

SECTION 1. ACADEMIC PERFORMANCE

School Grading is part of state and federal statute that mandates accountability for all public schools. In 2011, New Mexico lawmakers enacted requirements that schools demonstrate progress through a grading system similar to that applied to students, A-B-C-D-F (§22-2-1, §22-2-2, and §22-2E-1 to §22-2E-4) (6.19.8.1 NMAC – N, 12-15-11). The statute requires the governing body of a charter school rated D or F to prioritize its resources toward proven programs and methods linked to improved student achievement until the public school earns a grade of C or better for two consecutive years (§22-2E-4 [E] NMSA 1978).

In 2011, New Mexico lawmakers also enacted requirements that each charter school authorizer develop a performance framework to set forth academic performance expectations. The statute requires each charter authorizer to collect, analyze and report all data from state assessment tests in accordance with the performance framework (§22-8B-9.1 NMSA 1978).

Each school in New Mexico is included in one of two School Grading systems either for elementary/middle schools or high schools. Although total possible points for either scheme add up to 100 in which points earned determine a school's letter grade, the two grading systems have different points allocation and components. The elementary/middle school grading system emphasizes *“more competency-based, while the emphasis in high school is on successful completion of high school and preparation for college or career. Charter schools are held to the same standards and calculations as regular public schools.”*¹ In addition, schools may earn up to five additional or *bonus* points for reducing truancy, promoting extracurricular activities, engaging families, and using technology. The School Grading Report Card also provides school leaders with information comparing their school to schools with similar student demographic characteristics.

The following information provides a snapshot of the school's academic performance over the last four (4) years. The analysis in this section will discuss the school's performance over time in each component of the letter grade report.²

1a. Department's Standards of Excellence—A-F Letter Grades

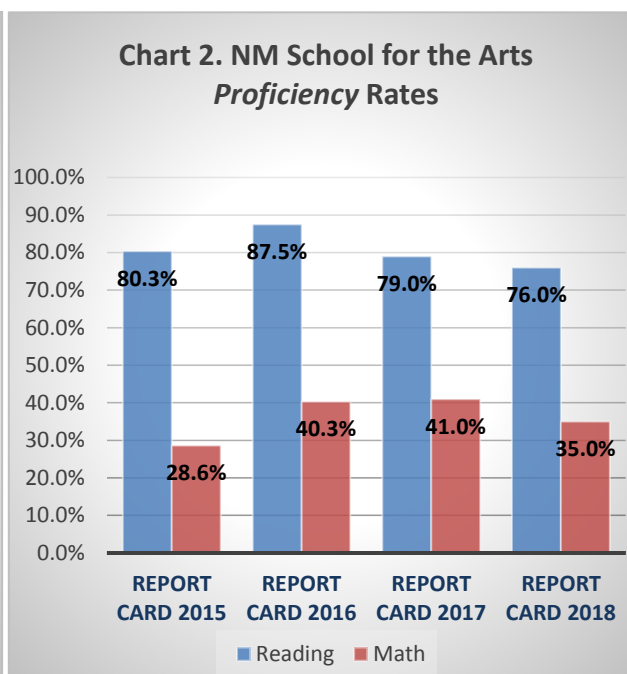
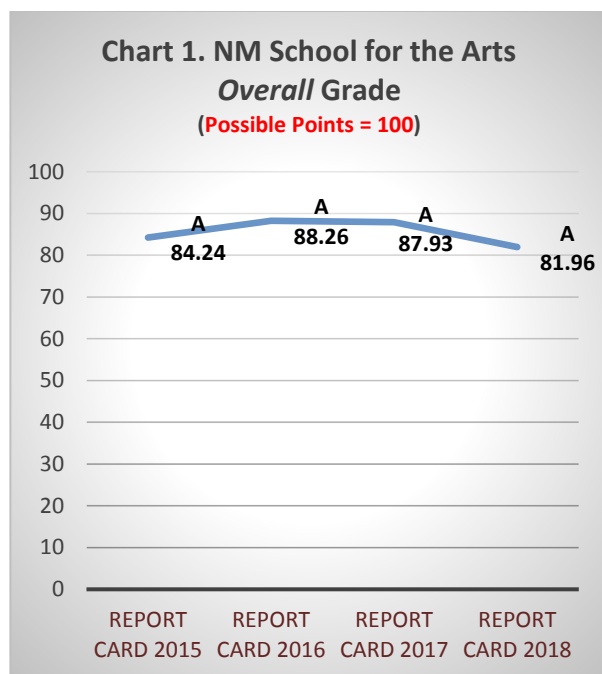
This section includes analysis of academic performance of the school towards meeting the Department's Standards of Excellence –A-F School Grading System through the 2017-2018 school year.

