and governed by law and policy independent of individual charter contracts. Authorizers will need to develop provisions consistent with state law. In developing context-appropriate provisions, authorizers should find ways to maximize school autonomy over funds. Authorizers should also consider coordinating with state finance officials to ensure that provisions are appropriate.

- A. No Employee or Agency Relationship. Neither the School, its employees, agents, nor contractors are employees or agents of the Authorizer; nor are either the Authorizer or its employees, agents, or contractors employees or agents of the School. None of the provisions of this Contract will be construed to create a relationship of agency, representation, joint venture, ownership, or control of employment between the Parties other than that of independent Parties contracting solely for the purpose of effectuating this Contract.
- B. Subcontract. The School shall not subcontract the implementation of the total educational program without the written approval of the Authorizer.
- C. Retirement Plan. [STATE LAW SPECIFIC]
- D. Teacher Membership in Professional Organizations. Teachers at the School have the right to join, or refrain from joining, any lawful organization for their professional or economic improvement and for the advancement of public education. A teacher's membership in or financial support for any organization shall not be required as a condition of employment with the School.
- E. Background Checks. The School agrees to obtain and retain copies of fingerprint and background checks for all employees. The School shall give notice to the Authorizer of any employee it finds who has a prior conviction of a felony and of any employee who is convicted of a felony during the term of an employee's employment. The Authorizer may conduct background checks of School employees as it deems necessary for the health and safety of students. Employee rosters and proof of background check clearance shall be provided to the Authorizer as required by the Organizational Performance Framework incorporated as Appendix [NUMBER].

TRANSPORTATION

[AS AGREED BETWEEN SCHOOL AND AUTHORIZER OR AS REQUIRED BY STATE LAW]

ADDITIONAL SERVICES

Except as may be expressly provided in this Contract, as set forth in any subsequent written agreement between the School and the Authorizer, or as may be required by law, neither the School nor the Authorizer shall be entitled to the use of or access to the services, supplies, or facilities of the other. Any service agreements between the Authorizer and the School shall be subject to all terms and conditions of this Charter School Contract, except as may be otherwise agreed in writing. The purchase of any services not expressly required under this contract or set forth in any subsequent written agreement between the School and the Authorizer or not required by law, shall not be a condition of the approval or continuation of this contract.

PROVISION OF POLICIES TO THE AUTHORIZER

Upon request, the School will furnish to the Authorizer copies of all written policies and procedures it may adopt with respect to any matter relating to its management, operations, and educational program.

BREACH OF CONTRACT, TERMINATION, AND DISSOLUTION

The grounds and procedures for termination of this Contract and dissolution of the School will be as follows:

A. Termination by the Authorizer. This Contract may be terminated, after written notice to the School, and the charter revoked by the Authorizer's Board of Directors upon recommendation of the Authorizer staff. Any termination or revocation shall take effect after the School has had the opportunity to exhaust any appeal or review as provided by law. In order to minimize the disruption to students, the effective date of the termination shall be no sooner than the end of the current semester, unless termination on a different date is reasonably necessary to protect the health, safety, or welfare of students or staff. The Contract may be terminated for any of the following reasons:

1. Any of the grounds provided for under the [STATE CHARTER SCHOOL LAW], as they exist now or may be amended;
 - a. Commission of a material violation of any of the conditions,

standards, or procedures set forth in the Contract;

- b. Failure to meet generally accepted standards of fiscal management;
- c. Violation of any provision of law from which the School was not specifically exempted;
- d. Failure to meet the goals, objectives, content standards, pupil performance standards, applicable federal requirements or other terms identified in the Contract; or

2. Bankruptcy or insolvency of the School.

- B. Other Remedies. The Authorizer may impose other appropriate remedies for breach including, but not limited to, revocation of waiver(s) and withholding of funds.
- C. Termination by the School. Should the School choose to terminate this Contract before the end of the contract term, it may do so in consultation with the Board at the close of any school year and upon written notice to the Board given at least thirty (30) days before the end of the school year.
- D. Dissolution. Upon termination of this Contract for any reason by the Board, upon expiration of the Contract, or if the School should cease operations or otherwise dissolve, the Board will supervise and have authority to conduct the winding up of the business and other affairs of the School; provided, however, that in doing so the Authorizer will not be responsible for and will not assume any liability incurred by the School under this Contract. The Charter Board and School personnel shall cooperate fully with the winding up of the affairs of the School.
- E. Disposition of School's Assets upon Termination or Dissolution. Upon termination of this Contract for any reason or if the School should cease operations or otherwise dissolve, then, at the sole discretion of the Authorizer, any assets owned by the School, including tangible, intangible, and real property, remaining after paying the School's debts and obligations and not requiring return or transfer to donors or grantors, or other disposition in accordance with state law, will become the property of the Authorizer.

INSURANCE AND LEGAL LIABILITIES

A. Insurance. The School will maintain adequate insurance necessary for the operation of the School, including but not limited to property insurance, general liability insurance, workers' compensation insurance, unemployment compensation insurance, motor vehicle insurance, and errors and omissions insurance covering the School and its employees, with policy limits as set forth in Appendix [NUMBER] incorporated into this agreement.

i. Comprehensive general liability: \$[NUMBER]

ii. Officers, directors and employees errors and omissions: \$[NUMBER]

iii. Property insurance: As required by landlord

iv. Motor vehicle liability (if appropriate): \$[NUMBER]

v. Bonding (if appropriate): Minimum amounts \$[NUMBER], Maximum amounts: \$[NUMBER]

vi. Workers' compensation: As required by state law

Such insurance contracts shall have the Authorizer named as an additional insured. The Authorizer may reasonably require the School to adjust the coverage and limits provided for under the terms of any particular contract or policy. The School will pay any deductible amounts attributable to any acts or omissions of the School, its employees, or agents.

B. Insurance Certification. The School shall, by [DATE] of each year, provide the Authorizer with proof of insurance as required by state law and Authorizer policy.

C. Risk Management. The School will promptly report to the Authorizer any and all pending or threatened claims or charges; promptly provide the Authorizer's general counsel and risk manager with all notices of claims; cooperate fully with the Authorizer in the defense of any claims asserted against the Authorizer, its board members, agents or employees arising from or related to the operation of the School; and comply with the defense and reimbursement provisions of [STATE LAW] and the Authorizer's and the School's applicable insurance policies. If the School obtains insurance through any policy held by the Authorizer, it shall comply with all risk management requirements of the Authorizer and its insurer.

D. Limitation of Liabilities. In no event will the Authorizer or its Board members,

officers, employees, or agents be responsible or liable for the debts, acts or omissions of the School, its officers, employees, or agents.

- E. Faith and/or Credit Contracts with Third Parties. The School shall not have authority to extend the faith and credit of the Authorizer to any third party and agrees that it will not attempt or purport to do so. The School acknowledges and agrees that it has no authority to enter into a contract that would bind the Authorizer and agrees to include a statement to this effect in each contract or purchase order it enters into with third parties. The School acknowledges that the same provisions in law or Authorizer policies that apply to the Authorizer itself limit the School's authority to contract.
- F. Indemnification. To the extent claims are not covered by insurance or barred by governmental or other immunities, the School and Authorizer each agree to indemnify, defend and hold the other, its Board, agents, and employees harmless from liability, claims, and demands on account of personal injury, sickness, disease, death, property loss or damage, or any other losses of any kind whatsoever to the extent such liability arises from any activities proximately caused by the indemnitor, its directors, officers, agents, employees, volunteers or assigns. The indemnities stated herein shall not be deemed a relinquishment or waiver of any kind of applicable limitations of liability provided to either party by law, whether as a public body or otherwise. Where a claim is ultimately found to be barred by immunity or other limitation, the indemnitor remains obligated to defend and hold the indemnitee (and the others named above) harmless from such a suit or claim. The obligation of indemnification includes all attorney fees, costs and expenses incurred by the indemnitee in defense of any suits, actions, grievances, charges and/or proceedings.

June 13, 2013

NOTICE

Any notice required or permitted under this Contract will be in writing and will be effective upon personal delivery or three days after mailing when sent by certified mail, postage prepaid, addressed as follows:

[INSERT]

June 13, 2013

IN WITNESS WHEREOF, the Parties have executed this Contract to be effective [DATE].

THE AUTHORIZER:

ATTEST:

THE CHARTER BOARD

ATTEST:

Core Performance Framework and Guidance

Academic, Financial, and Organizational Frameworks for Charter School Accountability

March 2013



nacsa
NATIONAL ASSOCIATION OF
CHARTER SCHOOL AUTHORIZERS

June 13, 2013



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June 13, 2013

Core Performance Framework and Guidance

Academic, Financial, and Organizational
Frameworks for Charter School Accountability

March 2013

About NACSA

The National Association of Charter School Authorizers (NACSA) is the trusted resource and innovative leader working with public officials and education leaders to increase the number of high-quality charter schools in cities and states across the nation. NACSA provides training, consulting, and policy guidance to authorizers and education leaders interested in increasing the number of high-quality schools and improving student outcomes.

About the Performance Framework and Pilot Project

The National Association of Charter School Authorizers' (NACSA's) *Core Performance Framework and Guidance* was created as part of the Performance Management, Replication, and Closure (PMRC) project. NACSA researched best practices in Performance Frameworks among seven model authorizers and used the findings along with research from other education institutions, charter school funding organizations, and analysis of common state laws to develop the first draft of the NACSA *Core Performance Framework*.

The Framework was then tested by applying and adapting it to four PMRC demonstration site authorizers, as well as six other pilot sites that were funded through The Fund for Authorizing Excellence. The 10 authorizers in the pilot range from small to large authorizers and are of every organizational type (district, state education agency, nonprofit organization, and higher education institution). NACSA's experience with these 10 sites led to revisions to the NACSA *Core Performance Framework*, as well as the development of this comprehensive guidance document. NACSA is pleased to share this first edition of the Core Performance Framework and Guidance and plans to provide additional information and resources on charter school accountability through the Knowledge Core.

NACSA would like to thank the PMRC model authorizers, PMRC demonstration site authorizers, and Fund for Authorizing Excellence pilot sites for their contributions to this project.

PMRC Model Authorizers:

- Central Michigan University's The Governor John Engler Center for Charter Schools
- Chicago Public Schools
- Denver Public Schools
- District of Columbia Public Charter School Board
- Indianapolis Mayor's Office
- State University of New York Charter Schools Institute
- Volunteers of America Minnesota

PMRC Demonstration Site Authorizers:

- Atlanta Public Schools
- Ball State University
- Metropolitan Nashville Public Schools
- New Jersey Department of Education

Fund for Authorizing Excellence Pilot Sites:

- Arizona State Board for Charter Schools
- Colorado Charter School Institute
- Delaware Department of Education
- Friends of Education
- Nevada Public Charter School Authority
- New Mexico Public Education Department

Acknowledgments

NACSA extends its gratitude to our colleagues at Public Impact, MDS Advisors, CliftonLarsonAllen, and Tugboat Education Services for their help in drafting various iterations of the Core Performance Framework and Guidance, as well as to the authorizers who piloted the Performance Framework and the many other authorizers and experts in the field who provided input on drafts of this document. This document would not be possible without their contributions.

NACSA sincerely thanks the U.S. Department of Education for its support of this work through NACSA's Performance Management, Replication, and Closure (PMRC) project, which is funded by a Charter Schools Program National Leadership Activities Grant.

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Core Performance Framework and Guidance Introduction

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Introduction

Overview

Charter school authorizers are responsible for maintaining high standards for school performance, upholding school autonomy, and protecting student and public interests. Using a performance contract as both a guide and a tool, a quality authorizer maintains high standards and manages charter school performance—not by dictating inputs or controlling processes—but by setting expectations and holding schools accountable for results. A quality authorizer engages in responsible and effective performance management by ensuring that schools have the autonomy to which they are entitled and the public accountability for which they are responsible.

Charter school authorizing begins with a bargain for performance. Authorizers agree to entrust a charter school's governing board with public dollars and public school students and to give it broad autonomy over how it achieves agreed-upon goals. In return, the school's board commits to achieving specified results, managing public funds responsibly, complying with its legal obligations, and providing a quality education to the students in its care.

In order for this bargain of autonomy in exchange for accountability to work, it is essential that authorizers establish, maintain, and enforce high performance standards for all schools in their portfolios. This includes not only holding schools accountable for the academic performance of all of their students, which should always be the primary measure of quality, but also holding schools accountable for financial and organizational performance.¹ The critical first step in effective performance management is to set and communicate clear and rigorous expectations for performance. Schools need clearly defined standards so that they know what is expected of them, and authorizers need them to manage performance effectively by holding schools accountable for outcomes without attempting to control inputs.

The National Association of Charter School Authorizers' (NACSA) *Principles & Standards for Quality Charter School Authorizing* (2012) emphasizes that a quality authorizer establishes standards for school performance that are clear, quantifiable, rigorous, and attainable. NACSA also recommends that authorizers develop and formally adopt a Performance Framework that includes academic, financial, and organizational performance measures for use by schools and authorizers to establish expectations, guide practice, assess progress, and inform decision making over the course of the charter term and at renewal or revocation. In addition, many states have enacted policies that mandate that authorizers develop and use Performance Frameworks, and additional states are considering similar policies.

The three areas of performance covered by the frameworks—academic, financial, and organizational—correspond directly with the three components of a strong charter school application, the three key areas of responsibility outlined in strong state charter laws and strong charter school contracts, and are the three areas on which a charter school's performance should be evaluated.

In each of these three areas, the frameworks ask a fundamental question.

Academic Performance: Is the educational program a success?

Financial Performance: Is the school financially viable?

Organizational Performance: Is the organization effective and well run?

The answers to each of these three questions are essential to a comprehensive evaluation of charter school performance.

¹ In order to comply with the federal government's Charter Schools Program (CSP) assurances, State Education Agencies (SEAs) must ensure that they have state law, regulations, or other policies that direct authorized public charter agencies to use increases in student academic achievement for all groups of students described in section 1111(b)(2)(C)(v) of the Elementary and Secondary Education Act (ESEA) as the most important factor when determining to renew or revoke a school's charter. Non-SEA authorizers should work with their SEAs to ensure that the SEA complies with this and other CSP assurances. The CSP assurances can be accessed at <https://www2.ed.gov/programs/charter2011/application-package.pdf>.

Once developed, adopted, and incorporated into the charter school contract, the Academic, Financial, and Organizational Performance Frameworks form the backbone of an authorizer's performance management system. Well-designed frameworks enable effective performance management and promote school success by establishing and communicating performance expectations for all schools in an authorizer's portfolio in a way that is objective, transparent, and directly related to school quality.

Performance Frameworks benefit both authorizers and schools and are in the interest of both parties to develop. The frameworks promote transparency and objectivity in authorizing and protect school autonomy. They enable charter school performance contracting to function as intended by providing both charter schools and authorizers with clarity about expected outcomes, objective evidence of achievement, and a comprehensive tool for evaluating results.

The frameworks promote transparency and objectivity by putting the authorizer on record and schools, parents, stakeholders, and the public on notice about the performance standards that will be used to evaluate whether or not a school is successful and is living up to its end of the charter bargain. The frameworks help to establish expectations at the beginning of the school's operation so that there will be no surprises when a school is held accountable for meeting them over the course of the charter term and at renewal.

The frameworks protect school autonomy by clarifying through mutual agreement and in objective terms the performance data the authorizer will collect and the outcomes that it expects and will evaluate. The frameworks help to establish the boundaries of the parties' relationship and define the rights and responsibilities of both the charter school and the authorizer.

NACSA's Core Performance Framework

To assist authorizers in developing high-quality Academic, Financial, and Organizational Performance Frameworks, NACSA has developed the *Core Performance Framework*, which includes frameworks for each area of performance that authorizers can customize to meet their local needs and context. Also included is guidance on how to modify the frameworks in ways that allow for local customization without compromising rigor or utility.

The purpose of the Core Performance Framework and the accompanying guidance is to assist authorizers in developing and implementing their own frameworks that are high quality and aligned with NACSA's *Principles & Standards*.

The frameworks are aligned with and designed to support the three core principles of charter school authorizing—maintaining high standards, upholding school autonomy, and protecting student and public interests. NACSA encourages authorizers to adapt the core frameworks to their own local needs and contexts but also to ensure that any modifications only serve to strengthen and promote these principles.

Each of the three frameworks relates to a distinct area of performance, but each is intended to be used together as a single evaluation tool. As discussed in the Overview, authorizers are charged with holding schools accountable for academic performance first and foremost, but also for financial and organizational performance. Monitoring and evaluation of all three of these areas are essential to effective charter school performance management. When joined together, the Academic, Financial, and Organizational Performance Frameworks form a single, comprehensive school Performance Framework.

Each framework also includes a common set of essential components. Each includes indicators, measures, metrics, targets, and ratings.

Indicators: An indicator is a general category of performance such as student achievement, long-term financial sustainability, or governance and reporting.

Measures: Measures are general means to evaluate an aspect of an indicator such as student proficiency on state-mandated tests, debt-to-asset ratio, or governance reporting compliance.

Metrics: Metrics are means of evaluating a measure such as the percentage of students that achieve proficiency on the state's reading exam, current debt-to-asset ratio, or publication of board meetings.

Targets: Targets are goals that signify whether a particular measure has been met, such as 70 percent proficiency on state tests, a debt-to-asset ratio of at least 1-1, and 100 percent publication of all board meetings.

Ratings: A rating is a label given to categorize a particular level of performance such as "Exceeds Standard," "Meets Standard," "Does Not Meet Standard," or "Falls Far Below Standard."

Framework Development and Implementation

In its work with leading authorizers across the country who are developing and implementing Performance Frameworks, NACSA has learned several key lessons.

Engaging Stakeholders

A key benefit of a school Performance Framework is that it creates clarity about expectations for both authorizers and schools. A significant risk in attempting to use the framework to manage performance, especially when using it to make high-stakes decisions such as renewal or revocation, is that the school and other key stakeholders refuse to endorse the objectivity or appropriateness of its contents. It is, therefore, critical that authorizers engage with school leaders, board members, and community groups as they are developing their frameworks so that they can hear a variety of perspectives, share their vision about the importance of rigorous standards, and achieve broad buy-in from the beginning. In designing an engagement strategy, authorizers should consider who has a stake in ensuring school quality, who the framework will impact, who could influence how the framework is used, and who holds the authority to make decisions based on the ratings its produces. While authorizers should consider feedback from stakeholders in the development of the Performance Framework, they ultimately must ensure that the framework maintains rigor and holds schools to a high standard.

Contractual Issues

A strong charter contract includes clearly defined performance standards and makes clear the roles and responsibilities of both the school and the authorizer. Ideally, an authorizer's Performance Framework should be formally adopted in policy, and incorporated by reference and included as an exhibit in the charter contract. Formal adoption and incorporation is the best way to establish mutual agreement about the legitimacy and enforceability of the framework.

Once developed through stakeholder engagement and adopted in policy, the framework should be included in each new school contract and each existing school's contract at renewal, if not before. To avoid inconsistency of performance standards among their portfolios of schools, authorizers should consider whether it is appropriate and feasible to apply the framework to all schools at the same time, either through a contract amendment process or memoranda of understanding. Involving schools in the development of the framework and getting buy-in throughout the process will make early adoption easier. Authorizers may also find that existing schools, especially high performers, will welcome the transparency and predictability that a Performance Framework provides and can be convinced that it is in their interests to support common standards.

Monitoring, Intervention, Reporting, and Decision Making

As the framework is being developed and prior to adoption and implementation, authorizers need to consider how they will collect data and other evidence to feed into the framework, what aspects of the framework will require ongoing monitoring, the protocols for any necessary intervention, when and in what format annual reporting will occur, and how the framework will be used by the authorizer's governing authority to inform its decision making about renewal and revocation.

It is especially important to consider how to reduce reporting burdens for schools in ways that make collection of critical information as easy and efficient as possible. Many data functions can be automated and simplified using effective communication, consistent and transparent reporting requirements, and readily available or easily developed tracking tools.

It is also important for authorizers to recognize and plan for the reality that no matter how strong their Performance Framework is, it will not remove the need for authorizer judgment, nor enforce itself. Authorizers must have the agency capacity and political will to use the framework as it is intended to reap its benefits.

Using the Core Performance Framework and Guidance

The *Core Performance Framework* is provided as a model for authorizers seeking to develop and implement their own school Performance Frameworks. NACSA encourages authorizers to adapt the *Core Performance Framework* to fit their own needs and circumstances and align with their state's charter school law, school accountability system, and other applicable laws and policies. The accompanying guidance is provided to explain the various elements of the framework and to assist authorizers in customizing it for use in evaluation of the schools in their portfolios. While customization of the *Core Performance Framework* is encouraged, authorizers should take care to ensure that any modifications that are made do not lower standards for academic, financial, and organization performance, or otherwise compromise the authorizer's ability to hold schools accountable for successful outcomes.





Core Academic Performance Framework Guidance

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Core Academic Performance Framework Guidance

The Core Academic Performance Framework is intended as a starting point for authorizers to adapt to hold charter schools accountable for academic performance, recognizing that authorizers oversee charter schools in different states, with varied missions, in a variety of political environments. A state or district charter office may be required to use a Performance Framework that is closely aligned with, or at least does not contradict, state or district accountability systems, while other authorizers may have more flexibility in choosing measures of accountability. This guidance document is intended to assist authorizers in tailoring the Core Academic Performance Framework for use in evaluating their specific portfolios of charter schools.

Authorizers are charged with holding charter schools accountable for high standards of academic performance. This framework focuses purposefully on quantitative academic outcomes as a basis for analysis to be used in high-stakes decisions. Qualitative measures, most often inputs like observations of classroom instruction, may provide context for the outcomes that authorizers analyze; however, qualitative measures do not measure the academic performance of the students in the school and so are not included in the Academic Performance Framework.

Authorizers should still evaluate educational processes that are required by law to ensure that the charter organization is meeting high expectations and doing so in a responsible manner. If educational processes are required by law, such elements should be included in the Organizational Framework, and further guidance on the reasoning for this indicator can be found in the [Core Organizational Performance Framework Guidance](#).

Framework Structure

The Academic Performance Framework is organized by indicators, measures, metrics, and targets.

Component	Definition	Example
Indicators	General categories of academic performance	Student achievement
Measures	General means to evaluate an aspect of an indicator	Proficiency on state assessments
Metrics	Method of quantifying a measure	Percentage of students achieving proficiency on specific exams
Targets	Thresholds that signify success in meeting the standard for a specific measure 	80 percent of students achieve proficiency on state assessment
Ratings	Assignment of charter school performance into one of four rating categories, based on how the school performs against the framework targets	If school meets the target proficiency rate of 80 percent, the rating category is "Meets Standard"

Indicators

The framework includes five indicators designed to evaluate the school's overall academic performance.

1. State and Federal Accountability

The framework includes reference to existing state and federal accountability measures and targets. All states have federal Annual Measurable Objectives (AMOs), whether under No Child Left Behind (NCLB) or Elementary and Secondary Education Act (ESEA) waivers. Many states use additional ratings or grading systems to evaluate schools. All authorizers should include state and federal accountability systems in their Performance Frameworks in some form. We discuss in more detail below the options authorizers may consider for how to address these measures within their frameworks.

2. Student Progress Over Time (Growth)

Growth models measure how much students learn and improve over the course of a school year. The inclusion of growth measures in the framework acknowledges that relying solely on a snapshot of student proficiency misses progress that schools may be making over time in bringing students up to grade level, a task that may take more than a single year. Students who enter school behind their peers and students who are not meeting state standards need to make more than a year's worth of growth each year to "catch up." Equally important, students who are already at grade level, or proficient, should continue to make sufficient growth to meet and exceed proficiency standards. The framework considers aggregate growth for each charter school as well as progress of significant subgroups within the school.

3. Student Achievement (Status)

The student achievement indicator focuses on the percentage of students meeting standards for proficiency on state assessments. Charter schools should ultimately be accountable for how well children are mastering fundamental skills and content such as literacy and mathematics. The framework includes an analysis of overall and subgroup proficiency rates in charter schools and compares these rates to the overall state rates and rates of schools that students might otherwise attend, as well as schools serving demographically similar populations.

4. Post-Secondary Readiness (for High Schools)

This indicator examines how well a school's students are prepared for college or employment after graduation. The framework includes SAT/ACT results and graduation rates and recommends additional data-collection efforts to assess post-secondary success of graduates. For many authorizers, the relevant data have limited availability, so the measures of post-secondary success will be aspirational in nature. Many states, however, are improving coordination between K–12 and post-secondary data systems. Thus, NACSA anticipates that these data will become increasingly available to authorizers for inclusion in Academic Performance Frameworks.

5. Mission-Specific Academic Goals

The framework allows for the inclusion of school-specific measures of academic outcomes that are agreed upon by individual schools and authorizers. These measures should be applied only if the goals are **valid, reliable, measurable, and quantifiable** and are not otherwise captured in the Performance Framework. NACSA recommends that mission-specific goals be optional, rather than mandatory, on a school-by-school basis; however, schools with unique missions not captured by traditional measures (e.g., dual language, performing arts) should be expected to develop mission-specific goals.

Measures

For each of the indicators, the framework provides a number of measures to evaluate schools. The combination of measures, taken on the whole, provides the authorizer with a “balanced scorecard” of each school’s performance over time. The measures take the form of questions about the school’s performance. For example,

- Is the school increasing subgroup performance over time?
- Are students achieving proficiency on state examinations in math and reading?
- Are high school graduates gaining admission to post-secondary institutions?

Authorizers will need to evaluate available resources and data sources, as well as authorizer and school missions and priorities, when finalizing measures to be included in the framework.

Metrics

Metrics are the methods of evaluating a measure. For example, to answer the question, “Does students’ performance on the ACT and SAT reflect college readiness?” authorizers may calculate metrics such as,

- Percentage of students participating in the ACT or SAT
- Average SAT or ACT score in the school
- Percentage of students meeting a certain SAT or ACT score that represents college readiness

Authorizers will need to review the available data to determine which metrics are applicable to their charter schools.

Targets and Rating Categories

For each of the measures, targets are set to rate the schools against the framework. The targets establish the levels of performance needed to place each school into the following rating categories:

Exceeds Standard:

Meeting the targets for this rating category implies that the charter school is exceeding expectations and showing exemplary performance. These schools are clearly on track for charter renewal and warrant consideration for the authorizer to encourage expansion or replication.

Meets Standard:

The targets for this rating category set the minimum expectations for charter school performance. Schools earning this rating are performing well and are on track for charter renewal.

Does Not Meet Standard:

Schools in this rating category have failed to meet minimum expectations for performance. At a minimum, they should be subject to closer monitoring, and their status for renewal is in question.

Falls Far Below Standard:

Schools that fall into this rating category are performing well below the authorizer’s expectations and on par with the lowest-performing schools in the district and state. Schools that fall into this rating category exhibit performance that is so inadequate that they should be subject to non-renewal or revocation of their charters unless they can demonstrate substantial improvement prior to the end of their charter terms. The targets for this rating category should be set at a level that makes a clear case for unacceptable academic performance.

The targets presented in the NACSA model are meant to provide a starting point for authorizers to develop targets appropriate to their schools, state environment, and authorizing mission. Where possible, the NACSA targets are based upon national performance averages; in other cases sample targets are presented. Detail is provided at the beginning of each indicator in the Measures in Detail section.

In establishing targets for the framework, authorizers should begin by setting targets for the “Meets Standard” rating category. The targets for the “Meets Standard” rating category should set the authorizers’ expectations and definitions of a quality school. Targets should be applied consistently to all schools, though alternate methods may be developed for alternative schools or small schools with very low enrollment numbers. Any exceptions to the application of the framework should be clearly communicated to schools, with clear definitions of schools that are eligible for alternative methods of evaluation.

Authorizers may face challenges or feel hesitation in setting targets that are more demanding than expectations of traditional district schools. It is important to remember that charter schools are granted autonomy in exchange for greater accountability, often with the expectation that charter schools will outperform traditional district schools. Authorizers are in a position to raise performance standards in their districts and states.

Alignment with Existing Accountability Systems

Authorizers must consider how closely to align their Performance Frameworks with existing accountability systems. This section focuses on state accountability systems, but similar considerations may apply to federal or district accountability systems. The state accountability system should be considered a starting point in developing a Performance Framework. Benefits of closely aligning the charter school Performance Framework to the state accountability system include:

- Adoption of established state metrics or benchmarks allows authorizers to rely on state data sources and analysis, reducing the resources required of authorizer staff.
- Authorizers can provide some consistency to schools that are held accountable to certain standards by the state’s accountability system. Deviation from state accountability systems may create confusion for stakeholders. Authorizers should create frameworks that are likely to provide a clear picture of performance, but they should recognize that communication efforts will be needed if there are significant differences between the authorizer and state systems.
- Schools that are designated as the worst schools in the state on the state accountability system are similarly designated for non-renewal or revocation on the Performance Framework, ensuring that the Performance Framework does not let schools off the hook for poor performance.

Alignment may, however, present some challenges to authorizers. For example:

- Many state accountability systems create a large category in the middle. Adoption of these categorizations prevents authorizers from setting a clear expectation for charter school performance. For example, in a state that assigns a “C” grade to those schools performing from the 25th to 75th percentile of performance, authorizers may wish to further distinguish between a charter school performing at the 26th percentile from another at the 74th percentile.
- When authorizers do align frameworks or specific measures to state systems, they face the risk of losing important elements of their frameworks as state systems change in the future.
- Some state accountability systems, particularly those in states that have not received Elementary and Secondary Education Act (ESEA) waivers, may not include critical elements, such as student growth or

post-secondary readiness, or appropriately differentiate strong schools from weak, thereby making rigorous charter school accountability difficult. Accountability systems developed through the ESEA waiver process, however, have included the adoption of stronger growth models and expanded post-secondary measures, giving authorizers access to far more detailed academic data through state data warehouses than in the past.

All authorizers should include the state accountability system in their Performance Frameworks; however, based on the pros and cons above, authorizers have several options regarding how to do so:

- If state systems are well suited for high-stakes charter renewal decisions, authorizers may simply adopt state accountability systems as their entire Academic Performance Framework for use in chartering and renewal. This approach is easily understood by stakeholders but requires a state system highly aligned with the authorizer's mission.
- Authorizers may adopt the state system, with additional or “supplementary” measures. This approach builds upon the state system, which will have broad exposure, and presumably, will be clearly understood by the public, but allows authorizers to add measures that address the charter context. This approach allows for the inclusion of measures, such as comparison to schools serving similar populations or schools that students might otherwise attend that are applicable to charter renewal decisions, as well as mission-specific academic goals. The Core Academic Performance Framework adopts this method, with the state accountability system incorporated as the first indicator. When authorizers roll up their analysis of the Academic Performance Framework, they should be thoughtful about how much weight they give to this indicator. For instance, if the state system is comprehensive and rigorous, authorizers may choose to weight it more heavily. For more information on considerations for weighting, see the subsection [Weighting the Framework](#).
- Authorizers that wish to have more flexibility than the state accountability system may choose some measures within the state system that most closely fit their purposes, while adjusting the other measures or substituting them with new measures. For instance, an authorizer may choose to exclude measures of student engagement that may be included in the state system because such measures are not considered academic outcomes. Authorizers taking this approach should work to include rigorous measures within each of the indicators including growth and proficiency. They should also be careful to communicate their reasons for not adopting the state accountability system in its entirety. Authorizers should also ensure that their Performance Framework still identifies the lowest-performing schools in the state for non-renewal or revocation.
- Within each of the options above, authorizers should also consider whether they will include a breakdown of the measures included in the state accountability system as separate measures in the framework. For example, if the state accountability system includes growth and proficiency, authorizers may repeat these measures in the framework or may rely on their inclusion in the state system. Breaking out the measures from the state accountability system may provide more clarity to schools about the authorizers' expectations, and in some cases, authorizers may choose to set more rigorous targets than those set by the state. However, repeating these measures could lead to certain measures being “double counted,” in which case authorizers should be careful about how much weight they give to the state accountability system as a whole in relation to the individual measures.

The best approach depends upon the quality and composition of existing accountability systems and a frank assessment of authorizers' expectations for charter school performance. When determining how to incorporate the state accountability system, authorizers should be careful to complement and not contradict the state system and should ensure that the framework truly assesses student performance for accountability and monitoring purposes.

Measures in Detail

Each of the indicators and measures is presented below with factors to consider in using the Academic Performance Framework to evaluate charter schools. Included is an overview of each measure, different methodological options available, factors to consider when setting specific targets, and additional resources on related topics.

The framework is intended to be used in its *entirety*, unless otherwise indicated. Though there may be individual measures that authorizers cannot include due to data accessibility or political considerations, all attempts should be made to find alternative measures or metrics to include all aspects of the framework.

Please note that many of the measures in this document include targets denoted with brackets that were developed based on experience working with authorizers during the pilot of the Performance Framework. Individual authorizers should develop their own specific targets through the trial run process. See section **Testing/Trial Run** for more guidance.

Indicator 1: State and Federal Accountability Systems

As mentioned earlier, authorizers should first consider the already existing accountability systems to which charter schools may be held accountable. This allows for authorizers to draw on the expertise of those in their state and simplify accountability for charter schools, and it may help an authorizer build a public case to take action on a school when necessary. Because state accountability systems vary widely, we have included four measures that authorizers should consider, depending on how their state's system is structured. Adequate Yearly Progress (AYP) determinations, Elementary and Secondary Education Act (ESEA) waiver targets, and school ratings in the state accountability system, if available, are included in the Performance Framework to provide information about how the school is evaluated by existing state and federal accountability systems. Authorizers with schools in districts with additional accountability frameworks may consider adding those evaluations to the framework.

