

**EXHIBIT D**

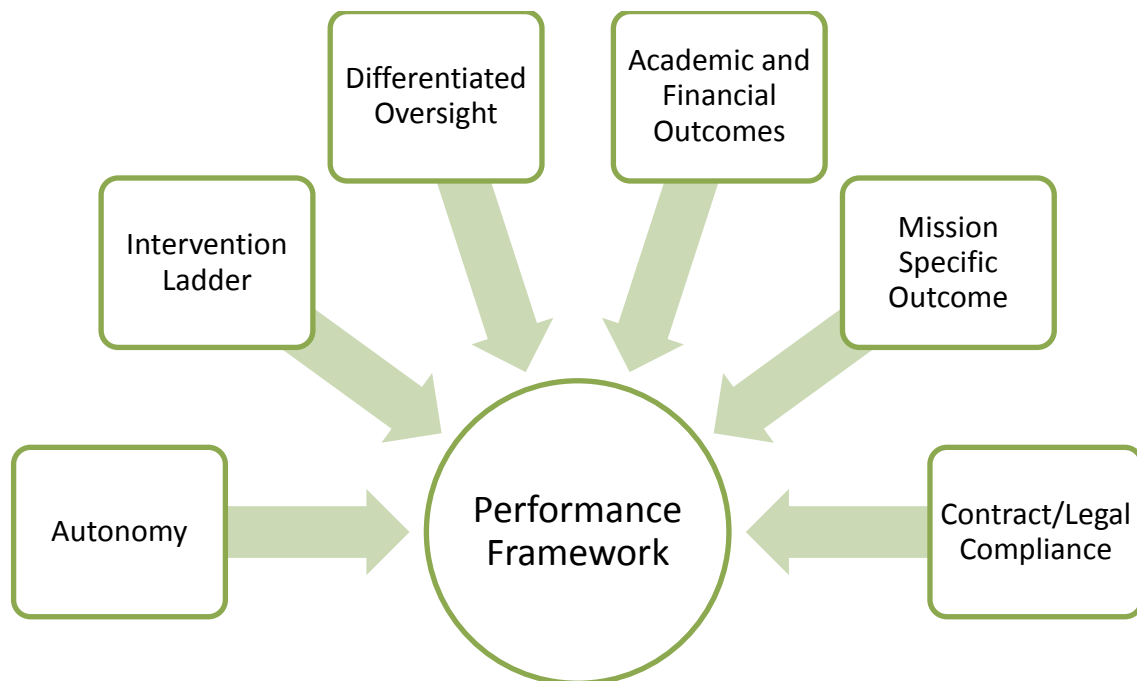
**EXHIBIT D**

# Charter School Performance Framework

## Objective:

To provide charter school boards and leaders with clear expectations, fact-based oversight, and timely feedback while ensuring charter autonomy.

- Clear standards, timely feedback, and maximum transparency
- Objective information for schools, students, and families
- Differentiated oversight including incentives for charter schools designated as quality
- Comprehensive information to guide charter renewal determinations



## Section 1: Introduction

This document describes the Charter School Performance Framework, the accountability mechanism for all charter schools sponsored by the State Public Charter School Authority (Authority).

This document provides:

- A conceptual overview of the Charter School Performance Framework (the body of the document); along with
- The specifics regarding Performance Framework implementation, and the academic, financial, organizational and mission specific performance standards.

In addition to establishing performance criteria for charter schools, the Charter School Performance Framework also ensures that the Authority is accountable to charter schools.

The Authority is accountable for implementing a rigorous and fair oversight process that respects the autonomy that is vital to charter school success. This mutual obligation drives the Charter School Performance Framework – a collaborative effort with the common mission of improving and influencing public education in Nevada by sponsoring public charter schools that prepare all students for college and career success and by modeling best practices in charter school sponsorship.

### **Charter School Performance Framework Authority Obligations**

- Clearly communicate standards and expectations to schools;
- Conduct a transparent, consistent, and predictable oversight process;
- Conduct an oversight process that is respectful of schools' autonomy;
- Emphasis on student outcomes rather than compliance and process;
- Provide fact-based feedback to schools and communities indicating where schools stand relative to performance framework standards and expectations.

## Section 2: Objective of the Charter School Performance Framework

Through its mission, the Authority has the responsibility to ensure its sponsored schools prepare all students for college and career success and to model best practices in charter school sponsorship.

The Authority acknowledges that charter schools need autonomy in order to develop and apply the policies and educational strategies that maximize their effectiveness.

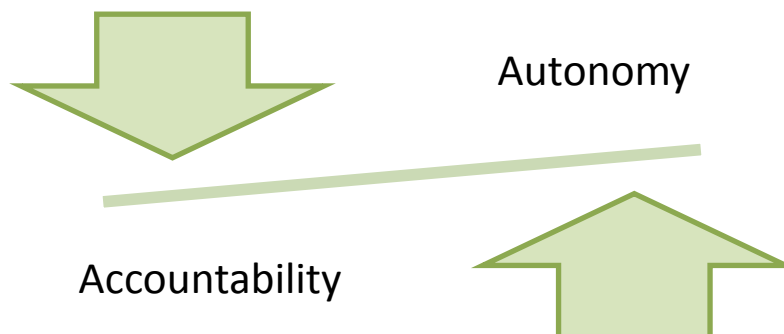
The Charter School Performance Framework balances these two considerations.

The objective of the Charter School Performance Framework is to provide charter school boards and leaders with clear expectations, fact-based oversight, and timely feedback while ensuring charter school autonomy.

In addition to achieving this objective, the Performance Framework should deliver important secondary benefits:

- Incentives for charter schools designated as quality that regularly achieve their academic, financial, organizational, and mission specific performance standards;
- Comprehensive information for data-driven and merit-based charter renewal and contract revocation/termination;
- Differentiated oversight based on each school's performance and maturity;
- Maximum transparency so all stakeholders can understand where charter schools are meeting or exceeding performance standards, and where they are failing to achieve performance standards; and
- Objective information for students and families who want to learn more about the charter schools in their community.

The Performance Framework describes methods that seek the optimal balance between oversight and autonomy, while delivering the secondary benefits important to each targeted stakeholder. The Performance Framework is a dynamic process subject to continuous review and improvement.



