

Alabama Public Charter School Commission Comprehensive Performance Framework

Introduction

The Alabama Public Charter School Commission wishes to express credit and appreciation to the Washington State Charter School Commission (Commission) and NACSA, in partnership with Clifton Larson Allen (CLA), in the development of the Core Performance Framework. The Core Performance Framework is based on best practices in charter school authorizing.

Why a Comprehensive Performance Framework?

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. 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.

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?

Framework Structure

Each of the three frameworks relates to a distinct area of performance, but all are intended to be used together as a single evaluation tool. As discussed in the Introduction, 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.”

Core Academic Performance Framework

Overview

The Alabama Public Charter School Commission is charged with holding charter schools accountable for high standards of academic performance. This portion of the 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, inputs do not measure the academic performance of the students in the school and so are not included in the Academic Performance Framework. Data used for the ratings will be provided by the ALSDE and is available at <https://www.alsde.edu/dept/erc/Pages/ercotherdata-all.aspx>.

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 the Alabama accountability measures and targets, as well as any federal accountability measures that may apply. The Alabama Public Charter School Commission (APCSC) as an authorizer adopts the state system of accountability, with additional, or supplementary measures.

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.

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.

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?

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

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 are frequently 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.

1. State and Federal Accountability System

Alabama’s ESSA Committee developed the accountability system to evaluate and track the performance of all public school in the state. In order to align charter school accountability expectations with the state accountability system, the state’s measures serve as the foundation of the Academic Performance Framework, supplemented by additional measures required by the Alabama School Choice and Opportunity Act. This is based on the current state accountability criteria and it may change if ALSDE and/or ESSA criteria changes.

* The following data is based on the actual weighted results from the A-F Report Card.

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| <p>* Measure 1 Math Is the school meeting acceptable standards according to existing state grading or rating systems?</p> |
| <p>Exceeds Standard:</p> <p><input type="checkbox"/> School received the highest grade or rating (A equivalent = 90-100) from the state’s accountability system</p> |
| <p>Meets Standard:</p> <p><input type="checkbox"/> School received a passing grade or rating (B or C equivalent = 70-89) according to the state accountability system</p> |
| <p>Does Not Meet Standard:</p> <p><input type="checkbox"/> School received a low passing grade or rating (D equivalent = 60-69) according to the state accountability system</p> |
| <p>Falls Far Below Standard:</p> <p><input type="checkbox"/> School identified for intervention or considered failing (F equivalent = below 60) by the state accountability system</p> |

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| <p>* Measure 1 Reading Is the school meeting acceptable standards according to existing state grading or rating systems?</p> |
| <p>Exceeds Standard:</p> <p><input type="checkbox"/> School received the highest grade or rating (A equivalent = 90-100) from the state’s accountability system</p> |
| <p>Meets Standard:</p> <p><input type="checkbox"/> School received a passing grade or rating (B or C equivalent = 70-89) according to the state accountability system</p> |
| <p>Does Not Meet Standard:</p> <p><input type="checkbox"/> School received a low passing grade or rating (D equivalent = 60-69) according to the state accountability system</p> |
| <p>Falls Far Below Standard:</p> <p><input type="checkbox"/> School identified for intervention or considered failing (F equivalent = below 60) by the state accountability system</p> |

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 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 and the unweighted score is used.

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| Measure 2a Math Are students making sufficient annual academic growth to achieve proficiency (criterion-referenced growth)? |
| Exceeds Standard: <input type="checkbox"/> At least 75 percent increase in the annual academic achievement growth score |
| Meets Standard: <input type="checkbox"/> Between 50 and 75 percent increase in the annual academic achievement growth score |
| Does Not Meet Standard: <input type="checkbox"/> Between 25 and 50 percent increase in the annual academic achievement growth score |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than 25 percent increase in the annual academic achievement growth score |

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| Measure 2a Reading Are students making sufficient annual academic growth to achieve proficiency (criterion-referenced growth)? |
| Exceeds Standard: <input type="checkbox"/> At least 75 percent increase in the annual academic achievement growth score |
| Meets Standard: <input type="checkbox"/> Between 50 and 75 percent increase in the annual academic achievement growth score |
| Does Not Meet Standard: <input type="checkbox"/> Between 25 and 50 percent increase in the annual academic achievement growth score |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than 25 percent increase in the annual academic achievement growth score |

Subgroup Growth

Subgroup growth is evaluated separately for reading, math, and any other tested subjects with growth data and the unweighted score is used.

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| Measure 2b Math Is the school increasing subgroup academic performance over time? |
| Exceeds Standard: <input type="checkbox"/> At least 75 percent increase in the annual academic achievement in eligible subgroup growth score |
| Meets Standard: <input type="checkbox"/> Between 50 and 75 percent increase in the annual academic achievement in eligible subgroup growth score |
| Does Not Meet Standard: <input type="checkbox"/> Between 25 and 50 percent increase in the annual academic achievement in eligible subgroup growth score |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than 25 percent increase in the annual academic achievement in eligible subgroup growth score |

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| Measure 2b Reading Is the school increasing subgroup academic performance over time? |
| Exceeds Standard: <input type="checkbox"/> At least 75 percent increase in the annual academic achievement in eligible subgroup growth score |
| Meets Standard: <input type="checkbox"/> Between 50 and 75 percent increase in the annual academic achievement in eligible subgroup growth score |
| Does Not Meet Standard: <input type="checkbox"/> Between 25 and 50 percent increase in the annual academic achievement in eligible subgroup growth score |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than 25 percent increase in the annual academic achievement in eligible subgroup growth score |

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 the APCSC to look at school proficiency from different angles in a balanced-scorecard approach. The unweighted score on the State Accountability Assessment will be used for this measure.