While the targets denoted with brackets in the measures below were developed based on experience working with authorizers during the pilot of the Performance Frameworks, individual authorizers should develop their own specific targets through the trial run process. See section **Testing/Trial Run** for more guidance.

State Grading or Rating Systems

<p>Measure 1a Is the school meeting acceptable standards according to existing state grading or rating systems?</p>
<p>Exceeds Standard: <input type="checkbox"/> School received the highest grade or rating (A or equivalent) from the state accountability system</p>
<p>Meets Standard: <input type="checkbox"/> School received a passing grade or rating according to the state accountability system</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School did not receive a passing grade or rating according to the state accountability system</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School identified for intervention or considered failing by the state accountability system</p>

Note: This measure applies only to states that have implemented a state grade or rating as part of a school accountability system.

Annual Measurable Objectives (AMOs)

<p>Measure 1b Is school meeting targets set forth by state and federal accountability systems?</p>
<p>Exceeds Standard: <input type="checkbox"/> School met [100 percent] of the Annual Measurable Objectives (AMOs) set by the state</p>
<p>Meets Standard: <input type="checkbox"/> School met [80–99 percent] of the Annual Measurable Objectives (AMOs) set by the state</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School met [60–79 percent] of the Annual Measurable Objectives (AMOs) set by the state</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School met [fewer than 60 percent] of the Annual Measurable Objectives (AMOs) set by the state</p>

State Designations

<p>Measure 1c Is school meeting state designation expectations as set forth by state and federal accountability systems?</p>
<p>Exceeds Standard: <input type="checkbox"/> School was identified as a “Reward” school</p>
<p>Meets Standard: <input type="checkbox"/> School does not have a designation</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School was identified as a “Focus” school</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School was identified as a “Priority” school</p>

Note: State-specific definitions should be evaluated when setting these targets, as states define “Reward,” “Focus,” and “Priority” differently.

Adequate Yearly Progress (AYP)

<p>Measure 1d Did school meet Adequate Yearly Progress (AYP) requirements?</p>
<p>Meets Standard: <input type="checkbox"/> School met AYP</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School did not meet AYP</p>

With changes to federal accountability requirements, authorizers should carefully evaluate how closely to align charter Performance Frameworks with the evaluations carried out by state departments of education. Ideally, state Annual Measurable Objectives (AMOs) can be included in ways that do not make the charter framework obsolete with changes in state and federal requirements. For example, an authorizer that directly includes ESEA waiver-established, school-specific performance targets through 2017 in the framework will need to rewrite the Performance Framework, and possibly charter contracts, after 2017. By including these ratings and AMOs in a separate indicator, authorizers can create alignment with state and federal systems while maintaining freedom to set standards for performance in the rest of the framework.

A state grading system that includes both status and growth may duplicate Measures 2a and 3a, essentially double-counting these measures. Authorizers should be careful about how much weight they give to the state accountability system as a whole in relation to the individual measures. By including a state rating or grade in the framework but giving it a low weight in the overall scoring of the framework, the issue of double counting is minimized while still providing alignment with state evaluation systems. Alternatively, if the state accountability system is rigorous, an authorizer might weight the state system more heavily and give lower weight to the individual measures that are redundant with the state system, or exclude them altogether.

Recommendation: Include district, state, and federal accountability evaluations, and consider their rigor and potential duplicity with other aspects of the framework when weighting the measures. Seek to word measures and targets generally enough so that they do not have to be revised whenever district, state, and federal accountability provisions change.

Setting targets for state and federal accountability measures

Targets should mirror the targets of the rating system (e.g., if a school is deemed passing in the rating system, it should fall into the “Meets Standard” category of the Performance Framework).

Indicator 2: Student Progress Over Time (Growth)

Growth measures assess the progress that individual students have made over time. The framework measures consider both criterion-referenced growth and norm-referenced growth for the school, as well as a focused view of growth of students in demographically significant subgroups. These subgroups should include students with disabilities and English Language Learner (ELL) students. Growth is evaluated separately for reading, math, and any other tested subjects with growth data. If there is a state accountability framework that includes a growth model, authorizers should consider whether those measures could replace the growth measures included in this indicator. Ideally, analysis of growth will include both a norm-referenced and a criterion-referenced growth measure.

While the targets denoted with brackets in the measures below were developed based on experience working with authorizers during the pilot for the Performance Frameworks, individual authorizers should develop their own specific targets through the trial run process. See section [Testing/Trial Run](#) for more guidance. Authorizers should consider normative distributions of growth when developing the specific targets for these measures.

Growth

<p>Measure 2a Are students making sufficient annual academic growth to achieve proficiency (criterion-referenced growth)?</p>
<p>Exceeds Standard: <input type="checkbox"/> [At least 85 percent] of students are making sufficient academic growth to achieve, maintain, or exceed proficiency</p>
<p>Meets Standard: <input type="checkbox"/> [Between 70–84 percent] of students are making sufficient academic growth to achieve or maintain proficiency</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [Between 50–69 percent] of students are making sufficient academic growth to achieve proficiency</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 50 percent] of students are making sufficient academic growth to achieve proficiency</p>
<p>Measure 2b Are students making expected annual academic growth compared to their academic peers (norm-referenced growth)?</p>
<p>Exceeds Standard: <input type="checkbox"/> [At least 80 percent] of students are making expected growth</p>
<p>Meets Standard: <input type="checkbox"/> [Between 65–79 percent] of students are making expected growth</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [Between 50–64 percent] of students are making expected growth</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 50 percent] of students are making expected growth</p>

Of utmost importance in evaluating school quality is the assessment of how much students are learning over time. While pass rates, or proficiency rates, answer the important question, “Are students meeting grade level expectations?” growth measures address the questions, “How much are students learning, and is that learning sufficient to achieve and maintain proficiency?” Many charter schools enroll students one or more years below grade level; it is appropriate and fair to consider how well they are doing in catching up students. Charter schools may require more than a year to bring students up to grade level if students start out far behind.

Many growth models in use for school evaluation are either “norm-referenced” or “criterion-referenced” in their approach. Norm-referenced models compare the progress made by individual students to the progress made by other students with a similar starting point or performance history. With this approach, a student would be assessed as making less than expected growth, expected growth, or more than expected growth based on the growth of other students in the school, district, state, or nation. Criterion-referenced growth models assess whether students are making sufficient growth to attain a certain status, such as grade level or proficiency, within a defined time period.

Growth models ideally include both norm-referenced and criterion-referenced components—evaluating not only how growth of students within a school compares to growth of other students, but also whether students are making sufficient growth to achieve proficiency in a reasonable period of time. Growth based solely on comparison to a peer group runs the risk of categorizing a student as showing “high growth” when (s)he is outperforming peers, but showing insufficient growth to achieve or maintain proficiency. As an example, a student who makes three-quarters of a year’s growth will compare favorably in a cohort of peers who on average make half a year’s

growth. Based solely on peer comparison, the student would seem to have high or exemplary growth, when (s) he is in fact falling behind in reference to grade-level standards.

In 2010, 19 states included a growth measure in their state accountability systems. A number of additional states are piloting growth measures or have plans to introduce growth measures, often as part of Elementary and Secondary Education Act (ESEA) waiver applications. Many states are adopting the Student Growth Percentiles model first used in the Colorado Growth Model. This model involves the calculation of Student Growth Percentiles (SGPs) that rank each student's growth compared to students with the same starting point or performance history. Each student's SGP tells how that student's growth compares to all students across the state with a similar performance history in current and past years. A student with an SGP of 66 shows higher growth than two-thirds of students across the state that started at the same performance level. In addition to the SGP calculation, the Colorado Growth Model includes a calculation of adequate growth. Each student is evaluated to see whether (s)he is on track to achieve proficiency within three years, the target set by the state accountability system. With both SGPs and the adequate growth component, the Colorado Growth Model shows a full picture—how students in a school are progressing compared to their peers across the state, and whether that growth is sufficient to achieve proficiency within a defined time period, three years in this case.

While many states are adopting methodologies similar to the Colorado Growth Model, they typically are using only the SGP component, without the additional calculation of adequate growth. In some cases, the growth model selected by the state or data systems implemented in the state may make adequate growth calculations difficult or impossible (e.g., states without a vertically aligned assessment cannot easily compare an individual student's scores from year to year). It is important to know how growth is calculated and to understand whether available state growth models include a calculation of growth-to-proficiency or are solely norm-referenced in nature.

Authorizers in states with only a norm-referenced growth model should investigate ways to strengthen the growth evaluation for their charter schools by adding a growth-to-proficiency (criterion-referenced) model.

Authorizer options for growth measures in Performance Frameworks include:

Option 1 State Growth Measure

In states that calculate a student growth measure, incorporating that growth measure in Academic Performance Frameworks is generally the most efficient option for authorizers. If the state growth targets are low or the model does not include a growth-to-proficiency component, though, authorizers may want to consider other options, either in addition to or in the place of state growth models.

Option 2 Nationally Normed Tests

Authorizers may choose to require charter schools to administer a nationally normed assessment, such as the Northwest Evaluation Association (NWEA) Measures of Academic Progress (MAP) or TerraNova assessment. Student-level results may be used to assess student growth for all of the authorized charter schools, and to compare charter school students' performance to students nationwide. Where it is possible to link national assessment scores to state assessment proficiency benchmarks, authorizers may also use the national assessments to evaluate growth-to-proficiency.

Option 3 Calculation of Growth Measure with Student-Level State Assessment Data

Depending on available resources, authorizers may calculate growth using student-level state assessment results. The ability to calculate growth measures is dependent on access to student-level data, staff to carry out analyses, characteristics of the state assessment such as "vertical alignment" of scores across grade levels, and, for more sophisticated models, access to certain kinds of statistical software.

There are many models to calculate growth, varying widely in their technical sophistication. While it is clearly advantageous to use the most detailed and exact model, it is better to use the best available growth measure rather than not including growth in the framework. Using student-level data, authorizers may consider:

- *Growth Models*—Analysis of the changes over time in individual student results. Assessment results for each individual student are compared across years to determine whether student scores are improving or declining. Growth measures are aggregated to the school, district, or state level. Depending on the analysis, growth targets may be defined by improvement towards benchmarks for proficiency or improvement compared to peers (based on similar performance history). One common approach to comparing growth to peers is the use of “value-added models,” which compare predicted to actual student performance growth over time. Predicted values take into account student characteristics such as individual performance history. Value-added models sometimes take into account demographic characteristics of students, though this practice should be used with caution because it could have the effect of setting lower growth expectations for some disadvantaged groups of students.
- *Status Change Models*—Evaluation of changes in proficiency levels over time. For example, the percentage of students at different proficiency levels in a school would be compared across multiple years to see whether the number of students at the various proficiency levels is increasing, decreasing, or remaining the same. This type of analysis is the weakest of growth models and only captures change in performance that results in a change in proficiency level. The analysis ignores students who grow (or decline) but do not cross proficiency category lines.

Recommendation: Include a growth measure that addresses growth-to-proficiency (criterion-referenced growth). If this is not provided by the state accountability system, consider other options for assessing growth.

Setting targets for growth

Factors to consider in setting targets for growth measures:

- What is the authorizer's standard of a minimum acceptable amount of growth, such as a year's worth of growth or the amount of growth needed to attain or maintain proficiency over time?
- Are there available national, state, or district growth averages for comparison?
- Are there available national, state, or district growth benchmarks for comparison?
- If applicable, what are state accountability targets for state growth models?

Additional resources for growth measures

Ernst, J. and Wenning, R. (2009). *Leave No Charter Behind: An Authorizer's Guide to the Use of Growth Data*. NACSA Issue Brief. Retrieved from: www.qualitycharters.org/images/stories/publications/Issue_Briefs/July09_Issue_Brief_Growth_Data.pdf

Subgroup Growth

<p>Measure 2c Is the school increasing subgroup academic performance over time?</p>
<p>Exceeds Standard: <input type="checkbox"/> [At least 85 percent] of students in eligible subgroups are making sufficient academic growth to achieve, maintain, or exceed proficiency</p>
<p>Meets Standard: <input type="checkbox"/> [Between 70–84 percent] of students in eligible subgroups are making sufficient academic growth to achieve or maintain proficiency</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [Between 50–69 percent] of students in eligible subgroups are making sufficient academic growth to achieve proficiency</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 50 percent] of students in eligible subgroups are making sufficient academic growth to achieve proficiency</p>

Closing achievement gaps between low-performing subgroups and majority groups is an issue of ongoing national concern. Many charter schools operate with the express mission of closing achievement gaps and providing a high-quality education to underserved students. In addition, it is critical that charter schools serve students with disabilities and English Language Learner (ELL) students well. Given this context, measuring changes in subgroup performance in reading and math is an important component of the Academic Performance Framework. Without this analysis, strong growth on a school-wide growth measure could mask low growth by certain subgroups.

Authorizer options to include subgroup growth in Performance Frameworks:

Option 1: Apply Growth Measure to Subgroups or Non-Proficient Students

If a strong growth measure is available or has been developed for measure 1a, this same methodology may be used to evaluate growth for eligible subgroups within the school or for the lowest-performing students in the school (students with the lowest baseline assessment scores). Growth within the subgroup may be compared to school-wide and state-wide rates of growth. The subgroup growth may also be compared to majority groups at the school and state level.

Option 2: Calculation of Changes in Subgroup Performance Over Time

In the absence of a strong growth model, authorizers may evaluate subgroup growth through changes in subgroup proficiency rates over time in comparison to majority groups. Analysis of change in proficiency over time, a status change model, is a weak model for growth analysis, but should be used if no other options for evaluating subgroup growth exist.

Because many charter schools serve large numbers of students in eligible subgroups, it is frequently not feasible to calculate performance gaps between groups within a single school. In a charter school with 98 percent economically disadvantaged students, for example, the performance of the two percent of non-economically-disadvantaged students does not provide a strong comparison. For this reason, the analyses may compare a charter school's subgroup proficiency rate to the state majority group proficiency rate for schools serving the same grade levels. The targets for the achievement gap measures can be expressed in the change in the gap over time.

The subgroup measure should be applied to all significant subgroups in the school. If a school has high enrollment of both economically disadvantaged students and students with disabilities, for example, the measure should be calculated for both subgroups.

Recommendation: Evaluate growth of students in eligible subgroups.

Setting targets for subgroup growth

Factors to consider in setting targets for subgroup growth:

- What is the authorizer’s standard of a minimum acceptable amount of growth, such as a year’s worth of growth or the amount of growth needed to attain or maintain proficiency over time?
- What percentage of students starts out non-proficient in the school and thus requires greater than one year of growth each year?
- Are national, state, or district growth averages available for comparison?
- Are national, state, or district growth benchmarks available for comparison?
- If applicable, what are state accountability targets for state growth models?

Indicator 3: Student Achievement (Status)

While it is important to balance an evaluation of both the level at which students are performing and how much growth students are making toward proficiency each year, ultimately charter schools must prove that they can bring students up to and beyond grade level. The Academic Performance Framework includes a number of evaluations of student proficiency rates within each charter school, including overall proficiency, comparison to average proficiency rates for schools students might otherwise attend, comparison to schools serving similar populations, and a focus on proficiency rates of subgroups within the school. The multiple measures allow authorizers to look at school proficiency from different angles in a balanced-scorecard type of approach. At a minimum, Performance Frameworks should include assessments of reading and mathematics, with targets applied separately for each subject, but accountability for all core subjects is encouraged.

While the targets denoted with brackets in the measures below were developed based on experience working with authorizers during the pilot for the Performance Frameworks, individual authorizers should develop their own specific targets through the trial run process. See section [Testing/Trial Run](#) for more guidance. Given the differences that exist across states in assessment rigor and proficiency benchmark levels, it is not possible to create targets applicable to all states and authorizers.

<p>Measure 3a Are students achieving proficiency on state examinations?</p>
<p>Exceeds Standard: <input type="checkbox"/> [90 percent or more] of students met or exceeded proficiency</p>
<p>Meets Standard: <input type="checkbox"/> [Between 80–89 percent] of students met or exceeded proficiency</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [Between 70–79 percent] of students met or exceeded proficiency</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 70 percent] of students met or exceeded proficiency</p>

Underlying assessments and standards for proficiency vary from state to state. Assuming that state assessments and benchmarks are rigorous, student proficiency is a valuable way to evaluate whether students are meeting state standards. Most states, including those with weaker current standards and assessments, are moving toward implementation of the Common Core standards and related assessments.

Recommendation: Set targets that communicate high expectations for charter school performance.

Setting proficiency targets

The establishment of proficiency targets offers authorizers the best opportunity to set a high bar for charter school performance. By setting targets for performance, authorizers define what makes a quality school and set expectations for charter performance. Authorizers may set absolute (e.g., above 80 percent proficient) or comparative (e.g., above the state average proficiency rate) proficiency targets. There may be external factors that limit how authorizers can set proficiency targets, such as state charter laws or demands of state accountability systems. Some authorizers, for example, may need to align targets for meeting standards to state average school performance, or may be required to link targets to the state accountability system. With these approaches, charter schools are held to the same or similar standards as traditional schools, which may be politically necessary for authorizers. In states with low standards for school performance, however, authorizing rigor may be compromised by alignment with state or district targets.

When deciding whether to set absolute or comparative targets for proficiency, authorizers should consider whether state assessments will be changing to align with Common Core standards. Targets set to percentiles of statewide performance remain relevant even with changes to state assessments but reduce an authorizer's ability to set an absolute performance expectation.

Additional factors to consider in setting proficiency targets

- How rigorous are state assessments and proficiency benchmarks?
- Are there statutory or regulatory requirements for charter school performance assessment, such as requirements that charter schools perform above state performance averages?
- Are targets easy for charter schools and the public to understand?
- What are potential effects of changes in assessment or proficiency benchmarking?
- To what degree do framework targets need to be aligned to state proficiency Annual Measurable Objectives (AMOs)?
- Do targets for the lowest rating category identify the lowest-performing charter schools and provide a case for renewal or revocation decisions on the part of the authorizer?
- Do targets for the highest rating category identify schools that are among the highest-performing schools in the state?
- Will the state adopt new assessments to align with Common Core standards?

Additional resources

Phillips, G. (October 2010). International Benchmarking: State Education Performance Standards. Chicago, IL: AIR. Available at: www.air.org/files/AIR_Int_Benchmarking_State_Ed_Perf_Standards.pdf

Subgroup Proficiency

<p>Measure 3b Are students in demographic subgroups achieving proficiency on state examinations compared to state subgroups?</p>
<p>Exceeds Standard: <input type="checkbox"/> School's average subgroup proficiency rate [exceeds the average state performance of students in the same subgroup in the same grades by 15 or more percentage points OR subgroups in the school are outperforming the average state non-subgroup proficiency rates]</p>
<p>Meets Standard: <input type="checkbox"/> School's average subgroup proficiency rate [meets or exceeds the average state performance of students in the same subgroup in the same grades by up to 15 percentage points]</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School's average subgroup proficiency rate [is less than the average state performance of students in the same subgroup in the same grades by 1–14 percentage points]</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School's average subgroup proficiency rate [is less than the average state performance of students in the same subgroup in the same grades by 15 or more percentage points]</p>

While Measure 3a reviews school-level proficiency, it is important to look beyond the school-level proficiency averages to the performance of subgroups within the school. High performance of a majority group may mask poor performance of a subgroup. For example, a school with 10 percent African-American and 90 percent white students could have a high overall proficiency rate; but on closer analysis, the African-American students may have dramatically lower rates of proficiency that are hidden by the performance of the rest of the student body. Evaluating the performance of students with disabilities and English Language Learner (ELL) students is also a critical component of this measure.

In the growth section of the framework, Measure 2b evaluates the change in subgroup performance over time, but it is equally important to evaluate the absolute performance of subgroups in charter schools. While the rate of learning gains must be positive, as measured by growth in subgroups, higher levels of proficiency for all charter school students must ultimately be met.

The subgroup proficiency measure compares the proficiency rates of subgroups within the school to the state average proficiency rate for that same subgroup. This comparison allows authorizers to analyze how charter school students are faring in comparison to similar students across the state. To maintain high expectations for all students, authorizers should not regard better-than-average subgroup performance as “good enough” if subgroups are not meeting overall authorizer targets for proficiency. However, evidence that a school's disadvantaged subgroups are performing at lower levels than their similarly disadvantaged peers around the state should prompt authorizers to take serious action.

Depending on authorizer mission, as well as patterns of district and state proficiency, authorizers may choose to compare to the district average subgroup proficiency, rather than state averages. This may be a preferred method for authorizers with charter schools that are all located in a single metropolitan area, where district performance is on average higher than statewide performance.

Recommendation: Evaluate charter school, district, and state subgroup performance levels in order to set the most discriminating targets possible.

Setting targets for subgroup proficiency

Authorizers should review subgroup performance patterns in the district and state, and set targets based on the higher-performing comparison groups.

Factors to consider when setting targets:

- What are the eligible subgroups within the charter schools?
- Do the targets for the lowest rating category identify schools that are failing subgroups within the school?
- How do district and state average subgroup performance rates compare?

Schools Serving Similar Populations

<p>Measure 3c Are students performing well on state examinations in comparison to students at schools serving similar populations?</p>
<p>Exceeds Standard: <input type="checkbox"/> School's average proficiency rate [exceeds the average performance of students in schools serving similar populations in the same grades by 15 or more percentage points]</p>
<p>Meets Standard: <input type="checkbox"/> School's average proficiency rate [meets or exceeds the average performance of students in schools serving similar populations in the same grades by up to 15 percentage points]</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School's average proficiency rate [is less than the average performance of students in schools serving similar populations in the same grades by 1–14 percentage points]</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School's average proficiency rate [is less than the average performance of students in schools serving similar populations in the same grades by 15 or more percentage points]</p>

Comparison analysis allows authorizers to judge how students are performing in charter schools compared to other schools serving similar student populations. By itself, such a comparison would not provide the basis for a strong accountability system. Ultimately, expectations for schools should not differ based on a school's student population. Comparative information may be useful, however, as part of a balanced-scorecard approach to evaluating school performance. In addition, in the event that a school fails to meet the authorizer's overall performance targets, comparative information can help the authorizer decide on the best course of action.

Identification of comparable schools

A number of states identify "match" schools or calculate a similar school index or composite for all schools. In states without such an option available from the State Education Agency (SEA), there are a number of methods for carrying out a comparable schools analysis, presented in order of most rigorous to least rigorous:

1. Creating “virtual” comparable schools by matching and aggregating student-level data for students with similar performance histories
2. Comparing a school’s performance to its “predicted score,” calculated using regression analysis (e.g., California Charter Schools Association Similar Schools Measure [SSM])
3. Selecting comparable schools based on similar student-level performance history
4. Selecting similar schools based on demographic factors
5. Selecting schools in a baseline year based on both demographics and performance in the baseline year; charter school and comparable school performance in subsequent years is compared

Authorizers should select the method that is most closely aligned with their mission and available data. In the absence of student-level data and staff to perform advanced analyses, many authorizers may consider selecting similar schools based on demographic factors (Option 4, above). A sample methodology is presented below.

Option 4: Sample methodology for selecting similar schools based on demographic factors

Identify comparable traditional district school(s) for each charter school using the best match for the following criteria:

- Serves the same grade levels and includes the same level of grades tested on assessments
- Percentage of Free or Reduced-price Lunch (FRL) students is within five percentage points of charter school
- Percentage of English Language Learners (ELL) is within five percentage points of charter school (where statewide ELL data is available)
- Percentage of special-education students is within five percentage points of charter school (where statewide special education data is available)

If it is not possible to match schools based on the criteria above, expand matching criteria to 10 percentage points.

Recommendation: Use the most rigorous methodology available to select schools serving similar populations.

Setting targets for comparison to schools serving similar populations

Poor comparative performance is often seen as the strongest argument for closure of charter schools. Targets for the schools serving similar populations measure should clearly call out inadequate performance and show cases where closure should be considered. Authorizers may consider consulting with stakeholders, including charter schools, to foster agreement on what comprises a “similar population” in order to powerfully communicate to the public how charter schools are performing.

Factors to consider in setting targets:

- Which schools provide the most logical comparison for charter schools in terms of performance and represent schools that the public views as options to charter schools?
- Do the targets accurately identify schools performing far below standard? Are the lowest targets useful for critical decision making?
- Do the targets for the highest rating category identify schools performing at the highest levels of excellence?

Comparison of Student Options

<p>Measure 3d Are students in the school performing well on state examinations in comparison to students in schools they might otherwise attend?</p>
<p>Exceeds Standard: <input type="checkbox"/> School's average proficiency rate [exceeds the average performance of students in schools they might attend by 15 or more percentage points]</p>
<p>Meets Standard: <input type="checkbox"/> School's average proficiency rate [meets or exceeds the average performance of students in schools they might otherwise attend by up to 15 percentage points]</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School's average proficiency rate [is less than the average performance of students in schools they might otherwise attend by 1–14 percentage points]</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School's average proficiency rate [is less than the average performance of students in schools they might otherwise attend by 15 or more percentage points]</p>

Comparison of charter performance to schools students might otherwise attend allows the authorizer to evaluate whether the charter school provides a better option for students. Successful charter schools provide an education that is superior to existing options, while charter schools that perform below such schools arguably are failing to live up to their promises. As with the comparison to schools serving similar populations, a comparison to schools students might otherwise attend would not provide the basis for a strong accountability system on its own. Even schools that significantly outperform other low-performing options may themselves be low performing and should still be considered for closure. Comparative information may be useful, however, in demonstrating whether a school is a higher-performing option for students and may be included as one of many measures as part of a balanced-scorecard approach to evaluating charter school performance.

Below are some strategies for analyzing a school's performance against schools students might otherwise attend, presented in order of most rigorous to least rigorous:

1. Compare the charter school's performance to a weighted average of the schools that its students would otherwise be assigned to attend
2. Compare the school's average proficiency rate to that of a set of schools in close geographic proximity to the charter school for the same grades served (applicable for schools in larger districts)
3. Compare the school's average proficiency rate to that of the district proficiency rate for the same grades served

Authorizers should consider their capacity and data availability for the first option. Very likely, school districts and state departments of education may be the only types of authorizers with the data necessary to analyze this measure. If authorizers do not have ready access to data, but believe it is important to include a proxy measure, the second and third options of a comparison to schools in close geographic proximity or the same district may be useful. However, these options may not truly capture the schools that students might otherwise attend, in which case, authorizers may not want to include this measure in their framework. Authorizers may also want to consider whether the inclusion of this measure creates a case for keeping a school open solely because it is outperforming student options, even if the school is performing poorly on other measures. This measure should not be used to justify poor performance. Thus, if an authorizer chooses to weight this measure, it should be given low weight.

Recommendation: Determine whether you intend to use the student options comparison. If you do plan to use this measure, utilize the most rigorous methodology available to select schools serving similar populations.

Setting targets for student options

In setting targets for the student options measure, the performance of schools students might otherwise attend and/or district performance should be considered. In addition, if using a district comparison, the distribution of performance across the district should be considered to ensure that the district average is truly a fair comparison for a charter school.

Factors to consider in setting targets:

- Does the authorizer have access to data that will allow it to identify the schools that students would have otherwise attended?
- What is the authorizer’s expectation or standard of charter school performance in comparison to the geographic district?

Indicator 4: Post-Secondary Readiness

There is increased national attention both on encouraging and increasing college attendance and on the need to ensure that students are better prepared for college. While data systems in most states that link K–12 and post-secondary data are evolving, authorizers can expect to have improved access to these data in the coming years. As many charter high schools exist with the clearly stated goal of preparing students for college, authorizers should pursue all options to evaluate post-secondary measures of success.

While the targets denoted with brackets in the measures below were developed based on experience working with authorizers during the pilot for the Performance Frameworks, individual authorizers should develop their own specific targets through the trial run process. See section **Testing/Trial Run** for more guidance. Targets for several post-secondary readiness measures were developed with reference to nationwide student performance but should be evaluated for applicability for individual authorizers’ schools and state environments.

ACT and SAT

<p>Measure 4a1 Does students’ performance on the ACT and SAT reflect college readiness?</p>
<p>Exceeds Standard: <input type="checkbox"/> The percentage of students meeting benchmarks for ACT or SAT performance [exceeds the national average by at least 20 percent]</p>
<p>Meets Standard: <input type="checkbox"/> The percentage of students meeting benchmarks for ACT or SAT performance [meets or exceeds the national average by up to 20 percent]</p>
<p>Does Not Meet Standard: <input type="checkbox"/> The percentage of students meeting benchmarks for ACT or SAT performance [falls below the national average by up to 20 percent]</p>
<p>Falls Far Below Standard: <input type="checkbox"/> The percentage of students meeting benchmarks for ACT or SAT performance [falls below the national average by at least 20 percent]</p>

Measure 4a2**Are students participating in the ACT or SAT?****Exceeds Standard:**

[More than 90 percent] of students participated in the ACT or SAT

Meets Standard:

[70–89 percent] of students participated in the ACT or SAT

Does Not Meet Standard:

[50–69 percent] of students participated in the ACT or SAT

Falls Far Below Standard:

[Fewer than 50 percent] of students participated in the ACT or SAT

The ACT and SAT are the most commonly known and used college admissions tests; they are included in the framework to indicate how well prepared students are to enter and succeed in college. Schools can impact students' level of college readiness by maintaining academic rigor and by providing challenging coursework for all students. Higher SAT and ACT scores have been associated with enrollment in advanced and AP coursework, as well as with annual enrollment (each year of high school) in math and English courses.²

Both the College Board and ACT have conducted research to understand how ACT and SAT test scores are linked to future success in college. ACT research concluded that a target composite score of 21 is the score that is correlated with a 50 percent chance of earning a B or higher or a 75 percent chance of earning a C or higher in the first year of college.³ According to ACT.org, 25 percent of recent high school graduates met the benchmark in all four subjects. The composite benchmark is an average of all four subjects, so the percentage of graduates that made the composite benchmark would presumably be higher. Similar research by the College Board followed a cohort of students from high school, at the time of participation in the SAT, through college. The results showed that a composite score of 1550 indicates a 65 percent likelihood of achieving a B average or higher in the first year of college and 43 percent of recent high school graduates met the benchmark in all four subjects.⁴

This measure should also address student participation rates in the tests. A charter school in which a small proportion of the student body prepares for and attends college could show a high ACT or SAT testing result if only those college-bound students are participating in testing. In this case a school could appear to be successfully preparing students for college, when only a small cohort is actually on a college “track.” Attention to participation rates is not necessary for states or schools with mandatory participation in the SAT or ACT.

Though most authorizers have access to either ACT or SAT test results, there are potential issues with the quality and completeness of SAT and ACT data. Authorizers should consider whether multiple test results for a single student are included in data files. If ACT and SAT results are available, it may be a challenge to merge data sources to determine how many students have taken either of the tests. Additionally, authorizers may receive testing data from a variety of sources—testing agencies, self-report by students, or state accountability systems. The consistency and quality of the data source should be considered before targets and weights are applied to this measure. If reliable sources of ACT or SAT results are not available, authorizers may consider including other assessments administered by the state or district, such as EXPLORE or PSAT.

Recommendation: Include the assessment with the highest participation rate and highest quality access to results. Consider tests such as EXPLORE or PSAT if ACT and SAT are not available.

² Tuttle, T. (2004). *High school curriculum, diplomas, and SAT scores. Indiana Project on Academic Success.* Available: www.indiana.edu/~ipas1/documents/hoosierbrief1.pdf

Jackson, K. (2008). *Cash for test scores: The impact of the Texas advanced placement incentive program.* Education Next. Available: educationnext.org/cash-for-test-scores/

Wang, X. and Pennington, J. (2010). *Impact of High School Students' Coursework on their ACT Scores.* Iowa Department of Education, Intersect Working Paper. Available: educateiowa.gov/index.php?option=com_docman&Itemid=4436

³ ACT. (2011). *The Condition of College & Career Readiness 2011.* Available: www.act.org/research/policymakers/cccr11/notes.html

⁴ College Board. (2011). *SAT Benchmarks: Development of a College Readiness Benchmark and its Relationship to Secondary and Postsecondary School Performance.* Available: <http://professionals.collegeboard.com/profdownload/RR2011-5.pdf>

Setting targets for ACT and SAT test results

Targets should be aligned with national benchmarks for college success (see above) as opposed to state averages. Charter schools should focus on proven indicators of post-secondary success. State average SAT or ACT results provide a comparison to national benchmarks but do not necessarily provide goals that indicate high levels of attainment.

High School Graduation Rates

Measure 4b Are students graduating from high school?
Exceeds Standard: <input type="checkbox"/> [At least 90 percent] of students graduated from high school
Meets Standard: <input type="checkbox"/> [80–89 percent] of students graduated from high school
Does Not Meet Standard: <input type="checkbox"/> [70–79 percent] of students graduated from high school
Falls Far Below Standard: <input type="checkbox"/> [Fewer than 70 percent] of students graduated from high school

An important measure of charter high school success is graduation rate. Are charter schools keeping students engaged in the education process and helping them to successfully finish high school? Most states have adopted, or are in the process of adopting, the National Governors’ Association (NGA)⁵ method of calculating graduation rate, which measures the percentage of entering ninth graders who graduate from high school within four years. NACSA recommends that authorizers use the NGA four-year cohort method to calculate graduation rates for this Academic Performance Framework. In cases where states are changing methodologies for calculating graduation rates, there may be delays in accessing data from state accountability systems. Authorizers should pay close attention to the reporting methods and data quality of graduation rate reports.

Recommendation: Use the NGA four-year cohort method and set targets based on authorizer standards of quality, as opposed to current state or district average graduation rates.

