



The School District of Philadelphia Charter Schools Office’s Charter School Performance Framework includes three domains: (1) Academic Success, (2) Organizational Compliance and Viability and (3) Financial Health and Sustainability. Each Domain contains categories and a corresponding number of standards within each category.

The domains, categories and standards of the Charter School Performance Framework are evaluated both annually through an Annual Charter Evaluation (ACE) and prior to renewal of a Charter through a Renewal Recommendation Report. While the domains and categories remain consistent across report types, there are additional standards within the categories of organizational compliance and viability and financial health and sustainability that are evaluated during the comprehensive review as part of the renewal evaluation process.

Academic Success Domain

The Academic Success domain includes four categories: proficiency, growth, attendance and postsecondary readiness (for charter schools serving high school grades). Proficiency includes one standard, growth includes two standards, attendance includes two standards and postsecondary readiness includes three standards. These standards and the associated point allocations are detailed below.

Category 1: Proficiency		
Standard 1	PSSA/Keystone proficiency rates at or above the District average and at or above the similar schools ¹ average for the same grades served by the school.	
	ES/MS/K8	HS
Point Allocation	PSSA Math and ELA: 2 points per subject per year if meets or exceeds District average and 2 points per subject per year if meets or exceeds similar schools average. PSSA Science: 1 point per year if meets or exceeds District average and 1 point per year if meets or exceeds similar schools average.	Keystone Algebra I, Literature and Biology: 1.25 points per subject per year if meets or exceeds District average and 1.25 points per subject per year if meets or exceeds similar schools average.
Total Proficiency Points Possible	40 Points	30 Points
Sources	PSSA/Keystone data in math/Algebra I, ELA/Literature and science/Biology provided by PDE. PSSA results also include all PASA and PSSA-M results and are for all test takers by school year. Keystone proficiency rates are based on the banked 11 th grade accountability method.	
References	PA Charter Law, Chapter 5 PA Public School Code, Case Law, ESSA	

¹School performance will be compared against its *similar schools group*, a unique set of schools (minimum n=5) whose student demographics in rate of poverty, special education and English Learners are similar to the subject school. Generally speaking, the similar schools comparison group will be comprised of all schools (for District operated schools, only those without academic admission criteria) that fall in the following range relative to the subject school: +/- 10 percentage points poverty, +/- 5 percentage points special education and +/- 7.5 percentage points English Learners. If fewer than five schools meet the criteria, the similar schools comparison group will include the next nearest demographically similar school(s) to reach a set of five schools for comparison to the subject school.

Category 2: Growth

Category 2: Growth		
Standard 1	Overall annual growth as on PSSA/Keystone meets or exceeds the statewide growth standard.	
	ES/MS/K8	HS
Point Allocation	PSSA Math and ELA: 2.5 points per subject per year if AGI of -1.0 or better. PSSA Science: 1.25 points per year if 4 th grade AGI of -1.0 or better. 1.25 points per year if 8 th grade AGI of -1.0 or better.	Keystone Algebra I, Literature and Biology: 1.875 points per subject per year if AGI of -1.0 or better.
Points Possible	30 Points	22.5 Points
Standard 2	Lowest performing student annual growth as on PSSA/Keystone meets or exceeds the statewide growth standard. ²	
Point Allocation	PSSA Math and ELA: 1 point per subject per year if AGI of -1.0 or better. PSSA Science: 0.25 point per year if 4 th grade AGI of -1.0 or better. 0.25 point per year if 8 th grade AGI of -1.0 or better.	Keystone Algebra I, Literature and Biology: 0.625 point per subject per year if AGI of -1.0 or better.
Points Possible	10 Points	7.5 Points
Total Growth Points Possible	40 Points	30 Points
Sources	Average Growth Index (AGI) scores and PVAAS scores provided by PDE for all tested subjects.	
References	PA Charter Law, Chapter 5 PA Public School Code, Case Law, ESSA	

²For the 2017-18 School Year, PDE provides this metric for the lowest 33% of students. In prior years, PDE provided this metric for the lowest 20% of students. The CSO utilizes PDE's definition of lowest performing student group.