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| Measure 3a - Math Are students achieving proficiency on state examinations? |
| Exceeds Standard: <input type="checkbox"/> At least 75 percent or more students meet or exceed proficiency |
| Meets Standard: <input type="checkbox"/> Between 50 and 75 percent of students meet or exceed proficiency |
| Does Not Meet Standard: <input type="checkbox"/> Between 25 and 50 percent of students meet or exceed proficiency |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than 25 percent of students met or exceeded proficiency |

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| Measure 3a - Reading Are students achieving proficiency on state examinations? |
| Exceeds Standard: <input type="checkbox"/> At least 75 percent or more students meet or exceed proficiency |
| Meets Standard: <input type="checkbox"/> Between 50 and 75 percent of students meet or exceed proficiency |
| Does Not Meet Standard: <input type="checkbox"/> Between 25 and 50 percent of students meet or exceed proficiency |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than 25 percent of students met or exceeded proficiency |

Measure 3b Math

What is the difference between the proficiency rates of the charter school in comparison to traditional students in area Public Schools?

Exceeds Standard:

- School's average proficiency rate exceeds the average performance of traditional students in area Public School (PS) in the same grades by 30 or more percent

Meets Standard:

- School's average proficiency rate meets or exceeds the average performance of traditional students in PS in the same grades by 15 – 30 percent

Does Not Meet Standard:

- School's average proficiency rate meets or exceeds the average performance of traditional students in PS in the same grades by 0 – 15 percent

Falls Far Below Standard:

- School's average proficiency rate is less than the average performance of traditional students in PS

Measure 3b Reading

What is the difference between the proficiency rates of the charter school in comparison to traditional students in area Public Schools?

Exceeds Standard:

- School's average proficiency rate exceeds the average performance of traditional students in PS in the same grades by 30 or more percent

Meets Standard:

- School's average proficiency rate meets or exceeds the average performance of traditional students in PS in the same grades by 15 – 30 percent

Does Not Meet Standard:

- School's average proficiency rate meets or exceeds the average performance of traditional students in PS in the same grades by 0 – 15 percent

Falls Far Below Standard:

- School's average proficiency rate is less than the average performance of traditional students in PS

Measure 3c Math

What is the difference between the proficiency rates of the charter school in comparison to other students in Alabama?

Exceeds Standard:

- School's average proficiency rate exceeds the average performance of traditional students in Alabama in the same grades by 30 or more percent

Meets Standard:

- School's average proficiency rate meets or exceeds the average performance of traditional students in Alabama in the same grades by 15 – 30 percent

Does Not Meet Standard:

- School's average proficiency rate meets or exceeds the average performance of traditional students in Alabama in the same grades by 0 – 15 percent

Falls Far Below Standard:

- School's average proficiency rate is less than the average performance of traditional students in Alabama

Measure 3c Reading

What is the difference between the proficiency rates of the charter school in comparison to other students in Alabama?

Exceeds Standard:

- School's average proficiency rate exceeds the average performance of traditional students in Alabama in the same grades by 30 or more percent

Meets Standard:

- School's average proficiency rate meets or exceeds the average performance of traditional students in Alabama in the same grades by 15 – 30 percent

Does Not Meet Standard:

- School's average proficiency rate meets or exceeds the average performance of traditional students in Alabama in the same grades by 0 – 15 percent

Falls Far Below Standard:

- School's average proficiency rate is less than the average performance of traditional students in Alabama

Subgroup Proficiency

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.

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. APCSC also chooses to compare the charter school students to local district subgroup proficiency.

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| Measure 3d Math Are students in demographic subgroups achieving proficiency on state examinations compared to state subgroups? |
| 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 30 or more percentage points |
| 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 15 – 30 percentage points |
| Does Not Meet Standard: <input type="checkbox"/> School's average subgroup proficiency rate is less than the average state performance in the same subgroup in the same grades by 0 – 15 percentage points |
| Falls Far Below Standard: <input type="checkbox"/> School's average subgroup proficiency rate is less than average state performance in the same subgroup in the same grades |

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| Measure 3d Reading Are students in demographic subgroups achieving proficiency on state examinations compared to state subgroups? |
| 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 30 or more percentage points |
| 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 15 – 30 percentage points |
| Does Not Meet Standard: <input type="checkbox"/> School's average subgroup proficiency rate is less than the average state performance in the same subgroup in the same grades by 0 – 15 percentage points |
| Falls Far Below Standard: <input type="checkbox"/> School's average subgroup proficiency rate is less than average state performance in the same subgroup in the same grades |

4. Post-Secondary Readiness (High Schools Only)

College and Career Readiness

Alabama defines a student as college- and career-ready if the student earns at least one OR a combination of the following six indicators:

1. Benchmark score on any section of the ACT test. (Entered into INow by ALSDE)
2. Qualifying score on an AP or IB exam. (Entered into INow by ALSDE)
3. Approved transcribed college or postsecondary credit while in high school. (Entered into INow by LEA)
4. Benchmark level on the ACT WorkKeys. (Entered into INow by ALSDE)
5. Accepted for enlistment into the Military (Entered into INow by LEA)
6. Approved industry credential. (Entered into INow by LEA)

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| Measure 4a Are students meeting at least one College and Career Readiness Indicator? |
| Exceeds Standard: <input type="checkbox"/> The percentage of students meeting at least one CCR indicator exceeds the state average by at least 20 percentage points |
| Meets Standard: <input type="checkbox"/> The percentage of students meeting at least one CCR indicator meets or exceeds the state average by at least 10 and less than 20 percentage points |
| Does Not Meet Standard: <input type="checkbox"/> The percentage of students meeting at least one CCR indicator meets or exceeds the state average up to at least 10 percentage points |
| Falls Far Below Standard: <input type="checkbox"/> The percentage of students meeting at least one CCR indicator is less than the state average |

Graduation Rate

The graduation rate is a measure of a student's persistence through to the completion of the K-12 educational process. The graduation rate is also a measure of the appropriateness of the supports provided to students as they progress through school.