### Section 3: Performance Framework Components

The Performance Framework provides for the evaluation of schools based on their ability to operate as sound, independent entities that successfully serve all students. The Authority has selected components that strike the balance between easy-to-submit documents and data that provide fact-based insight on school performance.

#### **Routine Year Round Submissions**

During the year, schools are required to submit a variety of documents to the Authority and the Department of Education. It is vital that this information is submitted by the given due date. These required submissions are often linked to funding allotments or federal reporting requirements. See the Reporting Requirements Manual for greater detail on each requirement and its function.

#### **Academic, Financial, Organizational and Mission Specific Indicators**

**Academic** – Academic achievement determinations for all schools will be based on student progress over time (growth), student achievement (status), and college and career readiness.

**Financial** – The near term fiscal health of schools is assessed through four measures: 1) Current Ratio; 2) Unrestricted Days Cash on Hand; 3) Enrollment Forecast Accuracy; and 4) Debt Default. The fiscal sustainability of schools is assessed through four different measures: 1) Total Margin; 2) Debt to Asset Ratio; 3) Cash Flow; and 4) Debt Service Coverage Ratio. These measures will be evaluated quarterly and a profile published annually based on each school's audited financial statements.

**Organizational** – Defines the operational standards to which a charter school should be accountable to its sponsor 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.

**Mission Specific** – The Authority may, upon request of the governing body of a charter school, include additional rigorous, valid and reliable performance indicators that are specific to the mission of the charter school and complementary to the existing framework measures.

#### **Annual Review**

The annual review is a process that compiles data from the routine year-round submissions; academic, financial, organizational and mission specific indicators and oversight to provide an evaluation of school performance. In the annual review, each school will receive an academic and financial profile, an organizational overview of compliance, and a review of mission specific indicators

Annual reviews will be provided to charter school boards and school leaders each fall following the release of the State's star ratings. We are committed to clearly communicating information from the annual review to families, schools, and the public. These reviews will also be posted on the Authority website.

#### **Mid-Term Review**

The mid-term review is a process that compiles all annual reviews and provides a three year longitudinal evaluation of school performance. The mid-term review includes a site visit to gather qualitative data that complements the quantitative findings. The results of the mid-term review provide stakeholders with a multi-year analysis of school performance and status of the school related to expectations at time of renewal.

## Section 4: Performance Framework Process Description

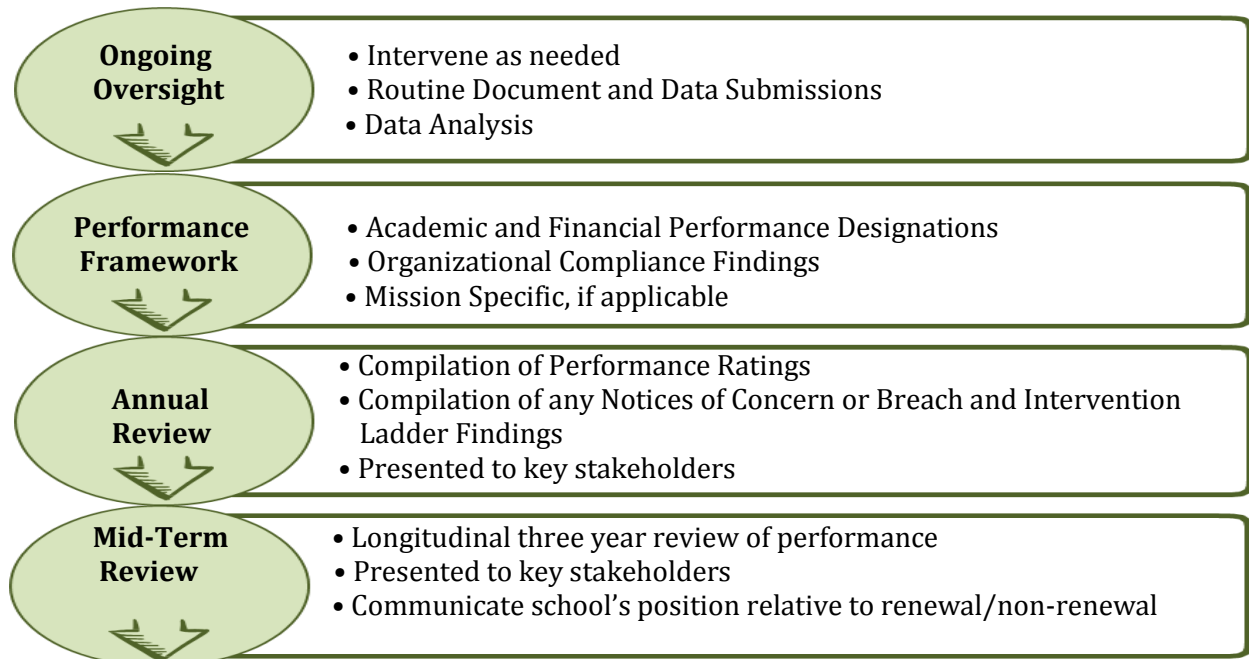
The Authority has studied best practices to develop the Performance Framework process depicted in this flowchart. Throughout the school year, every charter school will submit scheduled documents and data that enable us to assess their compliance with laws and regulations, and their progress in achieving important school milestones.

The routine year round submissions are indicated in the Reporting Requirements Manual.

The Authority believes in conducting its oversight in a manner that is respectful of school autonomy and differentiated based upon charter school performance and maturity. Charter schools with a track record of compliance and performance do not need the same level of oversight as charter schools without such a track record. The Authority's oversight plan includes the opportunity for schools during their first three years of operation, based on compliance and performance, to transition from demonstrated compliance to assumed compliance.

Every charter school will receive an Annual Review and a three year Mid-Term review. The reviews analyze a school's academic, financial, organizational, and mission specific performance along with information collected from the ongoing oversight processes. The parameters of these analyses are indicated in detail in Appendix A, "Detailed Academic Performance Indicator Descriptions", Appendix B, "Detailed Financial Performance Indicator Descriptions", and Appendix C, "Detailed Organizational Performance Indicator Descriptions." The mission specific indicators will be finalized at the beginning of the second school year using the first school year as the baseline.