Overall Standing. Chart 1 illustrates New Mexico School for the Art's overall school grade in each of the last 4 years (2015-2018). The school earned an “A” each year along with bonus points. The school's letter grades would remain the same if bonus points were excluded. Note that beginning in 2018-2019 bonus points will be eliminated as part of the state's federally approved Every Student Succeeds Act (ESSA) Plan.³ Overall points earned ranged from 81.96 to 88.26 during this four (4) year period with proficiency rates in reading and math showing a slight downward trend since 2016.

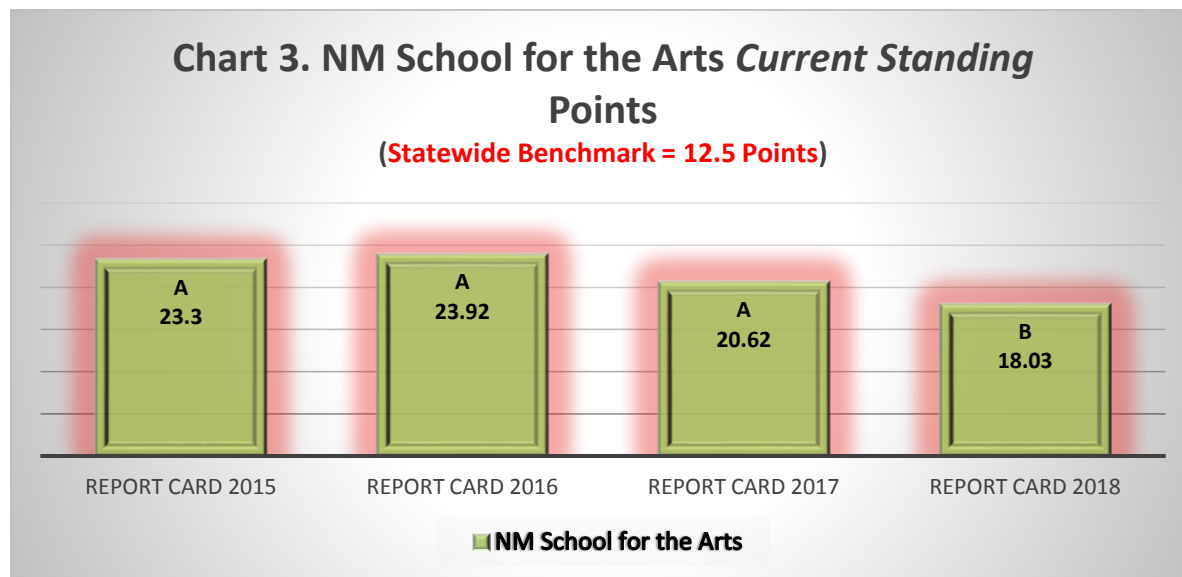
¹ The “A-F School Grading: Frequently Asked Questions [FAQ]” by the New Mexico Public Education Department may be obtained at: <https://aae.ped.state.nm.us/SchoolGradingLinks/1516/TECHNICAL%20ASSISTANCE%20FOR%20EDUCATORS/School%20Grading%20FAQs.pdf>.

² Final Part A excludes similar schools comparison because such information was not available at the time this report was completed.