Category 3: Attendance	
Standard 1	Percentage of students attending 95% or more instructional days is at or above the District average and at or above the similar schools average.
Point Allocation	1.25 points per year each if meets or exceeds District average or similar schools average.
Points Possible	10 Points
Standard 2	Percentage of students attending less than 90% of instructional days is at or below the District average and at or below the similar schools average.
Point Allocation	1.25 points per year each if at or below District average or similar schools average.
Points Possible	10 Points
Total Attendance Points Possible	20 Points
Sources	Student absences are provided to the CSO by each charter school via the annual data packet. Students' days enrolled are obtained through enrollment records that charter schools input into the District's student information system.
References	PA Charter Law, Chapter 5 PA Public School Code, Case Law, ESSA

Category 4: Postsecondary Readiness (High Schools Only)	
Standard 1	4-year cohort graduation rates are at or above the District average and at or above the similar schools average.
Point Allocation	1.5 points per year if meets or exceeds District average and 1.5 points per year if meets or exceeds similar schools average. Charter school's graduation rate in each year beginning in the 2017-2018 school year must exceed 67% in order to receive any points.
Points Possible	12 Points
Standard 2	ACT/SAT college readiness rates are at or above District or similar schools averages.
Point Allocation	0.5 points per year each if meets or exceeds District or similar schools averages.
Points Possible	4 Points
Standard 3	First-fall college matriculation rates are at or above the District average or similar schools average.
Point Allocation	0.5 points per year each if meets or exceeds District or similar schools averages.
Points Possible	4 Points
Total Postsecondary Readiness Points Possible	20 Points
Sources	All calculations are based on student records input by the Charter School into the School District of Philadelphia's student information system. The following data are provided to SDP via the following sources: ACT is provided via the ACT; SAT is provided via the College Board; Matriculation data is provided via the National Student Clearinghouse.
References	PA Charter Law, Chapter 5 PA Public School Code, Case Law, ESSA

Academic Success Domain Rating

Total points received out of total points possible is calculated. The amount of possible points per category and standard is intentional to weight each category differently in the resulting total possible points. The points possible by category may vary based on the data available and years evaluated for a particular school. The overall rating in Academic Success is based on the percentage of points earned.

Domain Rating	Percentage of Points Earned
Meets Standard	> 75%
Approaches Standard	45% to 75%
Does Not Meet Standard	< 45%

Example School A - High School:

	Category Weight	HS Points Received	HS Points Possible
Proficiency	30%	15	30
Growth	30%	15	30
Attendance	20%	17.5	20
Postsecondary Readiness	20%	16	20
Total Points		63.5	100
% of Points Received		63.5%	
Academic Success Rating		Approaches Standard	

Organizational Compliance and Viability Domain

The Organizational Compliance and Viability domain includes nine categories: Mission and Educational Plan; Special Education; English Learners; Enrollment; Student Discipline; Personnel; Food, Health and Safety; Board Governance; and Timely Reporting. As below, standards shaded in gray are only evaluated at renewal. Best practice standards, shaded in orange below, do not impact the Organizational Compliance and Viability domain rating at renewal but may be included as informational in a Renewal Recommendation Report. A finding of non-compliance in any non best practice organizational standard shall be made consistent with Applicable Laws.

Category 1: Mission and Educational Plan

Standard	Description	Legal Reference	Evidence Sources
Instructional Program and Mission Execution	The school consistently implements its stated mission and material components of the school’s academic and instructional program as in the educational plan.	Section 1702 and 1717 of Charter School law	Site Visit Observations, Renewal Application, Supplemental Artifacts
School Climate and Culture Execution	The school consistently implements its stated mission and material components of the school’s climate and culture as in the educational plan.	Section 1702 and 1717 of Charter School law	Site Visit Observations, Renewal Application, Supplemental Artifacts
Parent and Family Engagement	The school has opportunities and systems in place to engage families in the school and solicit their feedback.	Section 1702 and 1717 of Charter School law	Renewal Application, Supplemental Artifacts

Category 2: Special Education

Standard	Description	Legal Reference	Evidence Sources
Child Find Notice	The school’s website has a child find policy that includes language regarding required public awareness and systemic screening activities.	Chapter 711	School Website
Screening	The school has implemented and can provide evidence of universal screening and/or initial assessments to determine levels of student achievement and behavior.	Chapter 711	Site visit evidence of student referral forms or initial assessment data
Monitoring	The school has implemented and can provide evidence of ongoing assessment and progress monitoring to provide information on students’ learning progress and behavioral outcomes.	Chapter 711	Site visit evidence of school-wide system to monitor progress
Tiered Instruction	The school has implemented and can provide evidence of a multi-tier approach to differentiate instruction and implement academic and behavioral interventions.	Chapter 711	Site visit evidence of school-wide tracker or meeting notes
IEP Progress Monitoring	The school provides evidence of how students’ progress towards meeting annual IEP goals is tracked.	Chapter 711	BSE Cyclical Monitoring Report

