



South Carolina Public Charter School District
School Performance
Framework
2014-2015



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INTRODUCTION

About the School Performance Framework

The South Carolina Public Charter School District (SCPCSD) developed the School Performance Framework (SPF) to define high standards for its schools' performance. This framework is based on guidance by the National Association of Charter School Authorizers (NACSA), which states:

“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 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.”

The SPF sets the standards by which all District charter schools will be evaluated, informing both SCPCSD and school officials about school performance and sustainability. The standards are divided into three sections, and each asks 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?

By utilizing the SPF throughout the charter school’s life cycle, SCPCSD officials will take multiple factors into account when evaluating District charter schools’ performance and be able to make informed decisions regarding revocation or renewal.

SECTION I. ACADEMIC PERFORMANCE

The Academic Performance Framework is an accountability tool that provides the SCPCSD with data necessary to hold charter schools in its portfolio accountable for high standards of academic performance. It focuses purposefully on quantitative academic outcomes as a basis for analysis to be used in high-stakes decisions. Measures consist of school achievement and improvement, subgroup improvement, college and career readiness, and accountability ratings. Select measures are broken down by Elementary (EL), Middle School (MS), and High School (HS).

1. School Achievement

Indicators	Exceeds Standard	Meets Standard	Does Not Meet Standard	Falls Far Below Standard
1a. Are students achieving proficiency on statewide assessments in English Language Arts (ELA)?	Top 25% of schools in South Carolina	Top 50% of schools in South Carolina	Bottom 50% of schools in South Carolina	Bottom 25% of schools in South Carolina
1b. Are students achieving proficiency on statewide assessments in Mathematics?	Top 25% of schools in South Carolina	Top 50% of schools in South Carolina	Bottom 50% of schools in South Carolina	Bottom 25% of schools in South Carolina

Metrics:

(Indicator 1 is determined by calculating a school's percentile rank among all SC schools.)

1a. (EL/MS) Percentage of students scoring Ready or Exceeding on ACT Aspire ELA Composite

1a. (HS) Percentage of students scoring at least 70 on English 1 End-of-Course Exam

1b. (EL/MS) Percentage of students scoring Ready or Exceeding on ACT Aspire Mathematics

1b. (HS) Percentage of students scoring at least 70 on Algebra 1 End-of-Course Exam

2. School Improvement

This section is under development and will be utilized for the 2015-2016 framework. Metrics being considered include the percentile rank improvement that a school demonstrates from the previous year to the current year, with targets that vary based on the school's overall proficiency ranking.

3. Subgroup Improvement

This section is under development and will be utilized for the 2015-2016 framework. Metrics being considered include the progress demonstrated by minority students, students with disabilities, and students in poverty.

4. College and Career Readiness

This section is required for high schools only.

Indicators	Exceeds Standard	Meets Standard	Does Not Meet Standard	Falls Far Below Standard
4a. Are students graduating on-time from high school?	Top 25% of schools in South Carolina	Top 50% of schools in South Carolina	Bottom 50% of schools in South Carolina	Bottom 25% of schools in South Carolina
4b. Are students graduating within five years from high school?	Top 25% of schools in South Carolina	Top 50% of schools in South Carolina	Bottom 50% of schools in South Carolina	Bottom 25% of schools in South Carolina
4c. Does student performance on the ACT reflect college readiness?	Top 25% of schools in South Carolina	Top 50% of schools in South Carolina	Bottom 50% of schools in South Carolina	Bottom 25% of schools in South Carolina
4d. Does student performance on WorkKeys reflect career readiness?	Top 25% of schools in South Carolina	Top 50% of schools in South Carolina	Bottom 50% of schools in South Carolina	Bottom 25% of schools in South Carolina

Metrics:

4a. Four-year cohort graduation rate as defined by the state accountability system

4b. Five-year cohort graduation rate as defined by the state accountability system

4c. Mean Composite score of third-year high school students taking the ACT

4d. Percentage of third-year high school students earning at least a bronze WorkKeys NCRC

5. State and Federal Accountability

Based on state law, schools will not be rated for state accountability purposes until the fall of 2017.

Under the current ESEA waiver, schools will not receive a federal accountability rating until the fall of 2016. Therefore, this indicator will not be reflected on the 2014-2015 School SPF.

Indicators	Exceeds Standard	Meets Standard	Does Not Meet Standard	Falls Far Below Standard
5. Is the school meeting targets set forth by the state and federal accountability system?	A/Excellent	B/Good Or C/Average	D/Below Average	F/At-Risk

SECTION II: FINANCIAL PERFORMANCE

The Financial Performance Framework is an accountability tool that provides the SCPCSD with data necessary to assess the financial health and viability of charter schools in its portfolio on an ongoing basis and for purposes of an annual performance review. The Financial Framework includes two general categories of financial performance: *Near-Term Indicators* of viability in the upcoming year and longer-term *Sustainability Indicators* which depict a charter school's viability over time. The measures are designed to complement one another. No single measure gives a full picture of the financial situation of a school. Taken together, however, the measures provide a comprehensive assessment of the school's financial health and viability based on a school's historic trends, near-term situation, and future viability.