³ See New Mexico Rising: New Mexico's State Plan for the Every Student Succeeds Act, p. 70 which may be obtained at: <https://www2.ed.gov/admins/lead/account/stateplan17/nmcsa2017.pdf>

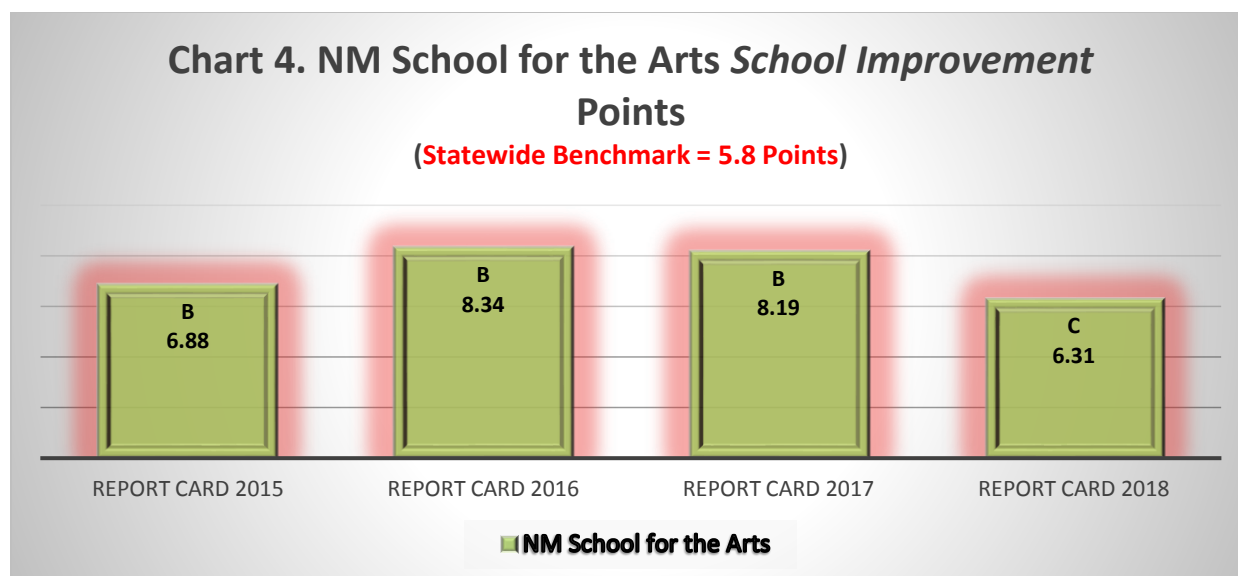


Current Standing. Current standing measures both grade level proficiency and student performance in comparison to expected performance based on statewide peer performance; statewide peers are identified based on prior achievement and student mobility. The school has earned 3 “A’s” and 1 “B” during the contract years. All scores were above the statewide benchmark of 12.5 points.



School Improvement. The *school improvement* performance (formerly known as *School Growth*) on the School Grading Report compares overall student performance from year to year was examined as well as compared to similar schools. Growth can be positive or negative. When it is positive, school performance is better than expected when compared to others schools with the same size, mobility, and prior student performance. In Chart 4, the school earned between 6.31 – 8.34 points consistently earning 3 “B’s” and

1 “C” in the category during the contract years. All scores were above the statewide benchmark of 5.8 points.



Under the *school improvement* section of the School Grading Report growth indices for both reading and math are presented (see chart 5, right). A growth index of zero (0) indicates the expected score for each area when compared to other schools with the same size, mobility and prior student performance. A positive index indicates that the school performed better than was expected while a negative index indicates that the school did not perform as expected when compared to similar schools and students.

In almost all years (except for 2015-math) a positive growth index was observed in both reading and math.