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| 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"/> Between 80 and 90 percent of students graduated from high school |
| Does Not Meet Standard: <input type="checkbox"/> Between 70 and 80 percent of students graduated from high school |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than 70 percent of students graduated from high school |

5. Mission Specific Academic Goals

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

Aggregating the Framework

APCSC will calculate a final grade or score. This score will help in the decision making process in that objective, data-driven decisions are consistent across charter schools, across time, and across personnel in the authorizing office.

Sample Aggregated View of School Data

| | State Accountability | | Growth | | | | Student Achievement | | | | | | | | Post-Secondary Readiness (High Schools Only) | | State Grade | Performance Framework Rating | |
|----------|-------------------------------|----------------------------------|--------------------------|-----------------------------|---------------------------|------------------------------|-------------------------------|----------------------------------|--|---|---|--|--------------------------------|-----------------------------------|--|--------------------|-------------|------------------------------|--------------------------|
| | 1 State Accountability - Math | 1 State Accountability - Reading | 2a Student Growth - Math | 2a Student Growth - Reading | 2b Subgroup Growth - Math | 2b Subgroup Growth - Reading | 3a Student Achievement - Math | 3a Student Achievement - Reading | 3b Student Achievement compared to district - Math | 3b Student Achievement compared to district - Reading | 3c Student Achievement compared to State - Math | 3c Student Achievement compared to State - Reading | 3d Subgroup Achievement - Math | 3d Subgroup Achievement - Reading | 4a CCR Indicator | 4b Graduation Rate | | | 5 Mission Specific Goals |
| School 1 | E | D | D | M | M | E | E | E | E | F | M | M | M | M | M | M | D | A | M |
| School 2 | D | D | M | M | M | D | D | D | F | D | M | D | D | F | - | - | D | C | D |
| School 3 | M | F | F | F | F | D | D | M | M | F | F | M | M | M | - | - | M | B | M |
| School 4 | D | F | F | F | F | F | F | F | F | D | F | F | F | F | - | - | D | F | F |

| | | | | | | | |
|---|------------------|---|----------------|---|------------------------|---|--------------------------|
| E | Exceeds Standard | M | Meets Standard | D | Does Not Meet Standard | F | Falls Far Below Standard |
|---|------------------|---|----------------|---|------------------------|---|--------------------------|

*** Weighting the Framework**

| Measure | Weight - Elementary and Middle | Weight - High Schools |
|---|--------------------------------|-----------------------|
| 1 Math State Accountability | 2.5% | 5% |
| 1 Reading State Accountability | 2.5% | 5% |
| 2a Math Criterion-Referenced Growth | 7.5% | 5% |
| 2a Reading Criterion-Referenced Growth | 7.5% | 5% |
| 2b Math Subgroup Growth | 7.5% | 5% |
| 2b Reading Subgroup Growth | 7.5% | 5% |
| 3a Math Proficiency | 7.5% | 10% |
| 3a Reading Proficiency | 7.5% | 10% |
| 3b Math Comparison to District | 7.5% | 5% |
| 3b Reading Comparison to District | 7.5% | 5% |
| 3c Math Comparison to State | 7.5% | 5% |
| 3c Reading Comparison to State | 7.5% | 5% |
| 3d Math Subgroup Comparison to State | 7.5% | 5% |
| 3d Reading Subgroup Comparison to State | 7.5% | 5% |
| 5 Mission Specific | 5% | 5% |
| For High Schools | | |
| 4a CCR Indicator | N/A | 7.5% |
| 4b Graduation Rate | N/A | 7.5% |
| TOTAL | 100.00% | 100.00% |

* The weighting is subject to change based on ALSDE and/or ESSA criteria.

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.

| |
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| Measure 2b Are schools making adequate growth based on the school’s median Student Growth Percentile (SGP)? |
| Exceeds Standard: <input type="checkbox"/> School surpassed its mission-specific academic goal(s) |
| Meets Standard: <input type="checkbox"/> School met its mission-specific academic goal(s) |
| Does Not Meet Standard: <input type="checkbox"/> School did not meet its mission-specific academic goal(s) |
| Falls Far Below Standard: <input type="checkbox"/> School fell far below its mission-specific academic goal(s) |

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 | 60-64 | 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 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 1–4 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 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 |

Core Financial Performance Framework

Overview

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.

The Core Financial Performance Framework is 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 Framework 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.”

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” |

Indicators

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

1. Current Ratio/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. Total Margin/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.

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 is 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:

Meets Standard:

The school's performance on this component does not signal a financial risk to the school. A school that meets the standard based on an initial review requires no follow-up action by the authorizer.

Does Not Meet Standard:

The school's performance on this component signals a potential financial risk to the school and does not meet the 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 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 overall final rating of a school will document the ALSDE's assessment of the school's financial viability based on cumulative evidence from the quarterly reviews, State Auditor and independent audits, annual budgets, cash on hand, the performance framework, and/or more detailed examination of the school's financial position, as needed.

Additionally, while the Authorizer provides oversight to charter schools, many of the state and federal fiscal accountability and reporting requirements will be monitored by the Alabama State Department of Education (ALSDE) staff. Charter schools will be required to submit to the ALSDE program review and audit reports, and independent audit reports, so that all agencies may work in collaboration regarding state and federal compliance.

1. Current Ratio/Near-Term

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

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|--|
| Measure 1a Current Ratio: Current Assets divided by Current Liabilities |
| Meets Standard: <input type="checkbox"/> Current Ratio is greater than or equal to 1.0 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) <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> |
| Does Not Meet Standard: <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 |
| Falls Far Below Standard: <input type="checkbox"/> Current ratio is less than or equal to 0.9 |

Guidelines for Target Level and Ratings: 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 to meet standard. A current ratio less than 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.

