

State Board of Education

Charter Schools Performance Framework Report

2018 – 19 School Year

August 2020

State Board of Education

Charter Schools Performance Framework Update

August 2020

INTRODUCTION

The State Board of Education (SBE) sets goals and measures for all public Charter Schools to annually monitor and track performance trends. Identification and analysis of charter school performance trends provides the opportunity for targeted programmatic support and professional development offerings by the Office of Charter Schools (OCS). The measures for charter schools operating in the 2018-19 academic year include information from annual accountability data along with financial and operational requirements set forth in General Statute, SBE Policies, and the Charter Agreement. The following report provides an update on progress towards achieving the SBE goals and a more in-depth analysis on charter school performance trends as measured by the Office of Charter School's Performance Framework.

SBE GOALS AND MEASURES PERTAINING TO CHARTER SCHOOLS

At its June 7, 2018 meeting, the State Board approved updated measures specifically related to charter school performance under *Goal 2: Every student has a personalized education; Objective 2.4: Increase the number of charter schools meeting academic, operational, and financial goals.*

- Measure 2.4.1: Percentage of charter schools receiving a School Performance Grade of an A or B.
- Measure 2.4.2: Percentage of charter schools meeting or exceeding expected annual academic growth.
- Measure 2.4.3: Percentage of charter schools meeting or exceeding all financial and operational goals as measured by the Office of Charter Schools' performance framework.
- Measure 2.4.4a: Decrease the number of charter schools meeting the General Assembly's definition of Low Performing (School Performance Grade of D or F and a school growth score of "met expected growth" or "not met expected growth").
- Measure 2.4.4b: Decrease the number of charter schools meeting the General Assembly's definition of Continually Low Performing (Identified as Low Performing two out of the last three school years).

The State Board of Education updated its strategic plan and goals effective August 2019. Starting with the 2019-2020 school year, the goal most applicable to the Charter Schools Performance Framework is:

- *Goal 2: Improve school and district performance by 2025.*
 - *Objective 8: Increase the number of charter schools meeting academic, operational, and financial goals.*

In addition, the following goal and objective pertains to charter schools:

- *Goal 1: Eliminate opportunity gaps by 2025.*
 - *Objective 7: Increase the number of charter schools providing equitable access to economically disadvantaged students or reflecting the LEA in which they are located.*

Over the last several years, the use of weighted lotteries to increase economic diversity within charter schools has increased. Currently there are twenty-six charter schools with approved weighted lottery policies. The thirty-four schools recommended to receive NC ACCESS subgrants (Cohort Two) will also implement a weighted lottery as part of the program's mission to support the development, expansion, and replication of high-quality charter schools in North Carolina that demonstrate a commitment to increase access for educationally disadvantaged students.

ACADEMIC MEASURES

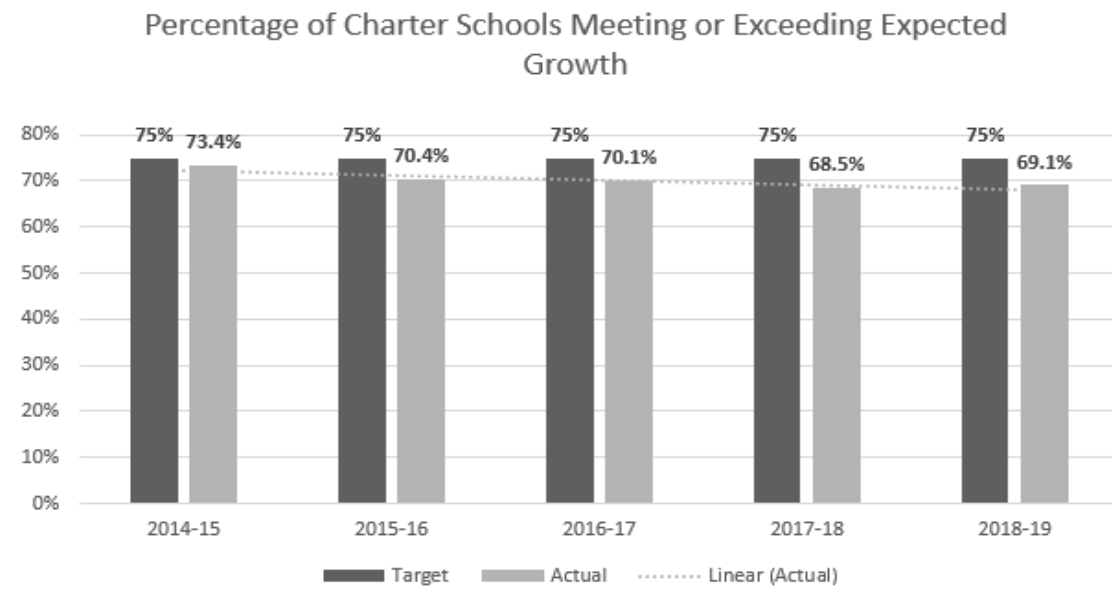
1. Percentage of charter schools receiving a School Performance Grade of an A or B

79 of 178 (44.4%) of charter schools received a School Performance Grade of an A or B. This calculation does not include two (2) schools that did not have tested grades in 2018-19 and four (4) schools participating in the Alternative Schools' Accountability Model. The targeted measure value was 43.5%. In reporting years prior to 2017-18, statute measured charter school proficiency as being at 60% or above and starting the 2017-18 academic year it was changed to measure charters the same as traditional public schools.

2. Percentage of charter schools meeting or exceeding expected annual academic growth

123 of 178 (69.1%) of charter schools met or exceeded expected growth for 2018-19. This calculation does not include six (6) schools that did not have growth measures reported for 2018-19. The targeted measure value was 75.0%. The percentage of schools meeting this measure has shown a slight increase below target over the previous three reporting years. A four-year trend of this measure is represented by *Figure A* below.