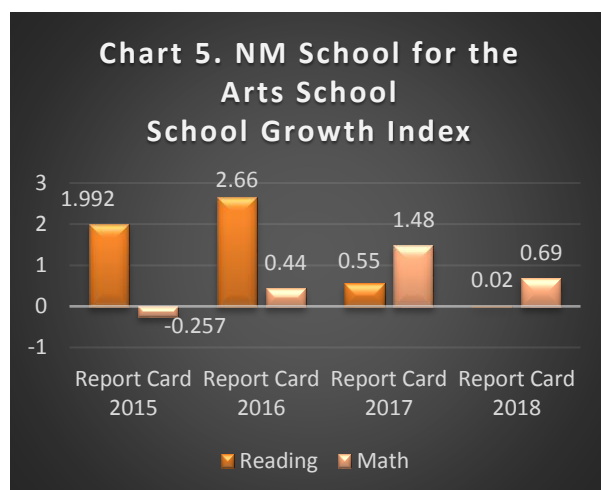
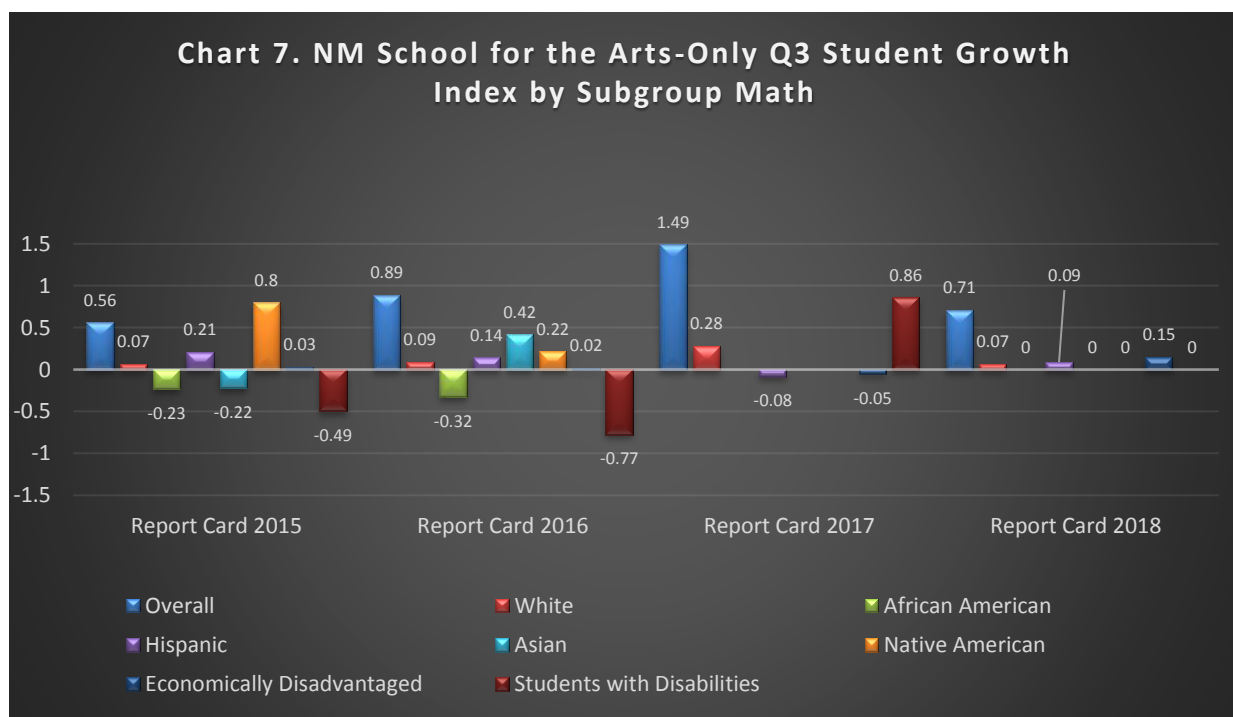