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.

| |
|---|
| Measure 1b Unrestricted Days Cash: Unrestricted Cash divided by $(\text{Total Expenses minus Depreciation Expenses}/365)$ |
| Meets Standard: <input type="checkbox"/> 60 Days Cash or <input type="checkbox"/> Between 30 and 60 Days Cash and one-year trend is positive <i>Note: Schools in their first or second year of operation must have a minimum of 30 Days Cash</i> |
| Does Not Meet Standard: <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 |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than 15 Days Cash |

Guidelines for Target Level and Ratings: At least one month's 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 stage-two schools to meet the standard, though 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 standard. If a school has less than 15 days of cash on hand, they will not be able to operate for more than a few weeks without another cash inflow, and are at high risk for immediate financial difficulties.

Debt Default

Definition: Debt default indicates whether or not a school is meeting debt obligations or covenants.

The Alabama Public Charter School Commission 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

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|--|
| Measure 1c Default |
| Meets Standard: <input type="checkbox"/> School is not in default of loan covenant(s) and/or is not delinquent with debt service payments |
| Does Not Meet Standard: <input type="checkbox"/> Not Applicable |
| Falls Far Below Standard: <input type="checkbox"/> School is in default of loan covenant(s) and/or is delinquent with debt service payments |

Guidelines for Target Level and Ratings: Schools that are not meeting financial obligations, either through missed payments or violations of debt covenants, are at risk of financial distress. The ALSDE will monitor the debt environment to determine if violations of debt covenants should be considered a qualification for falling below or far below standards.

2. Total Margin/Sustainability

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

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|---|
| Measure 2a Total Margin: Net Income divided by Total Revenue Aggregated Total Margin: Total Three-Year Net Income divided by Total Three-Year Revenues |
| Meets Standard: <ul style="list-style-type: none"><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 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> |
| Does Not Meet Standard: <ul style="list-style-type: none"><input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5 percent, but trend does not “Meet Standard” |
| Falls Far Below Standard: <ul style="list-style-type: none"><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 |

Guidelines for Target Level and Ratings: 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 capital 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 current year to meet standard. A margin in any year of less than -10 percent or an aggregate three-year total margin less than -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

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| Measure 2b Debt to Asset Ratio: Total Liabilities divided by Total Assets |
| Meets Standard: <input type="checkbox"/> Debt to Asset Ratio is less than 0.9 |
| Does Not Meet Standard: <input type="checkbox"/> Debt to Asset Ratio is between 0.9 and 1.0 |
| Falls Far Below Standard: <input type="checkbox"/> Debt to Asset Ratio is greater than 1.0 |

Guidelines for Target Level and Ratings: 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 indicate 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

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|--|
| Measure 2c 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: <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 <i>Note: Schools in their first or second year of operation must have positive cash flow</i> |
| Does Not Meet Standard: <input type="checkbox"/> Multi-Year Cumulative Cash Flow is positive, but trend does not “Meet Standard” |
| Falls Far Below Standard: <input type="checkbox"/> Multi-Year Cumulative Cash Flow is negative |

Guidelines for Target Level and Ratings: 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: $(\text{Net Income} + \text{Depreciation} + \text{Interest Expense}) / (\text{Annual Principal, Interest, and Lease Payments})$ |
| Meets Standard: <input type="checkbox"/> Debt Service Coverage Ratio is equal or exceeds 1.1 |
| Does Not Meet Standard: <input type="checkbox"/> Debt Service Coverage Ratio is less than 1.1 |
| Falls Far Below Standard: <input type="checkbox"/> Not Applicable |

Guidelines for Target Level and Ratings: 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.

Enrollment Variance

NOTE: This measure is informational only.

Definition: Enrollment variance indicates whether or not the school is meeting its enrollment projections. As enrollment is a key (often the key) driver of revenue, 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. Though 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 you may need to take action or intervene in some way.

Schools less than five years old may have greater fluctuations in their enrollment because they have not yet established themselves in the community. However, mature schools with large, unexplained fluctuations in enrollment 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 in the field use enrollment variance as a way to not only 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.

Source of Data:

- Projected enrollment – Charter school board-approved budget for the year in question
- Actual enrollment

| |
|---|
| Enrollment Variance Enrollment Variance: Actual Enrollment Divided by Enrollment Projection in Charter School Board-Approved Budget |
| Meets Standard: <input type="checkbox"/> Enrollment Variance equals or exceeds 95 percent in the most recent year |
| Does Not Meet Standard: <input type="checkbox"/> Enrollment Variance is between 85-95 percent in the most recent year |
| Falls Far Below Standard: <input type="checkbox"/> Enrollment Variance is less than 85 percent in the most recent year |

Guidelines for Target Level and Ratings: Enrollment variance 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.

Follow-Up/Additional Information that the Alabama Public Charter School Commission may Request

| Measure | Additional Information to Request | Look For |
|-----------------------------------|--|--|
| 1.a Current Ratio | Monthly financial statements | Monthly current ratio trending upwards |
| 1.b 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> |
| 1.c 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 |
| 2.a Total Margin | Revised budget Monthly (new) budget variance report | Budget demonstrates a net surplus and few, if any, variances are present |
| 2.b 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 upwards Alignment among the action plan, budget, and financial statements |
| 2.c 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 |
| 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> |

Core Organizational Performance Framework

Overview

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.

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.

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?

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

Targets and Ratings

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

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.

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.

Additional Information about the Organizational Framework

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, APCSC 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., APCSC may annually verify compliance by review of special-education audits conducted by ALSDE as well as through site visit observations and analysis of school records).

The sections below outline common ways that the Alabama Public Charter School Commission may collect data to evaluate charter schools’ organizational performance, beginning with the least intensive approach.

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 Alabama Public Charter School Commission may 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 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 Alabama Public Charter School Commission can access at the school site upon request.