Site visits afford a sponsor with an opportunity to appreciate a qualitative aspect of the school not directly measured in ways other than observation or personal interaction. The Authority has two types of official site visits: Mid-Term Review and Targeted. The Mid-Term Review site visit is guided by a clear purpose and rubric that complements the quantitative findings. A Targeted site visit is driven by specific circumstances where the frequency and intensity of the visit will depend upon a particular circumstance.



## Section 5: Intervention Ladder

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 need to intervene.

### **Level 1: Notice of Concern**

A school enters Level 1 upon receiving a Notice of Concern.



### **Level 2: Notice of Breach**

A school enters Level 2 when it fails to comply with a material term or condition of its charter contract.



### **Level 3: Intent to Revoke**

A school enters Level 3 when it fails to meet its requirements or schedule to remedy a Notice of Breach.

All schools begin outside of the intervention ladder and are considered to be in Good Standing. Schools in good standing receive non-intrusive regular oversight and submissions tracking. Schools must meet performance targets and expectations including compliance and maintain open communication with us in exchange for this level of non-intrusive oversight.

Schools can enter Level 1 of the intervention ladder if the Authority receives a verified complaint of material concern, or if regular oversight generates significant questions or concerns. We will communicate with school leaders, parents, and any other necessary stakeholders to verify complaints. We will contact the Board president and school leaders to issue a formal Notice of Concern. The Notice of Concern contains specific actions and due dates required to remedy the concern. Upon remedying the concern, the school returns to Good Standing. If the concern is not remedied in the time allotted, the school progresses to Level 2 of the intervention ladder.

At Level 2, the school is issued a Notice of Breach. The Notice of Breach outlines the actions necessary to cure the breach. A school can enter the ladder at Level 2 if it fails to comply with a material term or condition of its charter contract. Once a Notice of Breach is issued, the Authority monitors the school's implementation of the steps required to cure the breach. Once the school has met the Notice of Breach requirements, they exit from Level 2 and return to Good Standing.

Failure to meet the requirements specified in the Notice of Breach will result in entry to Level 3, charter school revocation/termination review. The review may include additional visits to the school or an in-depth audit to assess financial and organizational health. Schools in Level 3 are at risk of contract revocation/termination. Schools may also progress on the ladder to Level 3 if they receive repeated Notices of Breach in the same school year. Findings from the Intent to Revoke will determine whether a school enters into revocation/termination proceedings or is granted a revised Notice of Breach, returning to Level 2.

In unfortunate cases, data gathered from the Performance Framework process can be used to directly initiate charter school revocation/termination proceedings. The Authority recognizes the severity of this process and will use this right only in the case of persistent shortcomings or a grave incident that threatens the health, safety, or welfare of children.

## Section 6: High-Stakes Decisions

The Authority will consider the collective record of a school's academic, financial, organizational and mission specific performance when making high-stakes decisions, though the academic performance will be the most important factor in most decisions.

### Contract Renewal

The Performance Framework provides information necessary for merit-based charter renewal decisions. Decisions will be made in accordance with statute and regulation and based on longitudinal information over a school's charter term. Once a school is recommended for renewal and approved by the Authority the school will receive a renewal term length of six years as defined by law.

### Performance Expectation

- Academic: Schools seeking renewal must be designated "Adequate" or above on the Authority Academic Framework plus receive a three-star rating or above on the Nevada School Performance Framework in the preceding school year.
- Financial: Schools must be rated as financially sustainable.
- Organization: Schools must be considered compliant with the material terms and conditions of its charter contract.

### Streamlined Renewal

Schools designated as quality schools by the Authority may qualify for the streamlined renewal process. Quality schools are schools ranked on the Authority Academic Framework as "Exceeds" or "Exceptional" and on the Nevada School Performance Framework as a four or five-star school.

### Contract Termination

The following performance outcomes may be cause for revocation/termination of a school's charter:

- Persistent Underperformance: A school with any combination of "Unsatisfactory" or "Critical" designations on the Authority Framework and two-star or one star ranking on the Nevada School Performance Framework for three consecutive academic reporting cycles.

### Auto-Termination

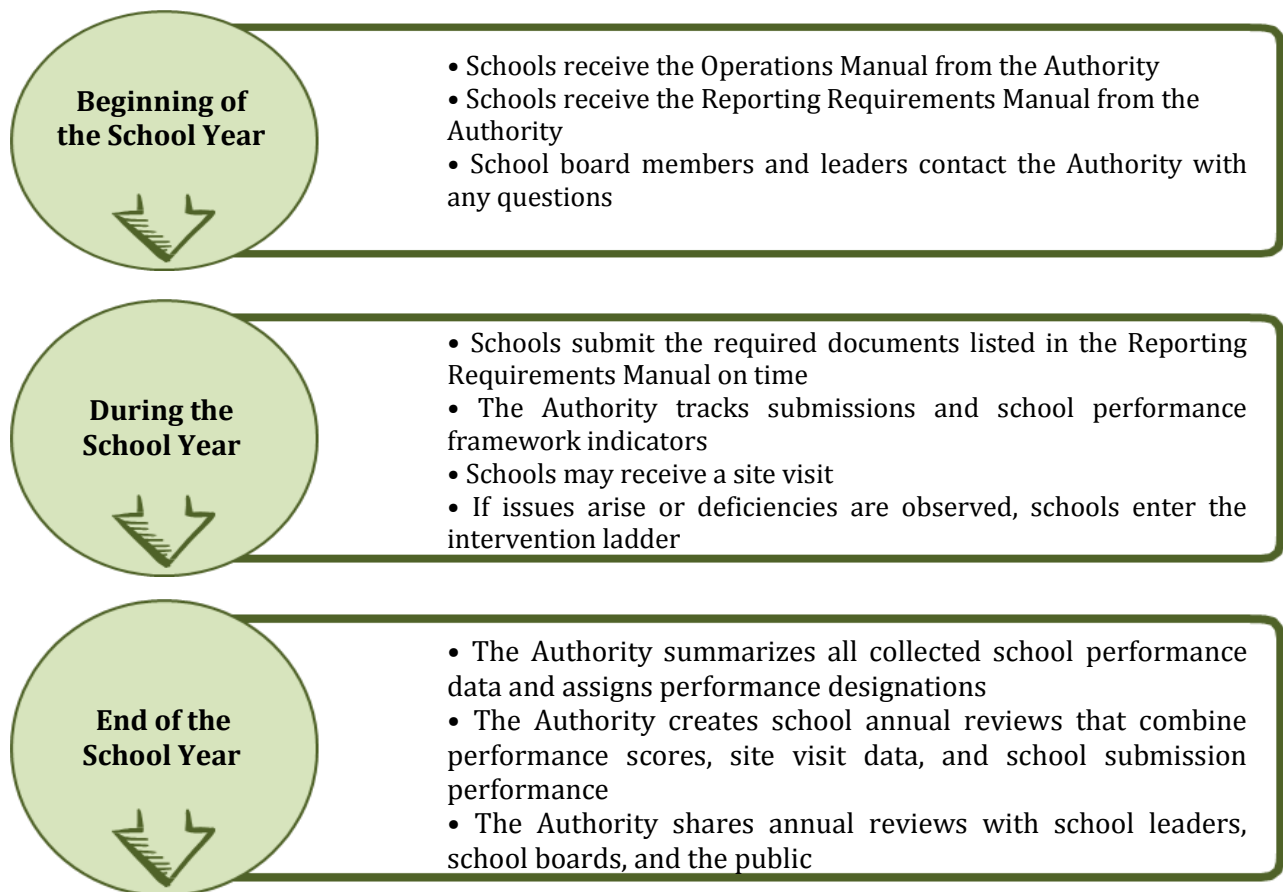
As defined by law, starting with the 2013-2014 school year, a charter school must be closed after obtaining three consecutive ratings of one-star on the Nevada School Performance Framework.