Category 2: Special Education (Continued)			
Standard	Description	Legal Reference	Evidence Sources
Secondary Transition	If applicable, for all students ages 14-21, the IEP includes transitional services.	Chapter 711	BSE Cyclical Monitoring Report
IEP Timeliness	Valid IEPs are in place with evidence of required signatures from members of the Individualized Education Program team.	Chapter 711	SDP Office of Auditing Services audit; BSE Report
BSE Findings	The PA Bureau of Special Education found no significant areas of noncompliance in the most recent review.	Chapter 711	BSE Cyclical Monitoring Report

Category 3: English Learners			
Standard	Description	Legal Reference	Evidence Sources
ESL Policy	The policy indicates the school provides timely notification to families of the process for identifying their children as English Learners (ELs), the results of that process, and the recommended program placement. The LEA also provides parents with a description of the LIEP, its intended benefits, and an explanation of its effectiveness. Lastly, the school also provides families a description of the criteria for reclassification and an expected timeline for achieving proficiency.	PDE Educating English Learners BEC ; PA Public School Code Chapter 4.26	LIEP Notifications to Families (Epicenter)
EL Timely Evaluation	The school's English as a Second Language (ESL) policy requires the administration of the WIDA W-APT screener and placement into a LIEP within the first 30 days of school or within 14 days of enrollment if a student enrolls after the first day of school. <i>Please note implementation of policy may be evaluated in subsequent years.</i>	PDE Educating English Learners BEC	LIEP Notifications to Families (Epicenter)
ESL ACCESS	The school administered the ACCESS for ELs evaluation to each student identified as needing English Language support. Schools with no ELs enrolled in the previous school year receive an "N/A".	PDE Educating English Learners BEC	SPR Data Packet (Epicenter) and PDE ACCESS Data

Category 3: English Learners (continued)

Standard	Description	Legal Reference	Evidence Sources
EL Identification	The school implements a compliant process for identifying English Learners, including submission of a home language survey and W-APT or WIDA Screener results.	PDE Educating English Learners BEC	Site Visit EL File Review
EL Notification	The school notifies parents/guardians in writing of placement in an ESL program and screening outcomes in the preferred language.	PDE Educating English Learners BEC	Site Visit EL File Review
EL Exiting	The school exits students from the ESL program who meet the appropriate exit criteria.	PDE Educating English Learners BEC	Site Visit EL File Review

Category 4: Enrollment

Standard	Description	Legal Reference	Evidence Sources
Enrollment Policy	The school's enrollment policy complies with requirements in Charter School Law (Section 1723), regulations issued by the Pennsylvania Department of Education (PDE) in the Basic Education Circular (BEC) entitled "Enrollment of Students", and the school's charter.	PDE Enrollment BEC ; Section 1723 of Charter School Law	Admissions Policy and Enrollment Practices (Epicenter)
Student Application	The school's student application requires only the following fields: student name, address, DOB and/or age, gender, grade applying for, current school and grade; parent/legal guardian name, relationship to student, relationship to school if applicable, contact information; sibling name(s), school, grade; and admissions criteria questions, if outlined in charter.	PDE Enrollment BEC; Section 1723 of Charter School Law	Student Application (Epicenter)
Enrollment Materials	The school's enrollment materials require and request information in alignment with Charter School Law (Sec 1723) and regulations issued by PDE in the BEC entitled "Enrollment of Students". Enrollment materials are not to require students to submit anything beyond the five items identified as required enrollment documentation in the BEC; all five documents are to be required for enrollment however.	PDE Enrollment BEC; Section 1723 of Charter School Law	Student Enrollment Packet (Epicenter)
Enrollment Accessibility	The school accepts at least two sources of documentation as identified in the PDE BEC "Enrollment of Students" to demonstrate proof of age and proof of residency.	PDE Enrollment BEC	Student Enrollment Packet (Epicenter)