Setting targets for graduation rate

Factors to consider in setting targets for graduation rate:

- Is a four-year cohort graduation rate available for charter high schools? If not, can schools or authorizers calculate or request this rate?
- What are the goals for charter school graduate attendance to college or university? Graduation rates should meet or exceed these targets.

⁵ www.NGA.org

Enrollment in Post-Secondary Institutions

<p>Measure 4c Are high school graduates enrolled in post-secondary institutions in the fall following graduation?</p>
<p>Exceeds Standard: <input type="checkbox"/> [At least 90 percent] of high school graduates were enrolled in post-secondary institutions in the fall following graduation</p>
<p>Meets Standard: <input type="checkbox"/> [70–89 percent] of high school graduates were enrolled in post-secondary institutions in the fall following graduation</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [50–69 percent] of high school graduates were enrolled in post-secondary institutions in the fall following graduation</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 50 percent] of high school graduates were enrolled in post-secondary institutions in the fall following graduation</p>

The Bureau of Labor Statistics reported that nearly 70 percent of the class of 2010 enrolled in college in the fall of 2010.⁶ College or university attendance is an important indicator of academic success for graduates of all charter schools, but especially college prep charter schools. However, it can prove a challenge for charter school authorizers to access college attendance data. Although there is increasing national attention on the importance of robust data sources for post-secondary success measures, data access is currently limited for most authorizers. Authorizers may employ a number of approaches to collect college attendance data:

- Access state financial-aid systems or existing State Education Agency (SEA) data systems using a unique student identification number
- Identify private or subscription-based sources of information such as National Student Clearinghouse
- Encourage state efforts to initiate or expand and standardize collection of post-secondary outcomes
- Conduct, or require schools to conduct, surveys of their graduates

Authorizers with strong access to data on post-secondary enrollment may consider adding a measure of persistence, tracking what percentage of charter high school graduates remain enrolled in college or university in the second year after high school graduation.

Recommendation: Authorizers should pursue sources of post-secondary enrollment data as a strong measure of post-secondary success.

Setting targets for post-secondary enrollment

- How do charter post-secondary enrollment rates compare to state and national averages?
- What is the authorizer’s goal for charter school graduate post-secondary attendance?

For more information on recommended state initiatives to collect post-secondary data, see:
 Schramm, J. B. and Zalesne, E. K. (2011). Seizing the Measurement Moment: Why Now is the Time for States to Help High Schools Get the Postsecondary Data They Need and Want. College Summit. Available at: www.collegesummit.org/images/uploads/CollegeSummitWhitePaper2011.pdf

6 BLS News Release. 4/8/2011. www.bls.gov/news.release/pdf/hsgec.pdf

Post-Graduation Employment

<p>Measure 4d Are high school graduates who did not enroll in post-secondary institutions after graduation employed in the fall following graduation (including military service)?</p>
<p>Exceeds Standard: <input type="checkbox"/> [At least 90 percent] of high school graduates who did not enroll in post-secondary institutions after graduation were employed in the fall following graduation</p>
<p>Meets Standard: <input type="checkbox"/> [70–89 percent] of high school graduates who did not enroll in post-secondary institutions after graduation were employed in the fall following graduation</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [50–69 percent] of high school graduates who did not enroll in post-secondary institutions after graduation were employed in the fall following graduation</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 50 percent] of high school graduates who did not enroll in post-secondary institutions after graduation were employed in the fall following graduation</p>

The Bureau of Labor Statistics reported that more than 75 percent of the class of 2010 high school graduates who did not attend college was employed in the fall following graduation.⁷ Although data for this indicator may not currently be available to most authorizers, post-graduate employment is an important indicator of post-secondary success for charter school graduates who do not go on to college. For vocational schools, post-secondary employment holds even greater importance as an indicator of educational success. Authorizers may encourage or require charter schools to follow up with or survey graduates to determine employment status. Authorizers may also support state or district efforts to track post-secondary employment.

Recommendation: Authorizers should pursue sources of post-graduation employment data as a strong measure of post-secondary success.

Setting targets for post-secondary employment

Authorizers should review both national and state post-secondary employment rates. Local employment conditions should be evaluated as well.

⁷ BLS News Release, 4/8/2011. www.bls.gov/news.release/pdf/hsgec.pdf

Remediation Rate

<p>Measure 4e Are high school graduates adequately prepared for post-secondary academic success?</p>
<p>Exceeds Standard: <input type="checkbox"/> School remediation rate for graduates attending post-secondary institutions [was 15 percentage points or more below the statewide remediation rate]</p>
<p>Meets Standard: <input type="checkbox"/> School remediation rate for graduates attending post-secondary institutions [met or fell below the statewide remediation rate by up to 15 percentage points]</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School remediation rate for graduates attending post-secondary institutions [was up to 15 percentage points above the statewide remediation rate]</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School remediation rate for graduates attending post-secondary institutions [was 15 percentage points or more above the statewide remediation rate]</p>

Many high school graduates arrive at colleges and universities ill prepared for the rigor of post-secondary coursework and require remedial coursework in math, reading, and writing. The methods for identifying students for remedial coursework vary from state to state and can rely on ACT scores, high school GPA, college entrance exams, or other state-specific factors. Nationwide, remediation rates are quite high, with estimates of the proportion of students requiring at least one remedial class ranging from a quarter to a third of all college freshmen.⁸

Recommendation: Pursue sources of remediation rates for charter school graduates. Consider whether methods for identifying students for remediation duplicate other measures in the framework, such as ACT scores.

Setting targets for post-secondary remediation

Factors to consider in setting targets for post-secondary remediation:

- How are students identified for remediation in the state? Does the method of identification duplicate any of the framework measures, such as ACT score?
- What are state average remediation rates?
- What are authorizer goals for remediation rates for charter school graduates?

⁸ Available for download at www.americanprogress.org/issues/2009/01/academic_preparation.html

Indicator 5: Mission-Specific Academic Goals

A charter school and the authorizer may want to add further measures, in addition to those included in the first four indicators, that capture the school's accomplishment of its specific mission, where applicable. Mission-specific goals may be considered in cases where schools have goals for student achievement that are not captured by the existing framework measures, and authorizers should expect schools with unique outcome-oriented missions not captured by traditional measures (e.g., dual language, performing arts) to develop mission-specific goals. Mission-specific goals are particularly important for alternative schools or programs (see section **Considerations for Alternative Schools/Programs**). Mission-specific goals should be measurable and should encompass academic performance outcomes. While authorizers may want to track such input measures as teacher retention or parent satisfaction, these types of measures should not be included in the Academic Performance Framework, which is designed to evaluate student academic outcomes and measures of academic performance. In addition, mission-specific goals should measure and demonstrate learning and achievement, not merely participation rates or effort. Ultimately, mission-specific goals should also not be used to reduce or lower expectations for charter schools.

Mission-Specific Academic Goals

<p>Measure 5a Is the school meeting mission-specific academic goals?</p>
<p>Exceeds Standard: <input type="checkbox"/> School surpassed its mission-specific academic goal(s)</p>
<p>Meets Standard: <input type="checkbox"/> School met its mission-specific academic goal(s)</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School did not meet its mission-specific academic goal(s)</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School fell far below its mission-specific academic goal(s)</p>

Examples of mission-specific school goals include:

- A foreign-language school measuring language proficiency through a reliable assessment tool
- A college-preparatory academy measuring growth in percentage of students passing AP/IB tests
- A school that enrolls students for short periods of time (e.g., students transitioning to foster care) measuring weekly growth in reading and math on a school-administered assessment

Authorizers will need to determine whether to include mission-specific goals in their Academic Performance Framework, based on an assessment of the appropriateness and feasibility of assessing mission-specific measures. Mission-specific measures are most likely to work when schools can purchase already developed, off-the-shelf assessments or when measurement of an outcome is relatively straightforward. While experience suggests that some schools have faced significant challenges in developing their own measures that meet common tests of reliability and validity, authorizers can make the process easier by encouraging schools to consider two things: 1) Focus on developing one or two strong mission-specific goals rather than a large number, and

2) Consult national educational or professional organizations or networks, as well as colleges and universities, for standards and goals. Standards exist in areas ranging from arts to leadership to environmental science, and schools should not be re-inventing the wheel. The process of establishing and approving mission-specific goals is complex and beyond the scope of this guidance document.

For a how-to resource on this topic, see:

Lin, Margaret Y. (Central Michigan University: Center for Charter Schools: 2008). *Making the Mission Matter: Charting a Map to School Mission Success*. Accessed at www.shopnationalcharterschools.org/Products/Making-the-Mission-Matter_BK_MtMM.aspx.

Considerations for Alternative Schools/Programs

Authorizers can use the Academic Performance Framework measures to address schools that serve highly specialized populations or schools that are defined as alternative. However, authorizers will need to modify their standard frameworks to better fit alternative schools/programs. Authorizers should modify frameworks only for schools that are officially designated or clearly identifiable as alternative (e.g., state laws define alternative schools/programs as schools that serve a specific threshold of special populations such as drop-out recovery youth, adjudicated youth, or students who qualify for special-education services). If a state definition does not exist, authorizers should develop a definition and adopt it into policy to ensure that only truly alternative schools are eligible for a modified Performance Framework. The definition should not include socioeconomic status or minority students, as these are not appropriate categories for defining alternative schools or programs.

Authorizers may choose to modify the framework in the following ways:

- **Add additional, measurable, mission-specific goals.** Schools may implement an alternative assessment that the authorizer can use to evaluate the school's performance against expectations that are closely aligned with the mission of the school. If reliable, measurable data can be collected using district or state information systems, authorizers and schools may also agree upon additional program or mission-specific measures to assess performance, such as an increase in school attendance rates from students' rates at their previous schools or a reduction in rates of in- or out-of-school suspension. These measures may also focus on student engagement and career readiness, which are often important goals of alternative schools and programs.
- **Adjust the weighing structure.** Authorizers will almost certainly need to modify their weighting scheme for alternative schools or programs. Authorizers may place more weight on mission-specific measures, particularly for schools for which the state accountability system cannot calculate a rating (e.g., schools with incredibly high turnover and/or very small numbers of students tested). Authorizers may also place greater emphasis on performance against growth measures, since a greater number of students may be far below grade level. A challenge with increased weight on growth is that for many schools in this category, student retention is a challenge, making the pool of students that authorizers are able to measure significantly smaller.
- **Add measures of nationally normed assessments to get additional information on growth.** To apply a growth model to alternative schools (or to look for a more robust model), authorizers may choose to require a nationally normed assessment that measures growth, especially for high schools. Many of these assessments, such as Northwestern Evaluation Association's Measures of Academic Progress (NWEA

MAP), Scantron, or Acuity can be taken multiple times within a year, allowing the school to capture growth for students who may be in the school for only a short time. These measures should be used in addition to any state growth model in place.

- **Maintain standards for post-secondary/career readiness.** Post-secondary measures may need to be adjusted to provide greater weight on certain measures such as post-secondary employment, but the framework should maintain expectations of post-secondary readiness and success should students choose to enroll in post-secondary institutions. As mentioned earlier, it is important to maintain high standards for performance, a central principle in NACSA's *Principles & Standards for Quality Charter School Authorizing* (2012). The authorizer might also consider adding measures such as credit completion, dropout rate, average daily attendance, career certification, and truancy for alternative schools or programs.

Testing/Trial Run

Once the measures and targets for the authorizer-specific framework have been developed, but prior to adoption by the authorizing entity, a trial run should be conducted, testing the framework against actual charter school performance data. Depending on the number of schools and the office's capacity, an authorizer may decide to look at all charter schools, a subset of charter schools showing a range of performance, or only those schools up for renewal in the next review cycle. The trial run is instrumental in:

- **Confirming the availability of necessary data elements for measures across the framework.** An authorizer may find that special data requests must be submitted to state data systems or may find that certain metrics cannot be constructed using available data. There may be quality or reporting issues with certain elements that may not be revealed until an analysis is carried out.
- **Testing the validity of measures and targets.** Through a trial run, an authorizer may find that targets set in the first draft of the framework are too rigorous or too lax when held against both charter school performance and performance of comparable schools across the state. Combined with knowledge of individual charter schools gained through previous analyses, authorizers may gauge whether measures and targets are accurately assessing quality. Likewise, the trial run may reveal strengths or weaknesses in charter performance that warrant extra attention in the framework. If, for example, the trial run shows that there are subgroups within schools that are lagging far behind, an authorizer may wish to increase or strengthen the measures within the framework that focus attention on subgroup performance and growth.
- **Reviewing weighting decisions and overall weighting schemes.** In adopting the framework, authorizers need to make decisions about how to weight individual measures. The trial run allows for a review of the weighting system. An authorizer may see in a trial run, for example, that available growth measures are weak and should be given lower weight in the overall framework. See the [Weighting the Framework](#) section for more information on weighting.
- **Providing an accurate estimate of the time and resources required to complete the framework for charter schools.** Annual analysis of charter schools against the framework requires resources. Authorizers need to assess their ability to perform analyses internally, contract with outside organizations, or request specific measures from state accountability or data offices.

Academic Data

The following data elements are needed to complete the Academic Framework Analysis:

- Growth measures for charter schools, and possibly all schools in the state, where available
- Subgroup or current non-proficient student growth measures for charter schools, and possibly all schools in the state, where available
- Overall proficiency rates for all schools in the state
- District and state average proficiency rates
- District and state average proficiency rates for Free or Reduced-price Lunch (FRL), English Language Learners (ELL), and Special Education students (SPED), as well as for students in any other relevant subgroups
- Subgroup proficiency rates for FRL, ELL, and SPED students, as well as for students in any other relevant subgroups, for all schools in the state, where eligible subgroups exist
- FRL, ELL, and SPED enrollment, as well as enrollment for other relevant subgroups, for all schools in the state (used for similar schools' selection, if applicable)
- SAT results and participation rates, where available
- ACT results and participation rates, where available
- Graduation rate
- College attendance and persistence rates, where available
- Remediation rates for charter school graduates enrolled in post-secondary institutions, where available
- Student-level assessment data, if available (needed only if growth measures are calculated by the authorizer)
- Data for mission-specific measures, where applicable

The consistent, annual collection, analysis, and presentation of academic performance data help to ensure that all charter schools are held to high standards. A rigorously constructed Academic Performance Framework gives authorizers a vehicle to communicate expectations, monitor performance, and exercise oversight.

Considerations for Using the Core Academic Performance Framework

Once all of the components of the Academic Performance Framework are finalized, authorizers must decide how to summarize, view, and present the results. These decisions may differ depending upon the intended use of the framework. Broadly speaking, authorizers use academic performance data for three purposes (see the **Use of the Core Performance Framework** section for additional information):

- Annual or other periodic reviews
- Public reporting
- High-stakes decisions

Authorizers use academic performance information to make internal decisions about how to treat each school both at the time of renewal and periodically during the school's charter term. For example, an authorizer may reward excellent schools with more autonomy, recognition, funding, or the chance to expand. It may flag other schools for review because of evidence of performance challenges. And, of course, it will use performance data to make high-stakes decisions about renewal and revocation of charters.⁹ Authorizers also use performance data for public reporting to various stakeholders, such as schools, policymakers, students and families, and the public.

⁹ In order to comply with the federal government's Charter Schools Program (CSP) assurances, State Education Agencies (SEAs) must ensure that they have state law, regulations, or other policies that direct authorized public charter agencies to use increases in student academic achievement for all groups of students described in section 1111(b)(2)(C)(v) of the Elementary and Secondary Education Act (ESEA) as the most important factor when determining to renew or revoke a school's charter. Non-SEA authorizers should work with their SEAs to ensure that the SEA complies with this and other CSP assurances. The CSP assurances can be accessed at <https://www2.ed.gov/programs/charter2011/application-package.pdf>.

Aggregating the Framework

For each of the framework uses, authorizers must come to some overall conclusion about school quality by aggregating the results of the Academic Performance Framework, whether mathematically or through an internal “gut decision.” While the “gut decision” may leave the authorizer more room for discretion, it also limits transparency and could lead to inconsistent evaluations of schools. Authorizers should calculate a final grade or score that leads to certain predictable decisions and potential consequences that could help an authorizer make more objective, data-driven decisions that are consistent across schools, across time, and across personnel in the authorizing office. It also gives transparency to schools regarding how the authorizer makes decisions; and a clear, quantitative threshold for schools that will be considered for non-renewal or closure may make it more feasible politically for some authorizers to non-renew or close schools.

However, the final grade or score does not have to tie an authorizer’s hands when it comes to decision making. An authorizer can use ratings to identify a school for certain consequences, and then make a judgment about how to apply the consequences. Performance is complex and multifaceted, and authorizers should not assume that their calculations will give them a perfect answer in every situation; however, the calculation should give an authorizer a meaningful recommendation regarding a school’s performance status to which the authorizer can then apply professional judgment. For example, an authorizer could use a summary rating to identify schools for potential non-renewal; schools receiving a score of less than 70 on a 100-point scale, for example, might be flagged for potential non-renewal. But that flag triggers another set of reviews and scrutiny that informs the decision. This kind of two-step process can give authorizers “the best of both worlds”: a transparent, data-driven method of placing schools in different categories of reward, review, or consequence, and the ability to exercise judgment.

Currently, many states calculate an overall school grade or score for all schools, including Florida (letter grade), Massachusetts (Composite Index Score, or CPI), and California (Academic Performance Index, or API). The District of Columbia Public Charter School Board recently released its report card for charter schools, which clearly shows how each school performs on each of its framework measures and assigns an overall rating.¹⁰ Charter schools in New York City¹¹ and Chicago receive an overall score and rating based on the Performance Frameworks adopted by those cities for all schools in the district.

When authorizers calculate a final overall rating for each school, the overall rating may take the form of a letter grade, a number score, or a category. The table below shows two options: letter grades and color-coded categories. Another possibility would be to sort schools into performance categories based on their results, such as “School of Excellence” or “School Under Review.”

¹⁰ DC Public Charter School Board progress reports may be viewed online at <http://www.dcpubliccharter.com/PCSB-Publications/PMF-Results.aspx>

¹¹ NYC Department of Education school progress reports may be viewed online at <http://schools.nyc.gov/Accountability/tools/report/default.htm#FindPR>

Sample Aggregated View of School Data

	State Accountability	Growth			Status				Post-Secondary Readiness (High Schools Only)					State Grade	Performance Framework Rating	
	1 State Accountability	2a Criterion-Referenced Growth	2b Norm-Referenced Growth	2c Subgroup Growth	3a Proficiency	3b Subgroup Comparison	3c Similar Schools Comparison	3d Student Options Comparison	4a ACT/SAT	4b Graduation Rate	4c Post-Secondary	4d Employment	4e Remediation	5a Mission-Specific		
School 1	E	D	M	D	E	E	E	E	M	M	M	M	D	M	A	M
School 2	D	M	M	M	D	D	F	D	-	-	-	-	-	D	C	D
School 3	M	E	E	E	D	M	M	E	-	-	-	-	-	M	B	M
School 4	D	F	F	F	F	F	D	F	-	-	-	-	-	D	F	F

E	Exceeds Standard	M	Meets Standard	D	Does Not Meet Standard	F	Falls Far Below Standard
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Weighting the Framework

In order to aggregate the Performance Framework measures to an overall score or rating, authorizers must consider a system for assigning weight to each of the framework’s measures. Of particular interest and national debate is how to weight growth versus proficiency in assessing schools. Colorado charter schools are assessed under a state accountability model that gives growth three times the weight of achievement (proficiency), while the state of Louisiana bases its school grades mainly on proficiency, with growth represented by a “+” or “-” based on whether schools met growth targets. As states develop and implement more sophisticated models for calculating student growth, authorizers using these data may wish to give them more importance in assessing charter school performance. In considering how to weight each measure, the relative strength of state assessments and growth measures should be taken into consideration. The weighting scheme below provides one example of “scoring” the framework (individual and specific measures will differ by authorizer and framework). It is critical that authorizers thoughtfully develop their own weighting schemes, considering the strength of various measures and data points, values as an authorizer, and other contextual factors.

Sample Weighting Scheme (to be customized by each authorizer)

Measure	Weight— Elementary and Middle	Weight— High Schools
1 State/Federal Accountability	5%	5%
2a Growth (Criterion-referenced)	15%	10%
2b Growth (Norm-referenced)	15%	10%
2c Subgroup Growth	15%	10%
3a Overall Proficiency	15%	7.5%
3b Subgroup Proficiency	10%	7.5%
3c Proficiency Comparison: Schools Serving Similar Populations	10%	7.5%
3d Proficiency Comparison: Student Options	10%	7.5%
5 Mission-specific Academic	5%	5%
For High Schools:		
4a SAT/ACT	NA	6%
4b Graduation rate	NA	6%
4c Post-secondary Attendance	NA	6%
4d Post-secondary Employment	NA	6%
4e Post-secondary Remediation	NA	6%

Calculating an Overall Score or Rating

When calculating an overall score or rating, authorizers should apply weights in such a way that the calculation is sensitive to schools that may be just above or just below a threshold for a rating category for an individual measure. For example, if an authorizer has two schools in the “Does Not Meet” category for the growth measure, one of which is one point below the “Meets” threshold and one of which is 10 points below the “Meets” threshold, the authorizer should ensure that these two schools do not receive the same number of points in the weighting scheme.

In order for the weighting calculation to be sensitive to these differences, authorizers should assign points based on the underlying metric. Below is an example of how an authorizer could calculate two schools’ points for the target categories commonly used for student growth percentiles, using the recommended most sensitive method.

Sample Weighting Calculation

Measure 2b Are schools making adequate growth based on the school's median Student Growth Percentile (SGP)?
<p>Exceeds Standard:</p> <input type="checkbox"/> The median SGP of the school is 65 or higher
<p>Meets Standard:</p> <input type="checkbox"/> The median SGP of the school is from 50–64
<p>Does Not Meet Standard:</p> <input type="checkbox"/> The median SGP of the school is from 35–49
<p>Falls Far Below Standard:</p> <input type="checkbox"/> The median SGP of the school is below 35

Assume that the authorizer wants to use a 100 overall point scale for this measure, giving even overall points breakdowns to each of the four ratings categories: 76–100 points for “Exceeds,” 51–75 points for “Meets,” 26–50 points for “Does Not Meet,” and 0–25 points for “Falls Far Below.” However, the percentile ranges for each category do not fall into such neat 25 point groupings. Instead, the range of percentile points for “Exceeds” is 36 (100-65+1 [adding one because the range is inclusive of 65]), “Meets” is 15 (64-50+1), “Does Not Meet” is 15 (49-35+1), and “Falls Far Below” is 34 (34-1+1). See table below:

Rating	Possible Overall	Percentile Targets	Percentile Points
Exceeds Standard	76–100	65-100	36
Meets Standard	51–75	50-64	15
Does Not Meet Standard	26–50	35-49	15
Falls Far Below Standard	0–25	1-34	34

Now assume that the authorizer has two schools, School One and School Two. School One has a median Student Growth Percentile (SGP) of 46, and School Two has a median SGP of 37, both of which would fall into the “Does Not Meet” category.

School One would receive 45 overall points for this measure, based on the calculation below:

School One received 46-35+1 (add one because the range is inclusive of 35)=12 percentile points in the range. This is 80 percent of the possible percentile points in the range (12/15), which means that the school receives 80 percent of the possible 25 possible overall points in this target range, 20 points. The school also received all 25 of the points available in the “Falls Far Below” category (because it covered the whole 1–34 percentile point range), so School One earns a total of 45 overall points on this measure.

School Two would receive 30 overall points for this measure, based on the calculation below:

School Two received 37-35+1 (add one because the range is inclusive of 35)=3 percentile points in the range. This is 20 percent of the possible percentile points in the range (3/15), which means that the school receives 20 percent of the possible 25 possible overall points in this target range, 5 points. The school also received all 25 of the points available in the “Falls Far Below” category (because it covered the whole 1–34 percentile point range), so School One earns a total of 30 overall points on this measure.

Thus, School One, which scored near the top of the “Does Not Meet” range, earned 45 points; and School Two, which scored near the bottom of the “Does Not Meet” range, earned 30 points, demonstrating the schools’ differences, despite their same ratings. Though this calculation may seem a bit complicated, it gives great sensitivity to the weighting scheme. Imagine if any school that received a “Does Not Meet” rating on an individual measure received 50 points. School One and School Two both would have received 50 points, though it is obvious that the two schools’ performances are quite different. Authorizers must make sophisticated decisions about whether to renew a school or revoke its charter, and they may need sophisticated calculations to aid in these decisions.

The final step is for authorizers to determine the total points ranges for a final rating of “Exceeds,” “Meets,” “Does Not Meet,” or “Falls Far Below” standards. The following is an example of final rating targets:

Overall Rating	Point Range
Exceeds Standard	> or = to 89
Meets Standard	< 89, but > or = to 63
Does Not Meet Standard	< 63, but > or = to 39
Falls Far Below Standard	< 39

Authorizers will need to be thoughtful in determining which targets they will ultimately use, keeping in mind that the final ratings will provide an initial recommendation to consider a school for recognition, intervention, renewal, non-renewal, or revocation but that the authorizer ultimately maintains discretion in making final decisions.

Conclusion

The creation and implementation of an Academic Performance Framework requires consideration of a number of factors on the part of the authorizer, including what data is available, the quality of the data, what information will support authorizers in making high-stakes decisions, and how multiple measures of academic performance ultimately impact high-stakes decisions. However, the work of developing a strong framework is critical for setting clear expectations for schools and for making high-stakes decisions more clear-cut and transparent. The work on the front end necessary to develop a rigorous framework will pay off on the back end with stronger accountability, easier decision making, and, in the longer term, a higher-quality charter school portfolio.



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Core Financial Performance Framework Guidance

The Core Financial Performance Framework is intended as a starting point for authorizers to adapt to evaluate charter schools' financial performance as part of ongoing monitoring and renewal decision making. Charter schools have the autonomy to manage their finances consistent with state and federal law; however, authorizers must ensure that the schools they authorize are financially stable. Authorizers, by renewing or not renewing a charter school, determine whether that school is not only academically and organizationally sound, but also financially viable.

The Financial Performance Framework provides authorizers tools to recognize schools currently in or trending towards financial difficulty and to more proactively evaluate or address the problem. The guidance aligns with NACSA's *Principles & Standards for Quality Charter School Authorizing* (2012), which states that authorizers should, through a Performance Framework, set clear expectations for "financial performance and sustainability."¹²

The Financial Performance Framework was derived through a review of model authorizer practices, charter school lender guidance, and expertise in the field. While the framework does not specifically mirror any single source, it was created to provide a clear picture of a school's past financial performance, current financial health, and potential financial trajectory.

Framework Structure

The Financial Performance Framework gauges both near-term financial health and longer-term financial sustainability. The framework includes five main levels of information: Indicators, Measures, Metrics, Targets, and Ratings.

Component	Definition	Example
Indicators	General categories of financial performance	Near Term
Measures	General means to evaluate an aspect of an indicator	Current Ratio
Metrics	Method of quantifying a measure	Current ratio is the school's current liabilities over current assets
Targets	Thresholds that signify success in meeting the standard for a specific measure 	Current ratio greater than 1.1
Ratings	Assignment of charter school performance into one of three rating categories, based on how the school performs against the framework targets	If school meets the target of 1.1 the rating category is "Meets Standard"

¹² *Principles & Standards for Quality Charter School Authorizing*. National Association of Charter School Authorizers, (2012).

Indicators

The Financial Performance Framework includes two indicators, or general categories, used to evaluate schools' financial performance.

1. Near-Term

The portion of the framework that tests a school's near-term financial health is designed to depict the school's financial position and viability in the upcoming year. Schools meeting the desired standards demonstrate a low risk of financial distress in the coming year. Schools that fail to meet the standards may currently be experiencing financial difficulties and/or are at high risk for financial hardship in the near term. These schools may require additional review and immediate corrective action on the part of the authorizer.

2. Sustainability

The framework also includes longer-term financial sustainability measures and is designed to depict a school's financial position and viability over time. Schools that meet the desired standards demonstrate a low risk of financial distress in the future. Schools that fail to meet the standards may be at high risk for financial hardship in the future.

Measures

Measures are the means to evaluate an aspect of an indicator. Eight measures are used in the framework: **Current Ratio, Unrestricted Days Cash, Enrollment Variance, Debt Default, Total Margin, Debt to Asset Ratio, Cash Flow, and Debt Service Coverage Ratio.**

Metrics

Metrics are the methods for calculating measures. An example of a metric is Current Ratio equals Current Assets divided by Current Liabilities. Each metric is detailed in the "Measures in Detail" section of this guidance.

Targets

Targets are the thresholds that signify success for a specific measure. An example of a target is "Current Ratio is greater than 1.1." Each target and formula is detailed in the Financial Performance Framework. The basis for forming many of the targets was on industry standard, which is the commonly accepted target level for the ratio in financial analysis. Differences in the charter school financing and funding environment have been considered and included in alterations from industry standard, where necessary.

Ratings

For each measure a school receives one of three ratings based on evaluation of the established metrics:¹³

Meets Standard:

The school's performance on this component does not signal a financial risk to the school and meets the authorizer's standard. A school that meets the standard based on an initial review requires no follow-up action by the authorizer. For the purposes of annual reporting and high-stakes decision making, an authorizer may also give a "Meets Standard" rating to schools that did not meet standards on the initial review of their financials if, upon follow-up review, the authorizer concludes that concerns initially raised have been addressed and performance indicates sound financial viability.

¹³ Similar to the Organizational Framework, the Financial Framework does not have an "Exceeds Standard" rating. Because the Financial Framework is designed to allow authorizers to determine a school's financial viability and health, the measurements do not lend themselves to identifying—nor is it applicable to categorize—schools as exceeding the standards.

Does Not Meet Standard:

The school's performance on this component signals a financial risk to the school and does not meet the authorizer's expectation. If a school does not meet standards based on an initial review of the school's financials, the authorizer should follow up to determine if the school is truly a financial risk for the purposes of annual reporting, intervention, and high-stakes decision making. Schools that are a financial risk may be eligible for notice of unsatisfactory performance, probation, or other forms of intervention. Schools that do not meet the standard across more than one area may be considered for non-renewal.

Falls Far Below Standard:

The school's performance on this component signals a significant financial risk to the school and does not meet the authorizer's expectation. If a school falls far below standards based on an initial review of the school's financials, the authorizer should follow up to determine the severity of the risk for the purposes of annual reporting, intervention, and high-stakes decision making. Schools that are a significant financial risk may require probation, intervention, non-renewal, or revocation.

The Financial Performance Framework is designed to be a stand-alone document that clearly identifies each school's financial standing in the context of the eight measures. However, if a school receives an initial "Does Not Meet Standard" or "Falls Far Below Standard" rating on any one measure, it may or may not be in financial distress. The Financial Performance Framework is meant to flag potential problem areas for further investigation, and it is important that authorizers follow up with schools that fall below the standard before making high-stakes decisions or publicly reporting on school performance. For this reason, authorizers may consider utilizing a two-tiered review and reporting process that incorporates a fourth rating, "Requires Further Analysis." The "Requires Further Analysis" rating would be given to a school that, upon initial review, did not meet the standard for a measure. The "Requires Further Analysis" would be granted only until the authorizer could complete a follow-up analysis of the school's financial health. Based on the follow-up analysis (see [Additional follow up](#) section for more information), the authorizer could give the school a final rating of "Meets Standard," "Does Not Meet Standard," or "Falls Far Below Standard" based on whether the school's performance on the measure indicates a financial risk based on more up-to-date and detailed financial information.

Considerations for Using the Core Financial Performance Framework

As with the Academic and Organizational Performance Frameworks, authorizers should use the Financial Performance Framework to collect evidence of performance, to evaluate schools at least annually, to monitor schools throughout their charter terms, to report to schools and the public annually, to intervene in schools that do not meet expectations, and to make high-stakes decisions whether to renew, non-renew, or revoke a school's charter or to expand or replicate a school. See the [Use of the Core Performance Framework](#) section for additional information.

Collecting Evidence and Evaluating Schools on the Financial Performance Framework

The Financial Performance Framework is a monitoring tool that provides authorizers with key data to assess the financial health and viability of charter schools in their portfolios and to determine whether deeper analysis or monitoring is required. The framework summarizes the charter school's current financial health while taking into account the school's financial trends over a period of three years. The measures are designed to be complementary, as no single measure gives a full picture of the financial situation of a school. Together they provide a comprehensive assessment of the school's financial health based on a school's historic trends, near-term financial situation, and future viability.

Sources

All authorizers implementing the framework must require the charter schools they authorize to submit to an independent annual financial audit using accrual-based accounting. Cash-based audits will not provide the correct information needed for the framework. Authorizers will specifically need the following information to use the framework:

- Audited balance sheet*
- Audited income statement*
- Audited statement of cash flows
- Notes to the audited financial statements
- Charter school board-approved budget with enrollment targets
- Actual enrollment information
- Annual debt schedule indicating the total principal and interest due

* Throughout this document financial statements will be referred to in the common, for-profit nomenclature. Statements reported in nonprofit or governmental audits use the following corresponding names:

Generic (For Profit)	Nonprofit	Governmental
Balance Sheet	Statement of Financial Position	Statement of Net Assets
Income Statement	Statement of Activities and Changes in Net Assets	Statement of Activities

In order to effectively conduct ongoing monitoring of financial stability, authorizers should also regularly require schools to provide current financial information in addition to audited information. Examples of current data that should be collected include monthly or quarterly balance sheets and cash flow statements. See the **Ongoing Monitoring** section for more information. As discussed throughout this document, it is critical that authorizers do not rely only on audited financial statements especially when making high-stakes decisions, conducting ongoing monitoring, and assessing whether a school is in immediate financial distress.