| Performance Framework Ranking/Designation |                                     |     |  |   |
|---|-------------------------------------|-----|--|---|
| Designation                               | NSPF                                |     | Authority  | Timeframe                                     |
| Contract Renewal Expectation              | 3-stars or above                    | AND | "Adequate" or above                              | Preceding Year                                |
| Quality                                   | 4-star or 5-star                    | AND | "Exceptional" or "Exceeds"                       | Preceding Year                                |
| Contract Termination                      | Any combination of 1-star or 2 star | AND | Any combination of "Unsatisfactory" & "Critical" | Three consecutive years                       |
| Auto-Termination                          | 1-star                              |     |  | Three consecutive years starting in 2013-2014 |



## Section 7: Performance Framework Timeline

The Performance Framework is implemented according to an annual timeline. The goals of the timeline: a) to set clear expectations for the Authority interaction with schools; while b) standardizing the oversight process.



***Schools should contact the Authority at any time for additional support on and information about meeting any of the Performance Framework components.***

## Appendix A: Detailed Academic Performance Indicator Descriptions

| Designations           |                           |    | Points awarded for designation |
|------------------------|---------------------------|----|--------------------------------|
| Quality                | Exceptional               | EX | 97.5                           |
|                        | Exceeds                   | EC | 85.5                           |
| Meets Standard         | Adequate                  | AD | 62.5                           |
| Does Not Meet Standard | Approaches                | AP | 37.5                           |
|                        | Unsatisfactory            | U  | 15                             |
|                        | Critical                  | C  | 2.5                            |
|                        | Missing or not applicable | NA |                                |

| Designations           |    | Minimum score for designation | Maximum score for designation |
|------------------------|----|-------------------------------|-------------------------------|
| Quality                | EX | 95                            | 100                           |
|                        | EC | 75                            | 94.9                          |
| Meets Standard         | AD | 50                            | 74.9                          |
| Does Not Meet Standard | AP | 25                            | 49.9                          |
|                        | U  | 5                             | 24.9                          |
|                        | C  | 0                             | 4.9                           |

|            |           |        |        |  |
|------------|-----------|--------|--------|--|
| Elementary | Indicator | Growth | Status |  |
|            | Weight    | 60.00% | 40.00% |  |

|               |           |        |        |  |
|---------------|-----------|--------|--------|--|
| Middle School | Indicator | Growth | Status |  |
|               | Weight    | 60.00% | 40.00% |  |

|             |           |        |        |                            |
|-------------|-----------|--------|--------|----------------------------|
| High School | Indicator | Growth | Status | College & Career Readiness |
|             | Weight    | 40.00% | 30.00% | 30.00%                     |

## 2.1 Student Progress Over Time (Growth)

| 2.1.a Are schools making adequate progress based on the school's Median Student Growth Percentiles in reading? |  |
|--|--|
| Exceptional:   | $\geq 95^{\text{th}}$ percentile                                   |
| Exceeds:   | $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile |
| Adequate:  | $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile |
| Approaches:  | $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile |
| Unsatisfactory:  | $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile  |
| Critical:  | $< 5^{\text{th}}$ percentile                                       |

| 2.1.b Are schools making adequate progress based on the school's Median Student Growth Percentiles in math? |  |
|---|--|
| Exceptional:  | $\geq 95^{\text{th}}$ percentile                                   |
| Exceeds:  | $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile |
| Adequate:   | $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile |
| Approaches:   | $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile |
| Unsatisfactory:   | $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile  |
| Critical:   | $< 5^{\text{th}}$ percentile                                       |

| 2.1.c Are schools making adequate growth based on the percentage of students meeting AGP in reading? |  |
|--|--|
| Exceptional:   | $\geq 95^{\text{th}}$ percentile                                   |
| Exceeds :  | $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile |
| Adequate:  | $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile |
| Approaches:  | $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile |
| Unsatisfactory:  | $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile  |
| Critical:  | $< 5^{\text{th}}$ percentile                                       |

| 2.1.d Are schools making adequate growth based on the percentage of students meeting AGP in math? |  |
|---|--|
| Exceptional:  | $\geq 95^{\text{th}}$ percentile                                   |
| Exceeds:  | $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile |
| Adequate:   | $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile |
| Approaches:   | $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile |
| Unsatisfactory:   | $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile  |
| Critical:   | $< 5^{\text{th}}$ percentile                                       |