The Alabama Public Charter School Commission will review the file at least annually or when deemed necessary (e.g., ALSDE may review this report and request follow-up information on some measures during an annual site visit). For instance, The Alabama Public Charter School Commission 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; in this case, compliance would be assumed unless determined otherwise. A complaint to the Alabama Public Charter School Commission may warrant more direct review or investigation of an issue, but the burden of providing evidence of compliance lies with the charter school board.

Required Reporting

The Alabama Public Charter School Commission may also require that the charter school report or verify compliance, in which case evidence of compliance would be at the disposal of the authorizer for reference during monitoring. For example, the Alabama Public Charter School Commission may require that the charter school submit a list of teachers' proof of credentials on an annual basis (Based on application plans-).

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 Alabama Public Charter School Commission will establish a calendar of required reports to clearly communicate regular reporting deadlines to its charter schools. (charter.tools)

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 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. The Alabama Public Charter School Commission will use this type of monitoring only when necessary and will, wherever possible, seek additional evidence to substantiate observed practice.

Investigations

At times, The Alabama Public Charter School Commission (APCSC) may receive complaints or assertions from individuals that a school is not in compliance. APCSC will generally refer the complainant to the charter school board, which is responsible for investigating such cases. However, from time to time APCSC 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, APCSC itself may be required by law to take action or notify appropriate authorities, including ALSDE, 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.

1. Educational 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.

Material Terms of the Charter Contract

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, APCSC will 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.

APCSC will 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 will 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 oversight will 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 definition of the material terms might simply revolve around the school providing additional instructional time as promised.

The assessment of educational program terms should generally be a “truth in advertising” standard. 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.

| |
|--|
| 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).

Artifacts/Sources:

- Educational Program Terms-*Charter Contract*)
- Charter Amendments
- Board meeting agendas, packets, reports, and minutes
- APCSC Site Visit Report (if applicable)

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

APCSC may choose to require an assurance from the charter school board of compliance and follow up if complaints or reports from ALSDE 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 ALSDE (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 APCSC may work with divisions within ALSDE that oversee these programs (e.g., Title IV) to evaluate and report findings of noncompliance.

Artifacts/Sources:

- Academic Calendar (including State assessments)
- *Charter Contract* including *Statement of Assurances*
- Consolidated Program Review Report (if applicable)

This sub-indicator is deficiency-based in nature, meaning that unless the school, ALSDE, APCSC, or another authoritative body identifies the school as out of compliance with one of the aforementioned areas, a school is understood to be meeting standard

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 includes 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.

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

Data source

APCSC 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 a Local Education Agency or a school within a Local Education Agency.

APCSC 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 ALSDE.

Artifacts/Sources:

- Annual Special Populations Technical Assistance visit
- Evaluations and eligibility determination
- Implementation of MTSS
- Annual Special Populations Technical Assistance visit
- Site Visit Report
- ALSDE Program Review (if applicable)

- Documented implementation of Individual Education Plans
- Service delivery logs
- Annual Special Populations Technical Assistance visit
- Evidence of Prior Written Notice
- Evidence of Procedural Safeguard Notices to students and families
- Annual Special Populations Technical Assistance visit
- 504 evaluations and eligibility
- Documented implementation of 504 Plans
- Due process protections, manifestation determinations, and behavior intervention plans
- Annual Special Populations Technical Assistance visit
- Discipline data

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 includes 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

APCSC 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.

APCSC 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 ALSDE.

Artifacts/Sources:

- A description of the process the school uses to ensure that interpretation and translation services are provided to communicate vital information with LEP parents
- Parent notification forms: initial placement, continued eligibility, transition from English development services
- Site Visit Report (if applicable)
- ALSDE Consolidated Program Review Report (if applicable)
- Annual Special Populations Technical Assistance visit
- Evidence of administration of State-approved English language proficiency placement test
- Roster of eligible ELL students, indicating language proficiency level and the type and amount of English language development services provided for each student

- Evidence of progress monitoring of exited ELL students and service delivery as required
- Updated Staff Qualifications (including ELL services/endorsement)
- English language development (ELD) staff schedules
- Evidence of ELL training for staff, participation, and implementation

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, are 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 APCSC. 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 APCSC may include additional contractual provisions in the charter contract that “ensure...the school’s financial independence from the external provider.” APCSC may assess this independence by requiring additional financial reports.

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| <p>Measure 2a Is the school meeting financial reporting and compliance requirements?</p> |
| <p>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:</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 |

Data source

APCSC will maintain a record of schools’ adherence to reporting requirements, including financial reports.

Artifacts/Sources:

- Annual Compliance Calendar submissions
 - Quarterly financial report
 - Annual budget Quarterly school reviews
- Quarterly school reviews
- State auditor or auditing firm

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

APCSC may require charter schools to conduct and submit an annual financial audit. APCSC will have documented scope of audit requirements to ensure the financial audit includes information necessary to evaluate schools’ financial management practices and viability.

Artifacts/Sources:

- Notes to the Audited Financial Statements from Financial Audit

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.

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.

APCSC may seek to verify board compliance through analysis of board packets, including board minutes, and assurances of compliance. APCSC may collect and review the school's board policies and bylaws. Additionally, the charter school will be required to provide 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 APCSC, 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:

- Strategic plan that includes goals and objectives for meeting the school's mission
- Board oversight and evaluation of the performance of the charter school

Artifacts/Sources:

- Articles of incorporation (including bylaws), board meeting agendas, packets, reports, and minutes
- Charter Amendments
- Board meeting announcements, agendas, and minutes
- Accountability Audit Report (for OPMA compliance)
- Board roster, board resumes and disclosure forms, conflicts of interest policies and forms (if applicable)
- Annual F1 Personal Financial Disclosure Statement
- Accountability Audit Report (for Ethics compliance)
- Board meeting reports and minutes, meeting discussions and notes

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. APCSC must 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 third-party contract or written performance agreement with an ESP must include, 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.”