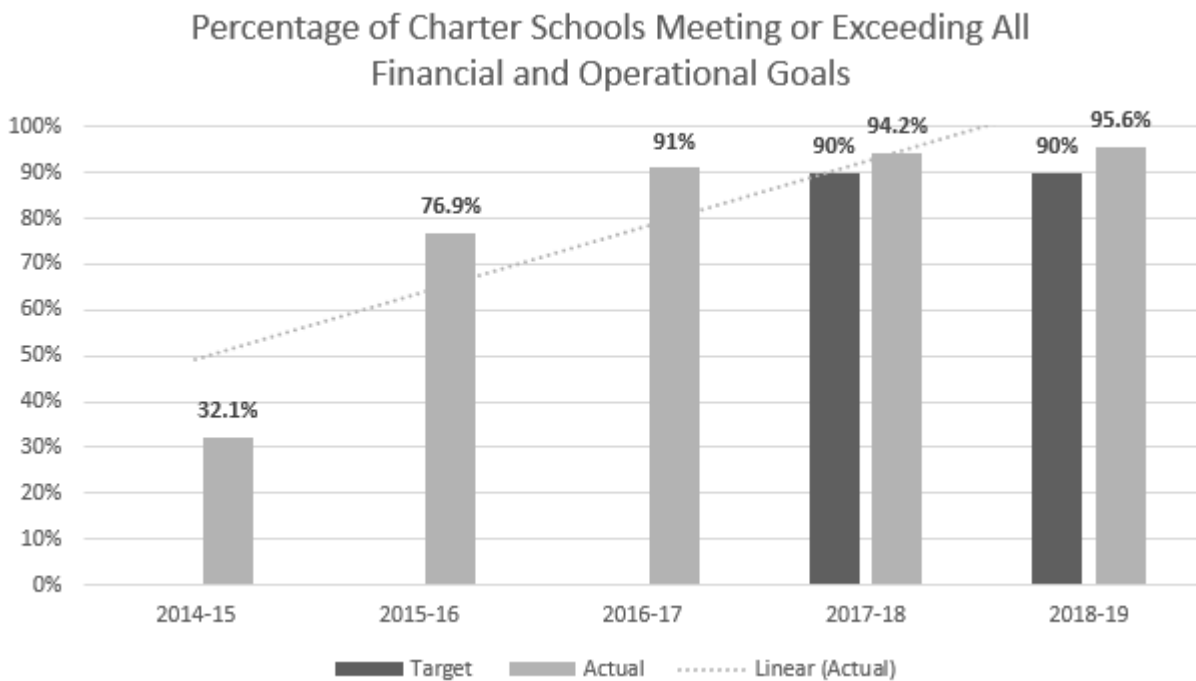
Figure A. Charter school growth measures



3. Percentage of charter schools meeting or exceeding all financial and operational goals as measured by the Office of Charter School's performance framework

174 of 182 (95.6%) of charter schools met or exceeded all financial and operational goals. This calculation does not include two charter schools that closed prior to the conclusion of 2018-19. Of the 182 operating charter schools, the 174 that met or exceeded all financial and operational goals achieved over 80% compliance in operation criteria and 100% compliance in the financial criteria of the Framework. The SBE target for this measure was 90%. This steady improvement accompanied the increase in rigor of monitoring for criteria compliance and only one opportunity for correction with OCS staff monitored indicators. OCS staff provides ongoing support and guidance, as well as professional development opportunities, with the goal of assisting charter schools in financial and operational compliance. A four-year trend of this measure is show in *Figure B* below.

Figure B. Percentage of Charter Schools Meeting or Exceeding All Financial and Operational Goals



4. Charter schools meeting the General Assembly’s definition of Low Performing (School Performance Grade of D or F and a school growth score of “met expected growth” or “not met expected growth”)

40 of 182 (22%) applicable charter schools met the General Assembly’s definition of Low Performing, having earned either a School Performance Grade of D or F and a school growth score of “met expected growth” or “not met expected growth.” *Table 1* below shows a three-year trend of charter schools designated as Low Performing.

Table 1. Low performing charter schools

Academic Year	Targeted	Actual
2016-17	N/A	37
2017-18	25	28
2018-19	25	40

5. Charter schools meeting the General Assembly’s definition of Continually Low Performing (Identified as Low Performing two out of the last three school years)

37 of 182 (20%) applicable charter schools met the General Assembly’s definition of Continually Low Performing, having been identified as Low Performing two out of the last three school years. *Table 2* below shows a three-year trend of charter schools designated as Continually Low Performing.

Table 2. Continually low performing charter schools

Academic Year	Targeted	Actual
2016-17	10	20
2017-18	9	28
2018-19	9	37

Table 3. State Board of Education Strategic Plan: Goals and Measures for Charter Schools

Measure		2015-16		2016-17		2017-18		2018-19	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
2.4.1	Percentage of Charter Schools receiving a School Performance Grade (SPG) of an A or B	N/A	-	N/A	-	43.5%	41.7%	43.5%	44.4% ¹
2.4.2	Percentage of charter schools meeting or exceeding expected annual academic growth	75.0%	70.4%	75.0%	70.1%	75.0%	68.5%	75.0%	69.1% ²
2.4.3	Percentage of charter schools meeting or exceeding all financial and operational goals as measured by the Office of Charter School's performance framework	N/A	76.9%	N/A	91.0%	90.0%	94.2%	90.0%	95.6% ³
2.4.4a	Decrease the number of charter schools meeting the General Assembly's definition of Low Performing ⁴	N/A	-	N/A	37	25	28	25	40
2.4.4b	Decrease the number of charter schools meeting the General Assembly's definition of Continually Low Performing ⁵	N/A	-	10	20	9	28	9	37

¹ This calculation does not include six (6) schools that did not receive a SPG of A-F in 2018-19.

² This calculation does not include six (6) schools that did not have a growth score in 2018-19.

³ This calculation does not include two (2) schools that closed in 2018-19.

⁴ Defined as having a SPG of D or F and a school growth score of "met expected growth" or "not met expected growth."

⁵ Defined as being identified as Low Performing two out of the last three school years.

