A close up of a sign

Description automatically generatedA close up of a sign

Description automatically generated****TEXAS EDUCATION AGENCY

A close up of a sign

Description automatically generatedCAMPUS EVALUATION FRAMEWORK

**Plug and Play Template**

**ABOUT THIS RESOURCE**

TEA has worked with NACSA to produce this Campus Evaluation Framework Plug and Play Template (the “Plug and Play Template”). This Plug and Play Template is designed to accompany TEA’s Campus Evaluation Framework resource, which provides more detailed explanation and guidance regarding the development, implementation, and use of the Campus Evaluation Framework. This Plug and Play Template includes the academic, financial, and organizational indicators and metrics of the Campus Evaluation Framework and is provided as a Word document so that district authorizers can easily adapt it for inclusion in the charter contract.

For additional guidance on the purpose and role of the Campus Evaluation Framework and use of the indicators and measures below, please reference TEA’s Campus Evaluation Framework available on the [Texas Partnerships website](https://txpartnerships.org/tools/). A picture containing bird

Description automatically generated

# **A picture containing light, drawing Description automatically generatedA group of people in a room Description automatically generatedACADEMIC EVALUA picture containing bird Description automatically generatedATION FRAMEWORK**

This Academic Evaluation Framework sets and communicates clear expectations for charter school academic performance aligned with district, school, and state priorities. The framework is used to hold charter schools accountable for strong academic performance and should be used to review and communicate each charter school’s academic performance annually.

**Indicator 1: Texas A - F Accountability System**

Texas Education Code (TEC) §§12.115(c) sets minimum performance expectations for charter schools to remain in operation under the state’s default closure law.[[1]](#footnote-1) However, these performance expectations do not define expectations for success. District authorizers are encouraged to identify higher, more aspirational performance targets than those identified in the state’s default closure law.

|  |
| --- |
| **Measure 1: Is the school performing well on the Texas A - F Accountability System?** |
| ***Exceeds Standard***  \* School earned an A or B from the Texas A - F Accountability System. |
| ***Meets Standard***  \* School earned a C from the Texas A - F Accountability System. |
| ***Does Not Meet Standard***  \* School earned a D from the Texas A - F Accountability System. |
| ***Falls Far Below Standard***  \* School earned a F from the Texas A - F Accountability System. |

**Indicator 2: Mission-Specific Goals**

A charter school and its district authorizer should identify measures, metrics, and targets within the Academic Evaluation Framework that capture the school’s accomplishment of its specific mission. Measures should only be included if the goals are valid, reliable, measurable, and quantifiable. These non-traditional measures supplement, rather than supplant, traditional measures of school quality. It is important to note that mission-specific goals should not be used to lower expectations for charter schools.

|  |
| --- |
| **SAMPLE MISSION-SPECIFIC MEASURE**  **Measure 2: Are students meeting or exceeding National Education Technology (NETS) grade-level standards?** |
| ***Exceeds Standard***  \* Each year, the aggregate percentage of students in Grades 3 - 6 who meet or exceed the NETS grade-level standards will be at least 80%. |
| ***Meets Standard***  \* Each year, the aggregate percentage of students in Grades 3 - 6 who meet or exceed the NETS grade-level standards will be at least 65% but less than 80%. |
| ***Does Not Meet Standard***  \* Each year, the aggregate percentage of students in Grades 3 - 6 who meet or exceed the NETS grade-level standards  is less than 65% but more than 50%. |
| ***Falls Far Below Standard***  \* Each year, the aggregate percentage of students in Grades 3 - 6 who meet or exceed the NETS grade-level standards  is less than 50%. |

**Indicator 3 (Optional): Texas A - F Accountability System Focus Areas**

The letter grade produced by the Texas A - F Accountability System reflects school performance across a wide range of measures and metrics, including measures of Student Achievement, School Progress, and Closing the Gaps. District authorizers are encouraged to identify focus areas within the Texas A - F Accountability System. In the example below, a district authorizer has identified the “Closing the Gaps” domain as a district priority. District authorizers would “pull out” the “Closing the Gaps” grade from the Texas A - F system and set expectations for its charter schools specific to that domain.

|  |
| --- |
| **SAMPLE TEXAS A - F ACCOUNTABILITY SYSTEM FOCUS AREA MEASURE**  **Measure 3: How well did the school score in the “Closing the Gaps” domain?** |
| ***Exceeds Standard***  \* School earned an A or B in the Closing the Gaps domain. |
| ***Meets Standard***  \* School earned a C in the Closing the Gaps domain. |
| ***Does Not Meet Standard***  \* School earned a D in the Closing the Gaps domain. |
| ***Falls Far Below Standard***  \* School earned an F in the Closing the Gaps domain. |

# **A picture containing drawing Description automatically generatedA picture containing bird Description automatically generatedFINANCIAL EVALUATION FRAMEWORK**

This Financial Evaluation Framework sets and communicates clear expectations for charter school financial performance aligned with district, school, and state priorities. The framework is used to hold charter schools accountable for strong financial performance and should be used to review and communicate each charter school’s financial performance annually. The measures are designed to be complementary, as no single measure provides a full picture of the financial situation of a school. Together, they are designed to provide district authorizers with a clear picture of a school’s past financial performance, current financial health, and potential financial trajectory.