Schools that may be in immediate financial distress

Schools that fail the near-term indicators are at high risk for financial distress or closure. As such, they require additional monitoring and/or corrective action. Authorizers should determine the severity of the problem, assess changes in the school’s financial performance and health since the date of the audited financial statements, and require that the school take actions to stabilize its financial position.

Schools experiencing negative financial trends

Schools may be failing the sustainability indicators for multiple reasons. They may be trending toward financial distress, or they could have a sound rationale for failing to meet the standards in a given year. For example, a school that is otherwise financially sound could fail to meet the cash flow measure if it made a one-time large capital investment. Authorizers need to determine if the school’s failure to meet the standards was a result of a one-time event or represents an underlying structural problem with the school’s financial performance. To this end, authorizers should collect and analyze additional information from the school and perform more in-depth due diligence.

Additional follow up

If a school receives two or more ratings of “Does Not Meet Standard” or one or more ratings of “Falls Far Below Standard” based on an initial analysis of the school’s audit, authorizers should conduct a more comprehensive review of the school’s finances. It is critical to conduct additional analysis before making high-stakes decisions, as information used to develop initial findings may be dated, given the lag in audited financial data, or it may not tell the whole story of the school’s financial health. Authorizers should consider requesting the following information for follow-up analysis:

- Year-to-date unaudited financial statements
- Year-to-date budget variance reports
- Updated budget projections for the remainder of the fiscal year

This information will help the authorizer to better understand the short- and long-term viability of the school. In addition, authorizers may wish to request additional information that is specific to the standard that the school failed to meet. It is important to note that any interim financial information will not be audited, and thus its accuracy is not guaranteed.

If additional information is needed regarding a school’s financial health, it may be necessary to contact the school’s auditor, who often has an ongoing relationship and/or dialogue regarding plans to address financial issues and general financial sustainability. Please note that although the auditor works closely with the school, auditors are independent and thus able to provide an unbiased evaluation of the school’s finances.

The following chart provides examples of additional information an authorizer could request as part of a comprehensive review for schools that fall below the standard. The chart includes additional information to request for the comprehensive review and what to look for in the additional data to identify signs of progress toward a more financially healthy school.

Measure	Additional Information to Request	Look For
1a Current Ratio	Monthly financial statements	Monthly current ratio trending upwards
1b Days Cash	Actual to-date cash flow and cash flow projections through the end of the fiscal year Monthly financial statements	Increases in unrestricted cash and days cash on hand approaching the target <i>Note: It is important to review the cash flow monthly due to irregular funding streams</i>
1c Enrollment Variance	Budget revised to reflect lower enrollment Monthly (new) budget variance reports	Budget demonstrates a net surplus and few, if any, variances are present <i>Note: Review that the school has adjusted staffing expenses to align with enrollment</i>
1d Debt Default	Copies of default-related documents the school received from the lender	Proof that the school is no longer in default, the lender has waived covenants, or the school has a plan to meet the covenants
2a Total Margin	Revised budget Monthly (new) budget variance report	Budget demonstrates a net surplus and few, if any, variances are present

Measure	Additional Information to Request	Look For
2b Debt to Asset Ratio	Action plan and updated budget to increase the school's Net Assets Monthly financial statements	Monthly Debt to Asset Ratio trending upward Alignment among the action plan, budget, and financial statements
2c Cash Flow	Actual to-date cash flow and cash flow projections through the end of the fiscal year	Increases in cash balance over the course of the year
2d Debt Service Coverage Ratio	Revised budget Monthly (new) budget variance report	Budget demonstrates a net surplus such that the debt service coverage ratio is greater than 1.1

The authorizer should:

1. Contact the school's governing board, executive director, and finance director (or similar personnel) to inform them of their school's status
2. Request up-to-date financial information from the school as the year-end framework analysis uses audited information, which requires a minimum lag time of four to six months for the audit to be finalized
3. Run the up-to-date (interim) financial information through the framework; current information may reveal steps the school has taken to mitigate any issues the framework highlighted, but it is important to note that this information has not been audited and therefore does not have the same level of credibility¹⁴
4. Inquire about the measures of concern with the executive and finance directors to identify any strategies employed to mitigate issues or strategic choices the school made with the understanding that their financial stability would be compromised for a period of time (e.g., invested in a new building through heavy debt financing in the year of concern, thus severely impacting ratings on any balance sheet measures)

Authorizers should note that when a school qualifies for an additional review it may be either in immediate distress, financially trending negatively, both, or neither. The school could have made a strategic financial decision that resulted in ratings that qualified it for additional review, but upon additional questioning has sufficient reasons for the financial results in the given year and is not in immediate distress or negative financial trending. Authorizers can often validate reasoning provided regarding large events (significant purchase, natural disaster, etc.) in the notes to the financial statements from the prior year, which indicate any significant items shortly after year end.

Annual review and reporting

The framework is designed to assist authorizers in monitoring the financial health of a school on an ongoing basis and in making an assessment of the school's health for annual reporting purposes. Following the issuance of an annual audit, authorizers can calculate a school's initial standing on each measure and gain concise yet comprehensive insights to the school's financial standing. However, it is critical that authorizers not stop at the audit review when publishing an annual report or making high-stakes decisions for schools that do not meet standards on the initial assessment. Authorizers must conduct follow-up analysis based on the audit review to determine if a school is truly in distress. Authorizers should use this follow-up review to determine if a school deserves a "Meets Standard," "Does Not Meet Standard," or "Falls Far Below Standard" rating on its annual report based on its financial health. See the [Ratings](#) and [Additional follow up](#) sections for more information.

¹⁴ Authorizers should be aware that interim financial data may be reported on an accrual, modified accrual, or cash basis, while financial audit data are reported on a full accrual basis. Results of the analysis may be different based on the reporting method and not the school's financial performance. It may be useful for the authorizer to seek guidance from the school's auditor to better understand the reporting methods used. For more information on analyzing interim financial data, see the section [Ongoing Monitoring](#).

Authorizer capacity

Authorizers that use the Financial Performance Framework must have the capability to accurately make calculations and analyze performance results. Authorizers should have the capacity to evaluate schools' financial performance through internal staffing time and expertise, the use of consultants, or other resources. The first series of testing will be fairly time intensive due to the need to both fully understand the complexities of the audits and to collect three years of data the initial testing year. But because most audits are relatively standardized within a state and subsequent to the first year authorizers will only need to add one year of data to the testing, the resources required will decline over time. Authorizers should be prepared to annually collect the audits, as well as additional current financial data, from each charter they authorize and use the Financial Performance Framework to run the analysis on each school. Because the indicators are calculated primarily using data gathered from audited financial statements for year-end reviews, authorizers should analyze all authorized schools on the framework annually using the most recent three years' audited financial statements, once completed and submitted by schools. Authorizers will also need to complete follow-up analysis of schools that do not meet standards to determine whether they are truly at financial risk. In addition, authorizers should be prepared to conduct regular monitoring of current financial data throughout the school year.

Intervention

Authorizers can use the framework and additional follow-up analysis to identify schools whose financial stability is in danger and intervene. This intervention could be in the form of communication of unsatisfactory performance, increased monitoring, mid-year financial check ins, or requests for additional testing.

For schools that are determined to be in financial distress following the comprehensive review described above, authorizers should consider requiring increased ongoing reporting to monitor continuous financial performance. In a serious situation, authorizers may consider withholding funds or moving to close or terminate the contract, although those actions are most extreme and should be employed only following other corrective actions or if the situation warrants it.

High-Stakes Decision Making

Authorizers should use the Financial Performance Framework and additional follow-up analysis for making high-stakes decisions, including renewal, non-renewal, or revocation. However, in many cases financial performance may be secondary to academic performance or severe organizational non-compliance in building a case for non-renewal or revocation. If a school is high-performing academically but does not meet all standards for financial performance, its authorizer might determine that the school should continue operating until it comes to a point of being unable to continue quality operations. In this case, authorizers should use the evaluation of financial performance as a way to communicate unsatisfactory performance, as a basis for intervention, or as secondary evidence when making the case for closure. Only when the school falls far below the standard, which would indicate major concerns with financial viability, should an authorizer consider findings on the Financial Performance Framework as the primary reason for non-renewal or revocation. Regardless of the point in the life of the charter, whether during an interim review or at the time of renewal, schools that have multiple occurrences where they fall below the standards should be considered for non-renewal or revocation, especially if these instances indicate that the school may not have the financial resources to provide a quality program through the end of the school year.

Ongoing Monitoring

Authorizers should conduct general monitoring of schools' finances by requiring submission of reporting on an interim basis more frequently than the annual audit. Because there is a significant lag between the school's year end and when the authorizer receives the audit, year-end Financial Performance Framework assessment is indicative of performance from at least four to six months back. Using audited financials for the comparative testing is important for data accuracy and consistency, but ongoing monitoring can assist the authorizer in identifying pressing financial concerns. The extent and frequency of this monitoring, however, should be carefully determined in order to maintain the balance between oversight and autonomy.

The most useful financial reports for the authorizer to review on a periodic (generally quarterly) basis are:

- Income statement and balance sheet showing year-to-date actual, year-to-date budget, variance, and year-end budget
- Year-to-date statement of cash flows and cash flow projection through year end

Interim reviews are key to identifying new and unresolved problems, as well as items that, due to timing of the audit, may not have triggered a review in the framework. Because a number of the measures include balance sheet figures (a snapshot of a point in time), these measures can be manipulated, intentionally or unintentionally, due to timing. For example, management may choose not to pay a large invoice before year end to inflate its cash balance, or revenue from the state may come just before year end in one year and after in another. Interim reviews will assist the authorizer in avoiding undue reliance on what might be skewed data.

Because of the potential for different bases of accounting, as well as the impact of timing on many of the measures, authorizers should be aware of potential inaccuracies of data when using the framework on an interim basis. The measures may be used to identify major discrepancies from targets, but identifying large budget variances to discuss with management can also serve as a useful, and less time-intensive, general monitoring tool.

Measures in Detail

Each of the measures included in the Financial Performance Framework are described in the following pages. It is important to note that the framework excludes measures of how a school manages and expends its funds, as the framework is not designed to evaluate a school's spending decisions. For example, there are no measures that address what portion of a school's costs are for instruction; rather, the measures focus on the overall expenses of a school versus the offsetting revenues. Furthermore, this framework does not include indicators of strong financial management practices, which are laid out in the Organizational Performance Framework. The Financial Performance Framework analyzes the financial performance of a charter school, not its processes for managing that performance.

The targets used in the following measures are generally based on industry standards for determining a school's financial risk, and they dictate an initial rating for schools based on audited financial information. However, it is critical that authorizers not stop at the initial audit review when publishing an annual report or making high-stakes decisions for schools that do not meet standards on the initial assessment. Authorizers must conduct follow-up analysis based on the audit review to determine if a school is truly in distress. Authorizers should use this follow-up review to determine if a school deserves a "Meets Standard," "Does Not Meet Standard," or "Falls Far Below Standard" rating on its annual report based on its financial health. See the [Ratings](#) and [Additional follow up](#) sections for more information.

Indicator 1: Near-Term Measures

Current Ratio

Definition: The current ratio depicts the relationship between a school’s current assets and current liabilities.

The current ratio measures a school's ability to pay its obligations over the next 12 months. A current ratio of greater than 1.0 indicates that the school’s current assets exceed its current liabilities, thus indicating ability to meet current obligations. A ratio of less than 1.0 indicates that the school does not have sufficient current assets to cover the current liabilities and is not in a satisfactory position to meet its financial obligations over the next 12 months.

Data source

Audited balance sheet

Measure 1a Current Ratio: Current Assets divided by Current Liabilities
<p>Meets Standard:</p> <p><input type="checkbox"/> Current Ratio is greater than or equal to 1.1 or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 and one-year trend is positive (current year ratio is higher than last year’s)</p> <p><i>Note: For schools in their first or second year of operation, the current ratio must be greater than or equal to 1.1.</i></p>
<p>Does Not Meet Standard:</p> <p><input type="checkbox"/> Current Ratio is between 0.9 and 1.0 or equals 1.0 or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 and one-year trend is negative</p>
<p>Falls Far Below Standard:</p> <p><input type="checkbox"/> Current ratio is less than or equal to 0.9</p>

Basis for target level

The general rule of thumb for a current ratio is that it should be a minimum of 1.0. An upward trend of a current ratio that is greater than 1.0 indicates greater financial health, hence the greater than or equal to 1.1 target to meet standard. A current ratio that is less than or equal to 0.9 is a serious financial health risk, based on common standards.

Unrestricted Days Cash

Definition: The unrestricted days cash on hand ratio indicates how many days a school can pay its expenses without another inflow of cash.

The unrestricted days cash ratio tells authorizers whether or not the school has sufficient cash to meet its cash obligations. Depreciation expense is removed from the total expenses denominator because it is not a cash expense. This critical measure takes on additional importance in states and localities where the timing of school payments is irregular and/or can be delayed.

Data source

Audited balance sheet and income statement. Note that if cash is restricted due to legislative requirements, donor restrictions, or other reasons, the restriction should be listed in the audit.

<p>Measure 1b Unrestricted Days Cash: Unrestricted Cash divided by ((Total Expenses minus Depreciation Expense) / 365)</p>
<p>Meets Standard:</p> <p><input type="checkbox"/> 60 Days Cash or <input type="checkbox"/> Between 30 and 60 Days Cash and one-year trend is positive</p> <p><i>Note: Schools in their first or second year of operation must have a minimum of 30 Days Cash.</i></p>
<p>Does Not Meet Standard:</p> <p><input type="checkbox"/> Days Cash is between 15–30 days or <input type="checkbox"/> Days Cash is between 30–60 days and one-year trend is negative</p>
<p>Falls Far Below Standard:</p> <p><input type="checkbox"/> Fewer than 15 Days Cash</p>

Basis for target level

At least one month of operating expenses cash on hand is a standard minimum measure of financial health of any organization. Due to the nature of charter school cash flow and the sometimes-irregular receipts of revenue, a 60-day threshold was set for schools to meet the standard. Still, schools showing a growing cash balance from prior years and who have enough cash to pay at least one month's expenses are also financially stable enough and show positive trending, therefore meeting the standard. If a school has fewer than 15 days of cash on hand, it will not be able to operate for more than a few weeks without another cash inflow and is at high risk for immediate financial difficulties.

Enrollment Variance

Definition: Enrollment variance tells authorizers whether or not the school is meeting its enrollment projections. As enrollment is a key (often *the* key) driver of revenues, variance is important to track the sufficiency of revenues generated to fund ongoing operations.

The enrollment variance depicts actual versus projected enrollment. A school budgets based on projected enrollment but is funded based on actual enrollment; therefore, a school that fails to meet its enrollment targets may not be able to meet its budgeted expenses. Although enrollment is not the singular driver of revenues for a school, it is highly correlated at a minimum. As school budgets are generally designed to match expenses with projected revenues, a poor enrollment variance is a substantial indicator of potential financial issues. It is critical to capture this information as early in the school year as possible to determine whether an authorizer may need to take action or intervene in some way.

Schools fewer than five years old may have greater fluctuations in their enrollment numbers because they have not yet established themselves in the community. However, mature schools with large, unexplained fluctuations in enrollment numbers may be in financial distress if they are not able to adjust accordingly. Often, financially stable schools will purposefully underestimate enrollment so that they may budget more conservatively.

Many authorizers use enrollment variance as a way not only to evaluate a charter school's financial health, but also to monitor how savvy the school's board and management are at forecasting. Thus, while enrollment variance is a primary measure of financial health, it can also be seen as a secondary measure for organizational aptitude.

Data source

- Projected enrollment—Charter school board-approved enrollment budget for the year in question
- Actual enrollment

<p>Measure 1c Enrollment Variance: Actual Enrollment divided by Enrollment Projection in Charter School Board-Approved Budget</p>
<p>Meets Standard: <input type="checkbox"/> Enrollment Variance equals or exceeds 95 percent in the most recent year</p>
<p>Does Not Meet Standard: <input type="checkbox"/> Enrollment Variance is between 85–95 percent in the most recent year</p>
<p>Falls Far Below Standard: <input type="checkbox"/> Enrollment Variance is less than 85 percent in the most recent year</p>

Basis for target level

Enrollment variance of less than 85 percent indicates that a significant amount of funding on which a school set its expense budget is no longer available, and thus the school is at a significant financial risk. Schools that achieve at least 95 percent of projected enrollment generally have the operating funds necessary to meet all expenses and thus are not at a significant risk of financial distress.

Debt Default

Definition: Debt default indicates whether or not a school is meeting debt obligations or covenants.

Each authorizer can determine the exact application of this definition. Authorizers may consider a school in default only when it is not making payments on its debt, or when it is out of compliance with other requirements in its debt covenants. Additionally, a school that has exceeded the state maximum debt limit, if the limit exists, or a school that is holding employee 403b contributions to aid cash flow could be considered in default. This metric addresses whether or not a school is meeting its loan covenants and/or is delinquent with its debt service payments. A school that cannot meet the terms of its loan may be in financial distress.

Data source

Notes to the audited financial statements

<p>Measure 1d Default</p>
<p>Meets Standard: <input type="checkbox"/> School is not in default of loan covenant(s) and/or is not delinquent with debt service payments</p>
<p>Does Not Meet Standard: <input type="checkbox"/> Not applicable</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School is in default of loan covenant(s) and/or is delinquent with debt service payments</p>

Basis for target level

Schools that are not meeting financial obligations, either through missed payments or violations of debt covenants, are at risk of financial distress. Debt environments do vary from state to state, so authorizers should individually determine if violations of debt covenants should be considered a qualification for falling below or far below standards.

Indicator 2: Sustainability Measures

Total Margin and Aggregated Three-Year Total Margin

Definition: Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, it measures whether or not the school is living within its available resources.

The total margin measures whether a school operates at a surplus (more total revenues than expenses) or a deficit (more total expenses than revenues) in a given time period. The total margin is important to track, as schools cannot operate at deficits for a sustained period of time without risk of closure. Though the intent of a school is not to make money, it is important for charters to build, rather than deplete, a reserve to support growth or sustain the school in an uncertain funding environment.

The aggregated three-year total margin is helpful for measuring the long-term financial stability of the school by smoothing the impact of single-year fluctuations on the single-year total margin indicator. The performance of the school in the most recent year, however, is indicative of the sustainability of the school, thus the school must have a positive total margin in the most recent year to meet the standard.

Data source

Three years of audited income statements

<p>Measure 2a</p> <p>Total Margin: Net Income divided by Total Revenue</p> <p>Aggregated Total Margin: Total Three-Year Net Income divided by Total Three-Year Revenues</p>
<p>Meets Standard:</p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is positive and the most recent year Total Margin is positive or <input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive</p> <p><i>Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.</i></p>
<p>Does Not Meet Standard:</p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5 percent, but trend does not “Meet Standard”</p>
<p>Falls Far Below Standard:</p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is less than or equal to -1.5 percent or <input type="checkbox"/> The most recent year Total Margin is less than -10 percent</p>

Basis for target level

General preference in any industry is that total margin is positive, but organizations can make strategic choices to operate at a deficit for a year for a large operating expenditure or other planned expense. The targets set allow for flexibility over a three-year timeframe in the aggregate total margin but require a positive total margin for the most recent year to meet standard. A margin in any year of less than -10 percent or an aggregate three-year total margin less than or equal to -1.5 percent is an indicator of financial risk.

Debt to Asset Ratio

Definition: The debt to asset ratio measures the amount of liabilities a school owes versus the assets they own; in other words, it measures the extent to which the school relies on borrowed funds to finance its operations.

The debt to asset ratio compares the school’s liabilities to its assets. Simply put, the ratio demonstrates what a school owes against what it owns. A lower debt to asset ratio generally indicates stronger financial health.

Data source

Audited balance sheet

<p>Measure 2b Debt to Asset Ratio: Total Liabilities divided by Total Assets</p>
<p>Meets Standard: <input type="checkbox"/> Debt to Asset Ratio is less than 0.9</p>
<p>Does Not Meet Standard: <input type="checkbox"/> Debt to Asset Ratio is between 0.9 and 1.0</p>
<p>Falls Far Below Standard: <input type="checkbox"/> Debt to Asset Ratio is greater than 1.0</p>

Basis for target level

A debt to asset ratio greater than 1.0 is a generally accepted indicator of potential long-term financial issues, as the organization owes more than it owns, reflecting a risky financial position. A ratio less than 0.9 indicates a financially healthy balance sheet, both in the assets and liabilities, and the implied balance in the equity account.

Cash Flow

Definition: The cash flow measure indicates a school’s change in cash balance from one period to another.

Cash flow indicates the trend in the school’s cash balance over a period of time. This measure is similar to days cash on hand but indicates long-term stability versus near-term. Since cash flow fluctuations from year to year can have a long-term impact on a school’s financial health, this metric assesses both multi-year cumulative cash flow and annual cash flow. The preferred result is greater than zero. Similar to Total Margin, this measure is not intended to encourage amassing resources instead of deploying them to meet the mission of the organization, but rather to provide for stability in an uncertain funding environment.

Data source

Three years of audited balance sheets

Measure 2c

Cash Flow:

Multi-Year Cash Flow = Year 3 Total Cash – Year 1 Total Cash

One-Year Cash Flow = Year 2 Total Cash – Year 1 Total Cash

Meets Standard (in one of two ways):

- Multi-Year Cumulative Cash Flow is positive and Cash Flow is positive each year
or
- Multi-Year Cumulative Cash Flow is positive, Cash Flow is positive in one of two years, and Cash Flow in the most recent year is positive

Note: Schools in their first or second year of operation must have positive cash flow.

Does Not Meet Standard:

- Multi-Year Cumulative Cash Flow is positive, but trend does not “Meet Standard”

Falls Far Below Standard:

- Multi-Year Cumulative Cash Flow is negative

Basis for target level

A positive cash flow over time generally indicates increasing financial health and sustainability of a charter school.

Debt Service Coverage Ratio

Definition: The debt service coverage ratio indicates a school’s ability to cover its debt obligations in the current year.

This ratio measures whether or not a school can pay the principal and interest due on its debt based on the current year’s net income. Depreciation expense is added back to the net income because it is a non-cash transaction and does not actually cost the school money. The interest expense is added back to the net income because it is one of the expenses an entity is trying to pay, which is why it is included in the denominator.

Data source

- Net income: audited income statement
- Depreciation expense: audited cash flow statement
- Interest expense: audited cash flow statement and/or income statement
- Annual principal and interest obligations: provided from the school

Measure 2d

Debt Service Coverage Ratio: (Net Income + Depreciation + Interest Expense)/(Annual Principal, Interest, and Lease Payments)

Meets Standard:

- Debt Service Coverage Ratio is equal to or exceeds 1.1

Does Not Meet Standard:

- Debt Service Coverage Ratio is less than 1.1

Falls Far Below Standard:

- Not Applicable

Basis for target level

Debt Service Coverage Ratio is commonly used as a debt covenant measure across industries. A ratio of 1.1 or greater is industry standard for identifying organizations healthy enough to meet obligations and generate a surplus.

Additional Considerations When Evaluating Schools

The Financial Performance Framework focuses on the charter school, the entity to which the authorizer has a legal relationship through the charter contract. In some locales with one charter contract for multiple schools or independent campuses, the authorizer should hold each school or campus independently accountable. Each charter school or campus should have its own independent audit and financial statements that can be evaluated by the authorizer, or, if an umbrella entity has a single consolidated audit for multiple schools or campuses, each school or campus's financials should be independently represented in the consolidated audit.

If a school contracts with an Education Service Provider (ESP), the Financial Performance Framework should still apply. The school should have an independent audit that shows the individual school's finances, with any fees to the ESP clearly delineated. Authorizers should not permit schools to operate with what are commonly called "sweeps contracts," which require schools to transmit all of their revenues to an ESP without accounting for revenues and expenditures at the school level. NACSA's *Principles & Standards for Quality Charter School Authorizing* (2012) includes recommendations for what information should be included in schools' contracts with ESPs and for how authorizers should oversee charter schools with ESP contracts.

Conclusion

Because evaluation of financial performance is largely based on industry standards, this section may not need to be adapted as much as other sections of the Performance Framework. However, authorizers should be mindful of unique circumstances in state laws that may require modification to the NACSA Financial Performance Framework (e.g., charter schools may not be allowed to carry debt). This framework is a means to evaluate whether current and continued investment in each charter school is a responsible and beneficial use of public funds, and modifications should be made with this purpose in mind.

Glossary A: Terms Used in the Financial Performance Framework

Assets: A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. These economic resources can be tangible or intangible.

Audit: A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities. The auditor obtains this evidential matter through inspection, observation, inquiries, and confirmations with third parties.

Balance Sheet: A financial statement that discloses the assets, liabilities, and equities of an entity at a specified date in conformity with generally accepted accounting principles (GAAP). Also referred to as the Statement of Financial Position or Statement of Net Assets.

Basis of Accounting: This refers to the methodology and timing of when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Cash Basis: A basis for accounting whereby revenues are recorded only when received, and expenses are recorded only when paid without regard to the period in which they were earned or incurred.

Consultant: An independent individual or entity contracting with an agency to perform a personal service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the agency except as to the result of the work. The agency monitors progress under the contract and authorizes payment.

Current Assets: Resources that are available, or can readily be made available, to meet the cost of operations or to pay current liabilities.

Current Liabilities: Those obligations that are payable within one year from current assets or current resources.

Current Ratio: A financial ratio that measures whether or not an entity has enough resources to pay its debts over the next 12 months. It compares an entity's current assets to its current liabilities and is expressed as follows: $\text{current ratio} = \text{current assets} \div \text{current liabilities}$.

Debt: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of the entity include bonds, accounts payable, and other liabilities.

Debt Service: The cash that is required for a particular time period to cover the repayment of interest and principal on a debt. Debt service is often calculated on a yearly basis.

Debt Service Default: Occurs when the borrower has not made a scheduled payment of interest or principal.

Debt Service Coverage Ratio: Also known as "debt coverage ratio," is the ratio of cash available for debt servicing to interest, principal, and lease payments.

Debt to Asset Ratio: A financial ratio that measures the proportion of an entity's assets that are financed through debt. It compares an entity's total assets to its total liabilities and is measured by dividing the total liabilities by the total assets. If the ratio is less than one, most of the entity's assets are financed through equity. If the ratio is greater than one, most of the entity's assets are financed through debt.

Financial Audit: An audit made by an independent external auditor for the purpose of issuing an audit opinion on the fair presentation of the financial statements of the entity in conformity with Generally Accepted Accounting Principles.

Fiscal Period: Any period at the end of which an entity determines its financial position and the results of its operations.

GAAP: Refer to Generally Accepted Accounting Principles.

General Fund: The general fund is used to account for the general financial activities of the entity when reporting under governmental accounting. The general fund is used for funds not required to be accounted for in another account.

Generally Accepted Accounting Principles (GAAP): These are the uniform minimum standards for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. The primary authoritative body on the application of Generally Accepted Accounting Principles (GAAP) to state and local governments is the Governmental Accounting Standards Board.

Governmental Accounting: The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of a governmental entity.

Income Statement: A financial statement that shows revenues and expenditures of an entity at a specified date in conformity with Generally Accepted Accounting Principles (GAAP). Also referred to as the Statement of Activities and Changes in Net Assets or the Statement of Activities.

Indicator: General category of financial performance.

Interest Payable: A liability account reflecting the amount of interest owed by the entity. In governmental funds, interest is to be recognized as an expenditure in the accounting period in which it becomes due and payable, and the liability is to be recorded as interest payable at that time. In proprietary and trust funds, interest payable is recorded as it accrues, regardless of when payment is actually due.

Interim Financial Statement: A financial statement prepared before the end of the current fiscal period and covering only financial transactions during the period to date.

Liabilities: Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events. The term does not include encumbrances.

Margin: The difference between revenues and expenses. The margin can refer to the gross margin (operating revenues less operating expenses) or the total margin (see Total Margin).

Measure: General means to evaluate an aspect of an indicator.

Metric: Method of quantifying a measure.

Net Assets: The difference between assets and liabilities.

Net Income: A term used in accounting for proprietary funds to designate the excess of total revenues and operating transfers in divided by total expenses and operating transfers out for an accounting period.

Principal: The amount of the loan excluding any interest.

Statement of Activities: A government-wide financial statement that reports the net (expense) revenue of its individual functions. An objective of using the net (expense) revenue format is to report the relative financial burden of each of the reporting government's functions on its taxpayers.

Statement of Cash Flows: A GAAP financial statement for proprietary funds that provides relevant information about the cash receipts and cash payments of a government during a period. It categorizes cash activity as resulting from operating, noncapital financing, capital financing, and investing activities.

Statement of Activities and Changes in Net Assets: The financial statement that is the GAAP operating statement for pension and investment trust funds. It presents additions and deductions in net assets held for pension benefits and investment pool participants. It reconciles net assets held at the beginning and end of the financial period, explaining the relationship between the operating statement and the balance sheet.

Statement of Net Assets: A government-wide financial statement that reports the difference between assets and liabilities as net assets, not fund balances or equity. Assets are reported in order of liquidity, or how readily they are expected to be converted to cash and whether restrictions limit the government's ability to use the resources. Liabilities are reported based on their maturity, or when cash is expected to be used to liquidate them. Net assets are displayed in three components: invested in capital assets, net of related debt; restricted; and unrestricted.

Target: Threshold that signifies success for a specific measure.

Total Margin: Total revenues less total expenses.

Glossary B: Other Useful Accounting Terms

Accounting Period: Any period of time designated for which financial statements are prepared.

Cost Accounting: The method of accounting that provides for accumulating and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

Deficit: 1) The excess of the liabilities and reserves of a fund over its assets. 2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

Fund Balance: In governmental funds, this is the difference between fund assets and fund liabilities. Governmental fund balances should be segregated into reserved and unreserved amounts.

Long-Term Obligations: Those obligations expected to mature at some future date and therefore not expected to be liquidated with currently existing resources or current assets. The long-term liabilities of specific enterprise, internal service, and trust funds are to be accounted for through those funds. All other un-matured, general, long-term liabilities are to be accounted for in the General Long-Term Obligations Subsidiary Account.

Modified Accrual Basis: The basis of accounting under which expenditures, whether paid or unpaid, are formally recognized when incurred against the account, but revenues are recognized only when they become both measurable and available to finance expenditures of the current accounting period. All governmental funds use the modified accrual basis of accounting.

Operating Budget: A plan of current expenditures and the proposed means of financing them. The operating budget is the primary means to ensure that the financing, acquisition, spending, and service delivery activities of the entity are controlled.

Operating Expenses: Proprietary fund expenses that are directly related to the fund's principal operations.

Operating Income: The excess of proprietary fund operating revenues over operating expenses.

Operating Revenue: Proprietary fund revenues that are directly related to the fund's principal operations. They consist primarily of user charges for goods and services.

Operating Statement: The financial statement disclosing the financial results of operations of a governmental unit during an accounting period in conformity with Generally Accepted Accounting Principles (GAAP).

Reserved Fund Balance: Those portions of fund balance that are not appropriated for expenditure or that are legally segregated for a specific future use.

Restricted Assets: Assets whose use is subject to constraints that are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Restricted Net Assets: One of the three components of net assets reported in government-wide and proprietary fund financial statements. Net assets should be restricted when constraints are placed on net asset use either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

Single Audit: A financial, internal control, and compliance audit of a nonfederal entity administering federal assistance awards including the financial statements of the entity.

Statement of Changes in Fiduciary Net Assets: The fund financial statement that presents information about the changes in net assets for each fiduciary fund.

Statement of Fiduciary Net Assets: The fund financial statement that presents information about the assets, liabilities, and net assets for each fiduciary fund type.

Statement of Revenues, Expenditures, and Changes in Fund Balance: The financial statement that is the Generally Accepted Accounting Principles (GAAP) operating statement for governmental funds. It presents the inflows, outflows, and balances of current financial resources. It reconciles fund balance at the beginning and end of the financial period, explaining the relationship between the operating statement and the balance sheet.

Statement of Revenues, Expenses, and Changes in Fund Net Assets or Fund Equity: The financial statement that is the Generally Accepted Accounting Principles (GAAP) operating statement for proprietary funds. It distinguishes between operating and non-operating revenues and expenses, and separately presents revenues from capital contributions and additions to the principal of permanent and term endowments, special and extraordinary items, and transfers. It reconciles fund net assets or fund equity at the beginning and end of the financial period, explaining the relationship between the operating statement and the balance sheet/statement of net assets.

Unreserved Fund Balance: Unreserved fund balance is that portion of governmental fund equity that is neither legally segregated for a specific future use nor unavailable for appropriation. It may be either designated or undesignated. Designations may be established to indicate tentative plans for financial resource utilization in a future period. Unreserved, undesignated fund balance is available for appropriation.

Unrestricted Net Assets: One of the three components of net assets reported in government-wide and proprietary fund financial statements. It represents that portion of net assets that is neither restricted nor invested in capital assets (net of related debt).





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Core Organizational Performance Framework Guidance

The Core Organizational Performance Framework is intended as a starting point for authorizers to adapt to hold charter schools accountable for organizational performance. The Organizational Performance Framework defines the operational standards to which a charter school should be accountable to its authorizer and the public. It is designed to treat all schools as though they are the same only in terms of meeting minimum legal and ethical requirements. This enables schools to retain the flexibility and autonomy to be different in the ways that matter most for a school's mission, vision, and educational program.

The expectations set out in the Organizational Framework derive from state and federal law as well as the operating terms that the school has proposed in the charter application. Of the three frameworks, the Organizational Framework is most closely aligned with the charter contract in terms of documenting operational expectations such as special education, accounting practices, reporting requirements, and the like.

