# Charter School Performance Standards Baseline Performance Report 2012

For the past two years, the State Charter School Board has worked with CREDO and Charter School Section staff to identify some common performance standards (1) to provide best practice targets for charter school governing boards so they can see where they should be heading; (2) to act as an early warning system to alert charter school governing boards where they may be getting off track; and (3) to help the State Charter School Board perform its statutory duty of monitoring charter school performance and holding the schools accountable. The performance standards are separated into seven indicator areas, including Board performance and stewardship, Student attendance and reenrollment, Student achievement level, Student progress over time, Post-secondary readiness (secondary schools), Financial performance and sustainability, and Upholding mission and purpose. For the purpose of this *Baseline Performance Report 2012*, the indicators were combined into three areas: (1) Academic Performance, (2) Financial Performance, and (3) Governance Performance.

#### **Academic Performance**

Academic performance includes Student attendance and reenrollment, Student achievement level from the Utah Comprehensive Accountability System (UCAS), Student progress over time from UCAS, and Post-secondary readiness (secondary schools). For this *Baseline Performance Report 2012*, the data is from the 2011-12 school year, except for the graduation rate which is for the class of 2011. The graduation rate is lagged one year because in the future the academic performance data will be reported in September, which is before all high school completion data is gathered for and graduation rates calculated for the immediate prior year. Thus, we use the same graduation rate reported on the UCAS report. For 2011-12 this is the 2011 graduation rate; the 2012 graduation rate will be reported on the 2012-13 Charter School Performance Report.

The academic performance measures are as follows:

Measure	Description	Metric
Academic Overall	This combines all the individual academic measures so to provide an overall academic performance measure. Some measures were curved to better reflect what would be expected (the secondary proficiency and growth measures, the percentage meeting ACT benchmarks, and the year-to-year reenrollment rate). The intent in creating this measure was to combine the data in such a way as to not unfairly advantage or disadvantage a certain 'school type' or grade configuration. While there could still be unique situations where a certain 'school type' may be unfairly advantaged or disadvantaged, this would be the exception not the rule.	See description

Measure	Description	Metric
Prof Elem	This is the Achievement Points on the Elementary UCAS report. UCAS uses the number of students scoring proficient or above (Levels 3 and 4) in each subject area (Mathematics, English/Language Arts and Science) using the CRT/NWEA/UAA tests and the number of students scoring proficient or above on the DWA.	Proficiency points earned for state accountability (UCAS) ÷ Total points possible
Prof Secondary	This is the Proficiency Points on the Secondary UCAS report. UCAS uses the number of students scoring proficient or above (Levels 3 and 4) in each subject area (Mathematics, English/Language Arts and Science) using the CRT/NWEA/UAA tests and the number of students scoring proficient or above on the DWA.	Proficiency points earned for state accountability (UCAS) ÷ Total points possible
Growth Elem	This is the Growth Points on the Elementary UCAS report. UCAS uses the Student Growth Percentile (SGP) to calculate growth for all students taking the CRT/NWEA tests, which determines how a student's performance on a test compares with that of other students with similar performance in prior years. Two-thirds of the growth points are derived using the SGP of all students. The remaining third are derived using the SGP of students who were not proficient the prior year.	Growth points earned for state accountability (UCAS) ÷ Total points possible
Growth Secondary	This is the Growth Points on the Secondary UCAS report. UCAS uses the Student Growth Percentile (SGP) to calculate growth for all students taking the CRT/NWEA tests, which determines how a student's performance on a test compares with that of other students with similar performance in prior years. Two-thirds of the growth points are derived using the SGP of all students. The remaining third are derived using the SGP of students who were not proficient the prior year.	Growth points earned for state accountability (UCAS) ÷ Total points possible
Yr-to-Yr Reenrollment	This is the percentage of students enrolled from one year to the next. It measures this by looking at the students present in fall enrollment in year one (October 1) and the same students present in fall enrollment in year two. Excluded from this are students at the maximum grade (e.g., 12th grade).	Students present on October 1, 2010 and who were also present on October 1, 2011 ÷ Number of students present on October 1, 2010 (excluding students in max grade)
Within Yr Enrollment	This is the percentage of students who were enrolled on October 1 and who do not dropout or leave to go to another school in the state within a single year. Students that have left the state, left the country, with less than 10 days membership, or who were in kindergarten are excluded.	(October 1 count - Transfer count) ÷ October 1 count (excluding kindergarten, transfer out of state or country, and <10 days membership)
Average Membership	This is the average membership days for all students with at least 10 days membership. The performance is reported as a percentage of 180 days. For example, if the average membership was 90, the performance would be 50% (e.g., $90 \div 180 = 0.5$ ).	Average of membership days ÷ 180