Category 4: Enrollment (continued)			
Standard	Description	Legal Reference	Evidence Sources
Enrollment Language Policy	The school ensures that children and families with limited English proficiency are provided translation and interpretation services to the extent needed to help the family understand the enrollment process and enroll the student in school promptly.	PDE Enroll BEC; Civil Rights Act of 1964, Title VI, 42 U.S.C. § 2000d et seq.; Equal Education Opportunity Act, 20 U.S.C. § 1703.	Mystery Calls
Lottery Process	If more students apply to the school than the number of attendance slots available, then students are selected on a random basis from a pool of all applicants who submitted an application by the established deadline, except that the charter school may give preference in enrollment to a child of a parent who has actively participated in the development of the school and to siblings of students presently enrolled in the school if stated in the charter. First preference must be given to Philadelphia residents. No additional requirements outside of submitting an application by the established deadline can be placed on families for lottery and acceptance eligibility.	Section 1723 of Charter School Law	Mystery calls; Site Visit Enrollment File Review
Enrollment Process	To officially enroll in the school, the only requirements are the five items identified as required enrollment documentation in the Enrollment of Students BEC.	PDE Enrollment BEC; Sec 1723 of Charter School Law	Site Visit Enrollment File Review
Renaissance Enrollment Process	Renaissance charter schools only enroll first time entering students who reside in or attend approved feeder schools and siblings if implementing sibling preference.	Charter Agreement	Enrollment Policy; Mystery Calls
Application Availability	The school's enrollment procedures allow for application acquisition and submission without physical presence, through one or more of the following avenues: postal mail, electronic mail, fax, and/or online portal.	Best Practice	Charter School Access Survey
Enrollment Translation	The school's application for enrollment is available in at least English and Spanish.	Best Practice	Student Application English/Spanish (Epicenter)
Enrollment Website	No later than October of the year prior, the school's website identifies the school's application deadline, lottery and waitlist procedures.	Best Practice	School Website

Category 5: Student Discipline			
Standard	Description	Legal Reference	Evidence Sources
Code Due Process	The school's Code of Conduct identifies all student due process rights codified in Chapter 12 of PA Public School Code, including those related to long-term suspensions and expulsions, such as formal and informal hearing and appeal rights.	Chapter 12 of PA Public School Code	Code of Conduct (Epicenter)
Manifestation Determination	The school's Code of Conduct references specific, compliant procedures for manifestation determination including due process in disciplinary hearings for special education students.	Chapter 711 of PA Public School Code	Code of Conduct (Epicenter)
Truancy Policy	The school's truancy policy and Code of Conduct require an attendance conference before referral of truancy matters to a legal entity and prohibits suspension, expulsion or transfer due to truant behavior.	Section 1330 of PA Public School Code and Act 138	Code of Conduct and Truancy Policy (Epicenter)
SDP Alignment (Renaissance Only)	Renaissance charter school Code of Conduct is aligned in intent with District code of conduct for out-of-school suspension and expulsion including policy on suspensions by grade level, as required by charter.	Charter	Code of Conduct (Epicenter)
Expulsion Process	Compliant due process procedures have been implemented related to student expulsions including written notification of all students' rights, timely hearing and board vote.	Chapter 12 of PA Public School Code	Site Visit Expulsion File Review
Manifestation Determination Practice	The school's discipline process complies with PA regulations for students with disabilities, including evidence that when a change of placement is considered, a meeting takes place within 10 days with parent/guardian participation to determine whether the behavior was caused by the student's disability or was the result of failure to implement the IEP.	Chapter 711 of PA Public School Code	Site Visit Expulsion File Review
Code Consequences	The school's Code of Conduct does not include language providing school administration with broad discretion to either recommend expulsions or allow expulsion for minor or nonviolent behaviors.	Best Practice	Code of Conduct (Epicenter)
Code Website	The school's website includes a current copy of the school's Code of Conduct at the time of review by the CSO.	Best Practice	School Website
Manifestation Determination Transparency	The school's Code of Conduct clearly articulates when a manifestation determination meeting must occur, who should be included in the meeting, and what critical questions must be addressed. <i>Please note that referencing existence of a manifestation determination procedure in the code of conduct is a compliance requirement.</i>	Best Practice	Code of Conduct (Epicenter)
Early Elementary Suspensions	The school's Code of Conduct is differentiated for early childhood students (K-2) and does not allow suspension of early childhood students (K-2) for minor offenses.	Best Practice	Code of Conduct (Epicenter)