2018-19 PERFORMANCE FRAMEWORK TREND ANALYSIS

In 2014-15, the Department of Public Instruction's Office of Charter Schools (OCS) created the annual Performance Framework to serve as the standard mechanism for reporting on progress toward achievement of the State Board's goal to increase the number of charter schools meeting academic, operational, and financial goals. The Framework provides a consolidated view of each charter school's performance relative to operational, financial, and academic criteria. The operational and financial elements of the Framework are all requirements outlined in General Statute, State Board policy, or the Charter Agreement. The academic elements align with the goals outlined in the Strategic Plan of the State Board of Education along with requirements of comparable measures to the LEA as adopted by the Charter Schools Advisory Board.

The Performance Framework reports on 46 different indicators around operational, financial, and academic measures. Of the 46 different reported indicators, schools were measured against a maximum of 41 criteria. Some measurements were not applicable to all schools, such as required EMO/CMO reporting, posting of previous performance scores for 1st year schools, the renewal criteria, and other measurements that simply did not yield a data point for some schools, such as various criteria for testing subgroups. Most charter schools were measured on a range of criteria between 29 - 40 measures.

OPERATIONAL AND FINANCIAL MEASURES

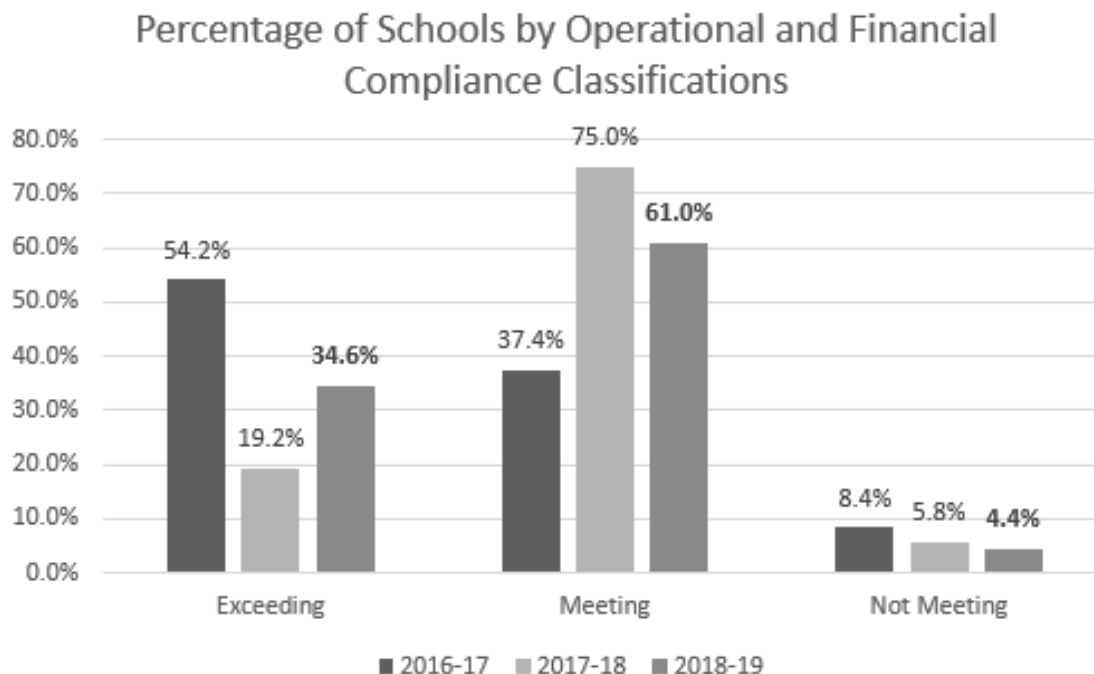
1. Number of schools obtaining 80% or higher compliance with operational and financial measures

180 of 182 operating charter schools, or 99%, achieved at or above 80% compliance with operational measures but 6 of those schools missed on financial measures, making it 95.6% total on the Performance Framework. We take financial compliance very seriously even though this result surpasses the SBE combined target of 90%. Charter schools placed on financial non-compliance have restricted access to ADM funding withdrawals as a means of protecting taxpayer dollars and to incentivize the improvement of financial management practices at the school level. *Table 4* below shows the number of charter schools achieving various levels of compliance percentages and a classification of exceeding goals, meeting goals, or not meeting goals. *Figure C* provides a three year trend of charter schools in each classification.

Table 4. Operational and Financial Compliance as Measured by the Performance Framework

Compliance	2017-18 Framework		2018-19 Framework		Classification
	Number of Schools	Percent of Schools	Number of Schools	Percent of Schools	
100%	33	19.2%	63	34.6%	Exceeding Goals
80 - 99%	129	75%	111	61%	Meeting Goals
0 - 79%	10	5.8%	8	4.4%	Not Meeting Goals

Figure C. Operational and Financial Compliance Percentages



2. Number of schools obtaining 80% or higher goals met by measurement category

This section provides accountability percentages for charter schools based on the four main categories of the Performance Framework. The four measurement categories include operational criteria, renewal criteria, financial criteria, and academic outcomes. For each section, the number of charter schools achieving at or above 80% of standards met is reported. The compliance percentage is calculated for each school by the number of criteria measures met divided by the total number of criteria the school was measured against for the given category.

Operational Annual Monitoring Criteria

117 of 182 charter schools, or 64%, achieved at or above 80% but less than 100% success in the category of operational annual monitoring criteria. Of the 117 schools, 70 had been in operation for less than 10 years and 47 had been in operation for 10 or more years. Of the 63 schools that exceeded expectations, 24 had been in operation for less than 10 years and 39 had been in operation for 10 or more years. Of the 2 schools not meeting expectations, 1 was younger and 1 older than 10 years. All charter schools were measured against a maximum of 21 criteria, of which some were not applicable to all schools. *Table 5* shows the breakdown of charter schools reaching various percentage levels of accountability along with the classification of either exceeding, meeting, or not meeting goals.

