



**SPCSA**  
**Financial Performance Framework**  
**Ratings Recommendations**  
for the School Year Ending  
**June 30, 2022**



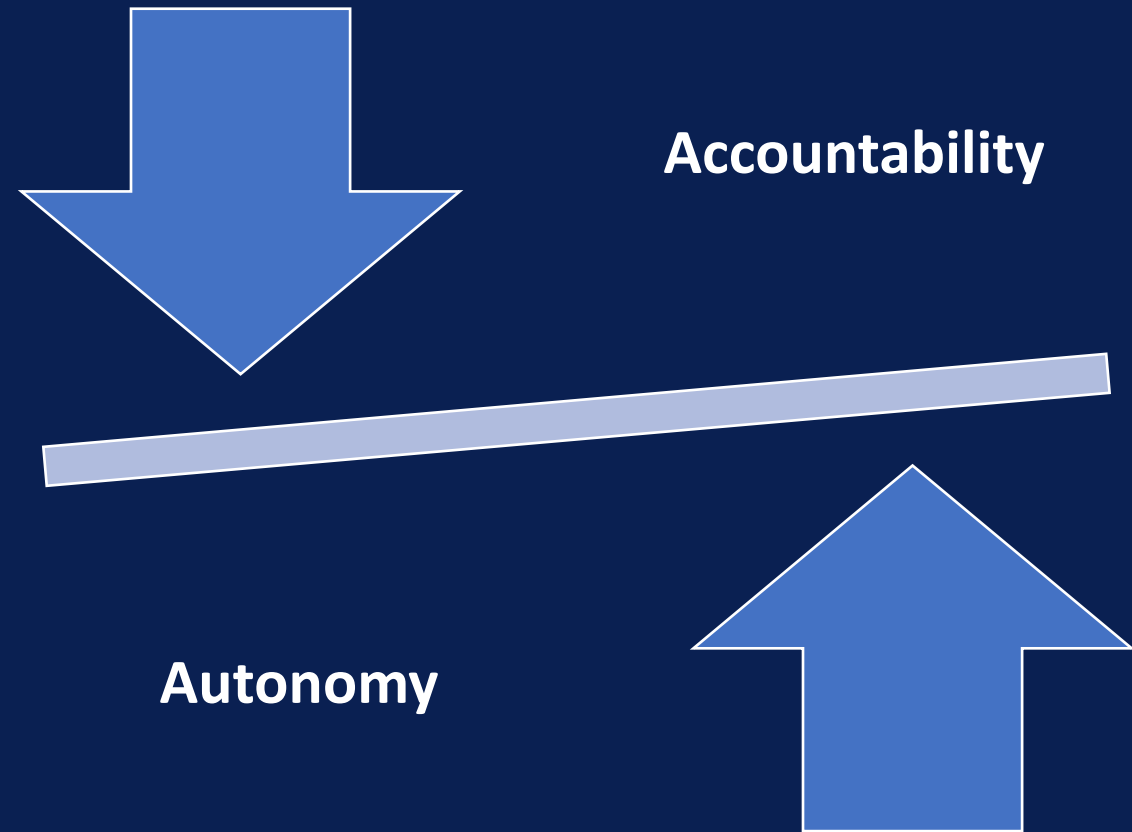
December 16, 2022

# Objectives of SPCSA Financial Framework

|   |   |
|---|---|
|   |   |
| 1 | Enable SPCSA to fulfill its <b>mission</b> as authorizer and regulator  |
| 2 | Fulfill <b>NRS 388A.273 requirements</b> for performance indicators, measures and metrics for the <b>financial</b> category |
| 3 | Fulfill public school <b>obligations</b> , provide <b>transparent reporting</b>   |
| 4 | Convey SPCSA <b>expectations</b> of charter schools   |

# What is a Performance Framework?

- Document that sets forth agreed upon expectations of performance and compliance
- Established in the charter agreement
- Basis for school evaluations, monitoring, and intervention that informs high-stakes decisions by an authorizer



# What is a Performance Framework?

## Academic

- Is the educational program a success?

## Financial

- Is the school financially viable?

## Organizational

- Is the organization effective and well run?

# FPF Principles

- |   |  |
|---|--|
| 1 | Define financial benchmarks            |
| 2 | Treat schools the same                 |
| 3 | Enable school flexibility and autonomy |
| 4 | Ensure transparency to the public      |

# Financial Framework: Indicators

|   | Category/Indicator      | How is this evaluated by the Authorizer?   |
|---|-------------------------|--|
| 1 | Near Term Measures      | <ol style="list-style-type: none"><li>1) <i>Current Ratio</i></li><li>2) <i>Unrestricted Days Cash-on-Hand Ratio</i></li><li>3) <i>Enrollment Forecast Accuracy</i></li><li>4) <i>Debt Default</i></li></ol> |
| 2 | Sustainability Measures | <ol style="list-style-type: none"><li>1) <i>Total Margin</i></li><li>2) <i>Debt to Asset Ratio</i></li><li>3) <i>Cash Flow</i></li><li>4) <i>Debt Service Coverage Ratio</i></li></ol>                       |

# Ratings

## Meets Standard Rating

- Schools earning this rating in all or nearly all indicators are performing well and are generally financially viable in both the short and long-term
- The targets for this rating category set the minimum expectations for charter school performance

## Does Not Meet Standard

- Schools earning this rating in some indicators have failed to meet minimum expectations which may signal potential concerns
- At a minimum, they should be subject to closer monitoring, and their status for renewal is in question

## Falls Far Below Standard

- Schools earning this rating in some indicators have failed to meet minimum expectations by a significant margin signaling concerns, some of which may be immediate
- Staff will closely monitor schools with these designations, and their status for renewal is in question