**Indicator 1: Near-Term Measures**

**1.A. Current Ratio**

Definition: The Current Ratio depicts the relationship between a charter school’s current assets and current liabilities.

Rationale: The Current Ratio measures a charter school’s ability to pay its obligations over the next 12 months. A Current Ratio of greater than 1.0 indicates that the school’s current assets exceed its current liabilities, which indicates an ability to meet current obligations. A Current Ratio of less than 1.0 indicates that the school does not have sufficient current assets to cover current liabilities and is not in a position to meet its financial obligations over the next year.

Data Source: Audited balance sheet

|  |
| --- |
| **Measure 1.A.**  **Current Ratio: Current Assets divided by Current Liabilities** |
| ***Meets Standard***  \* Current Ratio is greater than or equal to 1.1; or  \* Current Ratio is greater than or equal to 1.0 and less than 1.1, and one-year trend is positive (current year ratio is higher than last year’s)  *Note: For schools in their first or second year of operation, the current ratio must be greater than or equal to 1.1.* |
| ***Does Not Meet Standard***  \* Current Ratio is greater than or equal to 0.9 and less than or equal to 1.0; or  \* Current Ratio is greater than or equal to 1.0 and less than 1.1 and one-year trend is negative |
| ***Falls Far Below Standard***  \* Current ratio is less than or equal to 0.9 |

**Measure 1.B. Unrestricted Days Cash**

Definition: The Unrestricted Days Cash on hand ratio indicates how many days a charter school can pay its expenses without inflow of additional cash.

Rationale: This ratio tells district authorizers whether the school has enough cash to meet its cash obligations. Depreciation is removed from the total expenses denominator because it is not a cash expense. This measure takes on critical importance when the timing of school payments is irregular or often delayed.

At least one month of operating expenses cash on hand is a standard minimum measure of financial health of any organization. Due to the nature of charter school cash flow and the sometimes-irregular receipts of revenue, a 60-day threshold is included for schools to meet the standard. Still, schools showing a growing cash balance from prior years and that have enough cash to pay at least one month’s expenses are also sufficiently financially stable and show positive trending; therefore, such performance meets the standard. If a school has fewer than 15 days of cash on hand, it will not be able to operate for more than two weeks without another cash inflow and is at high risk for immediate financial difficulties.

Data Sources: Audited balance sheet and income statement

|  |
| --- |
| **Measure 1.B.**  **Unrestricted Days Cash: Unrestricted Cash divided by ([Total Expenses minus Depreciation Expense]/365)** |
| ***Meets Standard***  \* Days Cash is greater than or equal to 60; or  \* Days Cash is greater than or equal to 30 and less than 60, and one-year trend is positive  *Note: Schools in their first or second year of operation must have a minimum of 30 Days Cash.* |
| ***Does Not Meet Standard***  \* Days Cash is Greater than or equal to 15 and less than 30; or  \* Days Cash is greater than or equal to 30 and less than 60, and one-year trend is negative |
| ***Falls Far Below Standard***  \* Days Cash is less than 15 |

**Measure 1.C. Enrollment Variance**

Definition: Enrollment Variance measures whether a charter school is meeting its enrollment projections and depicts actual versus projected enrollment.

Rationale: Since enrollment is the critical driver of revenue, the Enrollment Variance is important to track the sufficiency of revenues to fund ongoing operations. The charter school leadership and board must be thoughtful and use evidence and strong models to project enrollment. While its annual budget is based on projected enrollment, funding is based on actual enrollment. A school that fails to meet its enrollment targets may encounter financial challenges.

Enrollment variance of less than 85 percent indicates that a significant amount of funding on which a charter school sets its expense budget is no longer available and thus the school may be at a significant financial risk. Schools that achieve at least 95 percent of projected enrollment generally have the operating funds necessary to meet all expenses and thus are likely not at a significant risk of financial distress.

Data Sources: Charter school board-approved annual budget (which includes projected enrollment) and actual enrollment

|  |
| --- |
| **Measure 1.C.**  **Enrollment Variance: Actual Enrollment divided by Enrollment Projection in Charter School Approved Budget** |
| ***Meets Standard***  \* Enrollment Variance is greater than or equal to 95 percent in the most recent year |
| ***Does Not Meet Standard***  \* Enrollment Variance is greater than or equal to 85 and less than 95 percent in the most recent year |
| ***Falls Far Below Standard***  \* Enrollment Variance is less than 85 percent in the most recent year |

**Measure 1.D. Debt Default**

Definition: Debt default indicates whether a charter school is meeting its debt obligations. In other words, a school would be considered in debt default if it is not making timely debt service payments.

Rationale: A charter school that is not making its debt service payments may be in financial distress. As a result, in such case, a charter school receives a rating of “Falls Far Below Standard” rather than “Does Not Meet Standard.”

Data Source: Notes to audited financial statements

|  |
| --- |
| **Measure 1.D.**  **Debt Default:** |
| ***Meets Standard***  \* School is not delinquent with debt service payments |
| ***Does Not Meet Standard***  \* Not applicable |
| ***Falls Far Below Standard***  \* School is delinquent with debt service payments |

**Indicator 2: Sustainability Measures**

**Measure 2.A. Total Margin and Aggregated Three-Year Total Margin**

Definition: Total Margin and Aggregated Three-Year Total Margin measure the deficit or surplus a charter school yields out of its total revenues. In other words, it measures whether the school is operating at a surplus (more total revenues than expenses) or at a deficit (more total expenses than revenues) in a given time period.