Table 5. Charter School Accountability Results with Operational Annual Monitoring Criteria

Results	2017-18 Framework		2018-19 Framework		Classification
	Number of Schools	Percent of Schools	Number of Schools	Percent of Schools	
100%	33	19.2%	63	35%	Exceeding Goals
80 - 99%	129	75%	117	64%	Meeting Goals
0 - 79%	10	5.8%	2	1%	Not Meeting Goals

Operational Renewal Monitoring Criteria

20 of 20 charter schools, or 100%, with a renewal year of 2020 achieved at or above 80% compliance in the category of operational renewal monitoring criteria. The 2020 renewal charter schools were measured against a maximum of 7 criteria, of which some were not applicable to all the renewal schools. *Table 6* shows the number of 2020 renewal charter schools reaching various percentage levels of compliance along with the classification of exceeding, meeting, or not meeting goals.

Table 6. Charter School Accountability Results with Renewal Monitoring Criteria

Results	2017-18 Framework		2018-19 Framework		Classification
	Number of Schools	Percent of Schools	Number of Schools	Percent of Schools	
100%	31	91.2%	19	95%	Exceeding Goals
80 - 99%	3	9%	1	5%	Meeting Goals
0 - 79%	0	0%	0	0%	Not Meeting Goals

Financial Compliance

175 of 182 operating charter schools, or 96.2%, achieved 100% success in the category of financial compliance. Two (2) schools were placed on Probationary Status and five (5) schools were placed on Disciplinary Status. The causes of financial noncompliance may include Significant Student Accounting Issues or Significant Signs of Financial Insolvency including Notice of Going Concern. These can be results of inadequate Powerschool data management and/or low enrollment numbers. Charter schools placed on financial non-compliance have restricted access to ADM funding withdrawals as a means of protecting taxpayer dollars and to incentivize the improvement of financial management practices at the school level.

Academic Outcomes

112 of 182 charter schools (including the two that closed but not including two that are governed under alternative accountability models), or 61.5%, met at or above 80% of academic outcomes criteria. Section D of the Framework contained 14 criteria, of which 12 provided comparable

measures where each school could be rated as “met” or “not met.” The 12 measured criteria were not all applicable to all schools, depending on the presence of reportable data points for subgroup performance, growth, and school performance grades. *Table 7* shows the number of charter schools reaching various percentage levels of compliance along with the classification of exceeding, meeting, or not meeting goals.

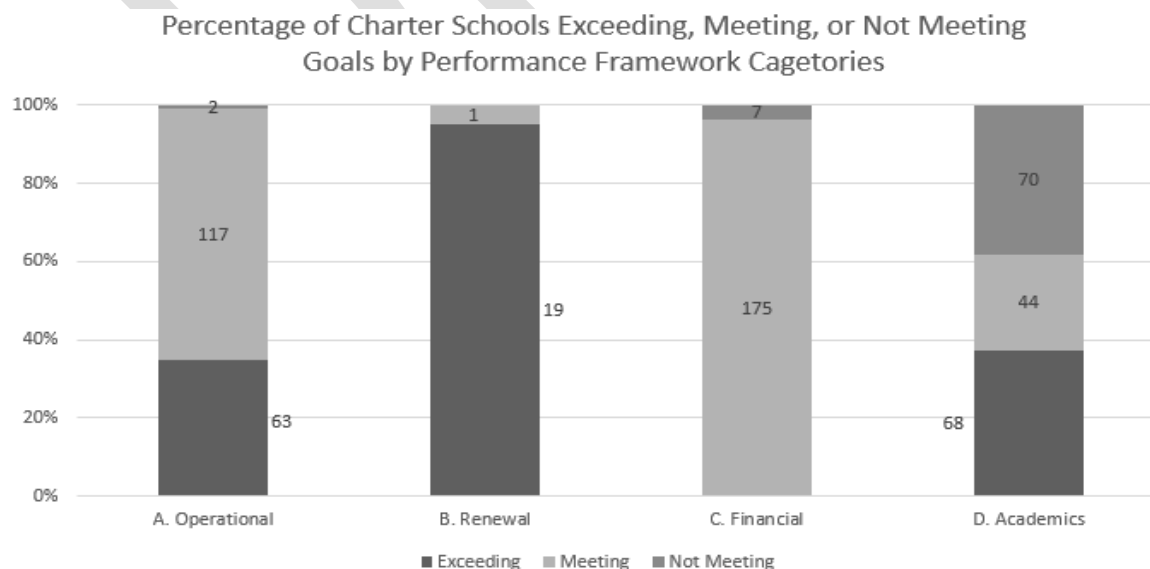
Table 7. Charter School Academic Outcomes Criteria

Compliance	2017-18 Framework		2018-19 Framework		Classification
	Number of Schools	Percent of Schools	Number of Schools	Percent of Schools	
100%	46	27.1%	68	37.36%	Exceeding Goals
80 - 99%	57	33.5%	44	24.17%	Meeting Goals
0 - 79%	67	39.4%	70	38.46%	Not Meeting Goals

OVERALL PERFORMANCE

Figure D provides a visual of the percentage of schools exceeding, meeting, or not meeting goals in each category of the Performance Framework. For the categories of Operational, Renewal, and Financial, the classification of *exceeding goals* indicates that charter schools were 100% compliant, the classification of *meeting goals* indicates that charter schools were between 80 – 99% compliant, and the classification of *not meeting goals* indicates that charter schools were below 80% compliant. For the category of Academics, the classification of exceeding goals indicates the operating charter schools met 100% of academic criteria, the classification of meeting goals indicates the operating charter schools met 80 – 99% of academic criteria, and the classification of not meeting goals indicates the operating charter schools met less than 80% of academic criteria.

Figure D. Overall Charter School Performance by Performance Framework Category



Number of individual measure criteria with 80% or higher accountability success

This section analyzes the number and percentage of charter schools that are meeting the measure criteria for each section of the Performance Framework. The four measurement categories include 21 operational criteria, 7 renewal criteria, 1 financial criterion, and 12 academic outcomes. Each section of analysis below provides the number of criteria that yielded at or above 80% of charter schools rated as compliant or meeting criteria. The percentage of charter schools compliant for each criterion was calculated by the number of schools rated compliant divided by the total number of schools measured against the criterion.