# Indicators and Ratings

- Schools will receive 8 formal ratings, or one for each indicator within the framework.
- Poor financial performance measures ratings may trigger a Notice of Concern or Notice of Breach recommendation
  - At least one indicator scoring at “Falls Far Below Standard”
  - OR
  - At least three indicators scoring at “Does Not Meet Standard”
- Continued or significant evidence of materially weak financial performance observed through ongoing/oversight, and/or failure to make substantial progress towards remedying previously-identified concerns may result in escalated intervention



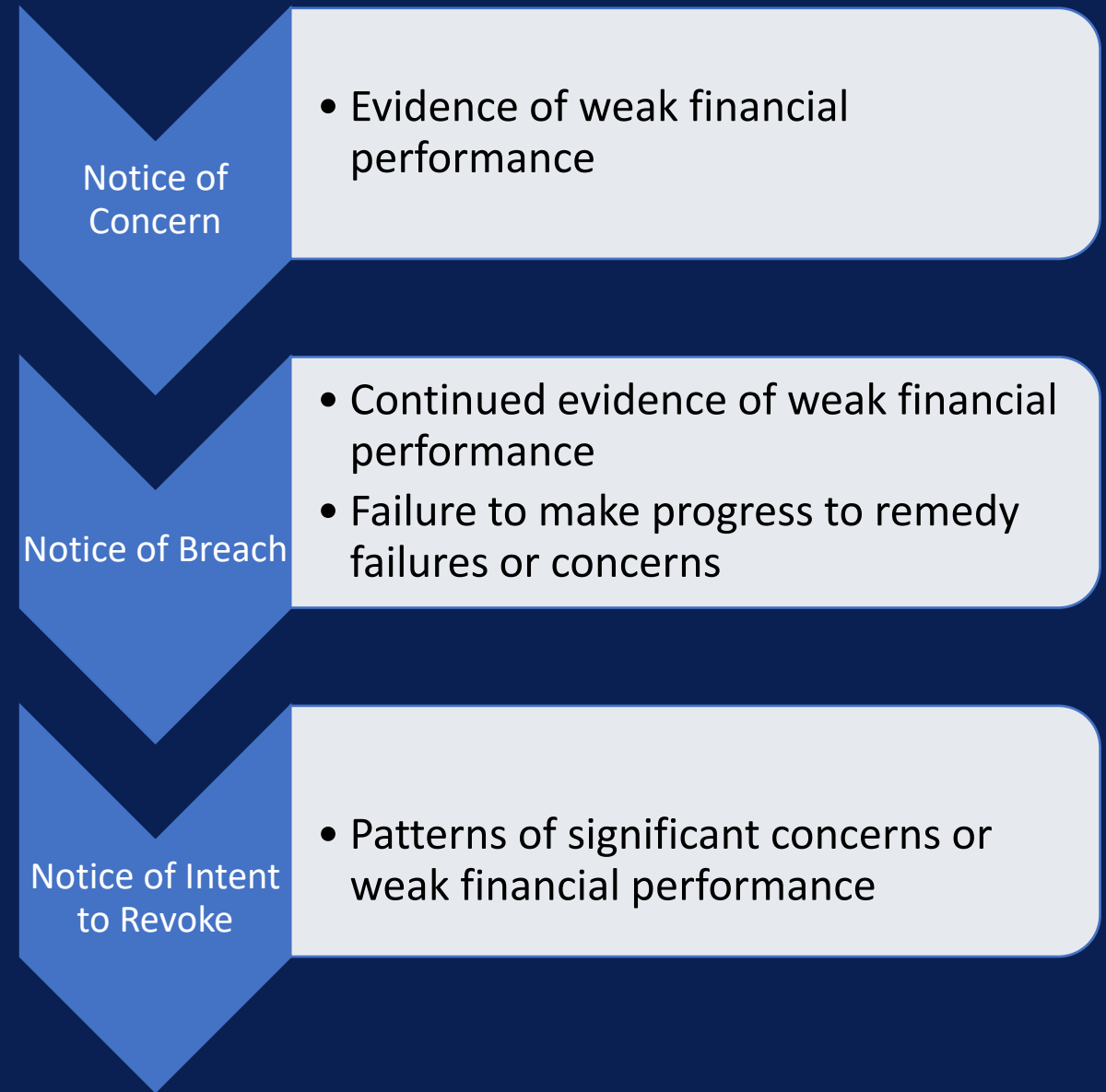
# Interventions

“Occasionally, the routine Performance Framework process will result in adverse findings.

Charter schools may fall **out of compliance on important legal or contractual requirements.**

Academic standards may not be met. Financial sustainability may become an issue. When these situations occur, the Authority may respond in a number of ways.”

*Pg 5 Charter School Performance Framework*



# As of December 16...

## Key Milestones

Authorizing staff have monitored quarterly reports throughout FY22

Most Audits have been presented to individual charter boards

Audits are required to be submitted to SPCSA, LCB and NDE by **December 1**

Preliminary results are to be provided to schools by **December 23**

Final data to be presented to the Authority on **January 27, 2023**

# Objectives of SPCSA Financial Framework

|   |   |
|---|---|
|   |   |
| 1 | Enable SPCSA to fulfill its <b>mission</b> as authorizer and regulator  |
| 2 | Fulfill <b>NRS 388A.273 requirements</b> for performance indicators, measures and metrics for the <b>financial</b> category |
| 3 | Fulfill public school <b>obligations</b> , provide <b>transparent reporting</b>   |
| 4 | Convey SPCSA <b>expectations</b> of charter schools   |



**Nevada State Public  
Charter School  
Authority**

**Questions?  
Comments?**