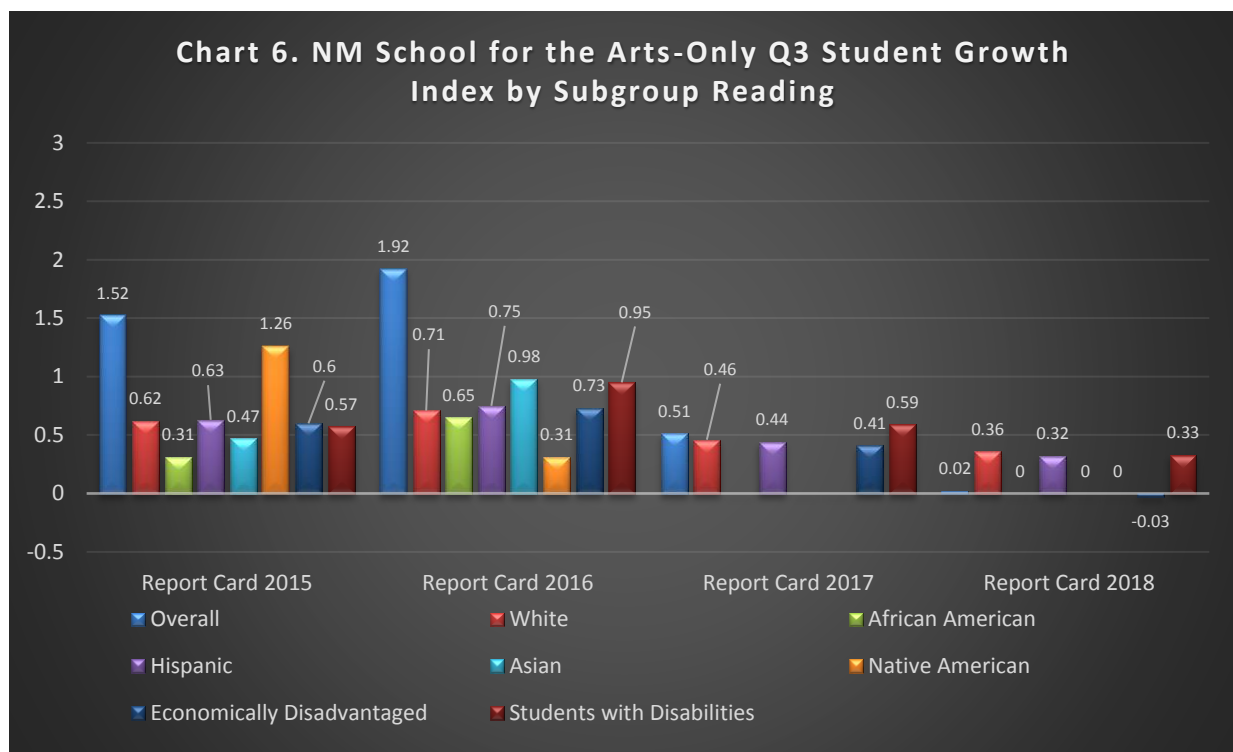


