Charter School Performance Framework

New Jersey Department of Education
Office of Charter Schools
March 2013
Session Overview

• Introduction
• What is the Performance Framework?
• Office of Charter School Goals
• New Jersey Performance Framework
  ➢ Academic
  ➢ Financial
  ➢ Organizational
• State of the State: Charter Schools Report
• Questions
What is the Performance Framework?

- 3-part document that sets forth 
  *agreed upon* expectations of 
  performance and compliance

- Established in the charter 
  agreement and in current 
  regulations.

- Basis for school evaluation, 
  monitoring, and intervention 
  that informs the NJDOE’s high-
  stakes decision making.

- Academic Performance will 
  carry the most weight in all 
  high-stakes decision making
Performance Framework Purpose and Goals

- **Ensures** that each and **every NJ charter school** is serving students with a **high-quality** public education.

- **Sets clear academic, organizational** and **fiscal standards** by which all NJ public charter schools will be **evaluated**.

- **Provides continuity of charter cycle** with consistent language from the application to renewal.

- **Allows stakeholders**, including **NJ families**, to make **informed decisions** about charter school **performance** and **quality**.
Charter Cycle

Application Cycle
- Applicants establish goals/plans based on framework standards

Contract Establishment
- To set expectations
- Attached to the contract

Annual Review
- As a rubric for annual report

Intervention (if applicable)
- Triggered by annual reviews

Renewal Review
- As a rubric for high stakes review
- Allow for communication to stakeholders (summary performance)
OVERARCHING GOAL

Increase the number and percentage of high-quality charter school seats.

DEFINING HIGH-QUALITY

Performance Framework will play a critical role in defining charter school quality and set expectations of performance.

KEY MILESTONES

• Implement Charter Agreement
• Release Performance Framework (Academic, Fiscal, Organizational)
• Revamp New School Application, Annual Report & Renewal Application
• Create Published Annual School Report
## Guiding Questions

<table>
<thead>
<tr>
<th>Academic</th>
<th>Financial</th>
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<tbody>
<tr>
<td>Is the academic program a success?</td>
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# Academic Framework Components

<table>
<thead>
<tr>
<th>Component</th>
<th>Definition</th>
<th>Example</th>
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<tbody>
<tr>
<td><strong>Indicators</strong></td>
<td>General categories of academic performance</td>
<td>Student Achievement (Absolute)</td>
</tr>
<tr>
<td><strong>Measures</strong></td>
<td>General means to evaluate an aspect of an indicator</td>
<td>Proficiency on State Assessments</td>
</tr>
<tr>
<td><strong>Metrics</strong></td>
<td>Method of quantifying a measure</td>
<td>Percentage of students achieving proficiency on state assessment</td>
</tr>
<tr>
<td><strong>Targets</strong></td>
<td>Thresholds that signify success for a specific measure</td>
<td>70% of students achieve proficiency on state assessment</td>
</tr>
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Indicators

- Student Achievement (Absolute)
- Comparative Performance
- Student Progress Over Time (Growth)
- State and Federal Accountability
- Post-Secondary Readiness
- Mission-Specific Goals
Measures

STUDENT ACHIEVEMENT
• Proficiency Status (LAL/ Math)
• Advanced Proficiency (LAL/ Math)

COMPARATIVE PERFORMANCE
• District Comparison (LAL/ Math)
• Peer School Rankings (LAL/ Math)

STUDENT PROGRESS OVER TIME
• School-Wide Adequate Growth (Media SGP)
• Subgroup Adequate Growth (Median SGP)

STATE AND FEDERAL ACCOUNTABILITY
• State Performance Targets Achieved

POST –SECONDARY READINESS
• ACT/SAT Performance
• ACT/SAT Participation
• Graduation Rate
• Enrollment in post-secondary institutions (6 months)
• Enrollment in post-secondary institutions (18 months)

MISSION-SPECIFIC ACADEMIC GOALS
• By School (Approved by DOE)
## Target – Absolute Performance