2.1.e Using Adequate Growth results, are schools meeting AGP in reading when compared with the traditional schools that charter school student would otherwise attend? **The difference between the AGP of the charter and the weighted AGP of the traditional school is:**

|                 |                        |
|-----------------|------------------------|
| Exceptional:    | $\geq 20$              |
| Exceeds:        | $\geq 10$ and $< 20$   |
| Adequate:       | $\geq 0$ and $< 10$    |
| Approaches:     | $\geq -10$ and $< 0$   |
| Unsatisfactory: | $\geq -20$ and $< -10$ |
| Critical:       | $< -20$                |

2.1.f Using Adequate Growth results, are schools meeting AGP in math when compared with the traditional schools that charter school student would otherwise attend? **The difference between the AGP of the charter and the weighted AGP of the traditional schools is:**

|                 |                        |
|-----------------|------------------------|
| Exceptional:    | $\geq 20$              |
| Exceeds:        | $\geq 10$ and $< 20$   |
| Adequate:       | $\geq 0$ and $< 10$    |
| Approaches:     | $\geq -10$ and $< 0$   |
| Unsatisfactory: | $\geq -20$ and $< -10$ |
| Critical:       | $< -20$                |

2.1.g Are students in sub-groups (FRL, ELL, IEP) making adequate growth based on the percentage of students meeting AGP in reading?

|                 |  |
|-----------------|--|
| Exceptional:    | $\geq 95^{\text{th}}$ percentile                                   |
| Exceeds:        | $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile |
| Adequate:       | $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile |
| Approaches:     | $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile |
| Unsatisfactory: | $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile  |
| Critical:       | $< 5^{\text{th}}$ percentile                                       |

2.1.h Are students in sub-groups (FRL, ELL, IEP) making adequate growth based on the percentage of students meeting AGP in math?

|                 |  |
|-----------------|--|
| Exceptional:    | $\geq 95^{\text{th}}$ percentile                                   |
| Exceeds:        | $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile |
| Adequate:       | $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile |
| Approaches:     | $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile |
| Unsatisfactory: | $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile  |
| Critical:       | $< 5^{\text{th}}$ percentile                                       |

## 2.2 Student Achievement (Status)

2.2.a Are students achieving proficiency on state examinations in reading?

|                 |  |
|-----------------|--|
| Exceptional:    | $\geq 95^{\text{th}}$ percentile                                   |
| Exceeds:        | $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile |
| Adequate:       | $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile |
| Approaches:     | $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile |
| Unsatisfactory: | $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile  |
| Critical:       | $< 5^{\text{th}}$ percentile                                       |

2.2.b Are students achieving proficiency on state examinations in math?

|                 |  |
|-----------------|--|
| Exceptional:    | $\geq 95^{\text{th}}$ percentile                                   |
| Exceeds:        | $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile |
| Adequate:       | $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile |
| Approaches:     | $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile |
| Unsatisfactory: | $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile  |
| Critical:       | $< 5^{\text{th}}$ percentile                                       |

2.2.c Using proficiency rates, are schools achieving proficiency in reading when compared with the traditional schools that charter school student would otherwise attend? **The difference between the proficiency rate of the charter school and the weighted proficiency rate of the traditional schools is:**

|                 |                        |
|-----------------|------------------------|
| Exceptional:    | $\geq 30$              |
| Exceeds:        | $\geq 15$ and $< 30$   |
| Adequate:       | $\geq 0$ and $< 15$    |
| Approaches:     | $\geq -15$ and $< 0$   |
| Unsatisfactory: | $\geq -30$ and $< -15$ |
| Critical:       | $< -30$                |

2.2.d Using proficiency rates,, are schools achieving proficiency in math when compared with the traditional schools that charter school student would otherwise attend? **The difference between the proficiency rate of the charter school and the weighted proficiency rate of the traditional schools is:**

|                 |                        |
|-----------------|------------------------|
| Exceptional:    | $> 30$                 |
| Exceeds:        | $\geq 15$ and $< 30$   |
| Adequate:       | $\geq 0$ and $< 15$    |
| Approaches:     | $\geq -15$ and $< 0$   |
| Unsatisfactory: | $\geq -30$ and $< -15$ |
| Critical:       | $< -30$                |

|  |  |
|--|--|
| 2.2.e Are students in sub-groups (FRL, ELL, IEP) achieving proficiency on state examinations in reading? |  |
| Exceptional:   | $\geq 95^{\text{th}}$ percentile                                   |
| Exceeds:   | $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile |
| Adequate:  | $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile |
| Approaches:  | $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile |
| Unsatisfactory:  | $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile  |
| Critical:  | $< 5^{\text{th}}$ percentile                                       |

|   |  |
|---|--|
| 2.2.f Are students in sub-groups (FRL, ELL, IEP) achieving proficiency on state examinations in math? |  |
| Exceptional:  | $\geq 95^{\text{th}}$ percentile                                   |
| Exceeds:  | $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile |
| Adequate:   | $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile |
| Approaches:   | $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile |
| Unsatisfactory:   | $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile  |
| Critical:   | $< 5^{\text{th}}$ percentile                                       |