One of the authorizer's core responsibilities with respect to charter schools is to protect the public interest. The Organizational Framework is the primary lever for carrying out this responsibility. It enables the authorizer to ensure that charter schools are respecting rights of students, staff, and families within the schools as well as the interests of the general public in ensuring that charter schools meet the legal obligations that state and federal legislatures have determined should apply.

Of the three frameworks, the Organizational Framework abuts most closely against school autonomy. The central premise of charter school autonomy is that the authorizer will articulate the expected outcomes, and the school will have maximum flexibility to determine the best way to achieve those outcomes. In other words, the authorizer articulates the ends and the school decides the means of getting there. Whereas the Academic and Financial Frameworks focus almost exclusively on results, the Organizational Framework inevitably mandates process. Whether it is meeting requirements for minimum instructional days and minutes or ensuring that the facility meets applicable health and safety codes, the Organizational Framework is the place where the school becomes externally accountable for how it operates.

However, this process-focused accountability should be limited to those processes that are mandated by law, rules, regulations, or policies. Because organizational requirements focus largely on school operations, they have the greatest potential to infringe inappropriately on school autonomy. In K–12 education, we are accustomed to systems of school evaluation that focus primarily, if not exclusively, on process. Thus, evaluation systems consider whether school leadership is strong, how well data are being used, whether the instructional materials are rigorous, and whether classroom instruction is effective. Because this process-focused approach is familiar and common—indeed the norm—it is easy for authorizers to fall into process-based oversight routines. Despite the fact that these processes are undeniably critical to school success, they are generally not the authorizer's purview. In the charter model, these process decisions are central to school autonomy and should remain the responsibility of the school's governing board and leadership.

Another red herring with respect to evaluation of organizational performance is the reluctance of authorizers to impose uniformity on schools. Authorizers and schools alike sometimes have the sense that if schools have uniform expectations they are somehow being stifled in their flexibility, autonomy, and ability to innovate. The opposite is true. In fact, the more detailed and school-specific the operational requirements become, the more the school's autonomy is likely to be constrained.

All expectations set out in the Performance Frameworks or the charter contract bind in some way the school's ability to adapt and manage outcomes as it sees fit. The best way for authorizers to maximize school operational autonomy is to establish a base set of operational expectations that are common to all schools and to limit those requirements primarily to what is required by legal or ethical conduct. Everything else related to school operations can remain within the school's purview to manage, control, and change as school leadership sees fit. The more that the authorizer's operational requirements stray beyond fundamental legal or ethical obligations—including by being tailored to familiar notions of what the educational process should look like in general or for a particular school—the more that the authorizer infringes on a charter school's appropriate autonomy.

Even though many educational or organizational process measures may not be appropriate for performance-based accountability, they retain a critical place in school oversight. Authorizers can use process-related information gained from site visits and other means for several purposes, including:

- Monitoring schools that may not yet have sufficient outcome or compliance data
- Determining the degree to which issues reflected in the Performance Framework are systemic
- Providing supplemental information for high-stakes decisions

The performance of schools on the Performance Framework should drive authorizers' decisions, but additional information can serve as a useful supplement, particularly when authorizers are making high-stakes decisions such as non-renewal or revocation. Collection of process-related information can be resource intensive for both authorizers and schools; therefore, authorizers should focus resources first on collecting necessary performance-focused data to populate the Performance Framework and then on collecting additional information as warranted.

NACSA's *Principles & Standards* (2012) states that

“A Quality Authorizer implements an accountability system that effectively streamlines federal, state, and local...compliance requirements while protecting schools' legally entitled autonomy and minimizing schools' administrative and reporting burdens.” (p. 17)

Framework Structure

The Organizational Framework is divided into indicators, measures, metrics, and ratings, which are explained below.

Indicators

The framework includes six indicators or categories used to evaluate the school's organizational performance and compliance.

1. Education Program

The Education Program section assesses the school's adherence to the material terms of its proposed education program. As a legal term, something is “material” if it is relevant and significant. For purposes of defining educational program accountability, the authorizer should consider whether the information would be relevant and significant to decisions about whether to renew, non-renew, or revoke a charter.

In addition to capturing material terms of the education program, this section also captures certain aspects of an education program that are required by law (e.g., content standards, assessments, special education requirements, etc.).

2. Financial Management and Oversight

While the Financial Framework is used to analyze the school's financial performance, authorizers use this section of the Organizational Framework to set expectations for the school's management and oversight of its finances, without regard to financial performance. Audit results and audit findings are critical sources of evidence when evaluating schools against this indicator.

3. Governance and Reporting

A charter school must practice sound governance and adhere to reporting requirements of the authorizer and other responsible entities. In this section the authorizer sets forth expectations of the charter board's compliance with governance-related laws as well as the board's own bylaws and policies. Additionally, this indicator includes a measure to evaluate the extent to which the board oversees the individuals or organizations to which it delegates the duties of implementing the program, a fiduciary responsibility of the board.

4. Students and Employees

While charter schools may be exempt from certain laws and allowed to function with greater autonomy, they still must adhere to federal and state laws regarding treatment of individuals within the organization. In this section, the authorizer measures charter school compliance with a variety of laws related to students and employees, including the rights of students and employees as well as operational requirements such as teacher licensing and background checks.

5. School Environment

Charter schools must also follow laws related to the school's physical plant and the health and safety of students and the charter community. This section addresses the school's facility, transportation, food service, and health services, among other things.

6. Additional Obligations

The final indicator ensures that the authorizer has the authority to hold the charter school accountable for any laws or requirements that are not explicitly stated in the Organizational Framework. The measures and metrics outlined in this Framework represent the authorizer's priorities, thus certain, lower priority requirements may not be explicitly called out in the framework and would instead be captured in the Additional Obligations section. This indicator also captures any requirements that may have been enacted or changed after the Performance Framework was adopted into the charter contract.

Measures

For each of the indicators, the framework provides a number of measures by which to evaluate schools. The measures take the form of questions about each school's performance. For example:

- Is the school implementing the material terms of the education program as defined in the current charter contract?
- Is the school protecting the rights of English Language Learner (ELL) students?
- Is the school meeting financial management and oversight requirements?

Information and guidance specific to each measure is provided below in the [Measures in Detail](#) section.

Metrics

Metrics are expectations set forth in evaluating a measure. For example, to evaluate the question, “Is the school following Generally Accepted Accounting Principles?” authorizers should look to a number of areas where the school must meet existing expectations established by laws, rules, regulations, or provisions of the charter contract. Examples of metrics for this measure are:

- An unqualified audit opinion
- An audit devoid of significant findings and conditions, material weaknesses, or significant internal control weaknesses
- An audit that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report

Throughout the Organizational Framework, we set forth the metrics for evaluating the different measures within the “Meets Standard” rating.

Authorizers will need to evaluate federal and state laws and authorizer policies when finalizing measures and metrics to include in the Organizational Framework. It is important that the Organizational Framework aligns with existing laws, rules, and regulations, which vary from state to state. The Framework should be adapted to align with state-established expectations. In addition, the authorizer should evaluate the charter contract and ensure that the language and expectations are consistent with the Framework. Authorizers may use the charter contract to set additional expectations of charter schools that are not stated in law and may emphasize specific areas of compliance (e.g., the charter contract should establish detailed reporting requirements for schools), though additional obligations should be kept to a minimum to respect school autonomy.

Targets and Ratings

For each measure a school receives one of three ratings based on evaluation of the established metrics.¹⁵

Meets Standard:

The “Meets Standard” rating is defined by the threshold of success for the measure, or the target the school is expected to meet. In the Organizational Framework, this rating provides the detailed metrics against which the charter school is judged. If the school meets the target, then the authorizer does not need to follow up with the school or require corrective action. Schools do not meet the standard if failures are material in nature, meaning they are relevant to the authorizer’s accountability decisions.

Does Not Meet Standard:

The “Does Not Meet Standard” rating remains consistent for each measure in the Organizational Framework and reads:

“The school has failed to implement the program in the manner described above; the failure(s) were material, but the board has instituted remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the authorizer.”

This means that the school has materially failed to meet the target at any point during the evaluation period; however, the failure(s) were not significant to the viability of the school and the board has either brought the school into compliance or has made sufficient progress toward compliance. Schools with a number of “Does Not Meet Standard” designations may be considered for non-renewal.

¹⁵ Similar to the Financial Framework, the Organizational Framework does not have an “Exceeds Standard” rating. Because the Organizational Framework is largely driven by compliance with laws and the charter contract, charter schools are judged by whether they are in or out of compliance.

Falls Far Below Standard:

The “Falls Far Below Standard” rating also remains consistent for each measure in the Organizational Framework and reads:

“ The school failed to implement the program in the manner described above; the failure(s) were material and significant to the viability of the school, or regardless of the severity of the failure(s), the board has not instituted remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the authorizer.”

“Falls Far Below Standard” means the school is not meeting the authorizer’s expectation of satisfactory performance, and follow up by the authorizer is necessary to determine authorizer action or accountability decisions. A school should receive this rating if it is currently not in material compliance with the requirement and that noncompliance impacts its ability to implement its program effectively and in a manner consistent with expectations outlined in the contract. A school may also receive this rating if it has been chronically out of compliance throughout the evaluation period and/or is not making satisfactory progress toward compliance. A school with one or more “Falls Far Below Standard” designations may be considered for non-renewal or revocation of its charter.

Considerations for Using the Core Organizational Performance Framework

As with the Academic and Financial Performance Frameworks, authorizers should use the Organizational Performance Framework to collect evidence of performance and to evaluate schools at least annually, to monitor schools throughout their charter terms, to report to schools and the public annually, to intervene in schools that do not meet expectations, and to make high-stakes decisions, including whether to renew, non-renew, or revoke a school’s charter or to expand or replicate a school. See the [Use of the Core Performance Framework](#) section for additional information.

Collecting Evidence and Evaluating Schools on the Organizational Performance Framework

The data required for an authorizer to use the Organizational Performance Framework may not be the same across authorizers. Authorizers should determine the amount of evidence that is necessary to determine whether the school is meeting each target and assess staff capacity when deciding how best to evaluate school organizational performance. Some measures in the Organizational Framework require periodic monitoring to ensure compliance, while others can be analyzed annually during site visits or through reports submitted to the authorizer. Others still may only require an assurance of compliance by the charter school board but may require follow up if concerns are raised.

Due to the complexity in verifying compliance with some metrics, evidence of compliance may be determined only after the collection and analysis of multiple data points. For example, the authorizer may periodically evaluate whether a school is compliant with special-education requirements by gathering evidence through multiple sources at different points in the school year (e.g., the authorizer may annually verify compliance by review of special-education audits conducted by the State Education Agency [SEA] as well as through site visit observations and analysis of school records).

The sections below outline common ways that authorizers may collect data to evaluate charter schools’ organizational performance, beginning with the least intensive approach. Authorizers will have to determine which approach is most appropriate for evaluating each section of the Organizational Framework based on their authorizing values, capacity, and local environments.

Assurance of compliance by the charter board

The Organizational Framework provides a space for the authorizer to report any credible cases of noncompliance in areas where it may not routinely evaluate the school. The authorizer should require that the school maintain a file of official assurance of compliance by the charter school board. This documentation by the charter board provides an assurance to the authorizer that the board is aware of its legal obligations to the organization. The charter school board should approve this document annually. Accompanying this assurance should be evidence of compliance or direct reference to evidence (e.g., reference to board minutes or policies, reference to school procedures, or certificates). The assurance and evidence could be organized in a file or binder that the authorizer can access at the school site upon request.

The authorizer should review the file at least annually or when deemed necessary (e.g., the authorizer may review this report and request follow-up information on some measures during an annual site visit). For instance, an authorizer may require that the charter school board assure it is complying with employment law. Evidence of compliance would include the board-approved assurance and would be verified annually by the authorizer; in this case, compliance would be assumed unless determined otherwise. A complaint to the authorizer may warrant more direct review or investigation of an issue, but the burden of providing evidence of compliance lies with the charter school board that has assured compliance to the authorizer.

Required reporting

The authorizer may also require that the charter school report or verify compliance to the authorizer, in which case evidence of compliance would be at the disposal of the authorizer for reference during monitoring. For example, the authorizer may require that the charter school submit a list of teachers' proof of credentials on an annual basis. Note, however, that the authorizer should be careful to verify the accuracy and quality of self-reported data.

Excessive required reports may be burdensome on both the school and authorizer and could cause the authorizer to spend more time and resources monitoring reporting requirements than evaluating the school's performance outcomes. To ease the burden, the authorizer should establish a calendar of required reports to clearly communicate regular reporting deadlines to its charter schools. The calendar should outline which reports the authorizer requires, the form the reports should take, and the point(s) in the year when reports are due to the authorizer.

Third-party reviews

Another way to verify compliance is to seek reviews from a third-party reviewer (e.g., an authorizer may rely on the special-education division of the State Education Agency (SEA) for part of its assessment of compliance with special-education laws). This allows for the authorizer to access expert opinions while at the same time reducing redundancy in review and evaluation of the school, which could tend to lower charter school autonomy. Another form of third-party review could be the hiring of a consultant with the necessary expertise to verify compliance. For instance, if an authorizer through initial review has reasonable suspicion of noncompliance with graduation requirements, it may hire a consultant to review a school's transcripts, credit assignments, and written graduation requirements.

Observed practice

The authorizer may verify compliance for certain measures in the Organizational Framework through direct observation. For example, the authorizer may observe mandatory state assessments to ensure compliance

with required procedures. If the authorizer seeks verification in this form, then it is critical that the authorizer has the capacity and expertise to appropriately evaluate performance. Authorizers should be careful of using this type of monitoring except when necessary and should, wherever possible, seek additional evidence to substantiate observed practice.

Investigations

At times authorizers may receive complaints or assertions from individuals that a school is not in compliance. The authorizer should generally refer the complainant to the charter school board, which is responsible for investigating such cases. However, from time to time the authorizer may receive complaints that it must investigate directly, especially if the complaint is a major infraction (e.g., school leadership is accused of cheating on state assessments) or if it involves the charter school board (e.g., accused violations of open meeting law). In some instances, the authorizer itself may be required by law to take action or notify appropriate authorities, including the State Education Agency (SEA), of its findings. The Organizational Framework allows space for the authorizer to investigate potential grievances and determine whether or not the school is meeting organizational expectations.

High-Stakes Decision Making

The Academic Performance Framework should generally be seen as the primary tool for accountability decisions largely because authorizers use this framework to measure schools' academic outcomes; the Organizational Framework is used to measure compliance, which is not always directly related to school performance. In most cases, authorizers should use the evaluation of the Organizational Framework as a way to communicate unsatisfactory performance, as a basis for intervention, or as secondary evidence when making the case for closure. Only when the school falls far below the standard, which would indicate major concerns with organizational effectiveness, should an authorizer consider findings on organizational effectiveness as the primary reason for non-renewal or revocation. Regardless of the point in the life of the charter, whether during an interim review or at the time of renewal, schools that have multiple occurrences where they fall below the standards should be considered for non-renewal or revocation, especially if these instances put students in danger, are pervasive within the charter school, or are egregious in nature.

At the end of a charter term, the authorizer should analyze both static and trend data related to organizational performance using the Organizational Framework. It is important to analyze whether the school's performance in the one area is trending upward or downward, as that may impact both intervention and renewal decisions. A school may show a pattern of sporadic noncompliance throughout the life of the charter and in the most recent year. In this case, the authorizer must evaluate the school's organizational effectiveness and determine whether the issues are systemic and if the school is likely to remain unstable in the next charter term.

Measures in Detail

The Organizational Framework catalogs in one place the various requirements that the charter school must meet according to state or federal law, rules, regulations, and provisions of the charter contract. This section will help the authorizer better understand the origin of each measure and therefore more clearly communicate these expectations to the schools in its portfolio. Below are definitions of the measures included in the Organizational Framework and background information to help authorizers better understand each measure and where to find evidence to evaluate schools against the measures.

Indicator 1: Education Program

The Organizational Framework includes measures of the school's educational program that are legal or contractual requirements that the school must adhere to when implementing its educational program. These measures are different from the Academic Performance Framework in that they measure educational compliance rather than performance outcomes and should remain separate from the Academic Performance Framework.

Material Terms of the Charter Contract

The Education Program section assesses the school's adherence to the material terms of its proposed education program. As a legal term, something is "material" if it is relevant and significant. For purposes of defining educational program accountability, the authorizer should consider whether the information would be relevant and significant to decisions about whether to renew, non-renew, or revoke a charter.

In particular, this indicator assesses the school's education-program-related requirements as established in law and through the school's charter school application. Once an approved school becomes operational, the authorizer should expect the educational program to be reasonably consistent with the one proposed in the application. This expectation, sometimes called "fidelity to the program," is important because the school was approved on the premise that the educational program specifically proposed was likely to be successful.

The other consideration is that the authorizer needs to be able to vouch for the school being what it purports to be. Families and their children will choose to attend based, in part, on the school's description of its program. The public will believe that the program is being implemented as advertised. Thus, part of the authorizer's public accountability role is to ensure that the school is being reasonably accurate in how it presents itself.

Thus, we recommend that authorizers extract from the approved application the essential elements of the educational program to which the school will be held accountable. For example, if the school proposes to have a math and science focus, the school should be accountable for the educational program having a recognizable emphasis on math and science. If the school promises to place a high priority on character development, then the authorizer's oversight should include consideration of whether character development is identifiable in the day-to-day educational program. Similarly, many charter applicants now promote educational program decisions such as an extended school day and school year as the keys to their promised success. In such cases the authorizer's definition of the material terms might simply revolve around the school providing additional instructional time as promised.

It is important that authorizers place appropriate limits on the scope of the educational program review. The assessment of educational program terms should generally be a "truth in advertising" standard and not be qualitative. In other words, the authorizer should establish objective measures that do not require a determination of how well the school is doing whatever it promised to do. For example, the school that promises to achieve success through an extended school day and year should be evaluated based on whether there is, in fact, extended time as advertised. The authorizer need not hold the school accountable for how well that extra time is being used. The school's ultimate academic performance on either standard or mission-specific measures is evaluated through the Academic Performance Framework.

Incongruent as a minimal standard may seem to be, there are several reasons why it is important for the authorizer to approach educational program accountability in this way. One reason is expertise. Authorizers generally do not have either the expertise to conduct in-depth qualitative evaluation for a wide range of educational programs or the resources to engage others to do so.

Another reason to maintain a minimal standard is school autonomy. If schools are to be held accountable for educational outcomes, they must have maximum autonomy and flexibility over the educational process. Maintaining a minimum standard for the essential program elements serves to maximize the school's ability to make changes and adjustments needed to achieve the educational outcomes that should be the authorizer's primary focus for educational accountability. The understanding should be that any program elements not stated in the contract or accompanying policies should remain within the school's purview to change.

Finally, authorizers must maintain respect for school choice. An important part of the charter school idea is giving families educational options. Authorizers should be cautious about inserting their own views about whether a program is good enough—in terms of the educational process—when a prominent objective of most charter school laws is to provide families expanded options for such programs.

This measure does not evaluate the performance of the school, which is the focus of the Academic Performance Framework. This measure only addresses the program itself, the organization's fidelity to that program, and organizationally whether the school is appropriately notifying the authorizer of and gaining approval for major changes to the education program.

Measure 1a
Is the school implementing the material terms of the education program as defined in the current charter contract?

Meets Standard:

The school implemented the material terms of the education program in all material respects and the education program in operation reflects the material terms as defined in the charter contract, or the school has gained approval for a charter modification to the material terms.

Data source

Authorizers may verify implementation of the material terms through site visit observations, interviews with stakeholders in the charter community, and required reports from the charter school (including annual reports and renewal applications).

Education Requirements

Some elements of a public school's education program are fixed in law and may not be waived for charter schools. This measure evaluates the school's adherence to education requirements, such as content standards.

Measure 1b
Is the school complying with applicable education requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to education requirements, including but not limited to:

- Instructional days or minutes requirements
- Graduation and promotion requirements
- Content standards, including Common Core
- State assessments
- Implementation of mandated programming as a result of state or federal funding

Data source

The authorizer could choose to require an assurance from the charter school board of compliance and follow up if complaints or reports from the State Education Agency (SEA) indicate noncompliance. Follow-up review could include requests of data to verify compliance such as school calendars, student records, or reports the school may submit to the SEA (e.g., reports to verify state assessment compliance).

When evaluating the requirement that the school implemented “mandated programming as a result of state or federal funding,” the authorizer could work with divisions within the SEA that oversee these programs (e.g., Title IV), as they likely have processes in place to evaluate and report findings of noncompliance.

Students with Disabilities

Charter schools must follow state and federal special-education laws and provide a high-quality learning environment for all students. In addition to an evaluation of how well a school is educating students with special needs (a component of the Academic Performance Framework), the Organizational Performance Framework should include an evaluation of how well the school is meeting its legal obligations regarding services to these students and protecting their rights under state and federal law. The elements within this measure include but are not limited to requirements for access and identification of students with disabilities, appropriate staffing, proper management and implementation of Individualized Education Plans (IEP) and Section 504 plans, and appropriate use of categorical funds.

Requirements of this measure will vary depending on whether the charter school is identified as a Local Education Agency (LEA) or a school within a district Local Education Agency (LEA). The authorizer should adjust this measure based on the schools’ definition within its portfolio. In developing an appropriate measure, the authorizer—particularly an authorizer that is a State Education Agency (SEA) or LEA for special-education purposes—should also consider the interaction between the school’s responsibilities and its own responsibilities for identification, admissions, placement, delivery of services, transfer of records, and oversight. Authorizers may want to reference the Authorizer SPED Rubric for Local Education Agencies (LEAs)¹⁶ and Authorizer SPED Rubric for Non-Local Education Agencies (Non-LEAs)¹⁷ for more guidance on overseeing charter schools’ services for students with disabilities.

¹⁶ Accessed at <http://www.charterschoolcenter.org/resource/authorizer-sped-rubric-local-education-agencies-leas>

¹⁷ Accessed at <http://www.charterschoolcenter.org/resource/authorizer-sped-rubric-non-local-education-agencies-non-leas>

Measure 1c

Is the school protecting the rights of English Language Learner (ELL) students?

Meets Standard:

Consistent with the school's status and responsibilities as either a Local Education Agency (LEA) or school in a district LEA, the school materially complies with applicable laws, rules, regulations, and provisions of the charter contract (including the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act) relating to the treatment of students with identified disabilities and those suspected of having a disability, including but not limited to:

- Equitable access and opportunity to enroll
- Identification and referral
- Appropriate development and implementation of Individualized Education Plans and Section 504 plans
- Operational compliance, including provision of services in the least restrictive environment and appropriate inclusion in the school's academic program, assessments, and extracurricular activities
- Discipline, including due process protections, manifestation determinations, and behavioral intervention plans
- Access to the school's facility and program to students in a lawful manner and consistent with students' IEPs or Section 504 plans
- Appropriate use of all available, applicable funding

Data source

Authorizers may evaluate this measure through data from student information systems or other regular reporting mechanisms, site visit observations, record reviews, interviews of stakeholders, or third-party reports or monitoring. Data sources may vary depending on the school's status as an LEA or a school within an LEA.

Authorizers may also coordinate oversight activities and data collection with other entities that are responsible for ensuring appropriate provision of services to students with special needs such as a district special education department, a special education collaborative, board of cooperative services, or State Education Agency.

English Language Learner (ELL) students

Similar to their responsibilities regarding special education, charter schools must follow state and federal laws governing access and services for students who are English Language Learners (ELLs). In addition to an evaluation of how well a school is educating ELL students (a component of the Academic Performance Framework), the Organizational Performance Framework should include an evaluation of how well the school is meeting its legal obligations regarding services to these students and is protecting their rights under state and federal law. The elements within this measure include but are not limited to requirements for access and identification of ELL students, testing, exit and tracking requirements, appropriate staffing, support provision, communication with family members in their native languages, and appropriate use of categorical funds.

Measure 1d**Is the school protecting the rights of English Language Learner (ELL) students?****Meets Standard:**

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract (including Title III of the Elementary and Secondary Education Act [ESEA] and U.S. Department of Education authorities) relating to requirements regarding English Language Learners (ELLs), including but not limited to:

- Equitable access and opportunity to enroll
- Required policies related to the service of ELL students
- Compliance with native language communication requirements
- Proper steps for identification of students in need of ELL services
- Appropriate and equitable delivery of services to identified students
- Appropriate accommodations on assessments
- Exiting of students from ELL services
- Ongoing monitoring of exited students

Data source

Authorizers may evaluate this measure through data from student information systems or other regular reporting mechanisms, review of school policies, site visit observations, record audits, interviews of stakeholders, or third-party reports or monitoring.

Authorizers may also coordinate oversight activities and data collection with other entities that are responsible for ensuring appropriate provision of services to ELL students such as ELL specialists in a school district, a board of cooperative services, or State Education Agency (SEA).

Indicator 2: Financial Management and Oversight

The Financial Performance Framework includes measures used to evaluate a school's financial health, while the measures in this section assess a school's ability to manage its finances appropriately, regardless of viability. Measures included in this indicator, because they evaluate compliance rather than financial performance outcomes, should be kept separate from the Financial Performance Framework, which is solely focused on performance outcomes.

Financial Reporting and Compliance

The financial reports included in this measure are used as a basis for the analysis of a school's financial viability (i.e., Financial Performance Framework) and financial management (see Measure 2b below). The purpose of this measure is to determine whether the school is submitting accurate and timely information to the authorizer. Reporting requirements such as financial audits and budget reports are often required by state law. Charter schools are public organizations that use public funds, and authorizers are the entities charged with ensuring that schools are responsible stewards of those funds. Authorizers require charter schools to report on their financial positions through annual budgets, periodic (e.g., quarterly) financial reports, financial audits, etc.

Additionally, if the school contracts with an Education Service Provider (ESP), sometimes referred to as a Charter Management Organization or Education Management Organization, the authorizer should include additional contractual provisions in the charter contract that "ensure...the school's financial independence from the external provider."¹⁸ The authorizer may assess this independence by requiring additional financial reports.

¹⁸ *Principles & Standards for Quality Charter School Authorizing*. National Association of Charter School Authorizers, 2012.

Measure 2a

Is the school meeting financial reporting and compliance requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to financial reporting requirements, including but not limited to:

- Complete and on-time submission of financial reports, including annual budget, revised budgets (if applicable), periodic financial reports as required by the authorizer, and any reporting requirements if the board contracts with an Education Service Provider (ESP)
- On-time submission and completion of the annual independent audit and corrective action plans, if applicable
- All reporting requirements related to the use of public funds

Data source

The authorizer should maintain a record of schools' adherence to reporting requirements, including financial reports.

Financial Management and Oversight

Critical to an organization's health and stability is its ability to manage its finances well. Authorizers have a responsibility to protect the public's interest and must evaluate the extent to which the charter school is responsibly managing its finances. Charter schools should have an unqualified, or "clean," financial audit. This means that the auditor found the financial statements to be accurate and complete, which is necessary for evaluating a school's financial health.

Auditors evaluate an organization's financial statements and processes against Generally Accepted Accounting Principles (GAAP). Schools that do not meet these standards will have findings in their financial audits. Findings may be considered deficient, significant, or material. Material weaknesses are findings that are considered more severe because there is a reasonable possibility that a material misstatement of the school's financial statements will not be prevented or detected and corrected on a timely basis.

Certain findings are more adverse than others, and authorizers should specifically look for material weaknesses on internal controls. This means that the charter school does not have systems in place to minimize the risk of financial mismanagement. Smaller charter schools may struggle to meet this expectation because they have fewer people and resources available to manage their finances (e.g., schools can get internal controls findings if they do not have a system in place for different people to open the mail, record the billing, write the checks, etc.). However, because of the challenges the charter school sector has experienced with mismanagement and fraud involving public funds, authorizers should expect all of their charter schools, regardless of size, to meet this expectation on internal controls.

Finally, audits may include a "going concern disclosure," which is a paragraph in the auditor's opinion. Organizations that are considered a "going concern" are, in the opinion of the auditor, financially viable to operate for at least one year. If an audit includes a paragraph with a "going concern disclosure" then the auditor has concerns about the organization's viability, which should be a major concern for the authorizer.

Measure 2b

Is the school following Generally Accepted Accounting Principles (GAAP)?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to financial management and oversight expectations as evidenced by an annual independent audit, including but not limited to:

- An unqualified audit opinion
- An audit devoid of significant findings and conditions, material weaknesses, or significant internal control weaknesses
- An audit that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report

Data source

The authorizer should require charter schools to conduct and submit an annual financial audit. The authorizer should have documented scope of audit requirements to ensure the financial audit includes information necessary to evaluate schools' financial management practices and viability.

Indicator 3: Governance and Reporting

Governance Requirements

Charter school boards hold fiduciary responsibility for the charter schools they oversee and must comply with applicable governance requirements. Boards may have different governance requirements based on how they are legally structured, but the list in this measure should be viewed as a starting point for authorizers to tailor based on their charter requirements and the laws in their states.

Measure 3a

Is the school complying with governance requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to governance by its board, including but not limited to:

- Board policies, including those related to oversight of an Education Service Provider (ESP), if applicable
- Board bylaws
- State open meetings law
- Code of ethics
- Conflicts of interest
- Board composition and/or membership rules (e.g., requisite number of qualified teachers, ban on employees or contractors serving on the board, etc.)
- Compensation for attendance at meetings

Data source

Governance requirements enumerated in this measure are purposefully narrow, in that they are requirements to which an authorizer can legally hold the board accountable.

Authorizers should seek to verify board compliance through analysis of board packets, including board minutes, and assurances of compliance. The authorizer should collect and review the school's board policies and bylaws. Additionally, the authorizer may require a statement of assurances of compliance with conflicts of interest and board membership requirements, among other things. When warranted, periodic attendance by the authorizer at board meetings may allow the authorizer to verify compliance with some elements of this measure beyond evidence that is collected through assurances or review of policies and other board reports.

If the authorizer, through monitoring or evaluation, finds that it needs to follow up and monitor board governance more closely, it can look for additional evidence through the following, which are often viewed as best practices of governing boards:¹⁹

- Strategic plan that includes goals and objectives for meeting the school's mission
- Board oversight and evaluation of the performance of the charter school

Management Accountability

The central role of the charter school board is to responsibly delegate the work of actualizing the board's vision and mission. To that end, the board has a responsibility to oversee and hold accountable the charter school management, whether it chooses to contract with a management organization or hire an individual. Authorizers should have at their disposal the means to hold charter school boards accountable for their oversight of management.

For charter schools that contract with an Education Service Provider (ESP), the charter contract between the authorizer and the board should, "clearly identify the school governing board as the party ultimately responsible for the success or failure of the school" and "condition charter approval on authorizer review and approval of the third-party contract." The authorizer should ensure that the third-party contract or written performance agreement with an ESP includes, among other things, "performance measures, consequences, and mechanisms by which the school governing board will hold the provider accountable for performance, aligned with the performance measures in the charter contract" and "financial reporting requirements and provisions for the school governing board's financial oversight."²⁰

Measure 3b Is the school holding management accountable?
<p><i>Meets Standard:</i></p> <p>The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to oversight of school management, including but not limited to:</p> <ul style="list-style-type: none"> ▪ (For Education Service Providers [ESPs]) maintaining authority over management, holding it accountable for performance as agreed under a written performance agreement, and requiring annual financial reports of the ESP ▪ (For Others) oversight of management that includes holding it accountable for performance expectations which may or may not be agreed to under a written performance agreement

Data source

Expectations for the board to hold the school management accountable should be established in a written performance agreement to which the authorizer should require access. Depending on state laws and the authorizer's ability to hold the charter school accountable for this measure, the authorizer may also seek to evaluate a school's Request for Proposals process for seeking Education Service Providers.

¹⁹ Cornell-Feist, Marci. *Board Meetings: A Guide for Charter Schools*. The High Bar, August 2011.

²⁰ *Principles & Standards for Quality Charter School Authorizing*. National Association of Charter School Authorizers, 2012.

Reporting Requirements

Reports from schools are required in order to allow the authorizer to monitor and evaluate the school's academic and operational performance and form the basis for renewal recommendations. Authorizers, in order to effectively evaluate charter school performance, must receive reports from the charter schools they authorize. Additionally, charter schools are responsible to other entities, including the State Education Agency (SEA), for certain reporting requirements. Many reporting requirements may be fixed in law while others are outlined in the charter contract or are required by the authorizer for monitoring purposes (e.g., required reports for intervention).

This measure includes broad categories of reports, the collection of which the authorizer should monitor. The authorizer should expand this to include specific reports required by the authorizer and/or state.

Measure 3c

Is the school complying with reporting requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to relevant reporting requirements to the school's authorizer, State Education Agency (SEA), district education department, and/or federal authorities, including but not limited to:

- Accountability tracking
- Attendance and enrollment reporting
- Compliance and oversight
- Additional information requested by the authorizer

Data source

To help monitor this measure, authorizers should develop a reporting calendar to track all required reports to the authorizer, SEA, and any other relevant parties; this will help both the authorizer and school keep track of when reports are due, which will minimize duplicative reporting.

Indicator 4: Students and Employees

Rights of students

Charter schools must protect the rights of the students they serve. The authorizer has a responsibility to ensure that the charter school is in compliance with a range of requirements from admissions policies to protections of students' civil rights.