<table>
<thead>
<tr>
<th>Targets</th>
<th>Absolute Performance (LAL/Math)</th>
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<tbody>
<tr>
<td><strong>Exceeds Standard</strong></td>
<td>K-8: ≥85% Pass</td>
</tr>
<tr>
<td></td>
<td>HS: ≥95% Pass</td>
</tr>
<tr>
<td><strong>Meets Standard</strong></td>
<td>K-8: 75% to 84%</td>
</tr>
<tr>
<td></td>
<td>HS: 85% to 94%</td>
</tr>
<tr>
<td><strong>Does Not Meet Standard</strong></td>
<td>K-8: 50% to 74%</td>
</tr>
<tr>
<td></td>
<td>HS: 70% to 84%</td>
</tr>
<tr>
<td><strong>Falls Far Below Standard</strong></td>
<td>K-8: &lt;50%</td>
</tr>
<tr>
<td></td>
<td>HS: &lt;70%</td>
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What is Student Growth Percentile (SGP)?

Has a student’s test score improved *more or less over the course of a year* than other NJ students who share his/her *same NJ ASK score history*?

- Each student is compared only to their *statewide academic peers*, not to all students in NJ.
- Academic peer group consists of students with *similar NJ ASK history*.
- Only Applies to Grades 4 to 8 in LAL/Math.
- Allows us to:
  - Take into account starting point when looking at educational data
  - Give schools an incentive to provide support to all students, low and high achievers, to maximize their growth.
Calculating Student Growth Percentiles
Interpreting Student Growth Percentiles

- In 2010, Maria scored equal to or higher than 43% of her academic peers.
- **SGP Score = 43**
- Maria is in the typical growth range, but *growing at a rate slower than her academic peers*.
- Consider recommending a reading intervention.
Low achieving students can show high growth &
High achieving students can show low growth.
The **median growth percentile** for a school is the median of the individual SGPs within the school.

Performance Framework looks at the school’s median SGP by:

- **Subject**
  - LAL
  - Mathematics

- **Subgroups**
  - African-American
  - Hispanic
  - White
  - Asian
  - Special Education
  - FRPL
  - LEP
# Target – Median SGP

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<tr>
<th>Targets</th>
<th>Median SGP (LAL/Math)</th>
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<tbody>
<tr>
<td>Exceeds Standard</td>
<td>65 or Greater</td>
</tr>
<tr>
<td>Meets Standard</td>
<td>50 to 64</td>
</tr>
<tr>
<td>Does Not Meet Standard</td>
<td>35 to 49</td>
</tr>
<tr>
<td>Falls Far Below Standard</td>
<td>Below 35</td>
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Financial Performance Framework

• Financial Performance Framework serves as a tool to monitor the financial health of charter schools.

• It is used as a screening tool to identify schools that *may* be in financial distress or *may* be trending toward financial difficulty.

• It is not a score card or relative measure of financial health.
Near Term Indicators

• Four measures that test a school’s near term financial health
• Viability in the upcoming year

Sustainability Indicators

• Four measures that depict a school’s financial position and viability over time
• Viability in the future
# Near Term Indicators

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<th>Formula/Description</th>
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<tr>
<td><strong>Current Ratio</strong></td>
<td>Current Assets divided by Current Liabilities</td>
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<tr>
<td><strong>Unrestricted Days Cash On Hand</strong></td>
<td>Cash divided by ([Total Expenses minus Depreciation Expense] / 365)</td>
</tr>
<tr>
<td><strong>Enrollment Variance</strong></td>
<td>Actual enrollment divided by Enrollment Projection in Charter School Board-Approved Budget</td>
</tr>
<tr>
<td><strong>Default on Loans</strong></td>
<td>Yes or No</td>
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Long Term – Sustainability Indicators

**Debt to Asset Ratio**
- Total Liabilities divided by Total Assets

**Total Margin**
- Net Income divided by Total Revenue
- Aggregated Total Margin: Total Three-year net income divided by Total Three-year revenues

**Cash Flow**
- Multi-Year: (Year 3 Total Cash)-(Year 1 Total Cash)
- One-Year: (Year 2 Total Cash)-(Year 1 Total Cash)

**Debt Service to Coverage Ratio**
- (Net Income + Depreciation + Interest Expense) / Annual Principal, Interest, and Lease Payments
How Do You Know if a School is in Trouble?