Section: A. Operational Annual Monitoring

14 of 21 criteria yielded a charter school compliance percentage between 80% and 100%. Of the 21 Operational criteria, 6 criteria measured as having 100% of charter schools in compliance. The 2 lowest areas of compliance, both applicable to all 182 operating schools, were *A7. Official funded ADM is within 10% of projected* (80.76%), and *A17. Compliance with all health and safety requirements* (50.55%). The vast majority of A17 issues were related to the questions on the annual charter school self-study. Smaller charter schools have often used an administrative assistant to fill out the Annual Charter Schools Health report who may not fully understand all the expectations of the self-report, even if the school has all of the DHHS requirements in place. The Office of Charter Schools and the DHHS Charter Schools Nurse Consultant have been working closely together over the past year to provide more frequent and proactive professional development and guidance to charter schools regarding the expectations of the Department of Health and Human Services.

Section: B. Operational Renewal Monitoring

7 of 7 criteria yielded a compliance percentage of 80% or greater. Of the 7 criteria, 6 produced 100% renewal charter school compliance and 1 produced greater than 80% renewal charter school compliance. The one area missed by 1 school was *B2. The school has student promotion requirements that match the approved charter application or approved charter application amendments*. (95%).

Section: C. Financial Compliance

1 of 1 criterion yielded a percentage of 80% or greater of all charter schools in compliance. 175 of 182 (96%) of all charter schools are meeting financial goals. Two (2) schools were placed on Probationary Status and five (5) schools were placed on Disciplinary Status. The causes of financial noncompliance may include Significant Student Accounting Issues or Significant Signs of Financial Insolvency including Notice of Going Concern. These can be results of inadequate Powerschool data management and/or low enrollment numbers. Charter schools placed on financial non-compliance have restricted access to ADM funding withdrawals as a means of protecting taxpayer dollars and to incentivize the improvement of financial management practices at the school level.

Section: D. Academic Outcomes

Comparable academic performance is measured by the Performance Framework as the charter school seeing no less than 5% of the proficiency of the targeted subgroup as compared to the average subgroup proficiency of the local district. 6 of 12 criteria yielded 70% or greater of charter schools meeting the measure. Of the 12 criteria, 2 criteria produced less than 65% of charter schools meeting the measure and 3 criteria produced between 65 – 70% of charter schools meeting the measure. One criterion below 60% was measuring the comparable performance of American Indian students. 10 of the 17 charter schools that served a significant population of the subgroup met this measure. It should be noted that 74 schools who served between 1 and 10 American Indian students were not counted in this measure in accordance with FERPA requirements and DMG policy and out of consideration for relevant comparisons. Only student subgroups containing more than 10 students were considered in these 12 calculations.

D1. The charter school has a school performance grade of C or better.

- 133 out of 178 (75%) schools met this goal.
- 59 who met goal were operating in years 1-9 and 74 were operating in years 10+.

D2. The charter school met or exceeded expected growth.

- 123 out of 178 (69%) schools met this goal.
- 54 who met goal were operating in years 1-9 and 69 were operating in years 10+.

D5. Performance Composite GLP is comparable to the LEA.

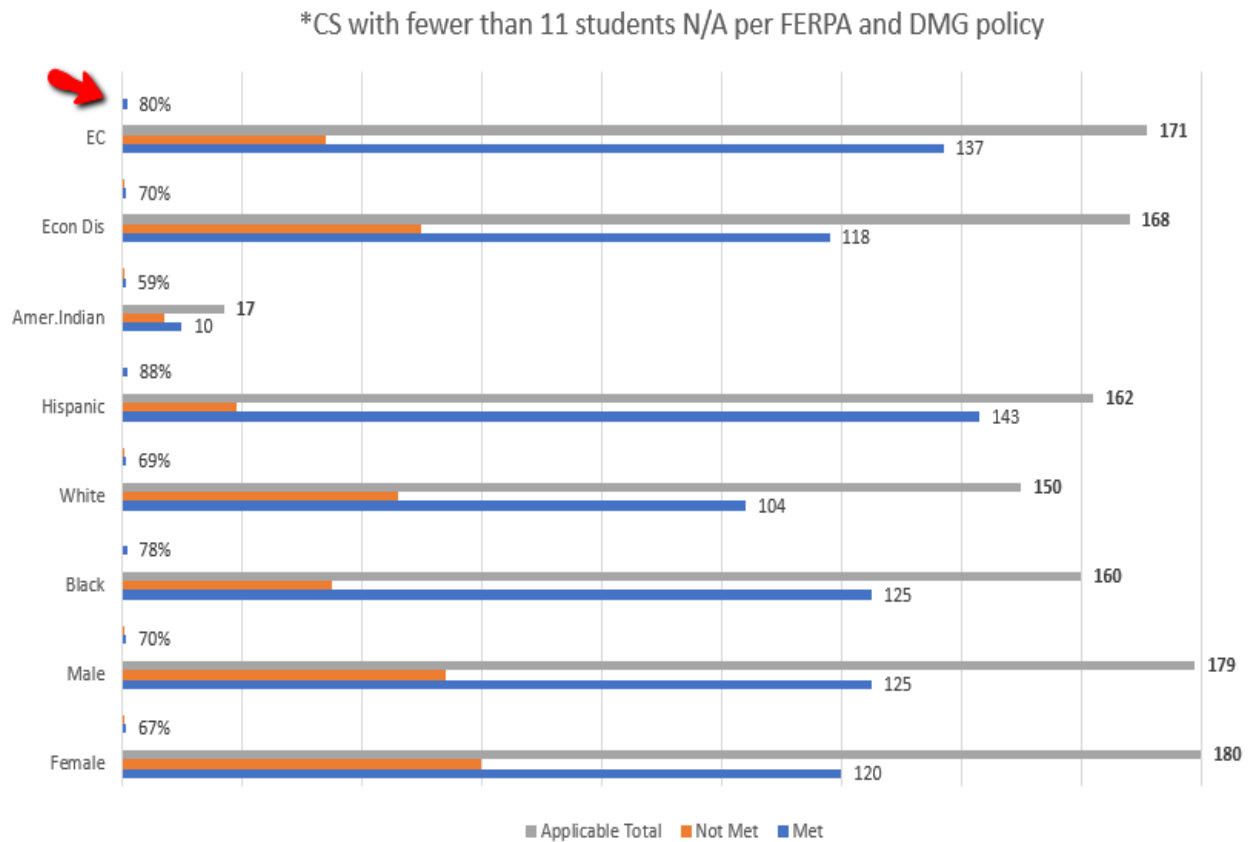
- 125 out of 182 (69%) schools met this goal.
- 56 who met goal were operating in years 1-9 and 69 were operating in years 10+.