### 2.3: Career and College Readiness

|  |   |
|--|---|
| 2.3.a Based on scores obtained from EXPLORE and PLAN, are students making adequate growth for being college ready by the time they graduate? |   |
| Exceptional:   | Average growth for all students in Math would be $\geq 3$ points<br>Average growth for all students in English would be $\geq 3$ points                                       |
| Exceeds:   | Average growth for all students in Math would be $\geq 2.3$ points and $< 3$ points<br>Average growth for all students in English would be $\geq 2.4$ and $< 3$ points        |
| Adequate:  | Average growth for all students in Math would be $\geq 2$ points and $< 2.3$ points<br>Average growth for all students in English would be $\geq 2$ points and $< 2.4$ points |
| Approaches:  | Average growth for all students in Math would be $\geq 1.5$ points and $< 2$ points<br>Average growth for all students in English would be $\geq 1.5$ points and $< 2$ points |
| Unsatisfactory:  | Average growth for all students in Math would be $\geq 1$ point and $< 1.5$ points<br>Average growth for all students in English would be $\geq 1$ point and $< 1.5$ points   |
| Critical:  | Average growth for all students in Math would be $< 1$ point<br>Average growth for all students in English would be $< 1$ point   |

|   |  |
|---|--|
| 2.3.b Are students on target for being college ready by the time they graduate as measured by the EXPLORE and PLAN college readiness bench marks in English and Math? |  |
| <b>English</b>  |  |
| Exceptional:  | $\geq 76\%$  |
| Exceeds   | $\geq 66\%$ and $< 76\%$   |
| Adequate:   | $\geq 56\%$ and $< 66\%$   |
| Approaches:   | $\geq 46\%$ and $< 56\%$   |
| Unsatisfactory:   | $\geq 36\%$ and $< 46\%$   |
| Critical:   | $< 36\%$   |
| <b>Math</b>   |  |
| Exceptional:  | $\geq 45\%$  |
| Exceeds   | $\geq 35\%$ and $< 45\%$   |
| Adequate:   | $\geq 25\%$ and $< 35\%$   |
| Approaches:   | $\geq 15\%$ and $< 25\%$   |
| Unsatisfactory:   | $\geq 5\%$ and $< 15\%$  |
| Critical:   | $< 5\%$  |
| 2.3.c Are students graduating from high school?   |  |
| <ul style="list-style-type: none"> <li>Based on a four-year adjusted cohort graduation rate</li> <li>Based on a five-year adjusted cohort graduation rate</li> </ul>  |  |
| Exceptional:  | $\geq 95^{\text{th}}$ percentile                                   |
| Exceeds:  | $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile |
| Adequate:   | $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile |
| Approaches:   | $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile |
| Unsatisfactory:   | $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile  |
| Critical:   | $< 5^{\text{th}}$ percentile                                       |
| 2.3.d Do students have the content and skill knowledge needed to succeed beyond high school?  |  |
| Exceptional:  |  |
| Exceeds:  |  |
| Adequate:   |  |
| Approaches:   |  |
| Unsatisfactory:   |  |
| Critical:   |  |

## Appendix B: Detailed Financial Performance Indicator Descriptions

The Financial Performance Framework is composed of both near term and sustainability indicators, each having four measures. It is important to note that the Framework is not designed to evaluate a school's spending decisions. It does not include indicators of strong financial management practices, which are laid out in the organizational performance framework. The Financial Performance Framework analyzes the financial *performance* of a charter school, not its processes for managing that performance.

|   |                  |
|---|------------------|
| <b>Near Term</b>  | <b>Indicator</b> |
| <b>1.a. Current Ratio:</b><br><b>Current Assets divided by Current Liabilities</b>  | <b>Measure</b>   |
| <b>Meets Standard:</b><br><input type="checkbox"/> Current Ratio is greater than 1.1<br>or<br><input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is positive (current year ratio is higher than last year's) | <b>Metric</b>    |
| <b>Note:</b> For schools in their first or second year of operation, the current ratio must be greater than 1.1.  | <b>Target</b>    |
| <b>Does Not Meet Standard:</b><br><input type="checkbox"/> Current Ratio is between 0.9 and 1.1<br>Or<br><input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is negative                                      |                  |
| <b>Falls Far Below Standard:</b><br><input type="checkbox"/> Current ratio is less than 0.9   |                  |

### Near Term Measures

#### **1) The current ratio depicts the relationship between a school's current assets and current liabilities.**

**Overview:** The current ratio measures a school's ability to pay its obligations over the next twelve 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 its current liabilities and is not in a satisfactory position to meet its financial obligations over the next 12 months.

**Source of Data:** Audited balance sheet.

|   |
|---|
| <b>Near Term</b>  |
| <b>Current Assets divided by Current Liabilities</b>  |
| <b>Meets Standard:</b><br><input type="checkbox"/> Current Ratio is 1.1 or greater.<br>or<br><input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is positive.<br><b>Note:</b> For schools in their first or second year of operation, the current ratio must be greater than 1.1. |
| <b>Does Not Meet Standard:</b><br><input type="checkbox"/> Current Ratio is between 0.9 and .99<br>Or<br><input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is negative.   |
| <b>Falls Far Below Standard:</b><br><input type="checkbox"/> Current ratio is less than 0.9   |



**2) The unrestricted days cash on hand ratio indicates how many days a school can pay its operating expenses without another inflow of cash.**

**Overview:** The unrestricted days cash ratio defines whether or not the school has sufficient cash to meet its day-to-day obligations.

**Source of Data:** Audited balance sheet and income statement.

| Near Term   |
|---|
| Unrestricted Cash divided by (Total Expenses/365)   |
| <i>Meets Standard:</i><br><input type="checkbox"/> 60 Days Cash or more<br>or<br><input type="checkbox"/> Between 30 and 60 Days Cash <i>and</i> one-year trend is positive<br><b>Note:</b> For schools in their first or second year of operation, they must have a minimum of 30 Days Cash. |
| <i>Does Not Meet Standard:</i><br><input type="checkbox"/> Days Cash is between 15 and 29 days<br>Or<br><input type="checkbox"/> Days Cash is between 30 and 60 days <i>and</i> one-year trend is negative  |
| <i>Falls Far Below Standard:</i><br><input type="checkbox"/> Less than 15 Days Cash   |

**3) Enrollment forecast accuracy tells authorizers whether or not the school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations.**

**Overview:** The enrollment forecast accuracy 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.

**Source of Data:**

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

| Near Term   |
|---|
| Actual Enrollment divided by Enrollment Projection in Board-Approved Budget   |
| <i>Meets Standard:</i><br><input type="checkbox"/> Enrollment Forecast Accuracy equals or exceeds 95% in the most recent year <i>and</i> equals or exceeds 95% each of the last three years<br><b>Note:</b> For schools in their first or second year of operation, Enrollment Forecast Accuracy must be equal to or exceed 95% for each year of operation. |
| <i>Does Not Meet Standard:</i><br><input type="checkbox"/> Enrollment Forecast Accuracy is between 85% and 94% in the most recent year<br>or<br><input type="checkbox"/> Enrollment Forecast Accuracy is 95% or greater in the most recent year <i>but does not</i> equal or exceed 95% or greater each of the last three years                             |
| <i>Falls Far Below Standard:</i><br><input type="checkbox"/> Enrollment Forecast Accuracy is less than 85% in the most recent year  |

**4) Debt default indicates if a school is not meeting debt obligations or covenants.**

**Overview:** This metric addresses whether or not a school is meeting its loan covenants and/or is delinquent with its debt service payments.