Within each annual reporting period, the Financial Performance Framework provides for a review based on a school's annual independent audit of the most recent school year and additional information provided by the school as necessary. If a school does not meet standard based on the most recent independent audit, a school may provide up-to-date information to demonstrate how the school currently meets standard.

Meets Standard

A *Meets Standard* rating indicates sound financial viability based on the overall financial review of a school. In this case, the school has met the Standard based on the most recent independent audit, or where a school did not meet standard using the audit, current financial data and information has been provided to illustrate the school's ability to meet standard.

Does Not Meet Standard

A *Does Not Meet Standard* rating indicates that the school is not currently meeting standard and the SCPCSD concludes that there is financial risk such that heightened monitoring and/or intervention may be warranted.

Falls Far Below Standard

A *Falls Far Below Standard* rating indicates that the school is not currently meeting standard and the SCPCSD identifies significant financial risk for the school and has concerns addressing financial viability such that heightened monitoring and/or intervention are deemed necessary.

6. Near-Term Indicators

Indicators	Meets Standard	Does Not Meet Standard	Falls Far Below Standard
<p>6a. Does the school have the ability to cover its current liabilities with its current assets?</p> <p>Current ratio = current assets divided by current liabilities.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Current ratio is greater than or equal to 1.1 OR <input type="checkbox"/> Current ratio is between 1.0 and 1.1 <u>and</u> one-year trend is positive (current year ratio is higher than last year) <input type="checkbox"/> Schools in their first or second year of operation must have a current ratio of at least 1.1 	<ul style="list-style-type: none"> <input type="checkbox"/> For schools in their first or second year of operation the current ratio is between 0.9 and 1.0 OR <input type="checkbox"/> For schools in operation for more than two years, the current ratio is between 1.0 and 1.1 <u>and</u> one-year trend is negative 	<ul style="list-style-type: none"> <input type="checkbox"/> Any school with a Current ratio less than or equal to 0.9
<p>6b. Does the school have adequate cash on hand to pay its expenses?</p> <p>Days cash = unrestricted cash divided by ([total expenses minus depreciation expense]/365)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> 60 days cash OR <input type="checkbox"/> Between 30 and 60 days cash on hand <u>and</u> one-year trend is positive <input type="checkbox"/> Schools in their first or second year of operation must have at least 30 days cash 	<ul style="list-style-type: none"> <input type="checkbox"/> For schools in existence for more than two years, the days cash is between 30 and 60 days <u>and</u> one year trend is negative <input type="checkbox"/> Days cash is 11-29 days 	<ul style="list-style-type: none"> <input type="checkbox"/> Days cash is 10 days or less

Indicators	Meets Standard	Falls Far Below Standard
<p>6c. Is the school able to meet its enrollment projections?</p>	<p>Actual enrollment (135-ADM) equals or exceeds 85% of planned enrollment in most recent year, based on projections in board-approved charter.</p>	<p>Actual enrollment was less than 85% of planned enrollment</p>
<p>6d. Is the school able to meet its debt obligations or covenants?</p>	<p>School is not in default of loan covenant(s) and/or is not delinquent with debt service payments, as indicated in notes to the audited financial statements.</p>	<p>School is in default of loan covenant(s) and/or is delinquent with debt service payments</p>

7. Sustainability Indicators

Indicators	Meets Standard	Does Not Meet Standard	Falls Far Below Standard
<p>7a. Is the school living within its available resources?</p> <p>Total margin = net income divided by total revenue Aggregated 3-year total margin = total 3-year net income divided by total 3-year revenue</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Aggregated three-year total margin is positive <u>and</u> the most recent year total margin is positive OR <input type="checkbox"/> Aggregated three-year total margin is greater than -1.5% <u>and</u> the trend is positive for the last two years <u>and</u> the most recent year total margin is positive. <input type="checkbox"/> Schools in their first or second year of operation must have a positive cumulative total margin 	<ul style="list-style-type: none"> <input type="checkbox"/> Aggregated three-year margin is greater than -1.5%, but the trend does not meet standard <input type="checkbox"/> Schools in their first or second year of operation that do not have a positive aggregated total margin 	<ul style="list-style-type: none"> <input type="checkbox"/> Any school with an aggregated three-year total margin less than or equal to -1.5% OR <input type="checkbox"/> Any school with a current year total margin less than -10%

Indicators	Meets Standard	Does Not Meet Standard	Falls Far Below Standard
<p>7b. Is a reasonable proportion of the school's assets financed through debt?</p> <p>Debt to asset ratio = total liabilities divided by total assets</p>	<input type="checkbox"/> Debt to asset ratio is less than 0.90	<input type="checkbox"/> Debt to asset ratio is between 0.90 and 1.0	<input type="checkbox"/> Debt to asset ratio is greater than 1.0