D6. Performance Composite CCR is comparable to the LEA.

- 118 out of 182 (65%) schools met this goal.
- 51 who met goal were operating in years 1-9 and 67 were operating in years 10+.

The results of the other 8 measures are displayed in *Figure E*. These are the percentages of charter schools who have significant populations of exceptional children, economically disadvantaged, American Indian, Hispanic, white, black, male and female student populations, respectively. The goal of the measure is to be comparable (no more than 5% below) to the average of the local school district proficiency of each subgroup.

Figure E. Comparable Academic Performance by Relevant Demographic



School Performance Grade data and trends

The trend of School Performance Grades for charter schools over the past four years shows a growth of the percent of all charter schools attaining a grade of C or better and a decrease in the percent of charter schools attaining a grade of D or F. *Table 8* shows a four-year trend of School Performance Grades by each grade, providing the number and percentage of charter schools attaining the letter. *Table 9* shows a comparison of the percentage of charter schools obtaining a C or better and those receiving a D or F over the last four academic years. The trend shows that the number of schools receiving a School Performance Grade of C or better is slightly increasing over time despite a slight decrease from 2018 to 2019, while the percentage of schools receiving a D or F is slightly decreasing despite a slight increase from 2018 to 2019.

Table 8. School Performance Grades Over Four Years

	2015 – 16		2016 – 17		2017 – 18		2018 – 19	
Grade	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
A ^{+NG}	12	7.7%	11	6.7%				
A	5	3.2%	5	3.1%	15	8.9%	20	11.2%
B	45	29.0%	55	33.7%	55	32.7%	59	33.1%
C	50	32.3%	51	31.3%	60	35.7%	53	29.8%
D	29	18.7%	28	17.2%	29	17.4%	33	18.5%
F	14	9.0%	13	8.0%	8	4.8%	13	7.3%
Total	155		163		167		178	

*Due to rounding, the percent of schools may not total 100%.

*Total number of schools reflect performance grades given to charters in the given year, 6 schools that follow the Alternative Accountability Model or do not serve tested grades are not included in the total. The 2 schools that closed at the end of 2019 are included, both F.

Table 9. Percentage of School Performance Grades Over Four Years

	2015 – 16	2016 – 17	2017 – 18	2018 – 19
Percentage of C or Better Charter Schools	72.3%	74.8%	77.8%	75%
Percentage of D and F Charter Schools	27.7%	25.2%	22.2%	25%

A Brief Update on the Performance of Our 2 NC Virtual Charter Schools

NC Cyber Academy (00A, formerly NC Connections Academy) and NC Virtual Academy (00B) are the two virtual charter schools authorized by the General Assembly in [Session Law 2014-100](#) for a four-year pilot program ending with the 2017-18 school year.

The pilot was extended for another four years in [Senate Bill 99](#) and now extends through the 2022-23 school year.

The two virtual charter schools are subject to the same statutes, policies, and laws that apply to brick and mortar charter schools. NC Cyber Academy and NC Virtual Academy are monitored for annual compliance through the Office of Charter School's Performance Framework. In addition, the virtual charter schools have engaged with the OCS and the CSAB through the following:

- Annual presentations to the CSAB regarding academic status and school improvement plans;
- Requests for data including enrollment, attendance, and withdrawal data; and
- NC Cyber Academy appears before and submits monthly reports to the CSAB as part of the management company termination amendment stipulation.

Virtual Charter Schools – Academic Performance

North Carolina Cyber Academy and North Carolina Virtual Charter School have maintained proficiencies of D and failed to make growth over the four years of their operation. *Figure F* shows the four-year trends in Student Performance Grades and Growth for both virtual charter schools.

Figure F. Virtual Charters Overall Proficiency and Growth

NC Cyber Academy (00A)

Cyber	SPG	Growth
2016	D	Not met
2017	D	Not met
2018	D	Not met
2019	D	Not met

NC Virtual Academy (00B)

