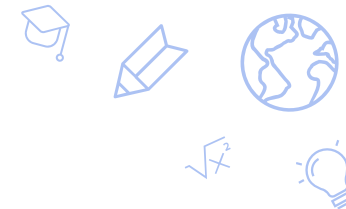


SPCSA

Financial Performance Framework

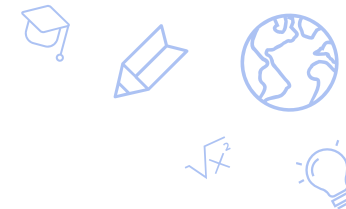
Overview

December 8, 2023



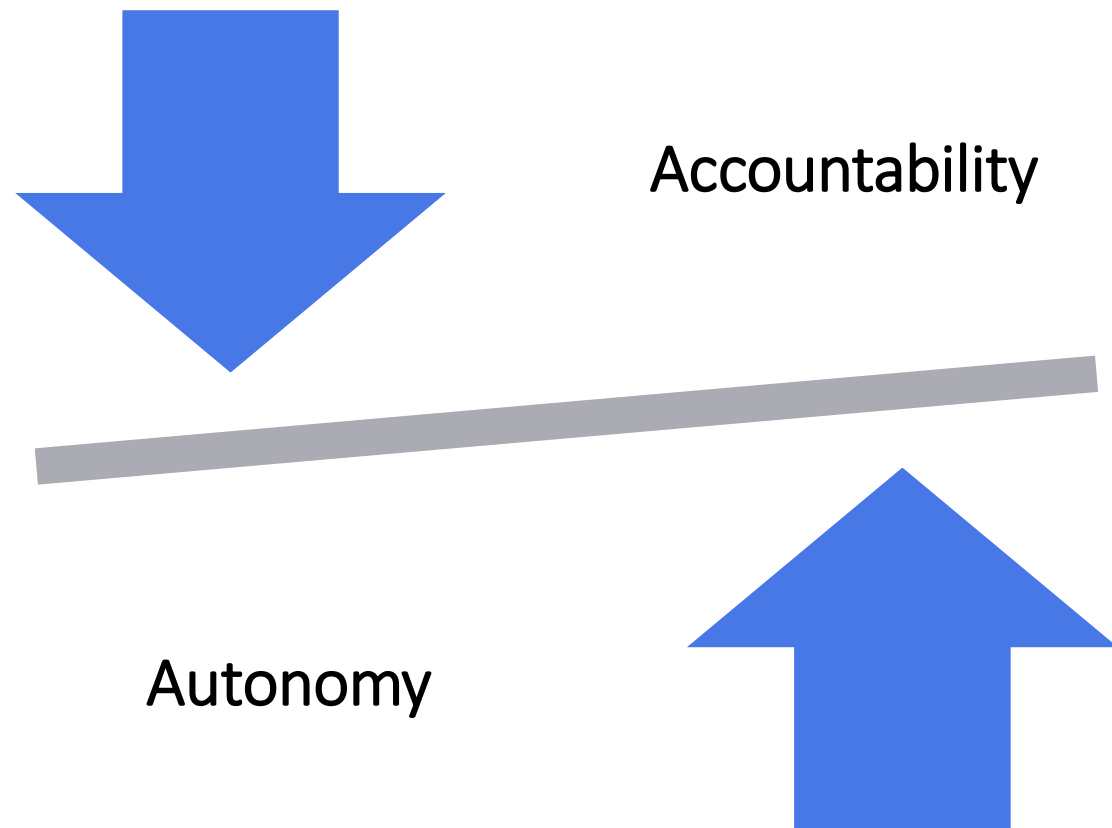
Presentation Objectives

- | | |
|---|---|
| | |
| 1 | Explain SPCSA's mission as state authorizer and regulator |
| 2 | Explain NRS 388A.273 requirements for performance indicators, measures and metrics for the financial category |
| 3 | Explain charter/public school obligations , provide transparent reporting |
| 4 | Share SPCSA expectations 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

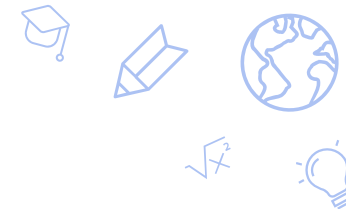
- Is the organization effective and well run?

Source: NACSA Core Performance Framework and Guidance



FPF Principles

- 1 Financial benchmarks defined
- 2 Schools treated equitably
- 3 Schools provided flexibility and autonomy
- 4 Transparency provided to the public



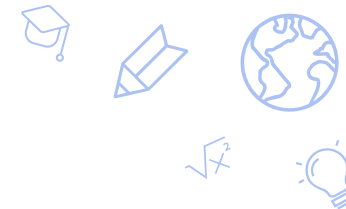
Indicators and Ratings

1. Schools receive 8 formal ratings.
2. Poor financial performance may require intervention, including a Notice of Concern or Notice of Breach recommendation, e.g.,
 1. At least one indicator scoring at “Falls Far Below Standard” OR
 2. At least three indicators scoring at “Does Not Meet Standard”
3. Continued or significant evidence of materially weak financial performance or failure to make substantial progress towards remedying previously-identified concerns may result in escalated intervention