**Source of Data:** Notes to the audited financial statements.

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

## Sustainability Measures

**1) Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources**

**Overview:** The total margin measures if 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 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.

**Source of Data:** 3 years of audited income statements

| Sustainability   |
|--|
| <b>Net Surplus divided by Total Revenue</b>  |
| <b>Aggregated Total Margin:</b>  |
| <b>Total 3 Year Net Surplus divided by Total 3 Year Revenues</b>   |
| <i>Meets Standard:</i><br><input type="checkbox"/> Aggregated Three-Year Total Margin is positive <i>and</i> the most recent year Total Margin is positive<br>or<br><input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5%, the trend is positive for the last two years, <i>and</i> the most recent year Total Margin is positive<br><b>Note:</b> For schools in their first or second year of operation, the aggregate Total Margin must be positive. |
| <i>Does Not Meet Standard:</i><br><input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5%, but the trend is negative.  |
| <i>Falls Far Below Standard:</i><br><input type="checkbox"/> Aggregated Three-Year Total Margin is less than -1.5%<br>or<br><input type="checkbox"/> Current year Total Margin is less than -10%   |

**2) The debt to asset ratio measures the amount of liabilities a school owes versus the assets they own; the extent to which the school relies on borrowed funds to finance its operations.**

**Overview:** 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.

**Source of Data:** Audited balance sheet

| Sustainability   |
|--|
| <b>Total Liabilities divided by Total Assets</b>   |
| <i>Meets Standard:</i><br><input type="checkbox"/> Debt to Asset Ratio is less than 0.90               |
| <i>Does Not Meet Standard:</i><br><input type="checkbox"/> Debt to Asset Ratio is between 0.90 and 1.0 |
| <i>Falls Far Below Standard:</i><br><input type="checkbox"/> Debt to Asset Ratio is greater than 1.0   |

### 3) The cash flow measure indicates a school's change in cash balance from one period to another.

**Overview:** 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 three year cumulative cash flow and annual cash flow.

**Source of Data:** 4 years of audited balance sheets

| Sustainability  |
|---|
| Three-Year Cash Flow = (Prior Year 3 Total Cash) – (Year 0 Total Cash)<br>One-Year Cash Flow = (Prior Year 1 Total Cash) – (Year 0 Total Cash)  |
| <i>Meets Standard:</i><br><input type="checkbox"/> Three-year cumulative cash flow is positive <i>and</i> cash flow is positive each year.<br>or<br><input type="checkbox"/> Three-year cumulative cash flow is positive, cash flow is positive in two of three years, <i>and</i> cash flow in the most recent year is positive.<br><b>Note:</b> For schools in their first or second year of operation, they must have positive cash flow. |
| <i>Does Not Meet Standard:</i><br><input type="checkbox"/> Three-year cumulative cash flow is positive, but the trend is negative.  |
| <i>Falls Far Below Standard:</i><br><input type="checkbox"/> Three year cumulative cash flow is negative.   |

### 4) The debt service coverage ratio indicates a school's ability to cover its current year debt obligations.

**Overview:** 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.

**Source of Data:**

- Net income: audited income statement
- Depreciation expense: audited cash flow statement
- Interest expense: audited cash flow statement
- Principal and interest obligations: provided from the school

| Sustainability   |
|--|
| <b>(Net Income + Depreciation + Interest Expense)/(Principal and Interest Payments)</b>                    |
| <i>Meets Standard:</i><br><input type="checkbox"/> Debt Service Coverage Ratio is equal to or exceeds 1.10 |
| <i>Does Not Meet Standard:</i><br><input type="checkbox"/> Debt Service Coverage Ratio is less than 1.10   |
| <i>Falls Far Below Standard:</i><br><input type="checkbox"/> Blank   |

## **Appendix C: Detailed Organizational Performance Indicator Descriptions**

### **I. Educational Program**

#### **1. Essential terms of the charter agreement**

- a. The school complies with the essential terms of the education program as stated in the charter.
- b. The school, if intended primarily for at-risk pupils, complies with NRS 386.500 and NAC 386.150(9) regarding serving at-risk pupils.

#### **2. Education requirements**

- a. The school complies with NRS 386.550(1)(i) and NRS 389.018(1) by providing instruction in the core academic subjects.
- b. The school complies with NRS 386.550(1)(i) by providing the courses of study required for promotion or graduation.
- c. The school complies with NRS 386.550(1)(f) and NAC 386.350(7) regarding amount of instructional time.
- d. The school complies with NRS 386.583 regarding academic retention requirements.
- e. The school complies with applicable promotion and graduation requirements.
- f. The school complies with applicable statutes and regulations regarding the state's adopted curriculum content standards.
- g. The school complies with NRS 386.550(1)(g) and Chapters 389 of NRS and NAC regarding state assessments and testing practices.
- h. The school complies with all applicable requirements regarding programming and reporting resulting from federal or non-DSA state funding including Title I, Title IIa, and Title III.

#### **3. Students with disabilities**

- a. The Charter School assures that it will adopt procedures that align with state and federal requirements in the following areas: [special education].

#### **4. English Language Learner Students**

- a. Proper steps for identification of students in need of ELL services.
- b. Appropriate and equitable delivery of services to identified students.

- c. Appropriate accommodations on assessments.
- d. Evaluation of ELLs': English Language Progress and Attainment (Exiting from program-Proficiency), and content Achievement.
- e. Ongoing monitoring of exited students (for 2 years after program exit).
- f. Assess the success of the ELL program and modify it where needed.
- g. Collection and Reporting of Timely and Accurate Data upon Request of the NDE/SPCSA.