Category 6: Personnel			
Standard	Description	Legal Reference	Evidence Sources
Certified Teachers	At least 75% of the school's teachers were certified annually.	Section 1724 of Charter School law	Annual Report (PDE)
Certified ESL Teachers	The school had at least one ESL student enrolled and employed an appropriately certified ESL instructor during the school year. Schools without an EL enrolled receive an "N/A".	PDE Educating English Learners (ELs) BEC	ESL Instructor Roster and Certifications (Epicenter)
Certified SPED Teachers	All of the school's special education teachers were appropriately certified for each school year.	IDEA 34 CFR § 300.156; Chapter 711	Annual Report (PDE)
Certified Instructional Leader	The school employed an appropriately certified instructional leader for each school year.	Section 1109 of PA Public School Code	Annual Report (PDE)
Checks and Clearances	No audit findings related to missing checks and clearances for any year of the charter term. Required checks and clearances are validated for the staff files reviewed by CSO.	Section 1724 of Charter School law	Site Visit Personnel File Review
Teacher Retention	80% or more of teaching staff return annually.	Best Practice	Renewal Application

Category 7: Food, Health and Safety			
Standard	Description	Legal Reference	Evidence Sources
Food Safety	The school received at least one inspection and was found to be in satisfactory compliance by an inspector from the Office of Food Protection for all inspections from July 1 through June 30 of each school year. Schools that did not receive an inspection during the review period receive an "N/A".	Charter	City of Philadelphia Food Safety Inspections
Health Services Policy	The school's health services policy clearly outlines all mandated student health services and a process for ensuring compliance with student immunization requirements. The immunization requirements should reflect updates effective for the 2017-18 school year found here .	PA Public School Code Ch 23 (incl.the amended Subch. C related to immunizations)	Health Services Policy (Epicenter)

Category 7: Food, Health and Safety (Continued)			
Standard	Description	Legal Reference	Evidence Sources
Emergency Preparedness	The school has a complete and up-to-date fire safety and evacuation plan, completed all the required emergency evacuation drills in a timely manner and has no violations related to portable fire extinguishers.	Philadelphia Fire Code	City of Philadelphia Dept. of Licenses & Inspections
Water Quality	The school is in compliance with applicable water quality requirements of the Pennsylvania Board of Health and the school's most recent water quality testing has been posted to its publicly available website.	Philadelphia Administrative Code, Title 4, Section A-703	School Website
Mandated Health Services	The school ensures all mandated student health exams and screenings are completed annually in the appropriate grades. The school has available to students a dentist and physician to aide in completion of requirements.	PA Public School Code Chapter 23	PA Department of Health
Certified School Nurse	A certified school nurse is available for an appropriate number of students at the school.	PS Code 1949 Act 14 Article 14 Section 1402	PA Department of Health
Food Service Program	The school meets requirements under the National School Lunch and Breakfast Programs as evaluated by the PA Department of Education.	Healthy Hungry-Free Kids Act	PDE Administrative Review
Insurance Coverage	The school meets requirements for insurance coverages and amounts during the charter term.	Charter	Certificates of Insurance (Epicenter)
Certificate of Occupancy	The school has a valid Certificate of Occupancy for all school buildings (when required).	PA Uniform Construction Code	City of Philadelphia Dept. of Licenses & Inspections
Breakfast Participation	At least 70% of low-income students are served breakfast at the school.	Best Practice	PDE Breakfast Program Reports

Category 8: Board Governance			
Standard	Description	Legal Reference	Evidence Sources
Sunshine Act	Approved minutes for each board meeting note the time, place, and date of the meeting; identify board members in attendance; record public citizens and the subject of their testimony; and do not indicate non-compliant use of executive session.	PA Sunshine Act	Board Approved Minutes (Epicenter)
Board Oversight	Approved minutes for board meetings indicate votes on the school's budget, personnel salaries, and the school calendar.	Charter	Board Approved Minutes (Epicenter)