Rationale: The Total Margin is important to track as charter schools cannot operate at deficits for a sustained period without risk of closure. While schools are not intended to make money, it is important for charters to build, rather than deplete, a reserve to support growth or sustain the school during uncertain funding periods. The aggregated three-year total margin is helpful for measuring long-term financial stability of the school by smoothing the impact of single-year fluctuations on the single-year total margin indicator.

General preference in any industry is that total margin is positive, but organizations can make strategic choices to operate at a deficit for a year for a large operating expenditure or other planned expense. The targets set allow for flexibility over a three-year timeframe by including the aggregated total margin. However, a margin in any year of less than -10 percent or an aggregate three-year total margin less than or equal to -1.5 percent is an indicator of financial risk.

Data Sources: Three years of audited income statements

|  |
| --- |
| **Measure 2.A.**  **Total Margin: Net Income divided by Total Revenue**  **Aggregated Total Margin: Total Three-Year Net Income Divided by Total Three-Year Revenues** |
| ***Meets Standard***  \* Aggregated Three-Year Total Margin is positive; or  \* Most recent year Total Margin is positive, Aggregated Three-Year Total Margin is greater than -1.5 percent, and the trend is positive for the last two years.  *Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.* |
| ***Does Not Meet Standard***  \* Aggregated Three-Year Total Margin is greater than -1.5 percent, but trend does not “Meet Standard” |
| ***Falls Far Below Standard***  \* Aggregated Three-Year Total Margin is less than or equal to -1.5 percent; or  \* The most recent year Total Margin is less than -10 percent |

**Measure 2.B. Debt-to-Asset Ratio**

Definition: The Debt-to-Asset Ratio measures the amount of liabilities a charter school owes versus the assets the school owns. In other words, it measures the extent to which the school relies on borrowed funds to finance its operations.

Rationale: The Debt-to-Asset Ratio demonstrates what a charter school owes against what it owns. A lower Debt-to-Asset Ratio generally indicates stronger financial health. A Debt-to-Asset Ratio greater than 1.0 is a generally accepted indicator of potential long-term financial issues, as the school owes more than it owns, reflecting a risky financial position. A ratio less than 0.9 indicates a financially healthy balance sheet, both in the assets and liabilities, and the implied balance in the equity account.

Data Source: Audited balance sheet

|  |
| --- |
| **Measure 2.B.**  **Debt-to-Asset Ratio: Total Liabilities divided by Total Assets** |
| ***Meets Standard***  \* Debt-to-Asset Ratio is less than or equal to 0.9 |
| ***Does Not Meet Standard***  \* Debt-to-Asset Ratio is greater than 0.9 and less than or equal to 1.0 |
| ***Falls Far Below Standard***  \* Debt-to-Asset Ratio is greater than 1.0 |

**Measure 2.C. Cash Flow**

Definition: The Cash Flow measure indicates the trend in a charter school’s cash balance over a period of time.

Rationale: 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 charter school’s financial health, this metric assesses both multi-year cumulative cash flow and annual cash flow. This measure is not intended to encourage amassing resources instead of deploying them to meet the mission of the organization but rather to provide for stability in an uncertain funding environment. A positive cash flow over time generally indicates increasing financial health and sustainability of a charter school.

Data Sources: Three years of audited balance sheets

|  |
| --- |
| **Measure 2.C.**  **Cash Flow**  **Multi-Year Cash Flow: Year 3 Total Cash – Year 1 Total Cash**  **One-Year Cash Flow: Year 2 Total Cash – Year 1 Total Cash** |
| ***Meets Standard***  \* Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive each year; or  \* Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in one of the last two years  *Note: Schools in their first or second year of operation must have positive cash flow*. |
| ***Does Not Meet Standard***  \* Multi-Year Cumulative Cash Flow is positive but Cash Flow in each of last two years is negative |
| ***Falls Far Below Standard***  \* Multi-Year Cumulative Cash Flow is negative |

**Measure 2.D. Debt Service Coverage Ratio**

Definition: The Debt Service Coverage Ratio indicates a charter school’s ability to cover its debt obligations in the current year.

Rationale: This ratio measures whether a charter 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.

Debt Service Coverage Ratio is commonly used as a debt covenant measure across industries. A ratio of 1.1 or greater is industry standard for identifying organizations healthy enough to meet obligations and generate a surplus, though some loan covenants may set an expected debt service coverage ratio of 1.15 or even 1.2.

Data Sources:

* Net Income: audited income statement
* Depreciation expense: audited cash flow statement
* Interest expense: audited cash flow statement and/or income statement
* Annual principal and interest obligations: provided from school

|  |
| --- |
| **Measure 2.D.**  **Debt Service Coverage Ratio: (Net Income + Depreciation + Interest Expense) / (Annual Principal, Interest, and Lease Payments)** |
| ***Meets Standard***  \* Debt Service Coverage Ratio is greater than or equal to 1.1 |
| ***Does Not Meet Standard***  \* Debt Service Coverage Ratio is less than 1.1 |
| ***Falls Far Below Standard***  \* Not Applicable |

# **A picture containing drawing Description automatically generatedA close up of a logo Description automatically generatedorganizational EVALUATION FRAMEWORK**

This Organizational Evaluation Framework sets and communicates clear expectations for charter school organizational performance aligned with district, school, and state priorities. The framework defines the operational standards to which a charter school should be accountable to its district authorizer and the public and should be used to review and communicate each charter school’s organizational performance annually.