Measure 4a

Is the school protecting the rights of all students?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to the rights of students, including but not limited to:

- Policies and practices related to admissions, lottery, waiting lists, fair and open recruitment, and enrollment (including rights to enroll or maintain enrollment)
- The collection and protection of student information (that could be used in discriminatory ways or otherwise contrary to law)
- Due process protections, privacy, civil rights, and student liberties requirements, including First Amendment protections and the Establishment Clause restrictions prohibiting public schools from engaging in religious instruction
- Conduct of discipline (discipline hearings and suspension and expulsion policies and practices)

Note: Proper handling of discipline processes for students with disabilities is addressed more specifically in Section 1c.

Data source

Each authorizer should evaluate this measure through reports to the authorizer and/or the State Education Agency (SEA), charter school board policies and examples of forms (e.g., student enrollment form), and site visit observations and interviews with charter school community stakeholders. The authorizer may also need to require that the board assures compliance with certain elements of this measure that may be difficult to verify unless through investigation (e.g., implementation of discipline policies).

Attendance Goals

In most states charter schools are required to meet attendance expectations. Attendance goals are often established at the state level through a school's No Child Left Behind (NCLB) requirements or Elementary and Secondary Education Act (ESEA) waivers, and are usually set at 90 percent. However, an authorizer may choose to establish its own attendance expectations in the charter contract.

Attendance is an important leading indicator of a quality education program, but it is not included in the Academic Performance Framework because it is not in itself an academic performance outcome. The authorizer should evaluate the school's attendance rates through the lens of organizational effectiveness. Schools with strong attendance are more financially and organizationally stable. Schools that struggle to meet attendance goals, especially if chronically, may be at risk of academic or financial failure.

If state law does not stipulate attendance goals, authorizers should consider whether this is an appropriate expectation to set for schools in the charter contract.

Measure 4b

Is the school meeting attendance goals?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to attendance goals.

Data source

Authorizers should evaluate this measure through reports to the authorizer and/or the State Education Agency (SEA).

Staff Credentials

Public schools must employ appropriately qualified and credentialed staff including administrative, teaching, and educational support staff as required by law. For schools that receive Title II funding, staff must meet Highly Qualified Teacher and Paraprofessional requirements. Charter schools may be exempt from some credentialing requirements, which authorizers should consider when evaluating schools against this measure.

<p>Measure 4c Is the school meeting teacher and other staff credentialing requirements?</p> <p><i>Meets Standard:</i></p> <p>The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract (including the federal Highly Qualified Teacher and Paraprofessional requirements within Title II of the Elementary and Secondary Education Act [ESEA]) relating to state certification requirements.</p>

Data source

Authorizers should evaluate this measure through reports to the authorizer and/or the State Education Agency (SEA). Through an annual report, the authorizer may require the charter school to submit a list of their staff’s license numbers for review. The SEA likely already collects this information, in which case the authorizer could work with the SEA to verify compliance with this measure.

Employee Rights

Charter schools must follow applicable employment law, which is vast and complex. Authorizers often find that this measure, in particular, may be administratively burdensome to oversee, and authorizers may need to assume a school’s compliance unless there is evidence to the contrary. Note that allegations of violations of employee rights may not be evidence of noncompliance. Authorizers should not take sole responsibility for investigating allegations and should use the investigations and rulings of third parties to substantiate ratings of “Does Not Meet Standard” or “Falls Far Below Standard.” Despite challenges in evaluating a school’s performance on this measure, we include this measure in the Performance Framework because 1) it is an existing legal requirement, 2) its inclusion communicates to schools that the authorizer expects schools to be in compliance, and 3) it provides the authorizer with a place to capture noncompliance in the event it can be substantiated.

<p>Measure 4d Is the school complying with laws regarding employee rights?</p> <p><i>Meets Standard:</i></p> <p>The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to employment considerations, including those relating to the Family Medical Leave Act, the Americans with Disabilities Act, and employment contracts. The school does not interfere with employees’ rights to organize collectively or otherwise violate staff collective bargaining rights.</p>

Data source

Authorizers may evaluate this measure through board assurance of compliance and/or third-party reports such as court rulings.

Background Checks

Charter schools must conduct background checks, or ensure background checks have been completed, as an assurance of credentialing for certain employees within the school. Additionally, state law or the authorizer may require through the charter contract that certain individuals in the charter community, such as volunteers and board members, submit to background checks.

Measure 4e

Is the school completing required background checks?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to background checks of all applicable individuals (including staff and members of the charter community, where applicable).

Data source

Authorizers may evaluate this measure through assurance of compliance by the board and periodic record checks either annually or during site visits. The authorizer may elect to review a random sample of files for a variety of individuals, such as teachers, volunteers, board members, etc.

Indicator 5: School Environment

Facilities and Transportation

Authorizers should ensure that the school's physical plant is safe for occupancy as a school and that the school complies with laws related to the provision of transportation services.

Measure 5a

Is the school complying with facilities and transportation requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to the school facilities, grounds, and transportation, including but not limited to:

- Americans with Disabilities Act (ADA)
- Fire inspections and related records
- Viable certificate of occupancy or other required building use authorization
- Documentation of requisite insurance coverage
- Student transportation

Data source

Authorizers may evaluate this measure through assurance of compliance by the board, review of relevant documentation, and periodic verification of compliance, possibly during site visits.

Health and Safety

Charter schools must meet state and federal health and safety requirements related to health services and food services, whether these services are provided by a Local Education Agency (LEA) or contracted independently. Some charter schools, depending on their legal structures, may access additional health and/or safety services from traditional school districts. The authorizer, when adapting this framework, should consider including other district services that charter schools may be accessing.

Measure 5b

Is the school complying with health and safety requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to safety and the provision of health-related services, including but not limited to:

- Appropriate nursing services and dispensing of pharmaceuticals
- Food service requirements
- Other district services, if applicable

Data source

Authorizers may evaluate this measure through assurance of compliance by the board and periodic verification of compliance during site visits and/or third-party reviews.

Information Management

Both charter school boards and school management must appropriately handle sensitive information, which often includes student-level data protected under federal law. Additionally, charter school boards may receive requests for documentation from stakeholders or the media and must comply with Freedom of Information law. State law may also stipulate the reporting or distribution of information to stakeholders either through disclosure on the school's website or by direct distribution, which may be the case for charter school annual reports. Authorizers should evaluate a school's adherence to the various requirements for information management and distribution.

Measure 5c

Is the school handling information appropriately?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to the handling of information, including but not limited to:

- Maintaining the security of and providing access to student records under the Family Educational Rights and Privacy Act and other applicable authorities
- Accessing documents maintained by the school under the state's Freedom of Information law and other applicable authorities
- Transferring of student records
- Proper and secure maintenance of testing materials

Data source

Authorizers may evaluate this measure through board assurance of compliance, authorizer investigation, and/or review of third-party investigations.

Indicator 6: Additional Obligations

Additional Obligations

Designed to be a “catch-all,” this measure ensures that the school is held accountable to obligations that are not explicitly stated in the Organizational Framework but that the school is held accountable to through some other account. Additionally, this captures any new requirements that may come after both parties agree to the performance agreements. For example, if state laws change to require charter school board training, which was not required at the time of the agreement, the authorizer would use this section of the framework to evaluate the charter school against that new requirement.

Authorizers should use this measure with caution and generally limit additional obligations to those that are established in law, required by other accountability agencies (e.g., court decisions), or are the basis for intervention set forth by an authorizer’s finding of unsatisfactory performance.

<p>Measure 6a Is the school complying with all other obligations?</p>
<p><i>Meets Standard:</i></p> <p>The school materially complies with all other material legal, statutory, regulatory, or contractual requirements contained in its charter contract that are not otherwise explicitly stated herein, including but not limited to requirements from the following sources:</p> <ul style="list-style-type: none"> ■ Revisions to state charter law ■ Consent decrees ■ Intervention requirements by the authorizer ■ Requirements by other entities to which the charter school is accountable (e.g., State Education Agency [SEA])

Data source

Sources to verify compliance will depend on the requirement being evaluated.

Conclusion

The Organizational Performance Framework is designed to evaluate schools against existing requirements in law, rules, regulations, or charter contracts, not to create new requirements for schools. While schools would be accountable for compliance with most existing requirements even without the Organizational Framework, the framework allows the authorizer to transparently communicate the primary areas for compliance through one document. The Core Organizational Performance Framework should provide a strong starting point for developing and implementing an Organizational Framework, but authorizers must adapt it to their own contexts. Once the framework is complete, authorizers will also need to develop a monitoring and evaluation plan based on their own authorizing values, capacity, and local environments.



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Use of the Core Performance Framework

The Performance Framework should be the backbone of an authorizer's accountability system. This section provides an overview of how authorizers should collect evidence of performance or compliance and evaluate schools at least annually, monitor schools throughout their charter terms, report to schools and the public annually, intervene in schools that do not meet expectations, and make high-stakes decisions, including whether to renew, non-renew, or revoke a school's charter or to expand or replicate a school. The Academic, Financial, and Organizational Performance Frameworks may be utilized slightly differently for some accountability activities; authorizers should refer to the [Considerations for Using the Core Academic Performance Framework](#), [Considerations for Using the Core Financial Performance Framework](#), and [Considerations for Using the Core Organizational Performance Framework](#) sections in this guidance document for more detailed information on these differences.

Collecting Evidence and Evaluating Schools on the Performance Framework

Authorizers must determine what evidence to collect in order to evaluate schools using the Performance Framework. Information for the Academic Performance Framework is generally available once a year, and while authorizers should be collecting and evaluating financial performance information regularly throughout the year, the financial audit used for a year-end Financial Performance Framework assessment is completed only annually. Meanwhile, information for the Organizational Framework is often available throughout the year. Authorizers should develop reporting calendars to ensure that the authorizer and its schools have a clear, common understanding of expectations. Ultimately, authorizers should evaluate schools against the Performance Framework at least annually.

Collecting Evidence and Evaluating Schools on the Academic Performance Framework

The majority of the information needed for the Academic Performance Framework comes from state testing data, which is generally available in the fall or winter following spring testing. The following data elements are needed to complete the Academic Performance Framework analysis:

- Growth measures for charter schools, and possibly all schools in the state, where available
- Subgroup or current non-proficient student growth measures for charter schools, and possibly all schools in the state, where available
- Overall proficiency rates for all schools in the state
- District and state average proficiency rates
- District and state average proficiency rates for Free or Reduced-price Lunch (FRL), English Language Learners (ELL), and Special Education students (SPED), as well as for students in any other relevant subgroups
- Subgroup proficiency rates for FRL, ELL, and SPED students, as well as for students in any other relevant subgroups, for all schools in the state, where eligible subgroups exist
- FRL, ELL, and SPED enrollment, as well as enrollment for other relevant subgroups, for all schools in the state (used for similar schools' selection, if applicable)
- SAT results and participation rates, where available
- ACT results and participation rates, where available
- Graduation rates

- College attendance and persistence rates, where available
- Remediation rates for charter school graduates enrolled in post-secondary institutions, where available
- Student-level assessment data, if available (needed only if growth measures are calculated by the authorizer)
- Data for mission-specific measures, where applicable

As most academic performance data is only available once a year, authorizers should evaluate schools against the Academic Performance Framework on an annual basis.

Collecting Evidence and Evaluating Schools on the Financial Performance Framework

All authorizers implementing the Financial Performance Framework must require the charter schools they authorize to submit to an independent annual financial audit using accrual-based accounting. Cash-based audits will not provide the correct information needed for the framework. Authorizers will specifically need the following information to use the framework:

- Audited balance sheet
- Audited income statement
- Audited statement of cash flows
- Notes to the audited financial statements
- Charter school board-approved budget with enrollment targets
- Actual enrollment information
- Annual debt schedule indicating the total principal and interest due

In order to effectively conduct ongoing monitoring of financial stability, authorizers should also regularly require schools to provide current financial information in addition to audited information. Examples of current data that should be collected include monthly or quarterly balance sheets and cash flow statements. See the [Ongoing Monitoring](#) section for more information. As discussed throughout this document, it is critical that authorizers do not rely only on audited financial statements especially when making high-stakes decisions, conducting ongoing monitoring, and assessing whether a school is in immediate financial distress.

Schools that may be in immediate financial distress

Schools that fail the near-term indicators are at high risk for financial distress or closure. As such, they require additional monitoring and/or corrective action. Authorizers should determine the severity of the problem, assess changes in the school's financial performance and health since the date of the audited financial statements, and require that the school take actions to stabilize its financial position.

Schools experiencing negative financial trends

Schools may be failing the sustainability indicators for multiple reasons. They may be trending toward financial distress, or they could have a sound rationale for failing to meet the standards in a given year. For example, a school that is otherwise financially sound could fail to meet the cash flow measure if it made a one-time large capital investment. Authorizers need to determine if the school's failure to meet the standards was a result of a one-time event or represents an underlying structural problem with the school's financial performance. To this end, authorizers should collect and analyze additional information from the school and perform more in-depth due diligence.

Additional follow up

If a school receives two or more ratings of “Does Not Meet Standard” or one or more ratings of “Falls Far Below Standard” based on an initial analysis of the school’s audit, authorizers should conduct a more comprehensive review of the school’s finances. It is critical to conduct additional analysis before making high-stakes decisions, as information used to develop initial findings may be dated, given the lag in audited financial data, or it may not tell the whole story of the school’s financial health. Authorizers should consider requesting the following information for follow-up analysis:

- Year-to-date unaudited financial statements
- Year-to-date budget variance reports
- Updated budget projections for the remainder of the fiscal year

This information will help the authorizer to better understand the short- and long-term viability of the school. In addition, authorizers may wish to request additional information that is specific to the standard that the school failed to meet. It is important to note that any interim financial information will not be audited, and thus its accuracy is not guaranteed.

If additional information is needed regarding a school’s financial health, it may be necessary to contact the school’s auditor, who often has an ongoing relationship and/or dialogue regarding plans to address financial issues and general financial sustainability. Please note that although the auditor works closely with the school, auditors are independent and thus able to provide an unbiased evaluation of the school’s finances.

The following chart provides examples of additional information an authorizer could request as part of a comprehensive review for schools that fall below the standard. The chart includes additional information to request for the comprehensive review and what to look for in the additional data to identify signs of progress toward a more financially healthy school.

Measure	Additional Information to Request	Look For
1a Current Ratio	Monthly financial statements	Monthly current ratio trending upwards
1b Days Cash	Actual to-date cash flow and cash flow projections through the end of the fiscal year Monthly financial statements	Increases in unrestricted cash and days cash on hand approaching the target <i>Note: It is important to review the cash flow monthly due to irregular funding streams</i>
1c Enrollment Variance	Budget revised to reflect lower enrollment Monthly (new) budget variance reports	Budget demonstrates a net surplus and few, if any, variances are present <i>Note: Review that the school has adjusted staffing expenses to align with enrollment</i>
1d Debt Default	Copies of default-related documents the school received from the lender	Proof that the school is no longer in default, the lender has waived covenants, or the school has a plan to meet the covenants
2a Total Margin	Revised budget Monthly (new) budget variance report	Budget demonstrates a net surplus and few, if any, variances are present

Measure	Additional Information to Request	Look For
2b Debt to Asset Ratio	Action plan and updated budget to increase the school's Net Assets Monthly financial statements	Monthly Debt to Asset Ratio trending upward Alignment among the action plan, budget, and financial statements
2c Cash Flow	Actual to-date cash flow and cash flow projections through the end of the fiscal year	Increases in cash balance over the course of the year
2d Debt Service Coverage Ratio	Revised budget Monthly (new) budget variance report	Budget demonstrates a net surplus such that the debt service coverage ratio is greater than 1.1

The authorizer should:

1. Contact the school's governing board, executive director, and finance director (or similar personnel) to inform them of their school's status
2. Request up-to-date financial information from the school as the year-end framework analysis uses audited information, which requires a minimum lag time of four to six months for the audit to be finalized
3. Run the up-to-date (interim) financial information through the framework; current information may reveal steps the school has taken to mitigate any issues the framework highlighted, but it is important to note that this information has not been audited and therefore does not have the same level of credibility²¹
4. Inquire about the measures of concern with the executive and finance directors to identify any strategies employed to mitigate issues or strategic choices the school made with the understanding that their financial stability would be compromised for a period of time (e.g., invested in a new building through heavy debt financing in the year of concern, thus severely impacting ratings on any balance sheet measures)

Authorizers should note that when a school qualifies for an additional review it may be either in immediate distress, financially trending negatively, both, or neither. The school could have made a strategic financial decision that resulted in ratings that qualified it for additional review, but upon additional questioning has sufficient reasons for the financial results in the given year and is not in immediate distress or negative financial trending. Authorizers can often validate reasoning provided regarding large events (significant purchase, natural disaster, etc.) in the notes to the financial statements from the prior year, which indicate any significant items shortly after year end.

Collecting Evidence and Evaluating Schools on the Organizational Performance Framework

The data required for an authorizer to use the Organizational Performance Framework may not be the same across authorizers. Authorizers should determine the amount of evidence that is necessary to determine whether the school is meeting each target and assess staff capacity when deciding how best to evaluate school organizational performance. Some measures in the Organizational Framework require periodic monitoring to ensure compliance, while others can be analyzed annually during site visits or through reports submitted to the authorizer. Others still may only require an assurance of compliance by the charter school board but may require follow up if concerns are raised.

Due to the complexity in verifying compliance with some metrics, evidence of compliance may be determined only after the collection and analysis of multiple data points. For example, the authorizer may periodically evaluate whether a school is compliant with special-education requirements by gathering evidence through

²¹ Authorizers should be aware that interim financial data may be reported on an accrual, modified accrual, or cash basis, while financial audit data are reported on a full accrual basis. Results of the analysis may be different based on the reporting method and not the school's financial performance. It may be useful for the authorizer to seek guidance from the school's auditor to better understand the reporting methods used. For more information on analyzing interim financial data, see the section [Ongoing Monitoring](#).

multiple sources at different points in the school year (e.g., the authorizer may annually verify compliance by review of special-education audits conducted by the State Education Agency [SEA] as well as through site visit observations and analysis of school records).

The sections below outline common ways that authorizers may collect data to evaluate charter schools' organizational performance, beginning with the least intensive approach. Authorizers will have to determine which approach is most appropriate for evaluating each section of the Organizational Framework based on their authorizing values, capacity, and local environments.

Assurance of compliance by the charter board

The Organizational Framework provides a space for the authorizer to report any credible cases of noncompliance in areas where it may not routinely evaluate the school. The authorizer should require that the school maintain a file of official assurance of compliance by the charter school board. This documentation by the charter board provides an assurance to the authorizer that the board is aware of its legal obligations to the organization. The charter school board should approve this document annually. Accompanying this assurance should be evidence of compliance or direct reference to evidence (e.g., reference to board minutes or policies, reference to school procedures, or certificates). The assurance and evidence could be organized in a file or binder that the authorizer can access at the school site upon request.

The authorizer should review the file at least annually or when deemed necessary (e.g., the authorizer may review this report and request follow-up information on some measures during an annual site visit). For instance, an authorizer may require that the charter school board assure that it is compliant with employment law. Evidence of compliance would include the board-approved assurance and would be verified annually by the authorizer; in this case, compliance would be assumed unless determined otherwise. A complaint to the authorizer may warrant more direct review or investigation of an issue, but the burden of providing evidence of compliance lies with the charter school board that has assured compliance to the authorizer.

Required reporting

The authorizer may also require that the charter school report or verify compliance to the authorizer, in which case evidence of compliance would be at the disposal of the authorizer for reference during monitoring. For example, the authorizer may require that the charter school submit a list of teachers' proof of credentials on an annual basis. Note, however, that the authorizer should be careful to verify the accuracy and quality of self-reported data.

Excessive required reports may be burdensome on both the school and authorizer and could cause the authorizer to spend more time and resources monitoring reporting requirements than evaluating the school's performance outcomes. To ease the burden, the authorizer should establish a calendar of required reports to clearly communicate regular reporting deadlines to its charter schools. The calendar should outline which reports the authorizer requires, the form the reports should take, and the point(s) in the year when reports are due to the authorizer.

Third-party reviews

Another way to verify compliance is to seek reviews from a third-party reviewer (e.g., an authorizer may rely on the special-education division of the State Education Agency [SEA] for part of their assessment of compliance with special-education laws). This allows for the authorizer to access expert opinions while at the same time reducing redundancy in review and evaluation of the school, which could tend to lower charter school autonomy. Another form of third-party review could be the hiring of a consultant with the necessary

expertise to verify compliance. For instance, if an authorizer through initial review has reasonable suspicion of noncompliance with graduation requirements, it may hire a consultant to review a school's transcripts, credit assignments, and written graduation requirements.

Observed practice

The authorizer may verify compliance for certain measures in the Organizational Framework through direct observation. For example, the authorizer may observe mandatory state assessments to ensure compliance with required procedures. If the authorizer seeks verification in this form, then it is critical that the authorizer has the capacity and expertise to appropriately evaluate performance. Authorizers should be careful of using this type of monitoring except when necessary and should, wherever possible, seek additional evidence to substantiate observed practice.

Investigations

At times authorizers may receive complaints or assertions from individuals that a school is not in compliance. The authorizer should generally refer the complainant to the charter school board, which is responsible for investigating such cases. However, from time to time the authorizer may receive complaints that it must investigate directly, especially if the complaint is a major infraction (e.g., school leadership is accused of cheating on state assessments) or if it involves the charter school board (e.g., accused violations of open meeting law). In some instances, the authorizer itself may be required by law to take action or notify appropriate authorities, including the State Education Agency (SEA), of its findings. The Organizational Framework allows space for the authorizer to investigate potential grievances and determine whether or not the school is meeting organizational expectations.

Ongoing Monitoring

In addition to collecting evidence and evaluating schools on the Performance Framework on an annual basis, authorizers will need to determine what additional monitoring is necessary to oversee schools. Authorizers may consider differentiating monitoring based on schools' performance on the Performance Frameworks. For example, schools that consistently meet or exceed expectations may earn additional autonomy and experience less monitoring than those that fail to meet expectations.

Ongoing Academic and Organizational Performance Framework Monitoring

The Academic Performance Framework was intentionally designed to evaluate a school's academic outcomes, rather than their educational processes. In the same spirit, the Organizational Performance Framework is meant to evaluate a school's compliance with existing requirements and to consider organizational processes only to the extent that they are mandated by law, rules, or regulations. (See the [Collecting Evidence and Evaluating Schools on the Organizational Performance Framework](#) section for more information on monitoring strategies.) However, even though many educational or organizational process measures may not be appropriate for performancebased accountability, they retain a critical place in school oversight. Authorizers can use process-related information gained from site visits and other means for several purposes, including:

- Monitoring schools that may not yet have sufficient outcome or compliance data
- Determining the degree to which issues reflected in the Performance Framework are systemic
- Providing supplemental information for high-stakes decisions

The performance of schools on the Performance Framework should drive authorizers' decisions, but additional information can serve as a useful supplement, particularly when authorizers are making high-stakes decisions such as non-renewal or revocation. Collection of process-related information can be resource-intensive for both authorizers and schools; therefore, authorizers should focus resources first on collecting necessary performance-focused data to populate the Performance Framework and then on collecting additional information as warranted.

Ongoing Financial Performance Framework Monitoring

Authorizers should conduct general monitoring of schools' finances by requiring submission of reporting on an interim basis more frequently than the annual audit. Because there is a significant lag between the school's year end and when the authorizer receives the audit, year-end Financial Performance Framework assessment is indicative of performance from at least four to six months back. Using audited financials for the comparative testing is important for data accuracy and consistency, but ongoing monitoring can assist the authorizer in identifying pressing financial concerns. The extent and frequency of this monitoring, however, should be carefully determined in order to maintain the balance between oversight and autonomy.

The most useful financial reports for the authorizer to review on a periodic (generally quarterly) basis are:

- Income statement and balance sheet showing year-to-date actual, year-to-date budget, variance, and year-end budget
- Year-to-date statement of cash flows and cash flow projection through year end

Interim reviews are key to identifying new and unresolved problems, as well as items that, due to timing of the audit, may not have triggered a review in the framework. Because a number of the measures include balance sheet figures (a snapshot of a point in time), these measures can be manipulated, intentionally or unintentionally, due to timing. For example, management may choose not to pay a large invoice before year end to inflate its cash balance, or revenue from the state may come just before year end in one year and after in another. Interim reviews will assist the authorizer in avoiding undue reliance on what might be skewed data.

Because of the potential for different bases of accounting, as well as the impact of timing on many of the measures, authorizers should be aware of potential inaccuracies of data when using the framework on an interim basis. The measures may be used to identify major discrepancies from targets, but identifying large budget variances to discuss with management can also serve as a useful, and less time-intensive, general monitoring tool.

Annual Reporting

Each year and at the time of renewal, the authorizer should report on the findings of its evaluation of the school's performance against the academic, financial, and organizational expectations. This report should clearly demonstrate to both charter schools and the public how each school has performed on the Performance Framework. The annual report acts as an important tool to notify schools of their strengths and areas for improvement so that schools understand where they need to improve and are not surprised by intervention, revocation, or non-renewal. The report also gives transparency to charter school accountability and provides important information about charter school quality to the public as a whole, but in particular to students and families who are searching for a high-quality school. The annual report also provides an opportunity for the authorizer to document the school's shortcomings, should it need evidence of systemic issues with organizational effectiveness as a reason for recommending closure.

The annual report should provide a summary assessment of a school's performance on each of the three Performance Framework sections. See the [Considerations for Using the Core Academic Performance Framework](#) for more information on giving schools a final academic rating. Also see the [Annual review and reporting](#) section of the Financial Performance Framework for more information on giving schools final financial performance ratings based on follow-up analysis.

Intervention

Authorizers should have comprehensive intervention policies that guide their actions if a charter school is not meeting authorizer expectations. The interventions should complement the Performance Frameworks, be tied to the charter contract, and allow the authorizer to take action if the school does not meet expectations or progress at a pace that is satisfactory to the authorizer.

It is important to note that the authorizer must maintain an "arm's length" from the charter school during periods of intervention. Dictating a specific means of remedying a problem may hurt the authorizer's ability to make an impartial decision on renewal or revocation. Below are some examples of interventions that authorizers could employ when they find a school is not meeting organizational expectations.

Notice of concern

Regardless of whether an authorizer requires specific action by the charter school, it must communicate its concerns in a formal way that clearly states what the authorizer deems as unsatisfactory. To maintain transparency, the authorizer's findings should be aligned with the expectations outlined in the Performance Framework. Documentation of such concerns is critical for two reasons: 1) it provides the charter school with feedback on its performance and allows for transparent communication of expectations, and 2) it allows the authorizer to maintain a historical record of performance to help inform its accountability decisions.

Corrective action

Beyond communicating a concern, the authorizer should require the school to take corrective action in order to remedy the deficiency. The authorizer should dictate the timeframe in which the charter school should improve their performance or come into compliance, and then reevaluate the school's adherence to expectations.

The authorizer may or may not choose to set forth specific requirements for corrective action. However, as noted earlier, an authorizer should use caution when requiring the charter school to act in a specific way, careful not to impede on the charter school's autonomy and the authorizer's ability to make impartial accountability decisions.

There are a number of different actions that the authorizer could require of a charter school. The authorizer may require that the charter school review its policies, investigate the infraction or poor performance and report its findings, or seek technical assistance outside the organization. If the infraction or performance requires time to correct, the authorizer may require the charter school to develop a plan to come into compliance that includes periodic reports on progress to the authorizer.

It is critical that the authorizer clearly state its expectation that the charter school increase performance or come into compliance within the timeframe determined by the authorizer. This allows the authorizer to hold the charter school accountable and also provides the authorizer the opportunity to reevaluate performance and document progress toward meeting the expectations in the Performance Framework.

The authorizer should be aware that in some instances when the school is below the standard, particularly in the case of non-compliance with components of the Organizational Performance Framework, the authorizer may be required to provide notice to the State Education Agency (SEA) or another public body, as a finding may require action outside the purview of the authorizer.

Probation

If a school's performance is far below standards or performance does not improve over time, the authorizer may choose to place the school on probation. The authorizer might increase the frequency and depth of monitoring activities, including additional reporting and more frequent site visits, depending on the situation. Schools that do not improve while on probation may be considered for revocation or non-renewal.

High-Stakes Decision Making

The Performance Framework should be the primary tool for making high-stakes decisions, such as renewal, non-renewal, closure, or replication. Authorizers should consider the collective record of a school's academic, financial, and organizational performance when making high-stakes decisions, though academic performance will be the most important factor in most decisions.²² If a school is not providing a high-quality education to students, it has no business being a school. However, if a school is high performing academically but does not meet all standards for financial performance, its authorizer might determine that the school should continue to operate until it comes to a point of being unable to continue quality operations. Similarly, if a school is high-performing academically but is not in compliance with all of the organizational expectations, but non-compliance is not severe or systemic, the authorizer may require that the school come into compliance but may not immediately choose to close the school. In these cases, authorizers should use the evaluation of financial or organizational performance as a way to communicate unsatisfactory performance, as a basis for intervention, or as secondary evidence when making the case for closure. Only when the school falls far below the standard, which would indicate major concerns with financial viability or organizational effectiveness, should an authorizer consider findings on the Financial or Organizational Performance Frameworks as the primary reasons for non-renewal or revocation. Regardless of the point in the life of the charter, whether during an interim review or at the time of renewal, schools that have multiple occurrences where they fall below the standards should be considered for non-renewal or revocation, especially if these instances indicate that the school may not have the financial resources to provide a quality program through the end of the school year, put students in danger, indicate pervasive issues within the charter school, or are egregious in nature. At the other extreme, schools that consistently meet or exceed Performance Framework expectations should be considered for replication or expansion.

At the end of a charter term, the authorizer should analyze both static and trend data related to academic, financial, and organizational performance using the Performance Framework. It is important to analyze whether the school's performance in any one area is trending upward or downward, as that may impact both intervention and renewal decisions. A school may show a pattern of sporadic unsatisfactory performance throughout the life of the charter and in the most recent year, particularly as it relates to financial or organizational performance. In this case, the authorizer must evaluate the school's financial and organizational effectiveness and determine whether the issues are systemic and whether the school is likely to remain unstable in the next charter term. Ultimately, a quality authorizer "Does not make renewal decisions, including granting probationary or short-term renewals, on the basis of political or community pressure or solely on promises of future improvement."²³

²² In order to comply with the federal government's Charter Schools Program (CSP) assurances, State Education Agencies (SEAs) must ensure that they have state law, regulations, or other policies that direct authorized public charter agencies to use increases in student academic achievement for all groups of students described in section 1111(b)(2)(C)(v) of the Elementary and Secondary Education Act (ESEA) as the most important factor when determining to renew or revoke a school's charter. Non-SEA authorizers should work with their SEAs to ensure that the SEA complies with this and other CSP assurances. The CSP assurances can be accessed at <https://www2.ed.gov/programs/charter/2011/application-package.pdf>.

²³ *Principles & Standards for Quality Charter School Authorizing*. National Association of Charter School Authorizers, (2012).

Conclusion

Developing and adopting a Performance Framework is only the first step in creating and implementing a high-quality charter school accountability system. Authorizers must also develop policies and practices for evaluating schools on the Performance Framework, monitoring schools on an ongoing basis, reporting on schools annually, intervening in schools when necessary, and making high-stakes decisions. While implementation may not be easy or immediate, it is critical in order for authorizers to hold schools accountable and ultimately develop a higher-performing portfolio of charter schools.





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Appendix: Performance Framework

Academic Performance Framework

The targets denoted with brackets in the measures below were developed based on experience working with authorizers during the pilot for the Performance Frameworks. Individual authorizers should develop their own specific targets.