Financial Framework: Indicators

	Category/Indicator	How is this evaluated by the Authorizer?
1	Near Term Measures	<i>1) Current Ratio 2) Unrestricted Days Cash-on-Hand Ratio 3) Enrollment Variance 4) Debt Default</i>
2	Sustainability Measures	<i>1) Total Margin 2) Debt to Asset Ratio 3) Cash Flow 4) Debt/Lease Service Coverage Ratio</i>



Ratings

- **Meets Standard Rating**

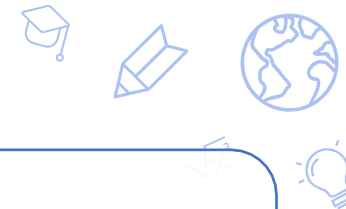
- Schools earning this rating in all or nearly all indicators are performing well and are generally financially viable in both the short and long-term
- The targets for this rating category set the minimum expectations for charter school performance

- **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

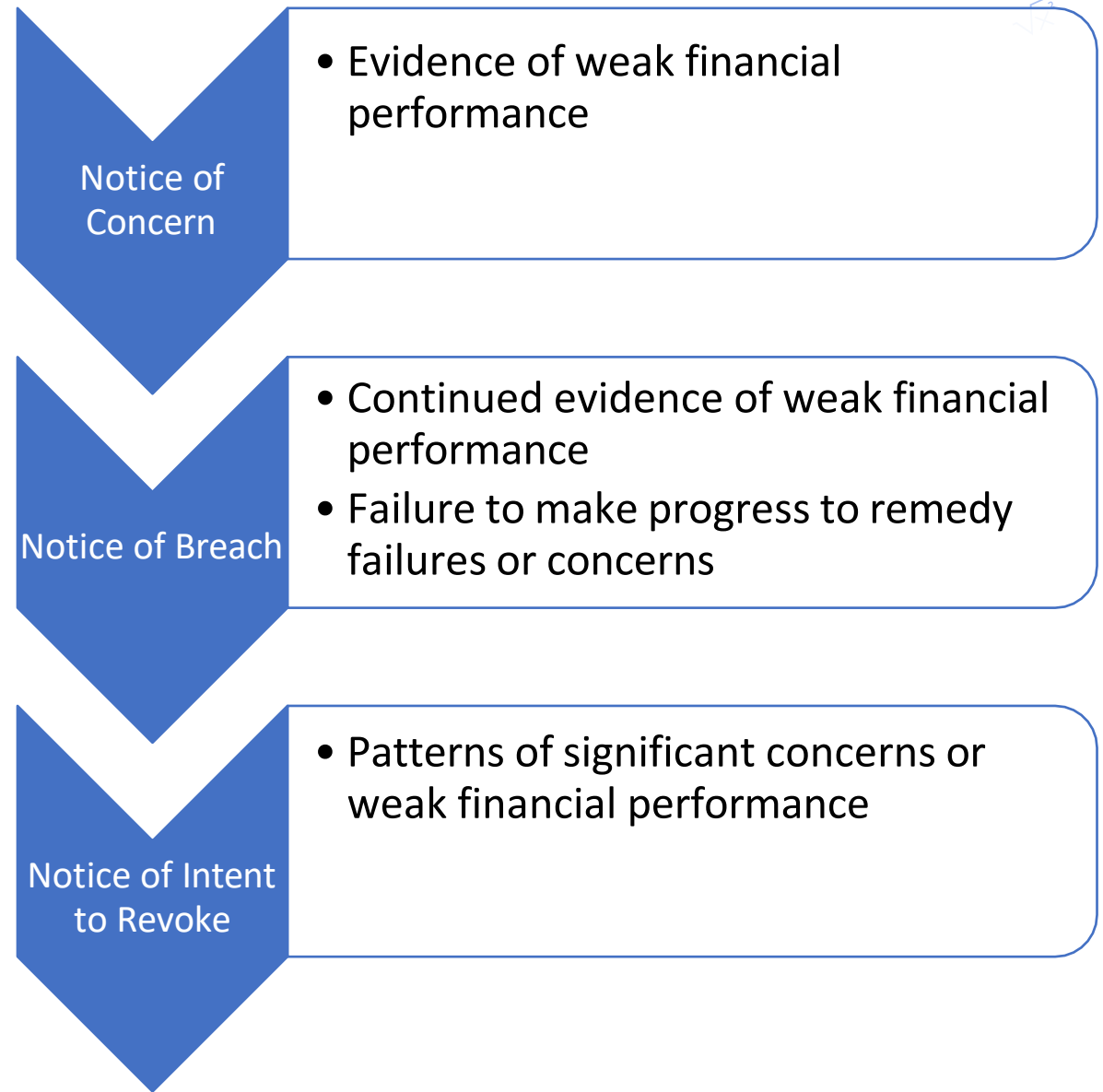


Interventions

“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.”



General Timeline



Key Milestones

Audit Engagement letter must be signed by **August 1**.

Audits must be submitted to school boards by **November 1**.

Audits must be presented to the school board at a public meeting.

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

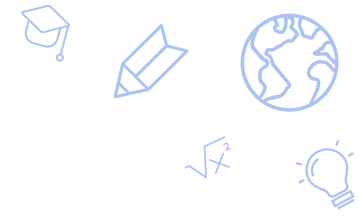
Preliminary SPCSA results provided to schools within **15-30 days of December 1**.
Schools given 3 weeks to review and comment (if audits submitted by 12/1).

Final data presented for Authority board approval during **January or February** board meeting, then posted and distributed to schools.



Objectives of SPCSA Financial Framework

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



Questions/Comments?