## Indicator 1: Education Program

The Organizational Evaluation Framework includes measures of the school’s educational program that are legal or contractual requirements that the charter school must adhere to when implementing its program, as well as elements of effective schools drawn from the TEA Effective Schools Framework.

**1.A. Material Terms of the Charter Contract**

This measure assesses the school’s adherence to the material terms of its proposed education program. This is consistent with requirements of partnership school benefits under SB 1882, which state that “the performance contract ensures the partner is accountable to implementing the education plan described in the approved charter proposal.” As a legal term, something is material if it is relevant and significant. For the purposes of defining educational program accountability, the authorizer should consider whether the information would be relevant and significant to decisions about whether to renew, non-renew, or revoke a charter.

District authorizers should extract from the approved application the essential elements of the educational program to which the charter school will be held accountable. The assessment of educational program terms should generally be a “truth in advertising” standard. However, academic outcomes from such program elements should not be evaluated in this section: academic performance evaluation is completed through the Academic Evaluation Framework.

|  |
| --- |
| **Measure 1.A.**  **Is the school implementing the material terms of the education program as defined in the charter contract?** |
| ***Meets Standard***  \* The school implemented the material terms of the education program, as set forth in the charter contract, in all material respects, and the education program in operation reflects the material terms, or the school has gained approval for a charter modification to the material terms. |

**Data Sources:** District authorizers may verify implementation of the material terms through site visit observations, interviews with stakeholders in the charter community, and required reports from the charter school. The data sources will vary based on the material terms of the school’s education program.

**1.B. Education Requirements**

Some elements of a public school’s education program are fixed in law and may not be waived for charter schools. This measure evaluates the charter school’s adherence to these legal requirements.

|  |
| --- |
| **Measure 1.B.**  **Is the school complying with applicable education requirements?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to education requirements, including:   * Instructional time requirements (TEC §25.081) * Graduation/promotion requirements (TEC §28.021) * Curriculum requirements (19 TAC §74.1 *et seq*) * State assessment requirements (TEC §39.023) * State and federally funded mandatory programming |

**Data Sources:** The district authorizer may require an assurance of compliance from the charter school board and follow up if noncompliance complaints are raised by TEA or other stakeholders arise. Follow-up review could include requests of data to verify compliance, such as school calendars, student records, or reports the charter school submits to TEA.

**1.C. Effective Instruction & Assessment**

At the core of effective schools is effective instruction: interactions between students, teachers,   
and content determine learning outcomes. This instructional core is strengthened and supported   
by effective, well-supported teachers, high-quality curriculum, and strong school leaders. Elements consistent with the Texas Education Agency’s [Effective Schools Framework](https://texasesf.org/) (ESF) are noted with   
an “\*”.

|  |
| --- |
| **Measure 1.C.**  **Is the school implementing practices that support effective instruction and assessment focused on student achievement?** |
| ***Meets Standard***  \* The school implements instructional and assessment programs focused on student achievement, with the following elements fully developed and functioning effectively:   * Instructional leaders with clear roles and responsibilities who develop, implement, and monitor instructional plans through use of data and other evidence\* * Retaining effective, well-supported teachers by strategically recruiting, selecting, assigning, on-boarding, and building the capacity of teachers so that all students have access to high-quality educators\* * Ongoing, job-embedded personalized professional development for teachers aligned to the mission, vision, values, and goals of the school and linked to high-quality curriculum in all core subjects and relevant ages\* * Instructional leaders use normed tools and processes to conduct teacher observations, capture trends, track and support progress over time, and provide timely feedback with clear models and opportunities to practice for teachers\* * All students have access to a TEKS-aligned, guaranteed, and viable curriculum, assessments, and resources to engage in learning at appropriate levels of rigor\* * Instructional materials with key ideas, essential questions, and recommended materials, including content-rich texts, are used across classrooms. The instructional materials are intentionally designed to meet the needs of students with disabilities and English learners among other student groups\* * Classroom instruction incorporates rigorous, high-quality experiences that promote critical-thinking skills, with differentiated and scaffolded supports for students with disabilities and English learners among other student groups\* * The school implements high-quality common formative assessments aligned to state standards for all tested areas and PK - 2nd Grade math and reading\* * Teacher teams, supported by instructional leaders, meet frequently and regularly for in-depth conversations about formative and interim student data, effective instructional strategies, and possible adjustments to instructional delivery focused on meeting the needs of both struggling learners and learners needing acceleration\* * Educational programming, including curriculum, engages students in ways that are culturally and linguistically appropriate, responsive, and relevant   ***Approaches Standard***  \* The school implements instructional and assessment programs focused on student achievement, with many but not all the above elements fully developed and functioning effectively. |

**Data Sources:** District authorizers may evaluate this measure through review of curriculum materials, lesson plans, professional development calendars, job descriptions, site visit observations, record reviews, interviews of stakeholders, or third-party reports or monitoring.