• Failure to meet the standards **MAY** indicate that a school is:
  – In immediate financial distress
  – Financially trending negatively
  – Both

OR

  – Be the result of a strategic financial decision
Interpreting the Results

• Failure to meet the standards
  – Two does not meet
  – One falls far below the standard

• Limitations of data from audited financials

• Collect and evaluate additional information
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Organizational Framework

• Expectations the charter school is required to meet through state and federal law or the charter agreement:
  – Spend public funds responsibly;
  – Practice sound governance; and
  – Adhere to laws and charter requirements
• Balance between appropriate oversight and infringement on autonomy.
Organizational Framework Measures

1. Education Program
   - Is the school implementing the essential terms of the education program as defined in its charter agreement?
   - Is the school’s curriculum aligned with State standards?
   - Does the school use data to inform, guide and improve instruction and other school practices?
   - Is the school complying with applicable educational requirements?

2. Equity
   - Are the school’s admissions and enrollment practices fair and equitable, as required by law?
   - Is the school protecting the rights of students with disabilities?
   - Is the school protecting the rights of English Language Learner (ELL) students?
   - Is the school monitoring and minimizing attrition rates and maintaining enrollment stability?

3. School Culture
   - Does the school’s learning environment align with its mission and program and does the school foster a culture of high expectations?
   - Have the school’s plans for family and community involvement in its charter been realized?
Organizational Framework Measures

4. Governance
- Is the school complying with governance requirements?
- Is the school holding management accountable?

5. Facilities / School Environment
- Does the school have safe and secure facilities?
- Does the school have policies and programs that establish a safe and secure school environment?

6. Financial Management & Oversight
- Is the school meeting financial reporting and compliance requirements?
- Is the school following generally Accepted Accounting Principles?

7. Reporting and Compliance
- Does the school have safe and secure facilities?
- Is the school complying with federal and state reporting requirements?
- Is the school meeting other relevant compliance requirements?
Equity

• Recruit and advertise in the most inclusive manner possible.

• Provide multiple ways for charter parents and students to access and complete an application.

• Communicate that students with special needs, English Language Learners, and other at-risk students are served by the charter.

• Ensure that all staff members abide by the legal requirements for the application and lottery processes.

• Carefully monitor and minimize attrition rates.
Interpreting the Results

• In some instances compliance is assumed unless determined otherwise.

• Schools that Do Not Meet the Standard:

• Staged intervention including:
  – notification,
  – follow up investigation,
  – demand for remedy,
  – probation,
  – Other necessary action steps
Performance Framework as a Tool for School Leaders and Parents

| All school leaders will know exactly how their school is performing against a clear set of standards |
| Streamline Annual and Renewal Reporting |
| Empower families to make informed decisions |

- Informed about student achievement and progress and school viability at all times
- Can use these results to make data-driven decisions
- Annual Report and Renewal Applications will be aligned to the Performance Framework
- Lessen the volume of narrative reporting each year
- New Annual Reports and the Performance Framework Reports will allow parents to compare school performance and academic growth as well as charter school performance to nearby traditional district schools using common indicators and metrics
State of the State: Charter Schools Report

• First report will be released this year.

• Objectives:
  – Provide academic and fiscal data on charter schools based on the Performance Framework standards for variety of stakeholders.
  – Reinforce authorizing transparency from the NJDOE.
  – Highlight NJDOE Authorizing Advancements.
  – Emphasize Focus on Equity and Charter Schools.
Contact us for more information

<table>
<thead>
<tr>
<th>Person</th>
<th>Email</th>
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</thead>
<tbody>
<tr>
<td>Harry Lee</td>
<td><a href="mailto:harold.lee@doe.state.nj.us">harold.lee@doe.state.nj.us</a></td>
</tr>
<tr>
<td>Wendy Nelson</td>
<td><a href="mailto:wendy.nelson@doe.state.nj.us">wendy.nelson@doe.state.nj.us</a></td>
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Additional Resources:
- Office of Charter Schools Website
  http://www.nj.gov/education/chartsch/
- Performance Framework Online
  http://www.state.nj.us/education/chartsch/PerformanceFramework.pdf
- Performance Office’s Tutorial on SGP and median SGP
  http://www.state.nj.us/education/njsmart/performance/
QUESTIONS?