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 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.

Artifacts/Sources:

- School leader evaluation (or template), board meeting agendas, packets
- Board meeting reports, and minutes, meeting discussions and notes
- Board meeting agendas, packets
- Submission of Immediate or Additional Notifications as per the Annual Compliance Calendar
- School-APCSC communication log
- Constituent call log

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 ALSDE, for certain reporting requirements.

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, APCSC will develop a reporting calendar to track all required reports to the authorizer, ALSDE, 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.

Artifacts/Sources:

- Compliance documentation tracker
- Accountability Audit Report
- Meeting agendas, discussions, and notes
- Submission of Immediate or Additional Notifications as per the Annual Compliance Calendar
- School-APCSC communication log
- Constituent call log

4. Students and Employees

Rights of Students

Charter schools must protect the rights of the students they serve. APCSC 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)

Data source

APCSC will evaluate this measure through reports made to the district and/or ALSDE, charter school board policies and examples of forms (e.g., student enrollment form), and site visit observations and interviews with charter school community stakeholders. APCSC may also need to require that the board ensures compliance with certain elements of this measure that may be difficult to verify unless through investigation (e.g., implementation of discipline policies).

Artifacts/Sources:

- Staff list, and evidence of training such as training materials, meeting minutes, sign-in sheets, certificates of attendance, agendas, etc.
- Site Visit Report (if applicable)
- ALSDE Consolidated Program Review Report (if applicable)
- Nondiscrimination Statement visible in all widely disseminated publications
- Sexual harassment policy and educational rights of homeless children and youth visible in easily accessible areas of the school
- Student and Employee Handbooks
- Evidence of formalized methods of data collection and analysis (collected annually) and implementation of effective interventions
- Evidence of (at least annual) review of instructional materials for bias and replacement and/or supplementation of materials to meet scope and sequence requirements
- Application and enrollment forms
- Recruitment and enrollment materials translated into major languages of surrounding community
- Student Housing Questionnaire and intake forms
- Comprehensive policy related to serving the educational needs of homeless children and youth in accordance with the McKinney-Vento Act
- Evidence of adequate provision of services to students in foster care (i.e. transportation services, provision of support services to promote academic progress and on-time grade-level progression)
- Ongoing and regular contact with community agencies and entities, e.g. service groups, social service agencies, faith communities, etc. Evidence may include logs, meeting minutes, correspondence, agendas, etc.

Attendance Goals

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. APCSC will 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.

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

APCSC will evaluate this measure through the score received in the area of Chronic Absenteeism by the ALSDE Office of Accountability.

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.

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.

Data source

APCSC will evaluate this measure through reports to the district and/or ALSDE. Through an annual report, charter school may be required to submit a list of their staff's license numbers for review.

Artifacts/Sources:

- Verify through ALSDE
- Accountability Audit Report

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.

Measure 4d

Is the school complying with laws regarding 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.

Data source

APCSC may evaluate this measure through board assurance of compliance and/or third-party reports such as court rulings.

Artifacts/Sources:

- Signed employee handbook

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, certain individuals in the charter community, such as volunteers and board members, must 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

APCSC will evaluate this measure through assurance of compliance by the board and periodic record checks either annually or during site visits. APCSC may elect to review a random sample of files for a variety of individuals, such as teachers, volunteers, board members, etc.

Artifacts/Sources:

- Current employee roster and proof of background check clearance for employees, board members, or contractors who will have unsupervised access to children
- If the school hires an employee during a year of operation, the school must provide the APCSC proof of background check clearance within five (5) business days of hire
- Accountability Audit Report

5. School Environment

Facilities and Transportation

APCSC will 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.

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| <p>Measure 5a Is the school complying with facilities and transportation requirements?</p> |
| <p>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:</p> <ul style="list-style-type: none">• 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

APCSC will evaluate this measure through assurance of compliance by the board, review of relevant documentation, and periodic verification of compliance, possibly during site visits.

Artifacts/Sources:

- Inspection reports, permits, and certification collected during pre-opening and/or new construction
- Final copy of inspection from city building inspector and/or health inspector(collected during pre-opening and/or new construction)
- Accountability Audit Report

This sub-indicator is deficiency-based in nature, meaning that unless the school, ALSDE, APCSC, or another authoritative body identifies the school as out of compliance with one of the aforementioned areas, a school is understood to be meeting standard

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 or contracted independently. Some charter schools, depending on their legal structures, may access additional health and/or safety services from traditional school districts.

Measure 5b

Is the school complying with health and safety operations?

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.

Artifacts/Sources:

- Collected through Annual Compliance calendar through Emergency Contact Information, Training on Child Abuse and Neglect Reporting,
- Documented staff training by health care professional (nurse)
- School safety and emergency preparedness plans (collected during preopening and/or new construction)

This sub-indicator is mostly deficiency-based in nature, meaning that unless the school, ALSDE, APCSC, or another authoritative body identifies the school as out of compliance with one of the aforementioned areas, a school is understood to be meeting standard

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.

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.

Artifacts/Sources:

- Accountability Audit (if applicable)
- Site Visit Report (if applicable)

This sub-indicator is mostly deficiency-based in nature, meaning that unless the school, ALSDE, APCSC, or another authoritative body identifies the school as out of compliance with one of the aforementioned areas, a school is understood to be meeting standard

6. Additional Obligations

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.

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| Measure 6a 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: <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., ALSDE) |

Data source

Sources to verify compliance will depend on the requirement being evaluated.

