



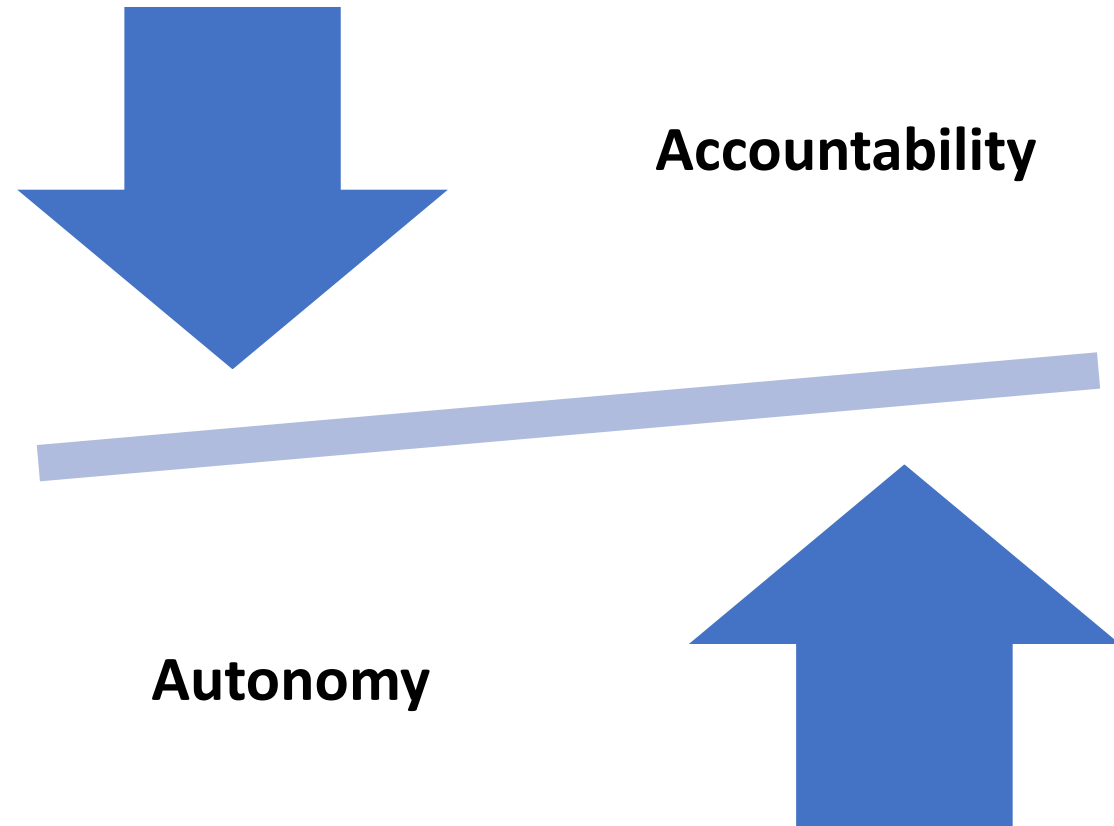
Nevada State Public Charter School Authority

SPCSA Financial & Organizational Performance Frameworks Overview

December 3, 2021

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?

Objectives of SPCSA Financial Framework

- 1 Enable SPCSA to fulfill its **mission** as 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 SPCSA **expectations** of charter schools

Financial Performance Framework 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	<i>1) Current Ratio 2) Unrestricted Days Cash-on-Hand Ratio 3) Enrollment Variance¹ 4) Debt Default</i>
2	Sustainability Measures	<i>1) Total Margin 2) Debt to Asset Ratio 3) Cash Flow 4) Debt or Lease Service Coverage Ratio</i>

¹ *This measure was modified and adopted by the Authority beginning in the 2021 – 22 school year at its June 25, 2021 board meeting.*

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 not met 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 not met 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 receive 8 formal financial performance 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

Currently, as of December 3

Key Milestones

Authorizing staff monitor school quarterly reports throughout fiscal year

Audits must be submitted to individual charter boards by **November 1**

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

Preliminary ratings results are provided to schools on approximately **December 17**

Final data and recommendations to be presented to the Authority on **January 28, 2021**

Objectives of SPCSA Organizational Framework

- 1 Enable SPCSA to fulfill its **mission** as authorizer and regulator
- 2 Fulfill **NRS 388A.273 requirements** for performance indicators, measures and metrics for the **organization** category
- 3 Fulfill public school **obligations**, provide **transparent reporting**
- 4 Convey SPCSA **expectations** of charter schools
- 5 **Streamline work** for staff and schools

Organizational Performance Framework Principles

- 1 Define organizational benchmarks
- 2 Treat schools the same
- 3 Enable school flexibility and autonomy
- 4 Protect public interest
- 5 Ensure schools respect rights of students, staff, families, and public

Balancing Autonomy and Accountability

- 1 Authorizers generally focus on ends, schools choose means
- 2 OPF focuses on the route and process vs the finish line outcome
- 3 OPF frames school autonomy because it focuses on operations
- 4 OPF bounds include law, rules, regulations, contract, NDE/SPCSA policy