Category 8: Board Governance (Continued)			
Standard	Description	Legal Reference	Evidence Sources
Board Accessibility	The school provides a reasonable opportunity for members of the public to comment. The charter school may establish reasonable rules governing participation necessary for the conduct of meetings and maintenance of order.	PA Sunshine Act	School Website
Statements of Financial Interest	Statements of Financial Interest are completed accurately and timely for all Board members and school administrator.	PA Public Official and Employee Ethics Act	Statements of Financial Interest (Epicenter)
Ethics Act	Board members do not engage in conduct that constitutes a conflict of interest. Board members do not solicit or accept anything of monetary value to influence vote, official action or judgment. No board members, their spouses or children enter into monetary contracts with the school unless awarded through an open and public process.	PA Public Official and Employee Ethics Act	Statements of Financial Interest and Board Approved Minutes (Epicenter)
Bylaws Contents	Bylaws are drafted in a manner consistent with the Charter School Law and the school's charter.	Charter School Law; Charter	Bylaws (Epicenter)
Board Structure	Board structure (for example number of members, terms, officers and committees) is implemented in accordance with board bylaws.	Board Bylaws	Bylaws and Board Approved Minutes (Epicenter)
Executive Session	Approved minutes for board meetings occurring between July 1 and June 30 recorded at least one executive session and cited for all executive sessions purposes identified in the PA Sunshine Act.	Best Practice	Board Approved Minutes (Epicenter)
Board Website	Board roster, board meeting schedule and opportunity for public participation or comment are publically accessible on school website.	Best Practice	School Website

Category 9: Timely Reporting			
Standard	Description	Legal Reference	Evidence Sources
Timely Annual Report	The school submitted its annual report by August 1 to PDE for each school year.	Section 1728 of Charter School Law	Annual Report (PDE)
Timely Financial Audit	The school submitted its audited financial statements by December 31, the deadline established by the PA Public School Code and charter, for each fiscal year.	Section 218 of PA Public School Code; Charter	Audited Financial Statements (Epicenter)

Organizational Compliance and Viability Domain Rating

Points possible in each of the nine categories of Organizational Compliance and Viability are provided below:

Category	Points Possible	Category	Points Possible
Mission and Educational Program	15	English Learners	10
Enrollment	15	Personnel	10
Board Governance	15	Food, Health and Safety	10
Student Discipline	10	Timely Reporting	5
Special Education	10		

Schools will receive full, half or no points per category in the following instances:

Full Points	At a minimum: No repeated compliance issues by year three for annual standards and nothing beyond 1-2 minor compliance issues in additional renewal standards
Half Points	Falling between full and no points criteria
No Points	1) One or more egregious compliance violations OR 2) A majority of annual standards are not compliant by year three and a majority of additional renewal standards are not met

Examples of minor compliance issues include: (1) Enrollment packet requires birth certificate rather than multiple docs to affirm proof of age; (2) the ESL Policy/notification is missing 1 of 8 areas identified in standard; (3) Code of Conduct includes all formal hearing rights but does not articulate informal hearing rights.

Examples of egregious compliance violations include: (1) Reviewing academic records prior to student enrollment; (2) More than one year without identifying, programming and testing ELs; (3) Not communicating and affording due process prior to student expulsion.

Total points received out of total points possible is then calculated. The overall rating in Organizational Compliance and Viability is based on percentage of points earned.

Domain Rating	Percentage of Points Earned
Meets Standard	> 80%
Approaches Standard	50% to 80%
Does Not Meet Standard	< 50%

Financial Health and Sustainability Domain

The Financial Health and Sustainability domain includes two categories: Financial Health and Fiscal Management. The standards evaluated within each category are described below. Standards shaded in gray are only evaluated at renewal in a Renewal Recommendation Report.