Comprehensive Core Performance Framework

Academic Performance Framework

1. State and Federal Accountability Systems

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

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

2. Student Progress Over Time (Growth)

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| Measure 2a Math Are students making sufficient annual academic growth to achieve proficiency (criterion-referenced growth)? |
| Exceeds Standard: <input type="checkbox"/> At least XXXX percent of student are making sufficient academic growth to achieve, maintain, or exceed proficiency |
| Meets Standard: <input type="checkbox"/> Between XX and XX percent of students are making sufficient academic growth to achieve or maintain proficiency |
| Does Not Meet Standard: <input type="checkbox"/> Between XX and XX percent of students are making sufficient academic growth to achieve proficiency |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than XX percent of students are making sufficient academic growth to achieve proficiency |

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| Measure 2a Reading Are students making sufficient annual academic growth to achieve proficiency (criterion-referenced growth)? |
| Exceeds Standard: <input type="checkbox"/> At least XXXX percent of student are making sufficient academic growth to achieve, maintain, or exceed proficiency |
| Meets Standard: <input type="checkbox"/> Between XX and XX percent of students are making sufficient academic growth to achieve or maintain proficiency |
| Does Not Meet Standard: <input type="checkbox"/> Between XX and XX percent of students are making sufficient academic growth to achieve proficiency |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than XX percent of students are making sufficient academic growth to achieve proficiency |

Subgroup Growth

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| Measure 2b Math Is the school increasing subgroup academic performance over time? |
| Exceeds Standard: <input type="checkbox"/> At least XXXX percent of students in eligible subgroups are making sufficient academic growth to achieve, maintain, or exceed proficiency |
| Meets Standard: <input type="checkbox"/> Between XXX and XXX percent of students in eligible subgroups are making sufficient academic to achieve or maintain proficiency |
| Does Not Meet Standard: <input type="checkbox"/> Between XX and XX percent of students in eligible subgroups are making sufficient academic growth to achieve proficiency |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than XX percent of students in eligible subgroups are making sufficient academic growth to achieve proficiency |

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| Measure 2b Reading Is the school increasing subgroup academic performance over time? |
| Exceeds Standard: <input type="checkbox"/> At least XXXX percent of students in eligible subgroups are making sufficient academic growth to achieve, maintain, or exceed proficiency |
| Meets Standard: <input type="checkbox"/> Between XXX and XXX percent of students in eligible subgroups are making sufficient academic to achieve or maintain proficiency |
| Does Not Meet Standard: <input type="checkbox"/> Between XX and XX percent of students in eligible subgroups are making sufficient academic growth to achieve proficiency |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than XX percent of students in eligible subgroups are making sufficient academic growth to achieve proficiency |

3. Student Achievement (Status)

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| Measure 3a - Math Are students achieving proficiency on state examinations? |
| Exceeds Standard: <input type="checkbox"/> XXX percent or more students meet or exceed proficiency |
| Meets Standard: <input type="checkbox"/> Between XX and XX percent of students meet or exceed proficiency |
| Does Not Meet Standard: <input type="checkbox"/> Between XX and XX percent of students meet or exceed proficiency |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than XX percent of students met or exceeded proficiency |

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|---|
| Measure 3a - Reading Are students achieving proficiency on state examinations? |
| Exceeds Standard: <input type="checkbox"/> XXX percent or more students meet or exceed proficiency |
| Meets Standard: <input type="checkbox"/> Between XX and XX percent of students meet or exceed proficiency |
| Does Not Meet Standard: <input type="checkbox"/> Between XX and XX percent of students meet or exceed proficiency |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than XX percent of students met or exceeded proficiency |

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| Measure 3b Math Are students performing well on state examinations in comparison to traditional students in Area Public Schools? |
| Exceeds Standard: <input type="checkbox"/> School's average proficiency rate exceeds the average performance of traditional students in area PS in the same grades by XX or more percent |
| Meets Standard: <input type="checkbox"/> School's average proficiency rate meets or exceeds the average performance of traditional students in area PS in the same grades by XX or more percent |
| Does Not Meet Standard: <input type="checkbox"/> School's average proficiency rate is less than the average performance of traditional students in area PS in the same grades by XX or more percent |
| Falls Far Below Standard: <input type="checkbox"/> School's average proficiency rate is less than the average performance of traditional students in area PS in the same grades by XX or more percent |

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| Measure 3b Reading Are students performing well on state examinations in comparison to traditional students in Area Public Schools? |
| Exceeds Standard: <input type="checkbox"/> School's average proficiency rate exceeds the average performance of traditional students in area PS in the same grades by XX or more percent |
| Meets Standard: <input type="checkbox"/> School's average proficiency rate meets or exceeds the average performance of traditional students in area PS in the same grades by XX or more percent |
| Does Not Meet Standard: <input type="checkbox"/> School's average proficiency rate is less than the average performance of traditional students in area PS in the same grades by XX or more percent |
| Falls Far Below Standard: <input type="checkbox"/> School's average proficiency rate is less than the average performance of traditional students in area PS in the same grades by XX or more percent |

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| Measure 3c Math Are students achieving proficiency on state examinations compared to other students in the state of Alabama? |
| Exceeds Standard: <input type="checkbox"/> School's average proficiency rate exceeds the average state performance of students in the same grades by XX or more percentage points |
| Meets Standard: <input type="checkbox"/> School's average proficiency rate meets or exceeds the average state performance of students in the same grades by up to XX percentage points |
| Does Not Meet Standard: <input type="checkbox"/> School's average proficiency rate is less than the average state performance in the same grades by XXX percentage points |
| Falls Far Below Standard: <input type="checkbox"/> School's average proficiency rate is less than average state performance in the same grades by XX percentage points |

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| Measure 3c Reading Are students achieving proficiency on state examinations compared to other students in the state of Alabama? |
| Exceeds Standard: <input type="checkbox"/> School's average proficiency rate exceeds the average state performance of students in the same grades by XX or more percentage points |
| Meets Standard: <input type="checkbox"/> School's average proficiency rate meets or exceeds the average state performance of students in the same grades by up to XX percentage points |
| Does Not Meet Standard: <input type="checkbox"/> School's average proficiency rate is less than the average state performance in the same grades by XXX percentage points |
| Falls Far Below Standard: <input type="checkbox"/> School's average proficiency rate is less than average state performance in the same grades by XX percentage points |

Subgroup Proficiency

Measure 3d Math
Are students in demographic subgroups achieving proficiency on state examinations compared to state subgroups?