**1.D. Students with Disabilities**

Charter schools must comply with state and federal special education laws and provide a high-quality learning environment for all students. In addition to an evaluation of how well a school is educating students with disabilities (a component of the Academic Evaluation Framework), the Organizational Evaluation Framework should include an evaluation of whether the school is meeting its legal obligations regarding services to students with disabilities, protecting their rights under law.

|  |
| --- |
| **Measure 1.D.**  **Is the school protecting the rights of students with disabilities and providing effective programming?** |
| ***Meets Standard***  \* Consistent with the charter school’s status and responsibilities as a school in a district LEA, the school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to the treatment of students with identified disabilities and those suspected of having a disability, including:   * Equitable access and opportunity to enroll * Operational compliance, including provision of services in the least restrictive environment and appropriate inclusion in the school’s academic program, consistent with IEPs and 504 plans, assessments, and extracurricular activities (including requirements under Texas Education Code Chapter 29, Subchapter A) * Discipline, including due process protections, manifestation determinations, and behavioral intervention plans * Access to the school facility and program to students in a lawful manner consistent with students’ IEPs or Section 504 plans * Provision of quality programming consistent with students’ IEPs or Section 504 plans and the best interest of students * Appropriate use of available, applicable funding |

**Data Sources:** District authorizers may evaluate this measure through data from student information systems or other regular reporting mechanisms, site visit observations, record reviews, interviews of stakeholders, or third-party reports or monitoring.

**1.E. Bilingual Education/English Learners**

Charter schools must also follow state and federal laws governing access and services for bilingual and English learner students. In addition to an evaluation of how well a school is educating these students (a component of the Academic Evaluation Framework), the Organizational Evaluation Framework includes an evaluation of how well the school is meeting its legal obligations in providing services to these students and protecting their rights under state and federal law.

|  |
| --- |
| **Measure 1.E.**  **Is the school protecting the rights of bilingual and English learner students and providing effective programming?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to requirements regarding bilingual and English learner students, including:   * Equitable access and opportunity to enroll * Required policies related to the service of bilingual and English learner students (including requirements under Texas Education Code Chapter 29, Subchapter B) * Compliance with native language communication requirements * Proper steps for identification of students in need of bilingual or English as a second language services, in alignment with relevant board policies * Appropriate and equitable delivery of services to identified students * Provision of quality programming consistent with students’ needs * Appropriate accommodations on assessments * Exiting of students from bilingual or English as a second language services, in alignment with relevant board policies |

**Data Sources:** District authorizers may evaluate this measure through data from student information systems, or other regular reporting mechanisms, review of school policies, site visit observations, record audits, interviews of stakeholders, or third-party reports or monitoring.

**Indicator 2: Financial Management and Oversight**

The Financial Evaluation Framework includes measures used to evaluate a charter school’s financial health, while the measures in this section related to organizational performance assess a school’s compliance with financial requirements, regardless of the school’s performance on measures of financial health. Measures included in this indicator, because they evaluate compliance rather than financial performance outcomes, should be kept separate from the Financial Evaluation Framework, which is solely focused on performance outcomes.

**2.A. Financial Reporting and Compliance**

The financial reports included in this measure are used as a basis for the analysis of a school’s financial viability (as measured in the Financial Evaluation Framework) and financial management (as measured in the Organizational Evaluation Framework). The purpose of this measure is to determine whether the school is submitting accurate and timely information to the authorizer, as required by the charter contract or state law.

|  |
| --- |
| **Measure 2.A.**  **Is the school meeting financial reporting and compliance requirements?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to financial reporting requirements, including but not limited to:   * Complete, on-time submission of financial reports, including the Annual Financial Report (TEC §39.083, monthly or quarterly balance sheets, and cash flow statements) * On-time submission and completion of financial statement reporting and audit requirements as set forth in the charter contract (Model Contract §12.08) * Compliance with all required reporting of public funds usage, including TEC §11.174 Texas Partnership funds |

**Data Sources:** The authorizer should maintain a record of a school’s adherence to reporting requirements, including financial reports.

**2.B. Financial Management and Oversight**

Critical to an organization’s health and stability is its ability to manage its finances well. Authorizers have a responsibility to protect the public’s interest and must evaluate the extent to which the charter school is responsibly managing its finances. Financial audits, completed by professional, disinterested auditors, are vital to evaluating a school’s financial management and oversight.

|  |
| --- |
| **Measure 2.B.**  **Is the school following Generally Accepted Accounting Principles (GAAP)?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to financial management and oversight expectations as evidence by an annual independent audit, including but not limited to:   * An unqualified audit opinion * An audit devoid of significant findings and conditions, material weaknesses, or significant internal control weaknesses * An audit that does not include a going concern disclosure |

**Data Sources:** The authorizer’s charter contract should require charter schools to submit an annual financial audit. The authorizer should have documented scope of audit requirements to ensure the financial audit includes information necessary to evaluate schools’ financial management practices and viability.