1. State and Federal Accountability Systems

<p>Measure 1a Is the school meeting acceptable standards according to existing state grading or rating system?</p> <p>Exceeds Standard: <input type="checkbox"/> School received the highest grade or rating (A or equivalent) from the state accountability system</p> <p>Meets Standard: <input type="checkbox"/> School received a passing grade or rating according to the state accountability system</p> <p>Does Not Meet Standard: <input type="checkbox"/> School did not receive a passing grade or rating according to the state accountability system</p> <p>Falls Far Below Standard: <input type="checkbox"/> School identified for intervention or considered failing by the state accountability system</p>
<p>Measure 1b Is school meeting targets set forth by state and federal accountability systems?</p> <p>Exceeds Standard: <input type="checkbox"/> School met [100 percent] of the Annual Measureable Objectives (AMOs) set by the state</p> <p>Meets Standard: <input type="checkbox"/> School met [80–99 percent] of the Annual Measureable Objectives (AMOs) set by the state</p> <p>Does Not Meet Standard: <input type="checkbox"/> School met [60–79 percent] of the Annual Measureable Objectives (AMOs) set by the state</p> <p>Falls Far Below Standard: <input type="checkbox"/> School met [fewer than 60 percent] of the Annual Measureable Objectives (AMOs) set by the state</p>
<p>Measure 1c Is school meeting state designation expectations as set forth by state and federal accountability systems?</p> <p>Exceeds Standard: <input type="checkbox"/> School was identified as a “Reward” school</p> <p>Meets Standard: <input type="checkbox"/> School does not have a designation</p> <p>Does Not Meet Standard: <input type="checkbox"/> School was identified as a “Focus” school</p> <p>Falls Far Below Standard: <input type="checkbox"/> School was identified as a “Priority” school</p>

<p>Measure 1d Did school meet Adequate Yearly Progress (AYP) requirements?</p>
<p>Meets Standard: <input type="checkbox"/> School met AYP</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School did not meet AYP</p>

2. Student Progress Over Time (Growth)

<p>Measure 2a Are students making sufficient annual academic growth to achieve proficiency (criterion-referenced growth)?</p>
<p>Exceeds Standard: <input type="checkbox"/> [At least 85 percent] of students are making sufficient academic growth to achieve, maintain, or exceed proficiency</p>
<p>Meets Standard: <input type="checkbox"/> [Between 70–84 percent] of students are making sufficient academic growth to achieve or maintain proficiency</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [Between 50–69 percent] of students are making sufficient academic growth to achieve proficiency</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 50 percent] of students are making sufficient academic growth to achieve proficiency</p>
<p>Measure 2b Are students making expected annual academic growth compared to their academic peers (norm-referenced growth)?</p>
<p>Exceeds Standard: <input type="checkbox"/> [At least 80 percent] of students are making expected growth</p>
<p>Meets Standard: <input type="checkbox"/> [Between 65–79 percent] of students are making expected growth</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [Between 50–64 percent] of students are making expected growth</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 50 percent] of students are making expected growth</p>
<p>Measure 2c Is the school increasing subgroup academic performance over time?</p>
<p>Exceeds Standard: <input type="checkbox"/> [At least 85 percent] of students in eligible subgroups are making sufficient academic growth to achieve, maintain, or exceed proficiency</p>
<p>Meets Standard: <input type="checkbox"/> [Between 70–84 percent] of students in eligible subgroups are making sufficient academic growth to achieve or maintain proficiency</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [Between 50–69 percent] of students in eligible subgroups are making sufficient academic growth to achieve proficiency</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 50 percent] of students in eligible subgroups are making sufficient academic growth to achieve proficiency</p>

3. Student Achievement (Status)

<p>Measure 3a Are students achieving proficiency on state examinations?</p>
<p>Exceeds Standard: <input type="checkbox"/> [90 percent or more] of students met or exceeded proficiency</p>
<p>Meets Standard: <input type="checkbox"/> [Between 80–89 percent] of students met or exceeded proficiency</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [Between 70–79 percent] of students met or exceeded proficiency</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 70 percent] of students met or exceeded proficiency</p>
<p>Measure 3b Are students in demographic subgroups achieving proficiency on state examinations compared to state subgroups?</p>
<p>Exceeds Standard: <input type="checkbox"/> School's average subgroup proficiency rate [exceeds the average state performance of students in the same subgroup in the same grades by 15 or more percentage points OR subgroups in the school are outperforming the average state non-subgroup proficiency rates]</p>
<p>Meets Standard: <input type="checkbox"/> School's average subgroup proficiency rate [meets or exceeds the average state performance of students in the same subgroup in the same grades by up to 15 percentage points]</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School's average subgroup proficiency rate [is less than the average state performance of students in the same subgroup in the same grades by 1–14 percentage points]</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School's average subgroup proficiency rate [is less than the average state performance of students in the same subgroup in the same grades by 15 or more percentage points]</p>
<p>Measure 3c Are students performing well on state examinations in comparison to students at schools serving similar populations?</p>
<p>Exceeds Standard: <input type="checkbox"/> School's average proficiency rate [exceeds the average performance of students in schools serving similar populations in the same grades by 15 or more percentage points]</p>
<p>Meets Standard: <input type="checkbox"/> School's average proficiency rate [meets or exceeds the average performance of students in schools serving similar populations in the same grades by up to 15 percentage points]</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School's average proficiency rate [is less than the average performance of students in schools serving similar populations in the same grades by 1–14 percentage points]</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School's average proficiency rate [is less than the average performance of students in schools serving similar populations in the same grades by 15 or more percentage points]</p>

<p>Measure 3d Are students in the school performing well on state examinations in comparison to students in schools they might otherwise attend?</p>
<p>Exceeds Standard: <input type="checkbox"/> School's average proficiency rate [exceeds the average performance of students in schools they might otherwise attend by 15 or more percentage points]</p>
<p>Meets Standard: <input type="checkbox"/> School's average proficiency rate [meets or exceeds the average performance of students in schools they might otherwise attend by up to 15 percentage points]</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School's average proficiency rate [is less than the average performance of students in schools they might otherwise attend by 1–14 percentage points]</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School's average proficiency rate [is less than the average performance of students in schools they might otherwise attend by 15 or more percentage points]</p>

4. Post-Secondary Readiness (Required for High Schools Only)

<p>Measure 4a1 Does students' performance on the ACT and SAT reflect college readiness?</p>
<p>Exceeds Standard: <input type="checkbox"/> The percentage of students meeting benchmarks for ACT or SAT performance [exceeds the national average by at least 20 percent]</p>
<p>Meets Standard: <input type="checkbox"/> The percentage of students meeting benchmarks for ACT or SAT performance [meets or exceeds the national average by up to 20 percent]</p>
<p>Does Not Meet Standard: <input type="checkbox"/> The percentage of students meeting benchmarks for ACT or SAT performance [falls below the national average by up to 20 percent]</p>
<p>Falls Far Below Standard: <input type="checkbox"/> The percentage of students meeting benchmarks for ACT or SAT performance [falls below the national average by at least 20 percent]</p>
<p>Measure 4a2 Are students participating in the ACT or SAT?</p>
<p>Exceeds Standard: <input type="checkbox"/> [More than 90 percent] of students participated in the ACT or SAT</p>
<p>Meets Standard: <input type="checkbox"/> [70–89 percent] of students participated in the ACT or SAT</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [50–69 percent] of students participated in the ACT or SAT</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 50 percent] of students participated in the ACT or SAT</p>

<p>Measure 4b Are students graduating from high school?</p>
<p>Exceeds Standard: <input type="checkbox"/> [At least 90 percent] of students graduated from high school</p>
<p>Meets Standard: <input type="checkbox"/> [80–89 percent] of students graduated from high school</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [70–79 percent] of students graduated from high school</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 70 percent] of students graduated from high school</p>
<p>Measure 4c Are high school graduates enrolled in post-secondary institutions in the fall following graduation?</p>
<p>Exceeds Standard: <input type="checkbox"/> [At least 90 percent] of high school graduates were enrolled in post-secondary institutions in the fall following graduation</p>
<p>Meets Standard: <input type="checkbox"/> [70–89 percent] of high school graduates were enrolled in post-secondary institutions in the fall following graduation</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [50–69 percent] of high school graduates were enrolled in post-secondary institutions in the fall following graduation</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 50 percent] of high school graduates were enrolled in post-secondary institutions in the fall following graduation</p>
<p>Measure 4d Are high school graduates who did not enroll in post-secondary institutions after graduation employed in the fall following graduation (including military service)?</p>
<p>Exceeds Standard: <input type="checkbox"/> [More than 90 percent] of high school graduates who did not enroll in post-secondary institutions after graduation were employed in the fall following graduation</p>
<p>Meets Standard: <input type="checkbox"/> [70–89 percent] of high school graduates who did not enroll in post-secondary institutions after graduation were employed in the fall following graduation</p>
<p>Does Not Meet Standard: <input type="checkbox"/> [50–69 percent] of high school graduates who did not enroll in post-secondary institutions after graduation were employed in the fall following graduation</p>
<p>Falls Far Below Standard: <input type="checkbox"/> [Fewer than 50 percent] of high school graduates who did not enroll in post-secondary institutions after graduation were employed in the fall following graduation</p>

<p>Measure 4e Are high school graduates adequately prepared for post-secondary academic success?</p>
<p>Exceeds Standard: <input type="checkbox"/> School remediation rate for graduates attending post-secondary institutions [was 15 percentage points or more below the statewide remediation rate]</p>
<p>Meets Standard: <input type="checkbox"/> School remediation rate for graduates attending post-secondary institutions [met or fell below the statewide remediation rate by up to 15 percentage points]</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School remediation rate for graduates attending post-secondary institutions [was up to 15 percentage points above the statewide remediation rate]</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School remediation rate for graduates attending post-secondary institutions [was 15 percentage points or more above the statewide remediation rate]</p>

5. Mission-Specific Academic Goals

<p>Measure 5a Is the school meeting mission-specific academic goals?</p>
<p>Exceeds Standard: <input type="checkbox"/> School surpassed its mission-specific academic goal(s)</p>
<p>Meets Standard: <input type="checkbox"/> School met its mission-specific academic goal(s)</p>
<p>Does Not Meet Standard: <input type="checkbox"/> School did not meet its mission-specific academic goal(s)</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School fell far below its mission-specific academic goal(s)</p>

Financial Performance Framework

1. Near-Term Measures

<p>Measure 1a Current Ratio: Current Assets divided by Current Liabilities</p> <p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Current Ratio is greater than or equal to 1.1 or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 and one-year trend is positive (current year ratio is higher than last year's)</p> <p><i>Note: For schools in their first or second year of operation, the current ratio must be greater than or equal to 1.1.</i></p> <p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Current Ratio is between 0.9 and 1.0 or equals 1.0 or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 and one-year trend is negative</p> <p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Current ratio is less than or equal to 0.9</p>
<p>Measure 1b Unrestricted Days Cash: Unrestricted Cash divided by ((Total Expenses minus Depreciation Expense) / 365)</p> <p><i>Meets Standard:</i></p> <p><input type="checkbox"/> 60 Days Cash or <input type="checkbox"/> Between 30 and 60 Days Cash and one-year trend is positive</p> <p><i>Note: Schools in their first or second year of operation must have a minimum of 30 Days Cash.</i></p> <p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Days Cash is between 15–30 days or <input type="checkbox"/> Days Cash is between 30–60 days and one-year trend is negative</p> <p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Fewer than 15 Days Cash</p>
<p>Measure 1c Enrollment Variance: Actual Enrollment divided by Enrollment Projection in Charter School Board-Approved Budget</p> <p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Enrollment Variance equals or exceeds 95 percent in the most recent year</p> <p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Enrollment Variance is between 85–95 percent in the most recent year</p> <p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Enrollment Variance is less than 85 percent in the most recent year</p>

<p>Measure 1d Default</p>
<p>Meets Standard: <input type="checkbox"/> School is not in default of loan covenant(s) and/or is not delinquent with debt service payments</p>
<p>Does Not Meet Standard: <input type="checkbox"/> Not applicable</p>
<p>Falls Far Below Standard: <input type="checkbox"/> School is in default of loan covenant(s) and/or is delinquent with debt service payments</p>

2. Sustainability Measures

<p>Measure 2a Total Margin: Net Income divided by Total Revenue Aggregated Total Margin: Total Three-Year Net Income divided by Total Three-Year Revenues</p>
<p>Meets Standard: <input type="checkbox"/> Aggregated Three-Year Total Margin is positive and the most recent year Total Margin is positive or <input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive <i>Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.</i></p>
<p>Does Not Meet Standard: <input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5 percent, but trend does not “Meet Standard”</p>
<p>Falls Far Below Standard: <input type="checkbox"/> Aggregated Three-Year Total Margin is less than or equal to -1.5 percent or <input type="checkbox"/> The most recent year Total Margin is less than -10 percent</p>
<p>Measure 2b Debt to Asset Ratio: Total Liabilities divided by Total Assets</p>
<p>Meets Standard: <input type="checkbox"/> Debt to Asset Ratio is less than 0.9</p>
<p>Does Not Meet Standard: <input type="checkbox"/> Debt to Asset Ratio is between 0.9 and 1.0</p>
<p>Falls Far Below Standard: <input type="checkbox"/> Debt to Asset Ratio is greater than 1.0</p>

<p>Measure 2c</p> <p>Cash Flow:</p> <p>Multi-Year Cash Flow = Year 3 Total Cash – Year 1 Total Cash One-Year Cash Flow = Year 2 Total Cash – Year 1 Total Cash</p>
<p>Meets Standard:</p> <p><input type="checkbox"/> Multi-Year Cumulative Cash Flow is positive and Cash Flow is positive each year or <input type="checkbox"/> Multi-Year Cumulative Cash Flow is positive, Cash Flow is positive in one of two years, and Cash Flow in the most recent year is positive</p> <p><i>Note: Schools in their first or second year of operation must have positive Cash Flow.</i></p>
<p>Does Not Meet Standard:</p> <p><input type="checkbox"/> Multi-Year Cumulative Cash Flow is positive, but trend does not “Meet Standard”</p>
<p>Falls Far Below Standard:</p> <p><input type="checkbox"/> Multi-Year Cumulative Cash Flow is negative</p>
<p>Measure 2d</p> <p>Debt Service Coverage Ratio: (Net Income + Depreciation + Interest Expense) / (Annual Principal, Interest, and Lease Payments)</p>
<p>Meets Standard:</p> <p><input type="checkbox"/> Debt Service Coverage Ratio is equal to or exceeds 1.1</p>
<p>Does Not Meet Standard:</p> <p><input type="checkbox"/> Debt Service Coverage Ratio is less than 1.1</p>
<p>Falls Far Below Standard:</p> <p><input type="checkbox"/> Not Applicable</p>

Organizational Performance Framework

The purpose of the Organizational Performance Framework is to communicate to the charter school and public the compliance-related standards that the charter school must meet. The Organizational Framework lists the standards that the charter school is already required to meet through state and federal law, rules, regulations, or the charter contract.

NACSA's *Principles & Standards* (2012) states that

“A Quality Authorizer implements an accountability system that effectively streamlines federal, state, and local...compliance requirements while protecting schools’ legally entitled autonomy and minimizing schools’ administrative and reporting burdens.” (p. 17)

For each measure a school receives one of three ratings.

Meets Standard: The school materially meets the expectations outlined below.

Does Not Meet Standard: The school has failed to implement the program in the manner described above; the failure(s) were material, but the board has instituted remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the authorizer.

Falls Far Below Standard: The school failed to implement the program in the manner described above; the failure(s) were material and significant to the viability of the school, or regardless of the severity of the failure(s), the board has not instituted remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the authorizer.

1. Education Program

<p>Measure 1a Is the school implementing the material terms of the education program as defined in the current charter contract?</p>
<p>Meets Standard:</p> <p>The school implemented the material terms of the education program in all material respects and the education program in operation reflects the material terms as defined in the charter contract, or the school has gained approval for a charter modification to the material terms.</p>
<p>Measure 1b Is the school complying with applicable education requirements?</p>
<p>Meets Standard:</p> <p>The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to education requirements, including but not limited to:</p> <ul style="list-style-type: none"> ■ Instructional days or minutes requirements ■ Graduation and promotion requirements ■ Content standards, including Common Core ■ State assessments ■ Implementation of mandated programming as a result of state or federal funding

Measure 1c

Is the school protecting the rights of students with disabilities?

Meets Standard:

Consistent with the school's status and responsibilities as either a Local Education Agency (LEA) or school in a district LEA, the school materially complies with applicable laws, rules, regulations, and provisions of the charter contract (including the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act) relating to the treatment of students with identified disabilities and those suspected of having a disability, including but not limited to:

- Equitable access and opportunity to enroll
- Identification and referral
- Appropriate development and implementation of Individualized Education Plans and Section 504 plans
- Operational compliance, including provision of services in the least restrictive environment and appropriate inclusion in the school's academic program, assessments, and extracurricular activities
- Discipline, including due process protections, manifestation determinations, and behavioral intervention plans
- Access to the school's facility and program to students in a lawful manner and consistent with students' IEPs or Section 504 plans
- Appropriate use of all available, applicable funding

Measure 1d

Is the school protecting the rights of English Language Learner (ELL) students?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract (including Title III of the Elementary and Secondary Education Act [ESEA] and U.S. Department of Education authorities) relating to requirements regarding English Language Learners (ELLs), including but not limited to:

- Equitable access and opportunity to enroll
- Required policies related to the service of ELL students
- Compliance with native-language communication requirements
- Proper steps for identification of students in need of ELL services
- Appropriate and equitable delivery of services to identified students
- Appropriate accommodations on assessments
- Exiting of students from ELL services
- Ongoing monitoring of exited students

2. Financial Management and Oversight

<p>Measure 2a Is the school meeting financial reporting and compliance requirements?</p> <p><i>Meets Standard:</i></p> <p>The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to financial reporting requirements, including but not limited to:</p> <ul style="list-style-type: none"> Complete and on-time submission of financial reports, including annual budget, revised budgets (if applicable), periodic financial reports as required by the authorizer, and any reporting requirements if the board contracts with an Education Service Provider (ESP) On-time submission and completion of the annual independent audit and corrective action plans, if applicable All reporting requirements related to the use of public funds
<p>Measure 2b Is the school following Generally Accepted Accounting Principles (GAAP)?</p> <p><i>Meets Standard:</i></p> <p>The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to financial management and oversight expectations as evidenced by an annual independent audit, including but not limited to:</p> <ul style="list-style-type: none"> An unqualified audit opinion An audit devoid of significant findings and conditions, material weaknesses, or significant internal control weaknesses An audit that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report

3. Governance and Reporting

<p>Measure 3a Is the school complying with governance requirements?</p> <p><i>Meets Standard:</i></p> <p>The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to governance by its board, including but not limited to:</p> <ul style="list-style-type: none"> Board policies, including those related to oversight of an Education Service Provider (ESP), if applicable Board bylaws State open meetings law Code of ethics Conflicts of interest Board composition and/or membership rules (e.g., requisite number of qualified teachers, ban on employees or contractors serving on the board, etc.) Compensation for attendance at meetings
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Measure 3b

Is the school holding management accountable?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to oversight of school management, including but not limited to:

- (For Education Service Providers [ESPs]) maintaining authority over management, holding it accountable for performance as agreed under a written performance agreement, and requiring annual financial reports of the ESP
- (For Others) oversight of management that includes holding it accountable for performance expectations that may or may not be agreed to under a written performance agreement

Measure 3c

Is the school complying with reporting requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to relevant reporting requirements to the school's authorizer, State Education Agency (SEA), district education department, and/or federal authorities, including but not limited to:

- Accountability tracking
- Attendance and enrollment reporting
- Compliance and oversight
- Additional information requested by the authorizer

4. Students and Employees

Measure 4a

Is the school protecting the rights of all students?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to the rights of students, including but not limited to:

- Policies and practices related to admissions, lottery, waiting lists, fair and open recruitment, and enrollment (including rights to enroll or maintain enrollment)
- The collection and protection of student information (that could be used in discriminatory ways or otherwise contrary to law)
- Due process protections, privacy, civil rights, and student liberties requirements, including First Amendment protections and the Establishment Clause restrictions prohibiting public schools from engaging in religious instruction
- Conduct of discipline (discipline hearings and suspension and expulsion policies and practices)

Note: Proper handling of discipline processes for students with disabilities is addressed more specifically in Section 1c.

Measure 4b
Is the school meeting attendance goals?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to attendance goals.

Measure 4c
Is the school meeting teacher and other staff credentialing requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract (including the federal Highly Qualified Teacher and Paraprofessional requirements within Title II of the Elementary and Secondary Education Act [ESEA]) relating to state certification requirements.

Measure 4d
Is the school respecting employee rights?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to employment considerations, including those relating to the Family Medical Leave Act, the Americans with Disabilities Act, and employment contracts. The school does not interfere with employees' rights to organize collectively or otherwise violate staff collective bargaining rights.

Measure 4e
Is the school completing required background checks?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to background checks of all applicable individuals (including staff and members of the charter community, where applicable).

5. School Environment

Measure 5a
Is the school complying with facilities and transportation requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to the school facilities, grounds, and transportation, including but not limited to:

- Americans with Disabilities Act (ADA)
- Fire inspections and related records
- Viable certificate of occupancy or other required building use authorization
- Documentation of requisite insurance coverage
- Student transportation

Measure 5b

Is the school complying with health and safety requirements?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to safety and the provision of health-related services, including but not limited to:

- Appropriate nursing services and dispensing of pharmaceuticals
- Food service requirements
- Other district services, if applicable

Measure 5c

Is the school handling information appropriately?

Meets Standard:

The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to the handling of information, including but not limited to:

- Maintaining the security of and providing access to student records under the Family Educational Rights and Privacy Act and other applicable authorities
- Accessing documents maintained by the school under the state's Freedom of Information law and other applicable authorities
- Transferring of student records
- Proper and secure maintenance of testing materials

6. Additional Obligations

Measure 6a

Is the school complying with all other obligations?

Meets Standard:

The school materially complies with all other legal, statutory, regulatory, or contractual requirements contained in its charter contract that are not otherwise explicitly stated herein, including but not limited to requirements from the following sources:

- Revisions to state charter law
- Consent decrees
- Intervention requirements by the authorizer
- Requirements by other entities to which the charter school is accountable (e.g., State Education Agency [SEA])

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Understanding The Star Rating System

This guide outlines how to interpret the Star Rating System accountability information found on the AYP/Star Rating Site.

For assistance, please contact Dr. Angela Rishell, arishell@sde.idaho.gov, 208-332-6976

Accountability Area 1: Achievement

- This category is a direct reflection of student achievement on the ISAT and ISAT-ALT tests.
 - These scores may look different than your AYP data because basic students are counted as 0.5 proficient as well as 11th and 12th grade proficient scores in the old AYP system. For the Star System, only students in grades 3-8 and 10 will be included in the calculations. The determination is based on the percentage of students at the proficient or advanced category. Points are given on a scale indicating higher points for performance at proficient or advanced.
- To interpret the data presented on this site:
 1. locate your ISAT/ISAT-ALT proficiency percentage
 2. locate your percentage range on the table (which will then show you your total points earned from the total points eligible column).
 3. The Points Earned column on the school page should mirror the points eligible on the table.
 - Repeat for all categories.
 4. Add points and divide by total to see overall percentage.
 5. For the purpose of the star rating system each accountability area is given a set number of points that are different for elementary and high school (there is an adjustment for categories not reported at the elementary level... graduation, etc.).
 - The total points for high schools = 20
 - The total points for elementary = 25
 - The total percentage points earned is then taken and multiplied by the total points to determine total points earned for each area.

ACHIEVEMENT			
Content Area	Percent Proficient / Advanced	Points Earned	Points Eligible
Reading	93.1%	4	5
Math	90.8%	4	5
Language	86.7%	4	5

1. Locate your ISAT/ISAT-ALT Proficiency Percentage. (We'll use reading)

Percentage of points:
12 / 15 = 80.0%

Total points for this area:
16 out of 20

4. Add points earned and divide by total to see overall percentage.

Achievement Points Eligible	
Percent Proficient and Advanced	Points Eligible
95% - 100%	5
84% - 94%	4
65% - 83%	3
41% - 64%	2
≤ 40%	1

2. Find percentage range on table (93.1%= 4 points)

3. Point values should match. (Yes)

The total points for this area are determined by multiplying the percentage points by the area's total possible points.

For this example:

1. The school is a high school = 20 possible area points
2. The total area points (20) is multiplied by the percentage of points earned (80.0 %) = 16

NOTE: The Achievement Rate is directly taken from the ISAT/ISAT-ALT scores. (Advanced and Proficient scores only)

Accountability Area 2: Growth To Achievement

- Academic growth and academic growth gaps are evaluated based on a normative comparison of how much the typical or median student in the school/subgroup grew compared to his/her academic peers. This is called Median Student Growth Percentile (SGP).

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- Growth to Achievement and Growth to Achievement Subgroups are evaluated based on the criterion of whether or not the growth rate is adequate for the typical or median student in the school/subgroup to reach or maintain a performance level of proficient or advanced within three years or by 10th grade, whichever comes first. This is called Median Student Adequate Growth Percentile (AGP)
- The Growth to Achievement and Growth to Achievement Subgroups indicators use two different scoring guides depending on whether or not the median growth percentile of the school or subgroup meets or exceeds the adequate growth needed for that school or subgroup.

GROWTH TO ACHIEVEMENT					
Content Area	Median Student Growth Percentile (SGP)	Median Student Adequate Growth Percentile (AGP)	Made Adequate Growth?	Points Earned	Points Eligible
Reading	55	1	Yes	4	5
Math	56	2	Yes	4	5
Language	55	3	Yes	4	5
Percentage of points: 12 / 15 = 80.0%					
Total points for this area: 24 out of 30					

1. Did your school make adequate growth?
(For this example, yes)

2. What are the Median Student Growth Percentile? (We'll use reading)

3. Locate Student Growth Percentile on Chart. (55 percent=4 points)

NOTE: The same method can be used to determine points for categories that did not meet adequate growth using the alternate column.

Table 1
Adequate Growth Flowchart

**DID THE SCHOOL MEET THE ADEQUATE GROWTH PERCENTILE?
SGP ≥ AGP?**

Yes, met Adequate Growth Percentile
(SGP ≥ AGP)

Median Student Growth Percentile (SGP)	Points
66-99	5
52-65	4
43-51	3
30-42	2
1-29	1

No, did not meet Adequate Growth Percentile
(SGP < AGP)

Median Student Growth Percentile (SGP)	Points
70-99	5
61-69	4
51-60	3
36-50	2
1-35	1

GROWTH TO ACHIEVEMENT					
Content Area	Median Student Growth Percentile (SGP)	Median Student Adequate Growth Percentile (AGP)	Made Adequate Growth?	Points Earned	Points Eligible
Reading	55	1	Yes	4	5
Math	56	2	Yes	4	5
Language	55	3	Yes	4	5
Percentage of points: 12 / 15 = 80.0%					
Total points for this area: 24 out of 30					

Percentage of points are the total points earned divided by the total points eligible.

The total points for growth for achievement are listed here.

ADDITIONAL SIMPLIFIED EXAMPLE:

Here is a very simplified example of how SGP and AGP work. Say the state of Idaho only has eight 4th graders, and your school has three of them: Jonny, Sally, and Mike.

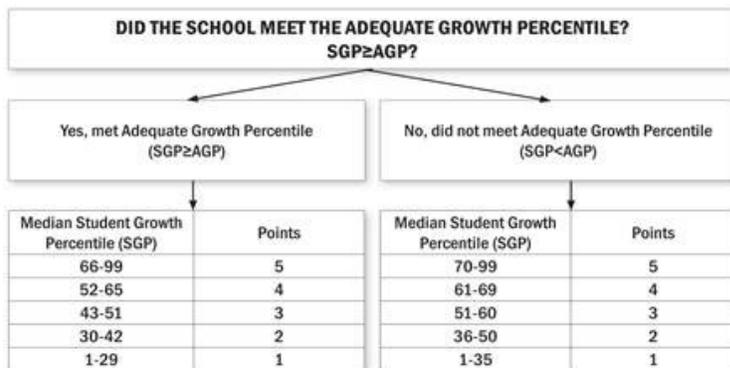
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NAME	ISAT Reading 3 rd	ISAT Reading 4 th
Jonny	179	192
Sally	202	233
Mike	202	200
Kim	202	264
Sue	179	194
Tom	179	180
Sammy	160	194
Joe	255	255

To calculate Jonny’s SGP for Reading, you look at his academic peers, Sue and Tom. They performed similar to Jonny on the 3rd grade ISAT Reading. When looking at Jonny’s 4th grade ISAT Reading scale score, 192, you notice that it is higher than Tom’s score (180) but lower than Sue’s score (194). Jonny performed better than 50% of his academic peers; therefore Jonny’s SGP is 50. Similarly, Sally received a SGP of 50 and Mike received a SGP of 25. Your school’s median SGP would be 50.

With a scale score of 179, Jonny is below basic. He needs to achieve a scale score of 208 or higher on the 6th grade ISAT reading test in order to be proficient within 3 years. Using our state-level data, we predict that Jonny’s growth percentile needs to be 58 over the next three years to achieve proficiency; therefore, Jonny’s AGP is 58. Because Jonny’s growth percentile was only 50 this year, he is not making enough growth to meet his three year target. Therefore, we determine that Jonny did not “make adequate growth”.

Remember that Jonny, Sally, and Mike are also in your school. Sally is already proficient in reading with a scale score of 202, and say her AGP = 10 percentile to maintain this proficiency status for the next three years. Similarly, Mike received an AGP of 10. Your school’s median AGP is 10. Because your school’s median SGP is bigger than your school’s median AGP, your school “made adequate growth”. Your school will receive 3 points based on the following chart.



Name	SGP	AGP	Made Adequate Growth?
Jonny	50	58	No
Sally	50	10	Yes
Mike	17	10	Yes
School Median	50	10	Yes

Accountability Area 3: Growth To Achievement Subgroups

- Growth to Achievement Subgroups are calculated exactly the same as Growth to Achievement (with both the Median Student Growth Percentile and Adequate Student Growth Percentile). For this measure, those calculations are applied to the following subgroups to determine SGP and AGP noted as an “At Risk Subgroup”:
 - Free and Reduced Lunch Eligible
 - Minority Students
 - Students with Disabilities
 - Limited English Proficient Students (LEP)

GROWTH TO ACHIEVEMENT - AT RISK SUBGROUP					
Content Area	Median Student Growth Percentile (SGP)	Median Student Adequate Growth Percentile (AGP)	Made Adequate Growth?	Points Earned	Points Eligible
Reading	49	10	Yes	12	20
Math	52	14	Yes	16	20
Language	30	19	Yes	8	20
Percentage of points: $36/60 = 60\%$					
Total points for this area: 12/20					

The percentage of points awarded will be scaled for the total points for schools to the appropriate weighting. For the example above, the school receives 36/60 points, so they will receive 60% of the points and will be given 12 of the 20 total points for this metric.

NOTE: For high schools there are 20 points possible for this category and for high schools there are 25 points possible for this area. The same 36/60 points would earn an elementary school 15 out of 25 points.

Accountability Area 4: Post Secondary And Career Readiness

NOTE: The Post Secondary and Career Readiness accountability area is broken down into three categories : Graduation Rate (50%) , Advanced Opportunity (25%), College Entrance Placement Exams (25%).

Advanced Opportunities

- Advanced Opportunities includes both the percent of students who completed and the percent who earned a grade of C or better on an Advanced Placement (AP), International Baccalaureate (IB), or dual credit or tech prep course.
- Eligible students in this category are all public school juniors and seniors. The first measure considers the total number of students eligible for such courses (as defined in IDAPA 08.02.03. 106.02) to be all juniors and seniors and the percent of the eligible students who completed one or more courses.
 - As a note, percent completing advanced opportunity is the number of students that completed a course with a grade A through F divided by the number of eligible students. You must have reported the students on your ISEE report, along with the course name and grades. You may appeal any students that were not included during the appeal window.

- The second measure is a cumulative percentage of the number of courses taken by any eligible students who completed a course with a grade of C or better. If a student takes multiple courses, the higher of the two course grades will be calculated into the matrix.

POST SECONDARY		
Content Area	Points Earned	Points Eligible
Graduation Rate (96.0%)	5	5
Advanced Opportunity	5	5
Percentage of points: 10 / 10 = 100.0%		
Total points for this area: 30 out of 30		

The Advanced Opportunity information is pulled directly from ISEE. That percentage is then converted to points using the below table

Advanced Opportunity Eligible Points	Percent Completing an Advanced Opportunity Course with C or better				
	90%-100%	75%-89%	60%-74%	40%-59%	≤ 39%
50% - 100%	5	5	3	2	1
25% - 49%	5	4	3	2	1
16% - 24%	4	4	3	2	1
6% - 15%	3	2	2	1	1
≤ 5%	1	1	1	1	1

Graduation Requirements

- Graduation Requirements
 - Idaho’s graduation rate goal is 90%.
 - The data presented is the same data reported for the 2011 AYP.
 - Graduation rate can not be appealed at this time.

POST SECONDARY		
Content Area	Points Earned	Points Eligible
Graduation	10	10
Advanced Opportunity	5	5
College Entrance Placement	2	5
Percentage of points: 17 / 20 = 85.0%		
Total points for this area: 26 / 30		
PARTICIPATION		
Was participation met? Yes		

Note The School Graduation Rate is displayed on the AYP Tab Homepage

Graduation Rate Eligible Points

Graduation Rates	Points Eligible
90% - 100%	10
81% - 89%	8
71% - 80%	6
61% - 70%	4
≤ 60%	2

To determine the Graduation Rate Eligible Points, take your reported graduation rate, find the range and then find the associated points.
For the example school, they had a rate between 90%-100%, so their points eligible = 10

Participation is directly pulled from the ISAT and ISAT-ALT. If your school did not make participation and earned a 4 star or less rating the school will drop 1 star. If your school did not make participation and earned a 5 star rating, the school will drop 2 stars to a 3 star school.

College Entrance/Placement Exams

- Meeting the College Entrance or Placement benchmark can be met in two ways. It can be calculated as the percentage of students (out of the total Junior class population): 1) meeting the overall composite score, or 2) meeting all sub-score benchmarks for any tests in the system.
- At this point, only SAT data that has been associated with a valid EDUID is in the Star Rating System. Many students took the SAT, however did not record a valid EDUID on their registration documents.

Year 1 - School Year 2012-2013

Percent of Students Meeting College Entrance or Placement Benchmark*	Points Eligible
25% - 100%	5
20% - 24%	4
15% - 19%	3
10% - 14%	2
< 10%	1

Accountability Area 5: Participation

- All schools and districts must have at least a 95% participation rate on the ISAT/ISAT-Alt for all of their students (including all subgroups) or the Star Rating for the school or district will drop. If the school earned a 5 star rating but did not achieve a 95% participation rate, their overall star rating will drop by two stars. If the school has earned a star rating of 4 stars or less, their overall rating will drop by one star if they have not achieved the 95 % participation rate.
- The participation data is taken directly from the ISAT/ISAT-ALT tests and includes the Language Usage test.

THE FINAL RATING

- Every section is totaled and presented in the Overall Star Rating Area.
- The number of stars are determined using the following scale:
- As a note: If a school does not have enough students in an area, the points will be rolled into another category. For example. If a school does not have enough students to be included in the Growth Subgroups portion of the Star Rating Application, the Growth Subgroup points would roll up into the Growth Category. If the school is too small to have a growth category and they are an elementary, then all of their points would all roll up to achievement.