Exceeds Standard:

- School's average subgroup proficiency rate exceeds the average state performance of students in the same subgroup in the same grades by XX or more percentage points

Meets Standard:

- 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 XX percentage points

Does Not Meet Standard:

- School's average subgroup proficiency rate is less than the average state performance in the same subgroup in the same grades by XXX percentage points

Falls Far Below Standard:

- School's average subgroup proficiency rate is less than average state performance in the same subgroup in the same grades by XX percentage points

Measure 3d Reading
Are students in demographic subgroups achieving proficiency on state examinations compared to state subgroups?

Exceeds Standard:

- School's average subgroup proficiency rate exceeds the average state performance of students in the same subgroup in the same grades by XX or more percentage points

Meets Standard:

- 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 XX percentage points

Does Not Meet Standard:

- School's average subgroup proficiency rate is less than the average state performance in the same subgroup in the same grades by XXX percentage points

Falls Far Below Standard:

- School's average subgroup proficiency rate is less than average state performance in the same subgroup in the same grades by XX percentage points

4. Post-Secondary Readiness

CCR Indicator

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| Measure 4a Are students meeting at least one College and Career Readiness Indicator? |
| Exceeds Standard: <input type="checkbox"/> School received the highest grade or rating (A equivalent) from the state's accountability system |
| Meets Standard: <input type="checkbox"/> School received a passing grade or rating according to the state accountability system |
| Does Not Meet Standard: <input type="checkbox"/> School did not receive a passing grade or rating according to the state accountability system |
| Falls Far Below Standard: <input type="checkbox"/> School identified for intervention or considered failing by the state accountability system |

Graduation Rate

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| Measure 4b Are students graduating from high school? |
| Exceeds Standard: <input type="checkbox"/> At least XX percent of students graduated from high school |
| Meets Standard: <input type="checkbox"/> Between XX and XX percent of students graduated from high school |
| Does Not Meet Standard: <input type="checkbox"/> Between XX and XX percent of students graduated from high school |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than XX percent of students graduated from high school |

5. Mission Specific Academic Goals

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

Financial Performance Framework

1. Current Ratio/Near Term

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| Measure 1a Current Ratio: Current Assets divided by Current Liabilities |
| Meets Standard: <input type="checkbox"/> Current Ratio is greater than or equal to 1.0 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) <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> |
| Does Not Meet Standard: <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 |
| Falls Far Below Standard: <input type="checkbox"/> Current ratio is less than or equal to 0.9 |

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| Measure 1b Unrestricted Days Cash: Unrestricted Cash divided by $(\text{[Total Expenses minus Depreciation Expenses]}/365)$ |
| Meets Standard: <input type="checkbox"/> 60 Days Cash or <input type="checkbox"/> Between 30 and 60 Days Cash and one-year trend is positive <i>Note: Schools in their first or second year of operation must have a minimum of 30 Days Cash</i> |
| Does Not Meet Standard: <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 |
| Falls Far Below Standard: <input type="checkbox"/> Fewer than 15 Days Cash |

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| Measure 1c Default |
| Meets Standard: <input type="checkbox"/> School is not in default of loan covenant(s) and/or is not delinquent with debt service payments |
| Does Not Meet Standard: <input type="checkbox"/> Not Applicable |
| Falls Far Below Standard: <input type="checkbox"/> School is in default of loan covenant(s) and/or is delinquent with debt service payments |

2. Total Margin/Sustainability

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| <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:</p> <ul style="list-style-type: none"> <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 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><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> <ul style="list-style-type: none"> <input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5 percent, but trend does not “Meet Standard” |
| <p>Falls Far Below Standard:</p> <ul style="list-style-type: none"> <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 |

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| <p>Measure 2b Debt to Asset Ratio: Total Liabilities divided by Total Assets</p> |
| <p>Meets Standard:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Debt to Asset Ratio is less than 0.9 |
| <p>Does Not Meet Standard:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Debt to Asset Ratio is between 0.9 and 1.0 |
| <p>Falls Far Below Standard:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Debt to Asset Ratio is greater than 1.0 |

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| <p>Measure 2c 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> <ul style="list-style-type: none"> <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><i>Note: Schools in their first or second year of operation must have positive cash flow</i></p> |
| <p>Does Not Meet Standard:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Multi-Year Cumulative Cash Flow is positive, but trend does not “Meet Standard” |
| <p>Falls Far Below Standard:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Multi-Year Cumulative Cash Flow is negative |

Measure 2d
Debt Service Coverage Ratio: $(\text{Net Income} + \text{Depreciation} + \text{Interest Expense}) / (\text{Annual Principal, Interest, and Lease Payments})$

Meets Standard:

- Debt Service Coverage Ratio is equal or exceeds 1.1

Does Not Meet Standard:

- Debt Service Coverage Ratio is less than 1.1

Falls Far Below Standard:

- Not Applicable

Enrollment Variance

Enrollment Variance: $\text{Actual Enrollment} / \text{Enrollment Projection in Charter School Board-Approved Budget}$

Meets Standard:

- Enrollment Variance equals or exceeds 95 percent in the most recent year

Does Not Meet Standard:

- Enrollment Variance is between 85-95 percent in the most recent year

Falls Far Below Standard:

- Enrollment Variance is less than 85 percent in the most recent year

Organizational Performance Framework

1. 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.

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

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

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

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

3. Governance and Reporting

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

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 which 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)

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 complying with laws regarding 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 operations?

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 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
- Consent decrees
- Intervention requirements by the authorizer
- Requirements by other entities to which the charter school is accountable (e.g., ALSDE)