Organizational Framework: Areas of Focus

	Category/Indicator	How is this evaluated by the Authorizer?	Points
1	Education Program	<i>Adherence to the material terms of the contract program and the responsibility to serve all students</i>	20
2	Financial Management and Oversight	<i>Audit completion, results and audit findings</i>	20
3	Governance and Reporting	<i>Board compliance with governance-related laws</i>	20
4	Students and Employees	<i>Adherence to state and federal laws and regulations</i>	20
5	School Environment	<i>Compliance with facility, transportation, food and health service requirements</i>	20

Ratings

- **Meets Standard Rating**

- Schools earning this rating are performing well and are generally compliant
- The targets for this rating category set the minimum expectations for charter school performance

- **Does Not Meet Standards**

- Schools in this rating category did not meet minimum expectations
- At a minimum, they may be subject to closer monitoring, and their status for renewal is in question

Currently, as of December 3...

Key Milestones

Authorizing staff have compiled all relevant data for 20-21 school year

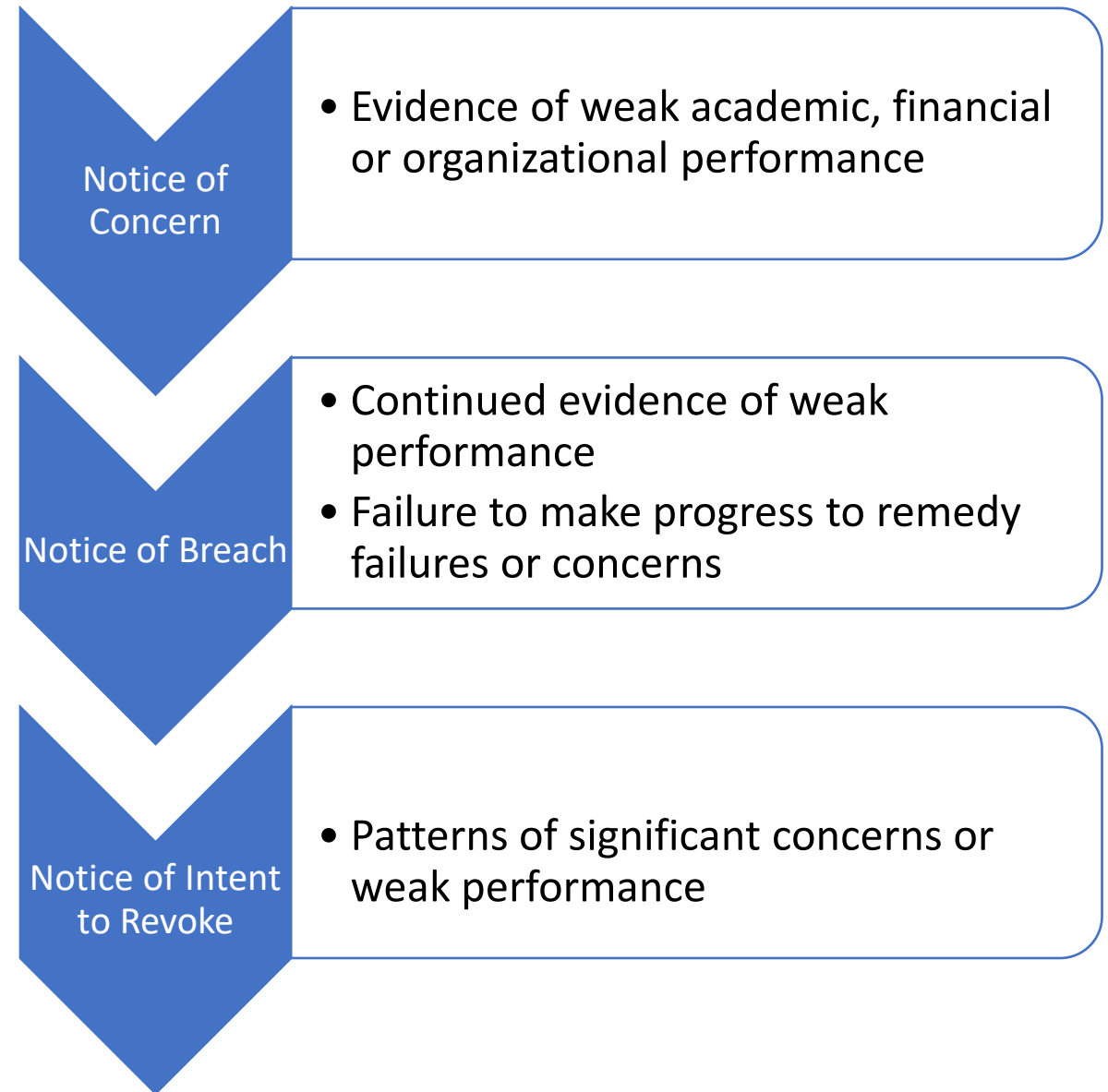
Preliminary reports provided to school leaders and board chairs on approximately **December 17, 2021**

Final data to be presented to the Authority on **January 28, 2022**

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](#)





**Nevada State Public
Charter School
Authority**