## **II. Financial Management and Oversight**

### **1. Financial Reporting and compliance**

- a. The school complies with NAC 387.625, NAC 387.775(5), NAC 387.775(6) and NAC 387.775(9) regarding completion and on-time submission of the annual independent audit and corrective action plans, if applicable.
- b. The school complies with NRS 386.570 regarding all money received must be deposited in a financial institution in this state.
- c. The school complies with NRS 386.550, NAC 387.720 and NAC 387.725 regarding the adoption of a budget.
- d. The governing body of the school complies with NRS 387.303 regarding the annual report of budget.
- e. The governing body of the school complies, in writing, with NRS 386.573 regarding orders for payment of money.
- f. The school has submitted required expenditure reporting to In\$ite (Schoolnomics Consulting Services) required by the Legislative Counsel Bureau as authorized by **NRS 218E.625 and NRS 386.605**: yes/no.

### **2. Financial management and oversight**

- a. An unqualified audit opinion in an annual independent audit as required by NAC 387.625 and NAC 387.775.
- b. An annual independent audit, as required by NAC 387.625 and NAC 387.775, devoid of significant findings and conditions, material weaknesses, or significant internal control weaknesses.

- c. An annual independent audit, as required by NAC 387.625 and NAC 387.775 that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report.
- d. The school's governing body has adopted written financial policies.
- e. Internal control consideration as a basis for design of the annual independent audit in conformity with NAC 387.625 and NAC 387.775.
- f. Financial Transaction Testing in conformity with NAC 387.625 and NAC 387.775.

### **III. Governance and Reporting**

#### **1. Governance and reporting**

- a. Board policies adopted by the board and housed in AOIS' Permanent Files, if such policies have been adopted by the board and submitted into AOIS.
- b. NRS 386.520, Board bylaws as approved by the sponsor.
- c. NRS 386.550, Open Meeting Law.
- d. NRS 386.549, Conducting at least quarterly meetings.
- e. NRS 386.549, Salary for meeting attendance.
- f. NRS 386.549, Submission of signed and notarized affidavit for board service.
- g. NRS 386.549, Board composition/required membership.
- h. NAC 387.770(3), Designation of the person responsible for the maintenance of property, equipment and inventory records.
- i. NRS 386.605, Annual report of accountability.
- j. NRS 385.357(6), Plan to improve the achievement of pupils.

#### **2. Management accountability**

- a. NAC 386.405(5), Evaluation of any EMO with which the school has contracted, per the written performance agreement between the board and the EMO if applicable.
- b. NAC 386.405(6), Provision by the EMO, if applicable, of the financial report.
- c. NAC 386.410(5), Evaluation of the performance of each entity with whom the board has entered into a contract, including the school administrator.

- d. NAC 386.405(4), If applicable, approval of the appointment of key personnel who are directly employed and provided to the school by an EMO.

**3. Reporting requirements**

- a. The school complies with reporting requirements as described in the AOIS Reporting Requirements Manual including those related to the AOIS Permanent Files.
- b. The school complies with reporting requirements related to an authorizer-imposed corrective action plan or notice of concern, if applicable.

**IV. Students and Employees**

**1. Rights of students**

- a. The school's lottery method, maintenance of an enrollment waiting list, and enrollment practices are consistent with guidance provided by the Authority on its website.
- b. The school's enrollment recruiting and advertising comply with the school's charter school application as stated in Required Element A.7.4 and elsewhere.
- c. The school collects, protects and uses student information appropriately.
- d. The school complies with NRS 386.555 regarding the prohibition of support by or affiliation with religion or religious organizations.
- e. The school complies with NRS 386.585 and NRS 392.4655-.4675 regarding school discipline.

**2. Attendance goals**

- a. The school complies with NAC 386.350 regarding attendance.

**3. Staff credentials**

- a. The school complies with NRS 386.590 regarding staff credentialing.

**4. Employee rights**

- a. The school complies with NRS 386.595 regarding employee rights.

**5. Background checks**

- a. The school complies with NRS 386.588 regarding criminal history of employees.



## **V. School Environment**

### **1. Facilities and transportation**

- a. Have current fire, building, health and asbestos inspection documents and approvals, including the certificate of occupancy, been submitted into AOIS in compliance with NAC 386.170?
- b. The school complies with NAC 386.215 regarding insurance coverage by submitting into AOIS the current Affidavit for Provision of Insurance Coverage.
- c. The school complies with Section C.4 of its charter school application and NRS 392.300-392.410 regarding pupil transportation.

### **2. Health and safety**

- a. The school complies with NRS 389.065 (sex education); NRS 391.207-391.208 (nursing services); NRS 392.420, 392.425, 392.430, 392.435, 392.437, 392.439, 392.443, 392.446, and 392.448 (school health and safety); and NAC 389.2423, 389.2938, 389.381, and 389.455.
- b. The school complies with NRS 392.616 regarding establishment of a crisis and emergency response development committee.
- c. The school complies with NRS 392.624 regarding annual review and update of the NRS 392.620 plan for responding to a crisis or emergency.

### **3. Information management**

- a. The school complies with the Family Educational Rights and Privacy Act (FERPA), the Protection of Pupil Rights Amendment, and the Military Recruiter Provisions of the NCLB Act of 2001.
- b. The school complies with applicable state or federal freedom of information requirements.
- c. The school complies with applicable student record transfer requirements.
- d. The school complies with applicable requirements for the proper and secure maintenance of testing materials.

## **VI. Additional Obligations**

### **1. Additional obligations**

- a. The school and its governing body comply with the terms and conditions of its charter.

- b.** The school complies with NAC 386.342 and NAC 387.770 regarding inventory documentation.
- c.** The school (applicable only to high schools) complies with NRS 386.550(1)(m) and NAC 386.350(10) regarding notification of accreditation status.
- d.** The school complies with NRS 386.550(1)(c) and Section C.2 of its charter school application regarding fees.
- e.** The school complies with requirements regarding maintenance of personnel records.
- f.** The school complies with NAC 386.345(2) and NRS 332.800 regarding purchasing and prohibition of board member interest in contracts.
- g.** The school complies with NRS 392.040 regarding age of enrollment in grades K, 1 and 2.