

TO: P-12 Education Committee

FROM: Ken Slentz

SUBJECT: Charter School Renewal Policy and Performance  
Framework for Charter Schools Authorized by the Board  
of Regents

DATE: October 25, 2012

AUTHORIZATION(S):

## SUMMARY

### Issue for Decision

Should the Board of Regents approve the Charter School Renewal Policy and direct staff to finalize a Performance Framework to guide the performance oversight of charter schools authorized by the Board of Regents?

### Reason(s) for Consideration

Review of Policy

### Proposed Handling

This issue will come before the P-12 Education Committee for approval at the November 2012 meeting.

### Procedural History

At the October 2012 meeting of the P-12 Education Committee, the Regents discussed an update on the Charter School Office that included a description of the work underway to finalize a Charter School Renewal Policy and Performance Framework.

### Background Information

The October 2012 Charter School Office Update to the Board of Regents included a discussion about the development of the Regents Charter School Renewal

Policy and the Performance Framework that will guide the work of the Charter School Office concerning the performance oversight of the charter schools authorized by the Board of Regents. That work has been completed and the Regents Charter School

## Recommendation

VOTED, that the Board of Regents approves the Charter School Renewal Policy and endorses the Charter School Performance Framework as described in this item, and directs staff to revise and update the Performance Framework, in consultation with the field, as necessary, consistent with the Charter School Renewal Policy and the guiding principles outlined in the Performance Framework.

Attachments

New York State Board of Regents  
New York State Education Department  
Charter School Renewal Policy

Draft Presented for Approval at the November 5, 2012 Meeting of the Board of Regents

Introduction

In New York State, pursuant to the New York Charter Schools Act of 1998 (Education Law Article 56, as amended, the Act), the Board of Regents (the "Regents") has a general oversight role for all charter schools in the State. The New York State Education Department (the "Department") serves as staff to the Regents to conduct oversight activities on behalf of and to make recommendations to the Regents. This document, outlines policy, processes and criteria for charter renewal.

Background and Legal Requirements

The New York Charter Schools Act provides increased autonomy to the boards of trustees of charter schools ("board" or "boards") to operate charter schools in return for increased accountability. Charter renewal is not automatic. When the Regents approve an initial charter school application, the school's board of trustees is incorporated as an educational corporation and receives a provisional charter (certificate of incorporation) which permits the board to operate a public charter school in New York State for a period of up to five years as the initial charter term. In the year prior to the expiration of the initial charter term, the board may apply for renewal of the initial charter for an additional term of up to five years. Subsequent renewals also require a renewal application prior to the expiration of the charter term in order for schools to be eligible for renewal.

While the Act provides grounds for the Regents to revoke a school's charter at any time during the charter period, the specific grounds for revocation are such that the renewal analysis process is the primary point at which the school's educational success is summatively assessed and a decision about whether to allow the school to continue to operate is made.

- (a) Similar to the requirement for approval of an initial charter application, the Regents are precluded from approving a charter renewal application unless the Regents make the findings required §2852(2) of the Act. Among other things, the Regents must make findings that the charter school

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<sup>1</sup> Education Law §2855(1) states that the board of regents may terminate a charter upon any of the following grounds:

- (a) When a charter school's outcome on student assessment measures adopted by the board of regents falls below the level that would allow the commissioner to revoke the registration of another public school and student achievement on such measures has not shown improvement over preceding three school years;
- (b) Serious violations of law;
- (c) Material and substantial violation of the charter, including fiscal mismanagement;
- (d) When the public employment relations board makes a determination that the charter school demonstrates a practice and pattern of egregious and intentional violations of subdivision one of section two hundred and one-a of the civil service law involving interference with discrimination in this paragraph, or the rights of the public interest that has made extensive efforts to recruit and students, including outreach to parents and families in the surrounding communities publicizing the lot school, and efforts to academically support such students in such charter school, then the charter may retain such charter.