Measure	Description	Metric
Graduation Rate	This is the graduation rate on the Secondary UCAS report, which is for the 2011 graduating cohort. The graduation rate uses the federally defined four-year cohort rate. Information about this rate may be found at http://www.schools.utah.gov/data/Educational-Data/Graduation-Dropout-Rates.aspx.	The number of students in the federally defined 4-year cohort graduating on-time ÷ the total number of students in the same cohort
ACT English	This is the percentage of students in a graduating class who took the ACT and who met or exceeded the ACT's College Readiness Benchmark, which is 18 for English. These benchmarks are indicators of being more likely than not of earning a B or higher in a corresponding college course. This measure was only used if the school had at least 10 students in the class with an ACT score.	The number of students who met or exceeded the English benchmark ÷ The number of students who took the English ACT
ACT Reading	This is the percentage of students in a graduating class who took the ACT and who met or exceeded the ACT's College Readiness Benchmark, which is 21 for Reading. These benchmarks are indicators of being more likely than not of earning a B or higher in a corresponding college course. This measure was only used if the school had at least 10 students in the class with an ACT score.	The number of students who met or exceeded the Reading benchmark ÷ The number of students who took the Reading ACT
ACT Math	This is the percentage of students in a graduating class who took the ACT and who met or exceeded the ACT's College Readiness Benchmark, which is 22 for Mathematics. These benchmarks are indicators of being more likely than not of earning a B or higher in a corresponding college course. This measure was only used if the school had at least 10 students in the class with an ACT score.	The number of students who met or exceeded the Math benchmark ÷ The number of students who took the Math ACT
ACT Science	This is the percentage of students in a graduating class who took the ACT and who met or exceeded the ACT's College Readiness Benchmark, which is 24 for Science. These benchmarks are indicators of being more likely than not of earning a B or higher in a corresponding college course. This measure was only used if the school had at least 10 students in the class with an ACT score.	The number of students who met or exceeded the Science benchmark ÷ The number of students who took the Science ACT

### **Financial Performance**

Financial Performance includes seven individual measures and a measure for overall financial performance. Financial metrics are credit/no credit, in which a school receives full credit for meeting the financial benchmark and none otherwise. Metrics are calculated this way because when considering a school's finances it is not necessarily preferable to exceed a financial benchmark by the largest amount. For example, Debt Ratio (total liabilities ÷ total assets) should preferably be less than 1, but this does not imply that a Debt Ratio of 0.1 is necessarily preferable to a Debt Ratio of 0.5. For this *Baseline Performance Report 2012*, the financial data is from FY12 as reported by USOE School Finance Section.

The financial performance measures are as follows:

Measure	Meaning	Metric	Benchmark
Financial Overall	This combines all the individual financial measures so to provide an overall financial performance measure. It is the percentage of the seven financial benchmarks that are met.	Number of benchmarks met ÷ Number of benchmarks	
Current ratio	The ratio compares a school's short-term liabilities (debt and payables) to its short-term assets (cash, receivables). The higher the current ratio, the more capable the school is of paying its obligations. A ratio under 1 suggests that the school would be unable to pay off its obligations if they came due at that point.	Current Assets ÷ Current Liabilities	> 1.15
Cash on hand	The number of days of cash on hand. How does the value of liquid assets available for payments compare to typical expenses over a specified time-period? A healthy school should have enough reserves to meet typically anticipated liabilities coming due in the next month to quarter.	(Unrestricted Net Assets) ÷ [Total Annual Operating Expenses ÷ 360]	≥ 30
Debt ratio	Compares a school's total debt to its total assets, giving a general idea as to the amount of leverage being used by a school. The lower the percentage, the less leverage a school is using and the stronger its equity position. In general, the higher the ratio, the more risk that school is considered to have taken on.	Total Liabilities ÷ Total Assets	< 0.9
Adherence to budget	Budgetary compliance has a direct impact on operational outcomes. Budgets constitute spending authority and should not be exceeded except under auspices of an expenditure resolution having appropriate revenues associated with it.	(Budgeted Expenditure - Expenditure) ÷ Budgeted Expenditure	Within 5%
Maintain applicable bond covenants	Bond covenants are contractually defined standards of financial behavior which the school has chosen to adhere to in order to gain funding.	No default. School upholds contractual obligations.	0
Occupancy costs	Excessive occupancy costs undermine a school's ability to provide and sustain adequate levels of services to students and support teachers and other requirements of a successful educational program.	Facility Costs ÷ Total Operating Revenues	< 22%
Audit Findings	Audit findings, notes, and auditor observations point out lapses in control environment which could make financial reports unreliable, undermine a board's ability to appropriately safeguard an manage resources, and could undermine organizational sustainability and financial well-being.	No unresolved material findings, financial condition findings, or significant findings	0

### **Governance Performance**

Governance Performance includes up to five individual measures and a measure for overall governance performance. Due to availability of some of the data for governance performance, this *Baseline Performance Report 2012* is for the current year (2012-2013). <u>This data is not final.</u> As the current year ends June 30<sup>th</sup>, some of this data may change. While there is data for schools who opened this year (2012-2013), these schools were not included so to match Academic Performance and Financial Performance.