Indicators	Meets Standard	Does Not Meet Standard	Falls Far Below Standard
<p>7c. Does the school have a positive change in cash balance from one period to another?</p>	<input type="checkbox"/> Three-year cumulative cash flow is positive <u>and</u> cash flow is positive each year OR <input type="checkbox"/> Three-year cumulative cash flow is positive, cash flow is positive in two of three years <u>and</u> cash flow in the most recent year is positive	<input type="checkbox"/> Three-year cumulative cash flow is positive, but does not meet standard <input type="checkbox"/> Three-year cumulative cash flow is zero	<input type="checkbox"/> Three year cumulative cash flow is negative

Indicators	Meets Standard	Does Not Meet Standard
<p>7d. Does the school have the ability to cover its debt obligations in the current year?</p> <p>Debt service to coverage ratio = (net income + depreciation + interest expense) divided by (principal and interest payments)</p>	<p><input type="checkbox"/> Debt service to coverage ratio is equal to or exceeds 1.10</p>	<p><input type="checkbox"/> Debt service coverage ratio is less than 1.10</p>

SECTION III: ORGANIZATIONAL PERFORMANCE

The Organizational Performance Framework is an accountability tool that provides the SCPCSD with data necessary to hold charter schools in its portfolio accountable for organizational performance. The expectations outlined in the Organizational Framework derive from state and federal laws and regulations as well as the operating terms of the school's charter and contract with the SCPCSD. The Organizational Framework 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.

8. Access and Equity

Indicators	Meets Standard	Does Not Meet Standard
<p>8a. Is the school protecting the rights of students with disabilities?</p>	<p>The school materially complies with applicable laws, rules, regulations, and provisions of the charter and contract relating to the treatment of students with identified disabilities and those suspected of having a disability including but not limited to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Identification and referral <input type="checkbox"/> Discipline <input type="checkbox"/> Operational compliance including the academic program, assessments, and all other aspects of the school's program and responsibilities <input type="checkbox"/> Appropriately carrying out student Individualized Education Plans and Section 504 plans <input type="checkbox"/> Access to the school's facility and program to students and parents in a lawful manner and consistent with students' abilities <input type="checkbox"/> Appropriate expenditures of federal and state funds 	<p>If the school receives any two or more of the following, the school does not meet standard:</p> <p>Letter of Concern/ Caution/Noncompliance issued by the District;</p> <ul style="list-style-type: none"> • Finding against the school in a state/OCR/Due Process complaint; or • Rating of 0 or 1 with a Medium/High Priority Rating and improvement plan from the Comprehensive Program Review (CPR) at the end of the school year
<p>8b. Is the school protecting the rights of English Language Learner (ELL) students?</p>	<p>The school materially complies with applicable laws, rules, regulations, and provisions of the charter and contract relating to ELL requirements, including but not limited to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Required policies related to the service of ELL students <input type="checkbox"/> Proper steps for identification of students in need of ELL services 	<p>The school does not protect the rights of English Language Learner (ELL) students in the manner described.</p>

	<input type="checkbox"/> Appropriate and equitable delivery of services to identified students (including instructional groupings) <input type="checkbox"/> Appropriate accommodations on assessments <input type="checkbox"/> Exiting of students from ELL services <input type="checkbox"/> • Ongoing monitoring of students who exit ELL services	
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9. Students and Employees

Indicators	Meets Standard	Does Not Meet Standard
9a. Is the school meeting teacher and other staff credentialing requirements?	The school materially complies with applicable laws, rules, regulations, and provisions of the charter and contract relating to certification/licensure requirements.	The school does not meet credentialing requirements as described.
9b. Is the school completing required background checks?	The school materially complies with applicable laws, rules, regulations, and provisions of the charter and contract relating to background checks of all applicable individuals.	The school does not complete required background checks.

10. Financial Management and Oversight

Indicators	Meets Standard	Does Not Meet Standard
10a. Is the school meeting financial reporting and compliance requirements?	<p>The school materially complies with applicable laws, rules, regulations, and provisions of the charter and contract relating to financial reporting requirements, including but not limited to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 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 a management company <input type="checkbox"/> On-time submission and completion of the annual independent audit, including Corrective Action Plan <input type="checkbox"/> All reporting requirements related to the use of public funds 	The school does not meet financial reporting and compliance requirements.
10b. Is the school following Generally Accepted Accounting Principles?	<p>The school materially complies with applicable laws, rules, regulations, and provisions of the charter agreement relating to financial management and oversight expectations as evidenced by an annual independent audit, including but not limited to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> An unqualified audit opinion <input type="checkbox"/> An audit devoid of significant findings and conditions, material weaknesses, or significant internal control weaknesses 	The school does not comply with applicable laws, rules, regulations and provisions of the charter agreement relating to financial compliance and management expectations.

11. Reporting and Additional Obligations

Indicators	Meets Standard	Does Not Meet Standard
11a. Is the school complying with federal and state reporting requirements?	<p>The school materially complies with relevant reporting requirements to state and federal authorities, including but not limited to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Accountability reporting <input type="checkbox"/> Enrollment reports <input type="checkbox"/> Compliance and oversight <input type="checkbox"/> Additional information requested by the authorizer <input type="checkbox"/> Consistently accurate and complete data <input type="checkbox"/> Reporting deadlines 	The school does not comply with one or more of the relevant reporting requirements including but not limited to those described.