## Indicator 3: Governance and Reporting

**3.A. Governance Requirements**

Charter school boards hold fiduciary responsibility for the charter schools they oversee and must comply with applicable governance requirements. Governance standards derive from state law and the charter contract and may differ depending on the specifics of the charter agreement.

|  |
| --- |
| **Measure 3.A.**  **Is the school complying with governance requirements?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract related to governance by the board, including but not limited to:   * Board bylaws and policies, including a code of ethics and conflict of interest policy (Model Contract §6.03 & Addendum A-2) * Texas Open Meetings Act (TEC §12.1051) * Texas Public Information Act (TEC §12.1051) * Texas Conflict of Interest Law (TEC §12.1054) * Board composition, election, and membership requirements (TEC §12.111(a)(7); §12.120; Bylaws) * Compliance with board training requirements (TEC §12.123) |

**Data Sources:** Governance requirements enumerated in this measure are purposefully narrow, in that they are requirements to which a district authorizer can legally hold the board accountable. District authorizers should seek to verify board compliance through analysis of board packets, including board minutes, and assurances of compliance. The district authorizer should review the school’s board policies and bylaws, including any amendments made since the last review. Additionally, the authorizer may require a statement of assurances of compliance with conflicts of interest and board membership requirements, among other requirements. When warranted, periodic attendance by the district authorizer at board meetings may allow the authorizer to verify compliance with some elements of this measure.

3.B. Reporting Requirements

District authorizers, in order to effectively evaluate charter school performance, must receive and review reports from the schools they authorize. Additionally, charter schools are responsible to other entities, including TEA, for certain reporting requirements. Many reporting requirements may be fixed in law while others are outlined in the charter contract or are required by the district authorizer for monitoring purposes.

District authorizers should be cognizant of the burden excessive or erratic reporting requirements may place on charter schools and the ways in which such requirements may threaten charter autonomy. District authorizers should depend, as much as possible, on existing reporting requirements and should, ideally, only impose new reporting requirements if the intended purpose of the reporting cannot be fulfilled through existing reporting requirements, whether to the authorizer or to another entity. District authorizers should also establish a reporting calendar of clear deadlines and clear reporting formats to reduce the compliance burden for charter schools.

|  |
| --- |
| **Measure 3.B.**  **Is the school complying with reporting requirements?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract related to relevant reporting requirements to the authorizer, TEA, and/or federal authorities, including:   * Annual report to State Commissioner (TEC §12.119(b); 19 TAC §100.1007) * Texas Public Education Information Management System (PEIMS) requirements (TEC §12.104) * State and federal reporting requirements specified in charter contract (Model Contract §13.02) * Additional authorizer required reporting as outlined in the charter contract |

**Data Sources:** To help monitor this measure, the district authorizer should develop a reporting calendar to track all required reports to the authorizer, TEA, and any other relevant parties; this will help both the authorizer and the school keep track of when reports are due, which will minimize duplicative reporting.

**3.C. Management Accountability**

The central role of the charter school board is to responsibly delegate the work of actualizing the board’s vision and mission. To that end, the board has a responsibility to oversee and hold accountable the charter school management, whether it chooses to contract with a management organization or hire an individual. District authorizers should have at their disposal the means to hold charter school boards accountable for their oversight of management.

For charters that contract with an Education Service Provider (ESP), the charter contract between the district authorizer and the board should clearly identify the school governing board as the party ultimately responsible for the success or failure of the school and condition charter approval on authorizer review and approval of the third-party contract. The district authorizer should ensure that the third-party contract or written performance agreement with the ESP includes, among other things, performance measures, consequences, mechanisms by which the school governing board will hold the provider accountable for performance, and financial reporting requirements and provisions.

|  |
| --- |
| **Measure 3.C.**  **Is the school holding management accountable?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to oversight of school management, including but not limited to:   * For ESPs, maintaining authority over management, holding it accountable for performance as agreed under a written performance agreement, and requiring annual financial reports from the ESP * For others, oversight of management that includes holding it accountable for performance expectations which may or may not be agreed to under a written performance agreement |

**Data Sources:** Expectations for the board to hold the school management accountable should be established in a written performance agreement, whether that be a written contract with a third-party ESP or an established evaluation process for an individual head of school, to which the district authorizer should require access.

**3.D. Governance Commitment to Student Academic Achievement and Well-Being**

The purpose of a charter school is to educate and develop young people consistent with the mission of the school. Therefore, a core purpose of the board of directors of a charter school is to champion the school’s mission while ensuring that all goals are being achieved. The board has a contract with the school district to deliver on this. Because the board delegates the day-to-day work of operationalizing the mission and achievement of the contractual outcomes, the board must ensure that systems are in place to support school leadership and to monitor student outcomes, while also holding school management accountable as outlined in 3.C, above. Elements consistent with the Texas Education Agency’s [Effective Schools Framework](https://texasesf.org/) (ESF) are noted with an \*.

|  |
| --- |
| **Measure 3.D.**  **Does the school governing body support, promote and monitor student outcomes?** |
| ***Meets Standard***  \* The charter school board of directors implements policies and practices focused on ensuring student achievement and well-being with the following elements fully developed and functioning effectively:   * Clear job description(s) for school leadership that prioritize(s) instructional leadership and achievement outcomes for students\* * Ongoing support and coaching opportunities for school leader\* * Monitoring of student outcomes, consistent with the charter contract, through use of dashboards or other tools to review student academic performance data and other measures of student outcomes * Allocation of sufficient resources to support the achievement of the goals in the charter contract |

**Data Sources:** District authorizers may evaluate this measure through review of board meeting information, observation of board meetings, interviews of stakeholders, or third-party reports or monitoring.