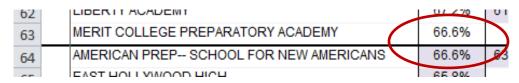
The governance performance measures are as follows:

Measure	Meaning	Metric
Governance Overall	This combines all the individual governance measures so to provide an overall governance performance measure. It is the average of all the individual governance measures applicable to the school.	See description
Pass GBOT	Governing Board Online Training (GBOT) modules are available for professional development for board members. Currently there are nine modules that were included in this measure. Board members must take and pass all available modules. Passing is a score of 85% or higher. This currently only applies to schools that have opened since SY 2011-12.	Number of board members scoring ≥ 85% on all available modules ÷ Total number of board members
Report Compliance	It is important for all reports to be submitted complete, on-time, and accurately. Reports included for this measure are Year End Web Survey (YEWS), current year budget, student membership audit, AFR, APR, Fall enrollment via UTREx, Fall enrollment audit, and audited financial statements. Additionally, schools in the planning and first operational year must submit a monthly SCSB financial and enrollment report.	Number of reports submitted complete, on time, and accurate ÷ Total number of applicable reports
Criminal background checks	Board Rule R277-481 requires that all governing board members have a background check completed and on file at the school they serve. This is self-reported by the schools. Schools who have not reported received a zero.	Number of board members with a background check on file ÷ Total number of board members
Qualified teachers	Board Rule R277-481 requires that all teachers be properly licensed and endorsed for their teaching assignment listed in CACTUS.  Administrators and other support staff are excluded from this measure.	Number of teacher FTE state qualified ÷ Total number of teacher FTEs
Board violations	Board Rule R277-481 requires that schools have no violations of federal or state law or regulation, Board rules or Board directives.	If there are any violations no credit is given, if there are no violations full credit is given

### **Observations of Note**

# **Groupings**

Currently schools in the *Baseline Performance Report 2012* are ordered by their Academic Overall score for the Academic Indicator or Financial Overall score for the Financial Indicator or Governance Overall score for the Governance Indicator and grouped into quartiles. As you will notice, grouping schools by quartile does not always provide meaningful groupings since the difference between a school at the bottom of one quartile and another school at the top of the next quartile may be insignificant. For example, the difference between Merit College Preparatory Academy and American Preparatory Academy—The School for New Americans is less than 0.1% for the Academic Indicator, though they fall into different quartiles.



This problem also exists for simple ranking. One school may rank higher than another school, but this may not be a meaningful difference. A numerical difference in a measure does not mean that the difference is significant or meaningful.

The *Baseline Performance Report 2012* shows how charter schools perform relative to other charter schools. Other reports, such as those found on the Public School Data Gateway can show school performance relative to all schools, schools within a certain geographic area, or schools with similar demographics.

Staff suggests setting a meaningful cut score based to identify high- and low- performing charter schools. This would mean that there would be no limits as to how many (or few) charter schools are identified in either category.

#### Years in Operation

Schools that opened in 2011-12 (meaning that data in this report is data is from their first year in operation) tended to have lower academic, financial, and governance scores. With the exception of American Preparatory Academy—The Accelerated School, all schools that opened in 2011-12 appeared in the lowest and mid-low quartiles. Schools in their second and third years of operation seemed to be more evenly distributed throughout the academic, financial, and governance overall scores.

Staff suggests including schools in the Performance Report as early as their second year of operation. A recent study challenged "...the conventional wisdom that a young underperforming school will improve if given time." CREDO's research shows that if a school starts wobbly, chances are it will stay wobbly (Charter School Growth and Replication Study, 2013). The earlier the school's governing board is aware of their performance, including wobbly areas, the earlier the board can focus its attention on potentially problematic policies, practices, and personnel.

## **Student Populations**

While much effort was made to combine the academic measures in such a way as to not unfairly disadvantage High Schools or K-12 Schools, Some of the individual scores may differ according to the school type. For example, proficiency for secondary schools tends to be lower than proficiency for elementary schools (the median for secondary charter schools is 69.3% compared to 81.7% for elementary charter schools). Further, the ACT benchmarks are quite rigorous and there tend to result in lower percentages compared to other measures.

Staff will continue to monitor and refine this process to ensure school types and student populations will not unfairly advantage or disadvantage a school's measures of overall performance.