The screenshot shows a web interface for viewing star ratings. At the top, there are navigation links: COMMUNICATION, RESOURCES, DATA COLLECTION, and ADMINISTRATORS. Below that is a header with a 'Log Out' button and a user ID 'larishell@edu.id'. The main content area is titled 'Star Results for Your School Name Here' and includes a link to 'View District Summary'. The 'OVERALL STAR RATING' section displays '4 Star' and '82 out of 100 points'. A red callout box points to this information, stating: 'Overall Rating: This is the School's Star Rating' and 'The school's total points earned from each category are totaled and displayed here.' Below this is the 'ACHIEVEMENT' section, which is a table with columns for Content Area, Percent Proficient / Advanced, Points Earned, and Points Eligible.

Content Area	Percent Proficient / Advanced	Points Earned	Points Eligible
Reading	93.1%	4	5
Math	90.8%	4	5
Language	86.7%	4	5
Percentage of points: 12 / 15 = 80.0%			
Total points for this area: 16 out of 20			

Star Rating	Total Point Range
*****	83-100
****	67-82
***	54-66
**	40-53
*	≤39

June 13, 2013

**IDAHO STATE DEPARTMENT OF
EDUCATION
ESEA FLEXIBILITY
REQUEST**

09/28/2012



U.S. Department of Education
Washington, DC 20202

OMB Number: 1810-0708
Expiration Date: March 31, 2012

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0708. The time required to complete this information collection is estimated to average 336 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537.

Table 4
Idaho Accountability Measures

Idaho's Accountability Measures					
	Achievement	Growth to Achievement	Growth to Achievement Subgroups	Post-secondary and Career Readiness	Participation
<i>Points/Weight</i> <i>Schools with Grade 12</i> <i>All other Schools</i>	20 points 25 points	30 points 50 points	20 points 25 points	30 points N/A	Star Rating Change
Measure	Idaho Standards Achievement Tests (ISAT) Idaho Standards Achievement Tests- Alternate (ISAT-Alt) <ul style="list-style-type: none"> • Reading (33.3%) • Language Usage (33.3%) • Mathematics (33.3%) 	Idaho Growth Model <ul style="list-style-type: none"> • Reading (33.3%) • Language Usage (33.3%) • Mathematics (33.3%) 	Idaho Growth Model <ul style="list-style-type: none"> • Reading (33.3%) • Language Usage (33.3%) • Mathematics (33.3%) 	Graduation Rates (50%) College Entrance/Placement Exams (25%) Advanced Opportunities (25%)	Participation rate (100%)

Idaho's Accountability Measures					
	Achievement	Growth to Achievement	Growth to Achievement Subgroups	Post-secondary and Career Readiness	Participation
Standard	% of students proficient and advanced	<p>Median Student Growth Percentile (SGP) Normative growth relative to like peers</p> <p>Adequate Student Growth Percentile (AGP) Criterion referenced growth relative to proficiency target.</p>	<p>Disaggregated subgroups:</p> <ul style="list-style-type: none"> • Free/Reduced Lunch Eligible • Minority Students • Students with Disabilities • Limited English Proficient Students <p>Median Student Growth Percentile (SGP) Normative growth relative to like peers</p> <p>Adequate Student Growth Percentile (AGP) Criterion referenced growth relative to proficiency target</p>	<p>Graduation rate</p> <p>College Entrance / Placement % of students reaching the college readiness score on SAT, ACT, ACCUPLACE R or COMPASS</p> <p>Advanced Opportunities % of total eligible students (juniors and seniors) completing at least one AP, IB, dual credit or Tech Prep course.</p> <p>% of student completers reaching receiving a C or better in an AP, IB, dual credit or Tech Prep course</p>	<p>Participation Rate Schools and Districts must test 95% of all students and all subgroups in each subject on the ISAT and ISAT-Alt. Participation rates less than 95% will result in a decrease to at least a Three Star or by one star the overall school or district rating.</p>

ACHIEVEMENT

The achievement metric measures school and district performance toward the academic standards assessed on the Idaho Standards Achievement Tests (ISAT) and alternate (ISAT-Alt) in reading, language usage, and mathematics. The determination is based on the percentage of students at the proficient or advanced category. Points are given on a scale indicating higher points for a performance at proficient or advanced.

Table 5 is the point distribution for the achievement categories:

Table 5
Achievement Points Eligible

Percent Proficient and Advanced	Points Eligible
95% - 100%	5
84% - 94%	4
65% - 83%	3
41% - 64%	2
≤ 40%	1

Idaho will report for each school and district the points earned for the achievement metric as in Table 6. Each school and district will earn points based on the proficiency percentages for reading, language usage, and mathematics.

Table 6
Achievement Point Distributions

Achievement	Points Earned	Points Eligible	N	% Proficient	% Advanced	Total %
Reading		5				
Language Usage		5				
Mathematics		5				
Total		15				
Percentage of Points	Total/15=X%					
Total Points Awarded	X * 20 (Schools with Grade 12) X * 25 (All other Schools)					

The percentage of points awarded will be scaled for the total points for schools to the appropriate weighting. For example, an elementary school that receives 13/15 points will have received 86.7% of the points and will be given 22 of the 25 total points for this metric. A high school that receives the same 13/15 points will be given 17 out a total of 20 points.

GROWTH TO ACHIEVEMENT AND GROWTH TO ACHIEVEMENT SUBGROUPS

Idaho’s growth measure uses the Student Growth Percentiles (SGP; also known as the Colorado Growth Model) to create both a normative measure of growth and a criterion-based measure. This combination is an important distinction in that growth alone is an insufficient measure. Growth must become proficiency or the measure of growth provides no better measure than proficiency alone. The first measure, normative growth, provides a median growth percentile for each subject area in each school. The normative growth measure calculates a growth percentile based on comparing like students or in other words, students who have scored in the same score range on the ISAT in the previous year.

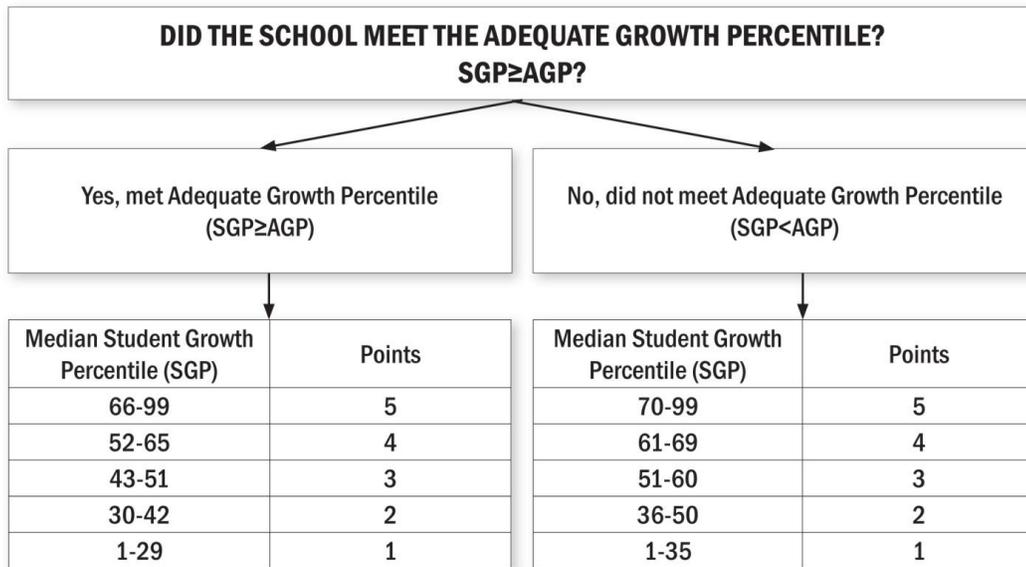
Then, considering where a student scores in the current year, he or she is given a growth percentile. The Median Student Growth Percentile (SGP) is then assigned for each subject area and to an overall median percentile for each school and district.

However, a normative measure is not sufficient without a criterion to ensure each student will eventually reach proficiency. The second measure, the criterion growth measure or Adequate Student Growth Percentile (AGP), is a further calculation for each student. The AGP calculates the required percentile of growth needed for a student to reach or maintain proficient or advanced within three years or by 10th grade, whichever comes first. These measures are calculated for students in each subject area (reading, language usage and mathematics). The Growth to Achievement and Growth to Achievement Subgroups indicators use two different scoring matrices depending on whether or not the median growth percentile of the school or subgroup meets or exceeds the adequate growth needed for that school or subgroup. Growth to Achievement and Growth to Achievement Subgroups are evaluated first based on the criterion of whether or not the growth rate is adequate for the typical or median student in the school/subgroup to reach or maintain a performance level of proficient or advanced within three years or by 10th grade, whichever comes first. Academic growth and academic growth gaps are then evaluated based on a normative comparison to other schools. The three questions below determine the targets for each school and district.

- (1) What was my school or district's median student growth percentile (SGP)?
- (2) What was my school or district's median adequate growth percentile (AGP), the growth percentile needed for the typical student in my school or district, to reach proficient or advanced within three years or by 10th grade?
- (3) Did my school meet adequate growth? If yes, follow the scoring guide for "Yes, met adequate growth." If no, follow the scoring guide for "No, did not meet adequate growth."

Answering these questions results in a selection of a Growth to Achievement and Growth to Achievement Subgroups rating. This is due to the emphasis placed on moving students who are farther behind faster. Table 7 is the scoring guide and point allocation for each subject area for each school and district.

Table 7
Adequate Growth Flowchart



For example:

- What was my school’s median growth percentile in elementary math? **87**
- What was my school’s median adequate growth percentile in elementary math? **83**
- Did my school meet adequate growth in elementary math? **Yes**, my growth was adequate because my median growth percentile (SGP) in elementary math is more than my median adequate growth percentile (AGP) in math. **Using the YES scoring guide**, my growth in elementary math earns me **FIVE points**.

GROWTH TO ACHIEVEMENT

Table 8
Growth to Achievement Distributions

Growth to Achievement	Points Earned	Points Eligible	N	Median Student Growth Percentile (SGP)	Median Student Adequate Growth Percentile (AGP)	Made Adequate Growth?
Reading		5				
Language Usage		5				
Mathematics		5				
Total		15				
Percentage of Points	Total /15 =X%					
Total Points Awarded	X * 30 (Schools with Grade 12) X * 50 (All other Schools)					

The percentage of points awarded will be scaled for the total points for schools to the appropriate weighting. For example, an elementary school that receives 13/15 points will have received 86.7% of the points and will be given 43 of the total points 50 for this metric. A high school that receives the same 13/15 points will be given 26 out a total of 30 points.

GROWTH TO ACHIEVEMENT SUBGROUPS

Growth to Achievement Subgroups are calculated exactly the same as Growth to Achievement (with both the Median Student Growth Percentile and Adequate Student Growth Percentile). For this measure, those calculations are applied to the following subgroups to determine SGP and AGP noted as an “At-Risk Subgroup”:

- Free and Reduced Lunch Eligible
- Minority Students
- Students with Disabilities
- Limited English Proficient Students (LEP)

Free and Reduced Lunch (FRL) Eligible – FRL eligibility will still be used to represent the subgroup of students who live in families which are economically disadvantaged. The State is not making any change to the definition of this subgroup.

Racial and Ethnic Equity (Minority Students) – Idaho is not a very racially or ethnically diverse State; approximately 85% of the population is white. However, ISDE is strongly committed to educational equity among racial and ethnic groups. In smaller school districts, the lack of racial and ethnic diversity virtually precludes reporting by race or ethnicity group.

This has been an obstacle to equity in the past. Therefore, the State has changed two aspects of its accountability plan to particularly address the issue of masked ethnicity groups. First, the minimum N count for all metrics has been reduced from $N \geq 34$ to $N \geq 25$. Second, minority students are classified into one ethnic equity group. While combining across defined student groups is not a guarantee of attaining large enough numbers for reporting ($N \geq 25$), it increases the probability of highlighting potential disparities. Minority students are defined as all students who are coded in one of the following race categories: American Indian/Alaskan Native, Asian, Black/African American, Hawaiian/Other Pacific Islander, Hispanic or Latino, and two or more races. While these race and ethnicity categories will be combined for the accountability matrix, they will continue to be reported publicly by each individual classification.

Students with Disabilities – The State is not making any change to the definition of this subgroup. It is comprised of students with an Individual Education Plan (IEP) as defined by the eligibility requirements outlined in the Idaho Special Education Manual.

Limited English Proficiency (LEP) – Students who are defined as Limited English Proficient are determined as such through Idaho’s ELL placement test and are served through LEP programs within Idaho districts. Idaho also defines students in the U.S. school system for the first year to be LEP1 students. Currently, these students take the Idaho English Language Assessment (IELA) and, therefore, are exempted from taking the ISAT Reading and ISAT Language Usage tests; however, LEP 1 students must take the ISAT Math. The scores for LEP1 students are not included in the proficiency calculations for schools or districts. Idaho will continue this practice and the definition of LEP students will remain the same

Due to the limited sizes of most subgroups in Idaho, Idaho will deploy the following business rules in the subgroup calculations. Idaho will calculate the Growth to Achievement Subgroups by each of the four listed subgroups (LEP, Students with Disabilities, Free and Reduced Lunch eligible students, Minority Students) into one “At-Risk Subgroup” for each school. The majority of Idaho schools do not have subgroups that meet the $N \geq 25$ threshold, so this is how Idaho is ensuring that all students who traditionally have been identified as having gaps in performance, will be accounted for by combining those four groups into one subgroup. Each student, regardless of multiple subgroup designations, shall only be counted once in the total subgroup for purposes of calculating the Growth to Achievement subcategory.

The median growth will be calculated for that total subgroup for each subject area. If a school has no subgroups, even after combining all four of the identified subgroups, the points eligible for the Growth to Achievement Subgroups shall be awarded based on the overall Growth to Achievement of the school.

This methodology uses an approach to ensure students most at risk are identified in some way. Idaho will combine the subgroups to ensure those students’ Growth to Achievement is built into the accountability matrix. Under the current system and without this grouping, it is possible and happens frequently for small subgroups of students to only be accounted for in the overall calculations and, therefore, masking their performance or gaps. In the preliminary 2010-2011 calculations, only 40 out of 630 schools met the $N \geq 25$ threshold to have subgroup reporting in all subject areas and all four subgroups.

An additional 16 schools had subgroups large enough for at least 10 of the 12 subgroup reporting categories. Conversely, with the “At-Risk” Subgroup definition, 535 out of 630 schools had a subgroup reporting in all three subject areas. This methodology includes all but 95 (15%) of Idaho schools without a subgroup reporting. For those schools without an “At-Risk” Subgroup, Idaho will employ a three-year median calculation to increase the N size and provide greater focus on subgroups. The three-year median methodology will include an additional 62 schools out of the 95 leaving only 33 schools without some kind of subgroup reporting. The three-year median will be deployed beginning with 2011-2012 data (only one year of data), adding a second year of data in 2012-2013 and the third year in 2013-2014. This is a significantly higher threshold and encompasses more attention to at-risk students than the singular group reporting and far more attention than even the Adequate Yearly Progress reporting has ever required.

To ensure focused efforts on the correct students, all ESEA subgroup performance, including all ethnicity and races, will continue to be publicly reported as is currently the practice by Idaho for groups of $N \geq 10$. Therefore, in the Idaho Report Card, schools will have public proficiency and growth reporting for all races and ethnicities, free/reduced lunch eligible, students with disabilities, and Limited English Proficient students. This reporting provides transparency and assists in highlighting the greatest needs. This reporting will also be used in building plans for One-, Two- and Three-Star Schools.

Schools will receive a report that utilizes the elements reported in Table 9 for the Star Rating system.

Table 9
Growth to Achievement Subgroups Distribution

Growth to Achievement At-Risk Subgroups	Points Earned	Points Eligible	N	Median Student Growth Percentile (SGP)	Median Student Adequate Growth Percentile (AGP)	Made Adequate Growth?
Reading		20				
Language Usage		20				
Mathematics		20				
Total		60				
Percentage of Points	Total/60 = X%					
Total Points Awarded	X * 20 (Schools with Grade 12) X * 25 (All other Schools)					

The percentage of points awarded will be scaled for the total points for schools to the appropriate weighting. For example, a high school that receives 50/60 points will have received 83.3% of the points and will be given 17 of the 20 total points for this metric. An elementary school that receives the same 50/60 points will be given 21 out a total of 25 points.

POSTSECONDARY AND CAREER READINESS

Idaho has created a foundation for rewarding schools and districts that increase the postsecondary and career readiness of their students. In 2007, the Idaho State Board of Education (“State Board”) and Idaho Legislature approved an administrative rule (which has the force of law in Idaho) that all 11th grade students must take one of the four college entrance or placement exams (SAT, ACT, ACCUPLACER, or COMPASS) beginning with the graduating class of 2013. In 2011, Idaho signed a contract with the College Board to provide the SAT or ACCUPLACER to all 11th grade students at no cost to them.

Students who would receive a non-reportable score due to the accommodations required by their Individual Education Plan (IEP) are exempt from this rule. However, given that there are a variety of options; counselors are being trained in the best way to include all students without violating an IEP. In April 2012, Idaho administered the first round of SAT and ACCUPLACER exams. Additionally, Idaho passed legislation during the 2011 legislative session wherein the State will pay for dual credit enrollment up to 36 credits for any student who has completed all State graduation requirements prior to their senior year. Dual credit enrollment has been a focus of Idaho for several years. The State Board has set a goal for Idaho students to complete 180,000 dual credits per year. This legislation also provided the funding required to increasing the numbers by giving students greater access to dual credit opportunities. Idaho has provided a number of opportunities, but fundamentally believes that the same foundational skills in mathematics and English language arts are needed for postsecondary and career success.

Within this metric, there are three categories: 50% of the weight for graduation rate and 25% each for College Entrance and Placement Exams and Advanced Opportunities. The first, graduation rate, will be calculated using the NCES formula that is currently used by Idaho and described in the State’s approved NCLB accountability workbook. See the formula below.

$$G = c_{st}^{long} = \frac{g_{st}}{g_{st} + d_{st}^{12} + d_{s(t-1)}^{11} + d_{s(t-2)}^{10} + d_{s(t-3)}^9}$$

Where

- G = graduation rate.
- c_{st}^{long} = four-year completion rate for state *s* at year *t*.
- g_{st} = number of high school completers at year *t*.
- d_{st}^{12} = number of grade 12 dropouts at year *t*.
- $d_{s(t-1)}^{11}$ = number of grade 11 dropouts at year *t-1*.
- $d_{s(t-2)}^{10}$ = number of grade 10 dropouts at year *t-2*.
- $d_{s(t-3)}^9$ = number of grade 9 dropouts at year *t-3*.

Idaho’s graduation rate goal is 90%. As per the agreement with the U.S. Department of Education to implement the cohort-based graduation rate in 2013-14, Idaho will switch to the cohort-based graduation rate and reset the graduation rate goal at that time. The point distribution for graduation rates is as follows:

Table 10
Graduation Rate Eligible Points

Graduation Rates	Points Eligible
90% - 100%	10
81% - 89%	8
71% - 80%	6
61% - 70%	4
≤ 60%	2

The second category is College Entrance and Placement Exams. In addition to the reading and mathematics Idaho Standards Achievement Tests (ISAT) and Idaho Standards Achievement Tests-Alternate (ISAT-Alt), Idaho will also include in the metric results from the SAT, ACT, ACCUPLACER, and COMPASS. The State Board passed Idaho Administrative Code requiring all students, beginning with the graduating class of 2012-13, to take one of the four listed college entrance/placement exams by the end of their junior year (IDAPA 08.02.03.105.03).

Idaho established a benchmark score for each eligible College Entrance and Placement Exam that research has shown has the highest probability that the student will be successful in entry-level courses. For example, the College Board has established that a composite score of 1550 on the SAT indicates an increased probability of success (defined as a freshman average grade of B- or higher) in college. During the summer of 2012, the colleges and universities in Idaho convened to agree upon a set cut score for the ACCUPLACER. That score will be used for this measure. The benchmarks for the ACT and COMPASS were set at the national benchmarks determined by ACT research. All four of these benchmarks and subscore benchmarks were adopted by the State Board in June 2012. In addition, based upon the current performance of this higher, more rigorous criteria, the State Board also adopted a three-year point matrix for increased percentage of students achieving these benchmarks.

Table 11
Idaho College Entrance and Placement Exam Benchmark Scores

Compass	Writing Skills	Reading-English	Math-Algebra	ACT	English	Math	SAT	Reading-English	Math	Writing
ESEA Waiver Recommended Benchmarks	77	88	52	21	18	22	1550	500	500	500
COMPASS Benchmark	77	85	52	ACT Benchmark	18	22	SAT Benchmark	500	500	500

¹ Benchmarks are scores that indicate a student has a strong probability of success in college courses. Remediation scores are listed for each institution and are the scores that indicate a student may need to take a remedial, non-credit bearing course.

ACT: Students who meet a Benchmark on the ACT or COMPASS have approximately a 50 percent chance of earning a B or better and approximately a 75 percent chance of earning a C or better in the corresponding college course or courses.

SAT: Students who meet a Benchmark on the SAT, which is a score of 1550 (critical reading, mathematics and writing sections combined -- 500 each section), indicates that a student has a 65 percent likelihood of achieving a B average or higher during the first year of college.

ACCUPLACER PLACEMENT TEST CUT SCORES								
ACCUPLACER	Arithmetic		Elementary Algebra		Reading Comprehension		WritePlacer	
	Cut	Scale	Cut	Scale	Cut	Scale	Cut	Scale
ESEA Waiver Recommended Benchmarks	116	1-120	112	1-120	88	1-120	4	1-8
Idaho Institution Standard Setting Cut Scores	116	1-120	112	1-120	88	1-120	4	1-8

Table 11 illustrates those benchmarks. From an initial preview of the 2012 SAT data, about 25% of the students meet the benchmarks in one of two ways: 1) hitting the target for each of the subcategories (500); or 2) receiving a 1550 on the composite. In 2011, 26% of the approximately 10,500 self-selected students who took the ACT hit all four subscores.

Therefore, on the Star Rating point matrix in the first year, all 5 points possible will be awarded to schools that have 25% of their students hit the subscore or the composite benchmark for any of the four eligible tests: ACT, SAT, ACCUPLACER or COMPASS.

The points awarded scale down from there and are included in Table 11. Over the next three years, the percentage of students meeting this benchmark will increase by 10%.

Table 12
College Entrance/Placement Exit Exam Eligible Points

Year 1 - School Year 2012-2013	
Percent of Students Meeting College Entrance or Placement Benchmark*	Points Eligible
25% - 100%	5
20% - 24%	4
15% - 19%	3
10% - 14%	2
< 10%	1

Year 2 - School Year 2013-2014	
Percent of Students Meeting College Entrance or Placement Benchmark*	Points Eligible
35% - 100%	5
30% - 34%	4
25% - 29%	3
20% - 24%	2
<20%	1

Year 3 - School Year 2014-2015	
Percent of Students Meeting College Entrance or Placement Benchmark*	Points Eligible
45% - 100%	5
40% - 44%	4
35% - 39%	3
30% - 34%	2
< 30%	1

* Meeting College Entrance or Placement benchmark can be met in two ways. It can be calculated as the percentage of students: 1) meeting the overall composite score, or 2) meeting all subscore benchmarks.

The third metric is Advanced Opportunities which includes both the percent of students who completed and the percent who earn a grade of C or better on an Advanced Placement (AP), International Baccalaureate (IB), dual credit, or tech prep course. Eligible students in this category are all public school juniors and seniors. The first measure considers the total number of students eligible for such courses (as defined in IDAPA 08.02.03. 106.02) to be all juniors and seniors and the percent of the eligible students who took one or more courses. The second measure is a cumulative percentage of the number of courses taken by any eligible students who completed a course. If a student takes multiple courses, the higher of the two course grades will be calculated into the matrix.

Table 13
Advanced Opportunities Eligible Points

Advanced Opportunity Eligible Points	Percent Completing an Advanced Opportunity Course with C or better				
	90%-100%	75%-89%	60%-74%	40%-59%	≤ 39%
50% - 100%	5	5	3	2	1
25% - 49%	5	4	3	2	1
16% - 24%	4	4	3	2	1
6% - 15%	3	2	2	1	1
≤ 5%	1	1	1	1	1

Table 14
Overall Points for Postsecondary and Career Readiness Measures

Postsecondary and Career Readiness	Points Earned	Points Eligible	Total %
Graduation Rate (50%)		10	
College Entrance/Placement Exams (25%)		5	
Advanced Opportunities (25%)		5	
Total		20	

Percentage of Points on Weighted Total	Total/20 =X%
Total Points Awarded	X * 30 (Schools with Grade 12) N/A (All other Schools)

The percentage of points awarded will be scaled for the total points for schools with a grade 12 to the appropriate weighting. For example, a high school that receives 8 points for graduation rate, 4 points for College Entrance/Placement Exams and 4 points for Advanced Opportunities with have earned weighted points of 8, 4 and 4, respectively for a total of 16/20 points. Based on the 16/20 points, the school will have received 80% of the points and will be given 24 of the 30 total points for this metric. Schools with no grade 12 will not be rated on this metric. The distribution of the points for schools without grade 12 is more heavily weighted in the first three metrics.

PARTICIPATION

All schools and districts must have at least a 95% participation rate in the State assessments for all of their students, including all subgroups, or the star rating for the school or district will be dropped to a maximum of a Three-Star rating or by one star. For example, if a school is rated a Five-Star School, but does not meet the 95% participation rate for any overall or subgroup, the school will be dropped to a Three-Star Rating.

Idaho will continue to employ the following participation rules as included in the current Accountability Workbook:

“The ninety-five percent (95%) determination is made by dividing the number of students assessed on the spring ISAT by the number of students reported on the class roster file uploaded into the Idaho System for Education Excellence (ISEE), the K-12 longitudinal data system.

- 1) If a school district does not meet the ninety-five percent (95%) participation target for the current year, the participation rate will be calculated by a three (3) year average of participation.
- 2) Students who are absent for the entire state-approved testing window because of a significant medical emergency are exempt from taking the ISAT if such circumstances prohibit them from participating. For groups of ten (10) or more students, absences for the state assessment may not exceed five percent (5%) of the current enrollment or two (2) students, whichever is greater. Groups of less than ten (10) students will not have a participation determination.”

In 2004, Idaho added to Board Rule the provision to use an average of the most recent three years to determine whether an LEA meets or exceeds the 95% requirement. IDAPA 08.02.03, Rules Governing Thoroughness, in section 03(b)1 states: “If a school district does not meet the ninety-five percent (95%) participation target for the current year, the participation rate can be calculated by the most recent two (2) year or the most recent (3) year average of participation.”

STAR RATING

All the above measures are rolled into a cumulative measure that results in a star rating of one to five. Table 15 illustrates how the star rating system is operationalized with all four of the measures.

The star rating system follows the total number of points. Districts default to the schools with Grade 12 metric unless the district does not include Grade 12.

Table 15
Star Rating Point Range

Star Rating	Total Point Range
*****	83-100
****	67-82
***	54-66
**	40-53
*	≤39

Table 16
Example Overall Rating Chart for a School with Grade 12

Accountability Measures	Points Achieved	Points Eligible	Star Rating
Achievement	10	20	
Growth to Achievement	20	30	
Growth to Achievement Gaps	10	20	
Postsecondary and Career Readiness	25	30	
TOTAL	65	100	***
Participation Rates	Were at least 95% of students tested?	Yes	***
STAR RATING	Three Star		

Table 17
Example Overall Rating Chart for a School without Grade 12

Accountability Measures	Points Achieved	Points Eligible	Star Rating
Achievement	20	25	
Growth to Achievement	40	50	
Growth to Achievement Gaps	20	25	
TOTAL	80	100	****
Participation Rates	Were at least 95% of students tested?	No, star rating drops 1	***
STAR RATING	Three Star		

ACCOUNTABILITY REPORT CARD

The State has historically made accountability results known at the school and district level on its website in the form of a Report Card house at <http://devapps.sde.idaho.gov/reportcard>. ISDE will continue this practice. The report card has included tabs that highlight Adequate Yearly Progress (AYP), general assessment results, teacher quality, and graduation rates. The Report Card will maintain this basic structure. However, the AYP tab will be replaced for each school and district with a report that displays the following data elements and information as shown in Table 18.

Option C:

2.B. Option C: Did the SEA describe another method that is educationally sound and results in ambitious but achievable AMOs for all LEAs, schools, and subgroups?

i. Did the SEA provide the new AMOs and the method used to set these AMOs?

The AMOs in Idaho’s system are imbedded in each of the metrics in the matrix as well as for the overall performance of schools and districts. Idaho wanted to clearly distinguish high-performing and reward schools and, therefore, intentionally set the bar for the highest eligible points at a high threshold for all metrics.

Going forward, Idaho may request to adjust these targets when three years of data has been captured and when the new Common Core State Standards assessments are administered. Given that the Idaho statewide longitudinal data system has been in existence just 2 years, a longitudinal comparison is not possible at this time. Also, some metrics, such as college entrance/placement exams were given for the first time in 2012 and so longitudinal data is not available. Therefore, all metrics that were available were set based on a 2010-11 data and current Idaho State Board of Education strategic goals. It is clear that longitudinal performance provides a more complete picture and will allow the State to set targets that more accurately reflect higher standards.

In addition to benchmarks embedded within the achievement targets, Idaho will also set an Achievement Annual Measurable Objective (AMO) using a combination of Option A and C. Table 24 illustrates the progression Idaho has put into place for the AMOs.

Table 24
AMO Targets

Subject	Current 2011-12 AMOs for AYP	Gap to 100%	Yearly Increase (Half of Gap/6 years)	2011-12 Goal	2012-2013 Goal	2013-2014 Goal
Reading	85%	15	1.3	85%	86%	88%
Mathematics	83%	17	1.4	83%	84%	86%
Language Usage	75%	25	2	75%	77%	79%

Schools were ranked based on the cumulative percent proficient and the starting point for 2011-12 was set at the current AMOs for Adequate Yearly Progress as allowed under a waiver granted by the U.S. Department of Education for each subject area (reading, mathematics and language usage). The AMOs are then set to increase toward the goal of reducing by half the percentage of students who are not proficient within six years. Idaho has set these targets for only three years with the expectation of resetting targets when the new Common Core State Standards assessment goes into effect (2014-2015). The AMOs will be reported on the school and district report card at the overall level and for each ESEA subgroup including all races and ethnicity, Limited English Proficient, and students eligible for Free or Reduced Lunch and students with disabilities and the At-Risk Subgroup. Schools with an overall rating of Three-Star or lower will be required to build into their Continuous Improvement Plan (Three Star), Rapid Improvement Plan (Two Star) or Turnaround Plan (One Star) a plan specifically for reaching the AMOs for any subgroup or overall group that does not reach the target. Further, the WISE tool indicators will be structured to focus on the AMOs in reading, language usage and mathematics. In addition, any Five-Star School that fails to meet an AMO in any subject at the overall or subgroup level will not be eligible for the classification of a Highest Performing School.

As such, the new rating system will actually hold more schools accountable than the existing ESEA framework. Under the current ESEA framework, 202 schools are identified for improvement, corrective action, or restructuring. More than 400 schools are not identified for any improvement activities. In other words, less than 35% of the schools in the State are identified for improvement. Using the Star Rating performance framework, all schools will be held accountable. According to the 2011-2012 Star Ratings, 40% of all the State's schools were identified for the requirements associated with the Continuous Improvement Plan (other schools – 25% of all schools), Rapid Improvement Plan (focus schools – 9% of all schools, 11% of Title I schools), or Turnaround Plan (priority schools – 5% of all schools, 5% of Title I schools). The Star Rating performance framework does not limit Idaho's ability to hold LEAs accountable; it increases it.

To further support progress toward attainment of AMOs, any Five- and Four-Star schools that miss the AMO for their At-Risk Subgroup or have an achievement gap between their At-Risk Subgroup and the rest of their student population greater than that obtained by the rest of Idaho's Two-Star Schools over two consecutive years, must submit a Continuous Improvement Plan that addresses the At-Risk Subgroup gap and the actions the school will take to improve this area of performance.

For a school to exit these requirements, the school must implement the Continuous Improvement Plan for a minimum of one year, maintain a Three-, Four- or Five-Star rating and have meet the AMO for their At-Risk Subgroup or have closed the achievement gap between their At-Risk Subgroup and the rest of their student population to be less than Idaho's Two-Star Schools.

Idaho expects all schools, including those that are Four-Star and Five-Star schools that do not miss AMOs for the At-Risk Subgroup, to ensure a plan is put into place to address any ESEA subgroup (N>=25) that misses the AMO target for two consecutive years. This plan could include a Continuous Improvement Plan as is required for Three-Star Schools or it could include a specialized plan created by the district to address the specific needs of the subgroup to improve performance. This plan will be monitored and administered by the district.

Achievement: ISDE set the bar for excellence at a high threshold. In 2010-2011, a total of 511 schools had at least 84% of their students as proficient or advanced in reading, 139 in language usage and 290 in mathematics. A total of 6 schools received all points possible for proficiency distribution as illustrated in Table 25.

Table 25
2010-2011 Proficiency Distribution of Schools and Districts

Points	Percent Proficient and Advanced in Reading	Schools
		(N=622)
5	95% - 100%	88
4	84% - 94%	423
3	65% - 83%	100
2	41% - 64%	11
1	≤40%	-
Points	Percent Proficient and Advanced in Math	Schools
		(N=622)
5	95% - 100%	26
4	84% - 94%	264
3	65% - 83%	290
2	41% - 64%	32
1	≤ 40%	10
Points	Percent Proficient and Advanced in Language Usage	Schools
		(N=616)
5	95% - 100%	4
4	84% - 94%	135
3	65% - 83%	400
2	41% - 64%	67
1	≤ 40%	14