Virtual	SPG	Growth
2016	D	Not met
2017	D	Not met
2018	D	Not met
2019	D	Not met

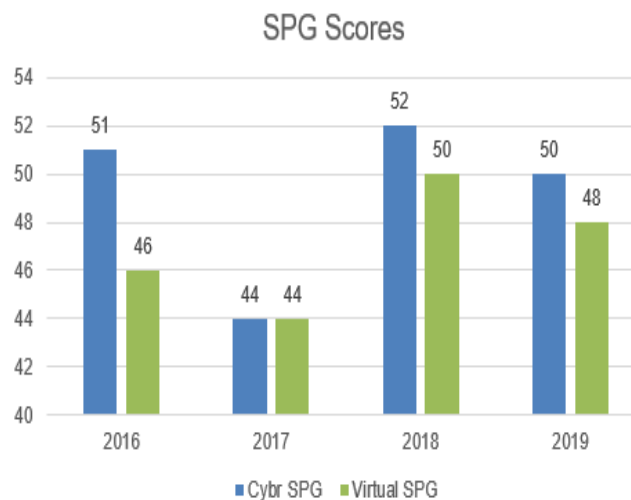
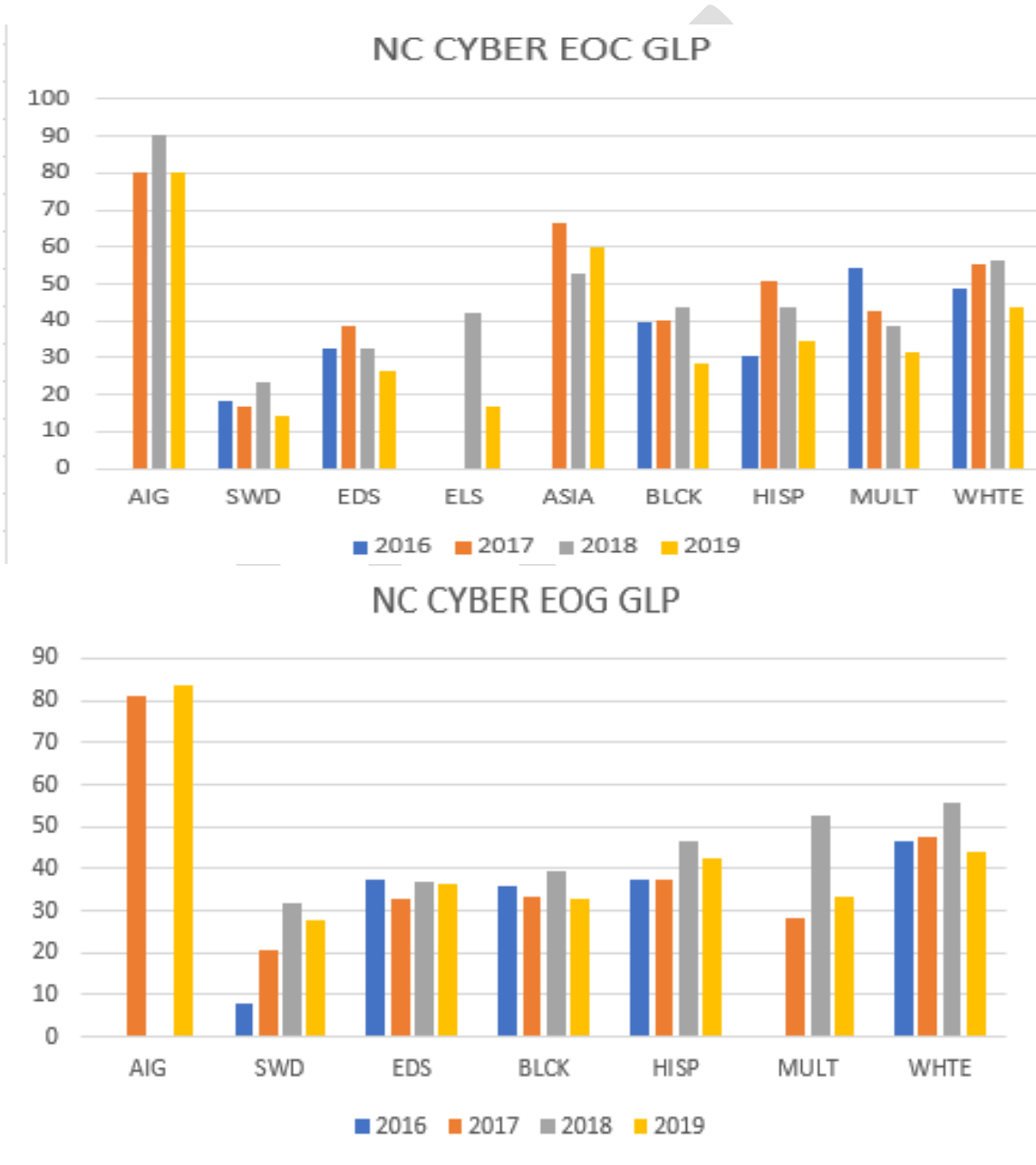


Figure G shows the four-year trends in proficiency among Academically & Intellectually Gifted, Students with Disabilities, Economically Disadvantaged Students, English Learning Students, Asian, Black, Hispanic, Multiracial, and White students. Note that the minimum number of scores needed to report data is 10. If the data contains less than 10 scores (students), the data is masked or not provided.