Category 1: Financial Health			
Standard	Description	Legal Reference	Evidence Sources
Total Margin (% of Revenue)	The percentage of a school's total annual revenue not spent, calculated as change in net position divided by total revenue. A school meets the standard if the total margin as a percentage of revenue is at least 0%. A school does not meet standard if the total margin as a percentage of revenue is less than -10%.	Charter School Law	Audited Financial Statements
Current Ratio	The ratio of short-term assets to short-term liabilities, which measures if a school has enough resources to pay its debt and obligations over the next year. A school meets the standard if the current ratio is at least 1.1. A school does not meet standard if the current ratio is less than 1.0.	Charter School Law	Audited Financial Statements
Cash on Hand	The number of days a school could operate without receiving additional money, calculated as total unrestricted cash divided by the average daily operating expense adjusted to remove non-cash expenses such as depreciation and bad debt. A school meets the standard if the average days cash on hand is at least 45 days. A school does not meet standard if the average days cash on hand is fewer than 30 days.	Charter School Law	Audited Financial Statements
Net Position (% of Revenue)	How much a school is worth as a percentage of its total annual revenue, calculated as net position divided by total revenue. A school meets the standard if the net position as a percentage of revenue is at least 16.0%. A school does not meet standard if the net position as a percentage of revenue is less than 0%.	Charter School Law	Audited Financial Statements
Non-Restricted Fund Balance (% of Revenue)	How much a school is worth as a percentage of its total annual revenue after removing certain items such as property, equipment, and long-term debt, calculated as total non-restricted fund balance divided by total revenue. A school meets the standard if the non-restricted fund balance as a percentage of revenue is at least 16.0%. A school does not meet standard if the non-restricted fund balance as a percentage of revenue is less than 0%.	Charter School Law	Audited Financial Statements
Debt Ratio	The percentage of a school's total assets that are owed to other individuals or businesses, calculated as total liabilities divided by total assets. A school meets the standard if the debt ratio is at most 0.85. A school does not meet standard if the debt ratio is more than 0.92.	Charter School Law	Audited Financial Statements
Debt Service Coverage Ratio	Whether a school can meet its debt obligations in the coming year, calculated as net income divided by annual principal, interest and lease payments. A school meets the standard if the debt ratio is at least 1.1. A school does not meet standard if the debt ratio is less than 1.05.	Charter School Law	Audited Financial Statements

Category 2: Fiscal Management			
Standard	Description	Legal Reference	Evidence Sources
Audit Findings	No material audit findings, deficiencies or weaknesses identified in the annual audit for any year of the charter term.	Charter School Law; GAAP	Audited Financial Statements
Debt Delinquency and Default	The school is meeting its debt obligations and covenants.	Charter School Law; GAAP	Audited Financial Statements
PSERS	The school makes timely and full payments to the Public School Employees' Retirement System.	Charter School Law; GAAP	PSERS Reports
Financial Transactions	No significant findings related to inappropriate use of charter school funds for any fiscal year of the charter term.	Charter School Law; GAAP	Office of Auditing Services Financial Review
Related Parties	Transactions between related parties contain contracts and invoices and support charter school operations for any fiscal year of the charter term.	Charter School Law; GAAP	Office of Auditing Services Financial Review
Payroll	No significant findings related to payroll transactions for any period in the charter term.	Charter School Law; GAAP	Office of Auditing Services Financial Review

Financial Health and Sustainability Domain Rating

The financial health category is evaluated as Meets Standard, Approaches Standard or Does Not Meet Standard based on how many of the possible short and long-term metrics meet standard and do not meet standard. The fiscal management category is evaluated as Meets Standard, Approaches Standard or Does Not Meet Standard based on how many standards are flagged as a concern and if those concerns are minor or major. The overall domain rating in Financial Health and Sustainability is determined by combining the ratings of these two categories. In the case where one category meets standard and one approaches standard or one approaches standard and one does not meet standard, the substance of the individual standards are reviewed to determine the overall domain rating.

	Category 1: Financial Health	Category 2: Fiscal Management
Meets Standard	18 or more of 28 metrics meet standard and at most 4 metrics do not meet standard	0-1 standards flagged with minor findings
Approaches Standard	In between	2-3 standards flagged with minor findings
Does Not Meet Standard	10 or more of 28 metrics do not meet standard	4-6 standards flagged with minor findings and/or any number of standards flagged with major findings

Examples of minor findings include: (1) employees residing in NJ but having PA taxes withheld; (2) certain invoices paid late in one year but not in subsequent years; (3) an audit finding related to a missing proof of age that is not repeated in subsequent years.

Examples of major findings include: (1) significant, repeated enrollment discrepancies and/or double billings; (2) charter funds being shifted between related entities without contracts, approval processes and/or separate boards; (3) multiple years of audit findings related to internal controls or missing checks and clearances.

In Summary: Domain Ratings and Renewal Recommendations

The domain ratings and supporting evidence are the main driver of renewal recommendations. Schools that approach or meet the standard in the three domains will be recommended for a five-year renewal with or without conditions. Schools that do not meet the standard in one or more domains may be considered for nonrenewal. This recommendation will be based on a comprehensive review and evaluation of outcomes and compliance in relation to standards.