<sup>2</sup> Education Law §2852(2) outlines the required findings that must be made to approve a charter application

has demonstrated the ability to operate the school in an educationally and fiscally sound manner and that granting the renewal application is likely to improve student learning and achievement and materially further the purposes of the Act. The Act includes several specific requirements for an initial application to establish a new charter school; however, there are only a few specific requirements prescribed in the Act for a charter school renewal application.

The Regents' renewal application guidelines describe the information required by the Regents to be included in a charter renewal application. This information in the application, together with the analysis of additional quantitative and qualitative data, provides the basis upon which the Department makes a renewal recommendation to the Regents and upon which the Regents determine if they can make the findings required by the Act to approve the renewal application.

### Renewal Process and Criteria

Every charter school authorized by the Regents undergoes a rigorous renewal process during the final year of its charter term to determine whether or not the school should continue to operate. The renewal process is triggered when a school submits a renewal application, and includes a renewal site visit, and an analysis of all evidence related to the charter school over the course of the school's charter term (the "charter record"); including quantitative and qualitative evidence collected through the Department's charter school performance oversight process. Additionally, the Department will analyze the school's plans for the next term outlined in the renewal application to determine if the school's charter will be renewed to determine the extent to which the plans are reasonable, feasible and achievable.

The analysis of a charter school's renewal application within the context of the findings required in Education Law §2852(2) is made by the performance benchmarks outlined in the Regents' and Department's Charter School

- x Educational Success including student performance; teaching and learning; the school's culture, climate and family engagement
- x Organizational Soundness

## Renewal Outcomes

The following renewal outcomes are possible.

- x Full-Term Renewal: A school's charter may be renewed for the maximum term of five<sup>7</sup> years. In order for a school to be eligible for a full-term renewal, during the current charter term, the school must have compiled strong and compelling record meeting or exceeding Benchmark 1, and at the time of the renewal analysis, have met substantially all of the other performance benchmarks in the Framework.
  
- x Short-Term Renewal: A school's charter may be renewed for a shorter term, typically of three years. As discussed above, the Regents will place an greater emphasis on student performance for schools applying for their second or subsequent renewal which is consistent with the greater time that a school has been in operation and the corresponding increased quantity and quality of student achievement data that the school has generated. Therefore, in general, the option for a short-term renewal will be available only to schools applying for their first renewal and the past practice of granting multiple short-term renewals to charter schools that have not been academically successfully will no longer be continued. In order for a school to be eligible for short-term renewal, a school must either:
  - (a) have compiled a mixed or limited record meeting Benchmark 1, but at the time of the renewal analysis, have met substantially all of other performance benchmarks in the Framework which will likely result in the school's being able to meet Benchmark 1 with the additional time that short-term renewal permits, or
  - (b) have compiled an overall record of meeting Benchmark 1, but falls far below meeting one or more of the other performance benchmarks in the Framework
  
- x Non-Renewal: A school's charter will not be renewed if the school does not apply for renewal or the school fails to meet the benchmark for either full-term or short-term renewal. In the case of non-renewal, a school's charter will be terminated upon its expiration and the school will be required to comply with the Department's Closing Procedures to ensure an orderly closure by the end of the school year.

New York State Board of Regents  
New York State Education Department  
Charter School Performance Framework  
Version 1.0 – Draft for Discussion– October 23, 2012

Overview

In June of 2010, the New York State Board of Regents (the “Regents”), and the New York State Education Department (the “Department”) embarked on a new approach to charter school authorizing, aligning the Regent’s and Department’s work with the best practices of the highest quality authorizers nationally. A key component of this new approach is the Performance Framework (the “Framework”) for charter schools