Figure G. Virtual Charters Performance by Subgroup



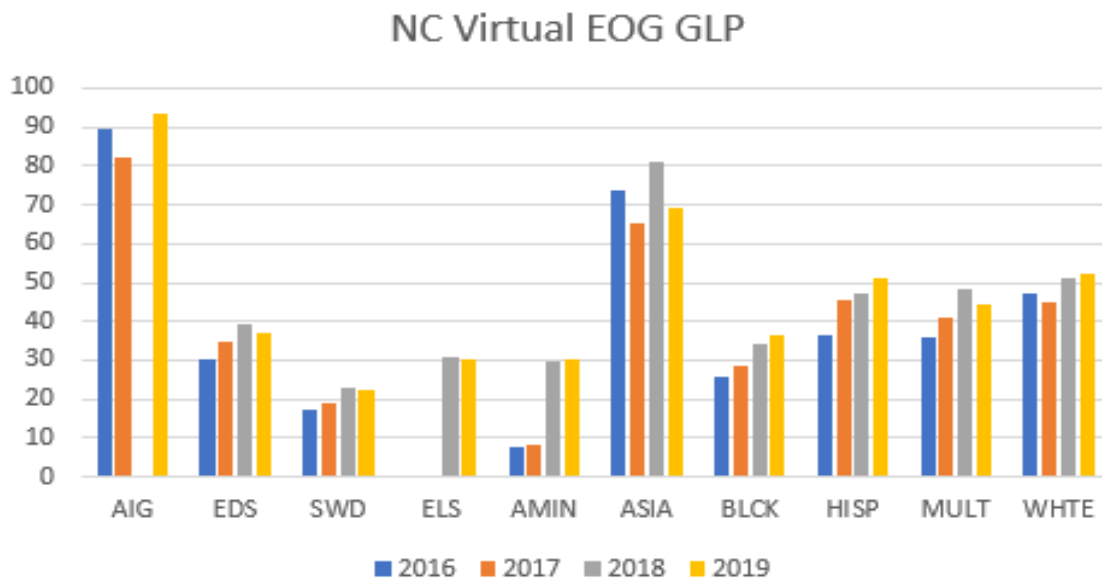
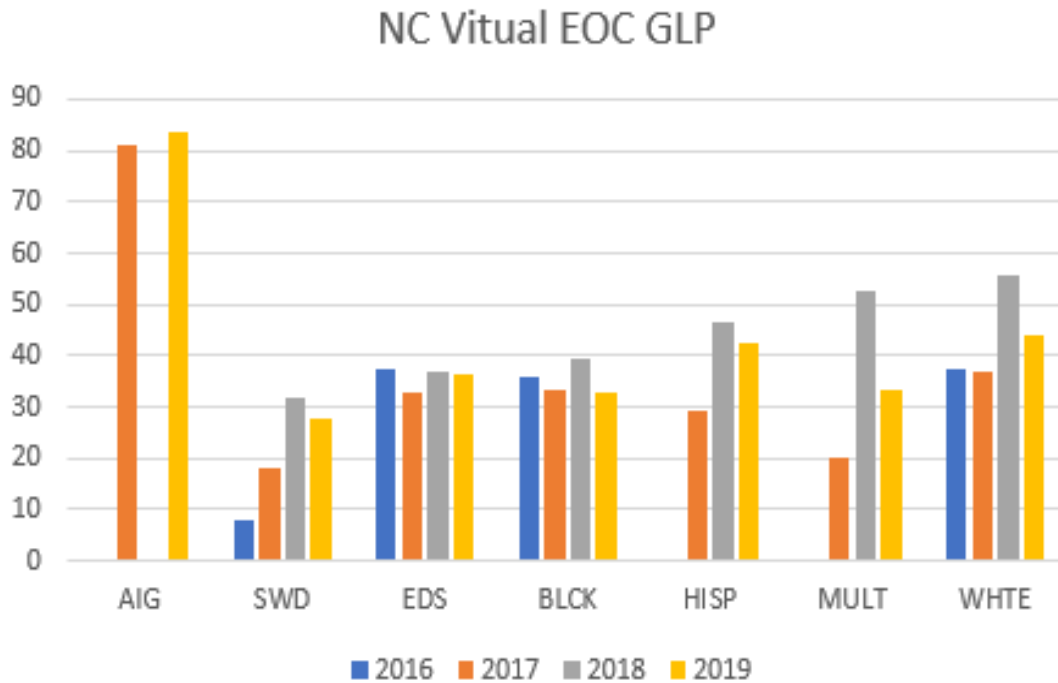
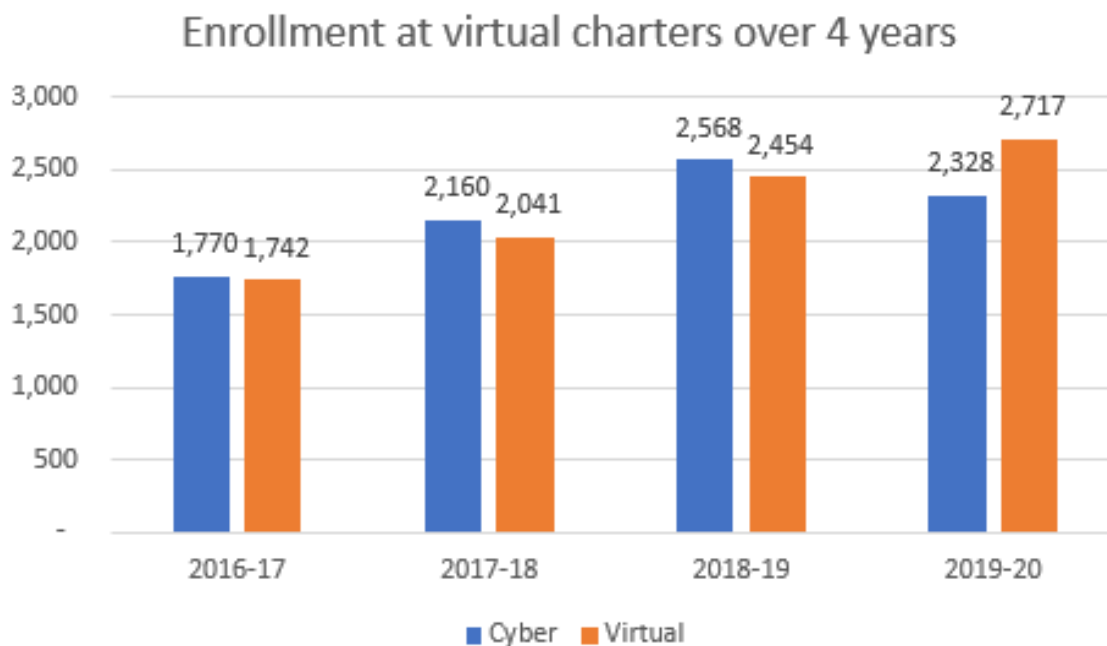


Figure H shows the virtual charters enrollment figures. These numbers are derived from Month Five reporting from NCDPI Financial School Business data.

Figure H. Virtual Charters Enrollment By Reporting Year



CONCLUSION

Overall, charter schools are making gradual gains in increasing performance trends as measured by the State Board of Education Goals and Measures.

The area needing most improvement is the number of low performing and continually low performing charter schools. The year prior, 2017-2018, saw a decrease in low performing charter schools from 37 to 28. With no standardized academic data for the 2019-2020 school year, it will be difficult to determine trends or if the 2018-2019 increase in low performing schools was an anomaly.

The two performance measures that show the most progress are:

- The increasing percentage of charter schools with a grade of an A or B from 41.7% to 44.4%, surpassing the target percentage of 43.5%.
- The second consecutive year of surpassing the 90% target of charter schools meeting or exceeding all financial and operational goals, with a total of 95.6%.

There were improvements in charter schools meeting or exceeding expected growth, the number of charter schools receiving an A, B, or C increasing from 130 to 132, and a significant majority of charter schools meeting all academic comparability goals.

The mission of the NC Office of Charter Schools is to sustain the success of quality charter schools through operations, compliance, and support. Working closely with the Charter Schools Advisory Board, the various workflows provide guidance, training, and accountability to charter school leaders across the state with the goal of yielding continuous improvements in opportunity for all North Carolina students.

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