## 

## Indicator 4: Students and Employees

**4.A. Rights of Students**

Charter schools must protect the rights of the students they serve. District authorizers have a responsibility to ensure that the charter school complies with a range of requirements, from admissions policies to protections of students’ civil rights.

|  |
| --- |
| **Measure 4.A.**  **Is the school protecting the rights of all students?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract related to the rights of students, including but not limited to:   * Admissions, lottery, waiting list, fair and open recruitment, enrollment, and attendance zone policies, as applicable (Model Contract §§8.07-08) * Collection and protection of student information and proper usage of the Texas Records Exchange system (TEC §7.010) * Due process protections, privacy, and civil rights protections * Conduct of discipline and adherence to district code of conduct (Model Contract §8.08) |

**Data Sources:** District authorizers should evaluate this measure through reports to the authorizer and/or TEA, charter school board policies and examples of forms, and site visit observations and interviews with charter school community stakeholders. District authorizers may also require that the board assures compliance with certain elements of this measure that may be difficult to verify unless through investigation.

**4.B. Attendance Goals**

Attendance is an important leading indicator of a quality education program, but it is not included in the Academic Evaluation Framework because it is not in itself an academic performance outcome. District authorizers should evaluate the school’s attendance rates through the lens of organizational effectiveness. Schools with strong attendance are more financially and organizationally viable, while schools that struggle to meet attendance goals as stated in the charter contract, especially if chronically, may be at risk of academic or financial failure.

|  |
| --- |
| **Measure 4.B.**  **Is the school meeting attendance goals?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract related to attendance goals. |

**Data Sources:** District authorizers should evaluate this measure through student attendance reports to the authorizer and/or TEA.

**4.C. Staff Credentials**

Public schools must employ appropriately qualified and credentialed staff. Charter schools may be exempt from some credentialing requirements, which district authorizers must keep in mind when evaluating charter schools against this measure. While staff may be employed by the district, both the district and the charter school must ensure that staff are appropriately qualified and credentialed for the position in which they are working.

|  |
| --- |
| **Measure 4.C.**  **Is the school meeting teacher and other staff credentialing requirements?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract relating to state certification requirements. (TEC §12.129; Model Contract §9.03) |

**Data Sources:** District authorizers should evaluate this measure through reports to TEA through the Texas Academic Performance Reports system.

**4.D. Employee Rights**

Charter schools must follow applicable employment law, which is vast and complex. District authorizers often find that this measure may be administratively burdensome to oversee and authorizers may need to assume a school’s compliance unless there is evidence to the contrary. Note that allegations of violations of employee rights may not be evidence of noncompliance. District authorizers should not take sole responsibility for investigating allegations and should use the investigations and rulings of third parties to substantiate findings.

Despite challenges in evaluating a school’s performance on this measure, we include it because it is an existing legal requirement, its inclusion communicates to schools that the district authorizer expects schools to be in compliance, and it provides the authorizer with a place to capture noncompliance in the event it can be substantiated.

As with 4.C. above, because the district may be the employer of record in some cases, the district and the charter each have responsibilities as it relates to employee rights. Regardless of the employer, as part of charter’s autonomy and consistent with the requirements for Texas Partnership (SB 1882) benefits, the charter has “initial, final, and sole authority over staffing” decisions.

|  |
| --- |
| **Measure 4.D.**  **Is the school complying with laws regarding employee rights?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract related to employment considerations, including those relating the Family Medical Leave Act and the Americans with Disabilities Act. |

**Data Sources:** District authorizers may evaluate this measure through board assurance of compliance and/or third-party reports such as court rulings or employment agency findings.

**4.E. Background Checks**

Charter schools must conduct background checks, or ensure background checks have been completed, for all employees and any adults who may come into contact with students within the school.

As with 4.C. and 4.D. above, because the district may be the employer of record in some cases, the district and the charter each have responsibilities as it relates to background checks.

|  |
| --- |
| **Measure 4.E.**  **Is the school completing required background checks?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract related to background checks of all applicable individuals. (TEC §22.085; Model Contract §8.11 & §9.02) |

**Data Sources:** District authorizers may evaluate this measure through TEA’s Educator Certification reporting system, along with assurances of compliance by the board and periodic record checks either annually or during site visits. District authorizers may elect to review a random sample of files to confirm compliance.

## Indicator 5: School Environment

**5.A. Facilities Requirements**

The district may provide a facility for the charter school’s use or the school may secure a facility through other means. As such, the scope of compliance requirements for the charter school may differ in each case. Expectations, such as adequate insurance or adequate maintenance, should be spelled out in the charter agreement and monitored by the authorizer.

|  |
| --- |
| **Measure 5.A.**  **Is the school complying with facilities requirements?** |
| ***Meets Standard***  \* The school materially complies with applicable provisions of the charter contract related to the school facilities and grounds, which may include but not be limited to:   * Compliance with permitted use provisions and restrictions (Model Contract §11.03) * Adequate provision of maintenance and janitorial services (Model Contract §§11.06-07) * Documentation of requisite insurance coverage (Model Contract §11.08) * Americans with Disabilities Act * Fire inspections and related records * Viable certificate of occupancy or other required building use authorization * The school building is well-maintained, clean, and sanitized consistent with health requirements, and is safe, welcoming, and conductive to learning |

**Data Sources:** District authorizers may evaluate this measure through assurance of compliance by the board, review of relevant documentation, and periodic verification of compliance, possibly during site visits.