- x Aligns to the ongoing accountability and effectiveness work for all public schools. The Department developed the Framework during a period of broader educational reform in New York City, influenced by New York's successful Race to the Top application and ESEA Flexibility Request. To the greatest extent possible, the Department aligned the Framework with its overall educator and institutional accountability and school effectiveness work but also incorporated additional performance metrics that capture the unique aspects of charter school autonomy and accountability.
- x Balances clear performance benchmarks with Regents' discretion. The Framework clearly outlines performance benchmarks for charter schools, but does not formulaically dictate high stakes accountability

New York State Education Department  
Charter School Performance Framework v.1.0

Performance Benchmark		Level
Educational Success	Benchmark 1: Student Performance: The school has met or come close to meeting student achievement goals for academic growth, proficiency, and college and career readiness on state standards and achievement goals outlined in the school's charter.	
	Benchmark 2: Teaching and Learning: School leaders have systems in place designed to cultivate shared accountability and high expectations and that lead to student learning, improved academic outcomes, and educational success. The school has rigorous, coherent curriculum and assessments that are aligned to the Common Core Learning Standards (CCLS) for all students. Teachers engage in strategic practices and decision-making in order to address the gap between what students know and need to learn so that all students experience consistent high levels of engagement, thinking and achievement.	
	Benchmark 3: Culture, Climate, and Family Engagement: The school has systems in place to support students' social and emotional health and to provide for a safe and respectful learning environment. Families, community members and school staff work together to share in the responsibility for student academic progress and social-emotional growth and well-being. Families and students are satisfied with the school's academics and the overall leadership and management of the school.	
Organizational Soundness	Benchmark 4: Financial Condition: The school is in sound and stable financial condition as	





Benchmark 2: Teaching and Learning

School leaders have systems in place designed to cultivate shared accountability and high expectations and that lead to students' well-being, improved academic outcomes, and educational success. The school has rigorous and coherent curriculum and assessments that are aligned to the Common Core Learning Standards.



#### Benchmark 4: Fiscal Condition

The school is in sound and stable financial condition as evidenced by performance on key financial indicators.

#### Important Notes:

- x The key financial indicators used to evaluate this benchmark will be presented within a separate fiscal dashboard instrument that will provide context for the school's performance on each effort, outline the specific targets for each metric, and also provide additional subsidiary detail on each calculation.
- x Unless otherwise indicated, financial data is derived from the school's annual independently audited financial statements.

1. Near-Term Indicators:	
1a.	Current Ratio
1b.	Unrestricted Days Cash
1c.	Enrollment Variance
1d.	Composite Score
2. Sustainability Indicators:	
2a.	Total Margin
2b.	Debt to Asset Ratio
2c.	Cash Flow
2d.	Debt Service Coverage Ratio

#### Benchmark 5: Financial Management

The school operates in a fiscally sound manner with realistic budgets pursuant to an annual financial plan, appropriate internal controls and procedures, and in accordance with state law and generally accepted accounting practices

Renewal is based on evidence that the following elements are generally present:

1. The school has an accurate and functional accounting system that includes monthly budgets and that is used for planning purposes.
2. The school sets budget objectives and regularly analyzes its budget in relation to those objectives.
3. The school has allocated budget surpluses in a manner that is fiscally sound and directly attends to the social and academic needs of the students attending the school.
4. The school has and follows a written set of fiscal policies.
5. The school has complied with state and federal financial reporting requirements.
6. The school has and is maintaining appropriate internal controls and procedures.
7. The school follows generally accepted accounting principals as evidenced by independent financial audits







## Benchmark 10: Legal Compliance

The school has complied with applicable laws, regulations, and the provisions of its charter.

Renewal is based on evidence that the following elements are generally present:

1. The school has compiled a record of substantial compliance with applicable state and federal laws and the provisions of its charter including, but not limited to those related to student admissions and enrollment, FOIL and Open Meetings Law, protecting the rights of students and employees, financial management and oversight, governance and reporting, and health and safety requirements.
2. The school has undertaken appropriate corrective action where needed and implemented necessary safeguards to maintain compliance with all legal requirements.

## Acknowledgements

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