**5.B. Health & Safety**

Charter schools must meet state and federal health and safety requirements related to general operations, as well as specific services, including health services and food services, whether these services are provided by the district as the local education agency or contracted independently. District authorizers, when adapting this framework, should consider how services are provided within the charter school.

|  |
| --- |
| **Measure 5.B.**  **Is the school complying with health and safety requirements?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract related to safety and the provision of health-related services, including but not limited to:   * Appropriate nursing services and dispensing of pharmaceuticals * Food services requirements, as applicable * Other district-provided services, as applicable (Model Contract §17.01) * Monitoring of student health and other requirements related to local and state health requirements |

**Data Sources:**

District authorizers may evaluate this measure through assurance of compliance by the board and period verification of compliance during site visits and/or third-party reviews.

**5.C. Information Management**

Both the charter school board and school management must appropriately handle sensitive information, which often includes student-level data protected under federal law. Additionally, the charter school may receive requests for documentation from stakeholders or the media and must comply with the Public Information Act and other laws requiring active public disclosure. District authorizers should evaluate a school’s adherence to the requirements for information management and distribution.

|  |
| --- |
| **Measure 5.C.**  **Is the school handling information appropriately?** |
| ***Meets Standard***  \* The school materially complies with applicable laws, rules, regulations, and provisions of the charter contract related to the handling of information, including but not limited to:   * Maintaining the security of and providing access to student records under the Family Educational Rights and Privacy Act and other applicable authorities * Accessing documents maintained by the school under Texas Public Information Act (TGC Chapter 552) * Transferring student records in accordance with the Texas Records Exchange System (TEC §7.010) * Proper and secure maintenance of testing materials |

**Data Sources:** Authorizers may evaluate this measure through board assurance of compliance, authorizer investigation, and/or review of third-party investigations.

## 

## Indicator 6: School Culture

**6.A. Student Supports**

Schools must ensure systems and structures are in place to support students inside and outside the classroom, both academically and behaviorally. This includes having in place behavioral expectations and management systems aligned to the mission, vision, and values of the school, along with support services to support the whole child. Elements consistent with the Texas Education Agency’s [Effective Schools Framework](https://texasesf.org/) (ESF) are noted with an \*.

|  |
| --- |
| **Measure 6.A.**  **Is the school implementing policies and practices that create a positive school culture and support student well-being and learning?** |
| ***Meets Standard***  \* The school implements policies and practices that create a positive school culture focused on student learning and well-being, with the following elements fully developed and functioning effectively:   * Established and fully implemented age-appropriate behavioral expectations and management systems for students and staff, including use of data to make adjustments to policies and practices\* * Proactive and responsive student support services to support whole child health and wellness\* * Culturally relevant behavior expectations and management systems and student support services   ***Approaches Standard***  \* The school implements policies and practices that create a positive school culture focused on student learning and well-being, with the many but not all of the above elements fully developed and functioning effectively. |

**Data Sources:** District authorizers may evaluate this measure through review of school policies, student/parent handbooks, and other records, site visit observations, interviews of stakeholders, or third-party reports or monitoring.

**6.B. Family and Community Involvement**

Family and community involvement is important for ensuring a positive school culture that supports a quality education for students and a sustainable charter school. Elements consistent with the Texas Education Agency’s [Effective Schools Framework](https://texasesf.org/) (ESF) are noted with an \*.

|  |
| --- |
| **Measure 6.B.**  **Does the school effectively involve families and community?** |
| ***Meets Standard***  \* The school implements policies and practices that lead to effective involvement of families and community with the following elements fully developed and functioning effectively:   * The campus creates an inclusive and welcoming environment that engages all families in critical aspects of student learning\* * Systems are in place to engage families on a regular basis about their child’s performance in a positive, constructive, and personalized way, including their child’s college and career preparation and postsecondary success\* * The school community is involved in creating and refining the mission, vision and values, and shares a common understanding of the mission, vision, and values in practice\* * The school involves families and community in a variety of linguistically and culturally relevant ways in the education of students   ***Approaches Standard***  \* The school implements policies and practices that lead to effective involvement of families and community with the many but not all of the above elements fully developed and functioning effectively. |

**Data Sources:** District authorizers may evaluate this measure through review of school policies, student/parent handbooks, calendars and other records, site visit observations, interviews of stakeholders, or third-party reports or monitoring.

1. Texas default closure law specifies that charter schools that earn unacceptable academic performance ratings (an “F”) for the three preceding years, lower than satisfactory financial performance ratings for the past three years, or any combination of these ratings for the three preceding years will be closed automatically, subject to an administrative hearing. This “three strike” law applies to Subchapter C / 1882 charter schools. [↑](#footnote-ref-1)