Figure 1. Points earned in School Improvement section (10 total points possible).

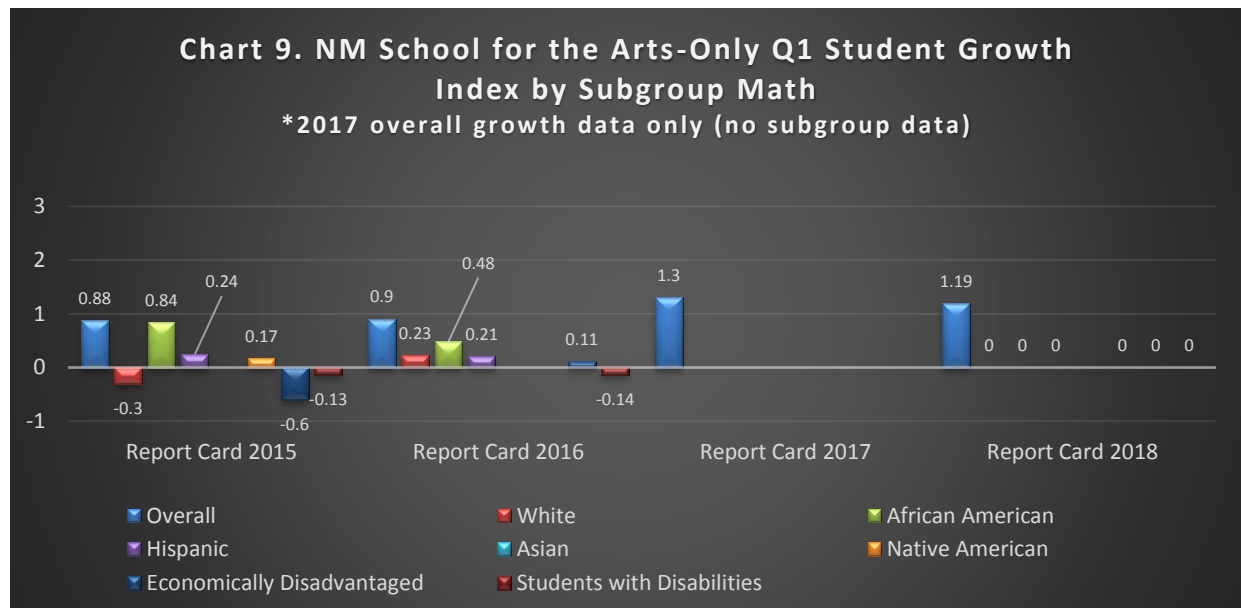
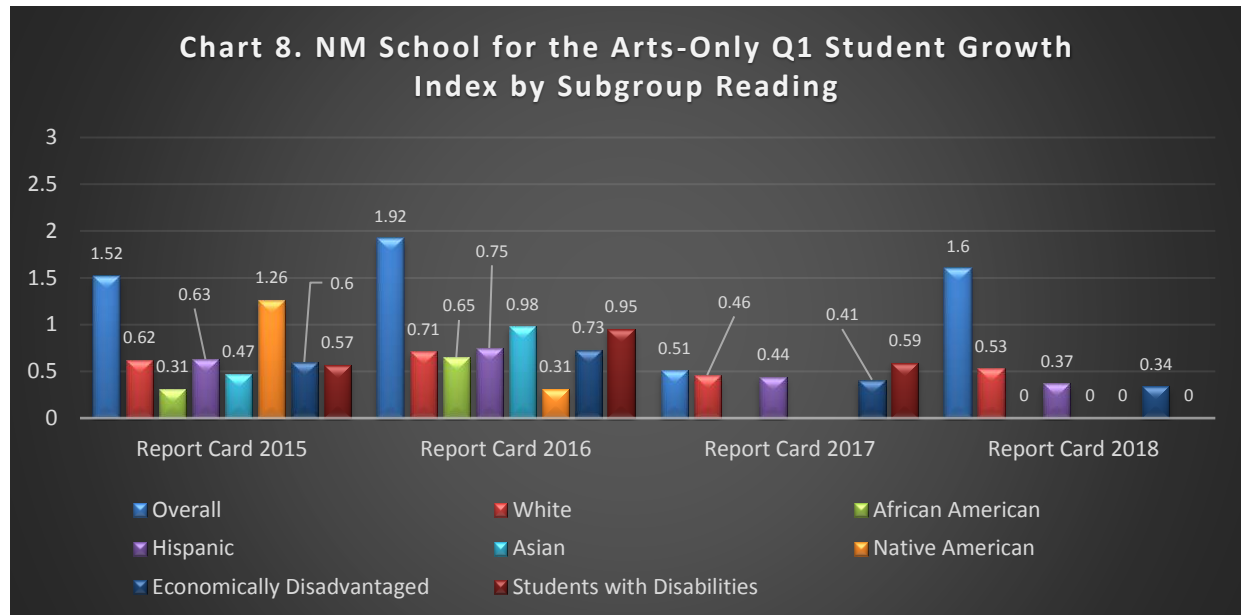
	Points Earned in Reading	Points Earned in Math	TOTAL <small>*Possible 10 points</small>
2015	4.88	1.99	6.88
2016	4.98	3.36	8.34
2017	3.54	4.66	8.19
2018	2.54	3.77	6.31

Subgroups within Higher-Performing Students (Q3). In Q3 student growth, the indicator evaluates changes in comparative performance for the school’s higher-performing students (top 75%). All subgroups

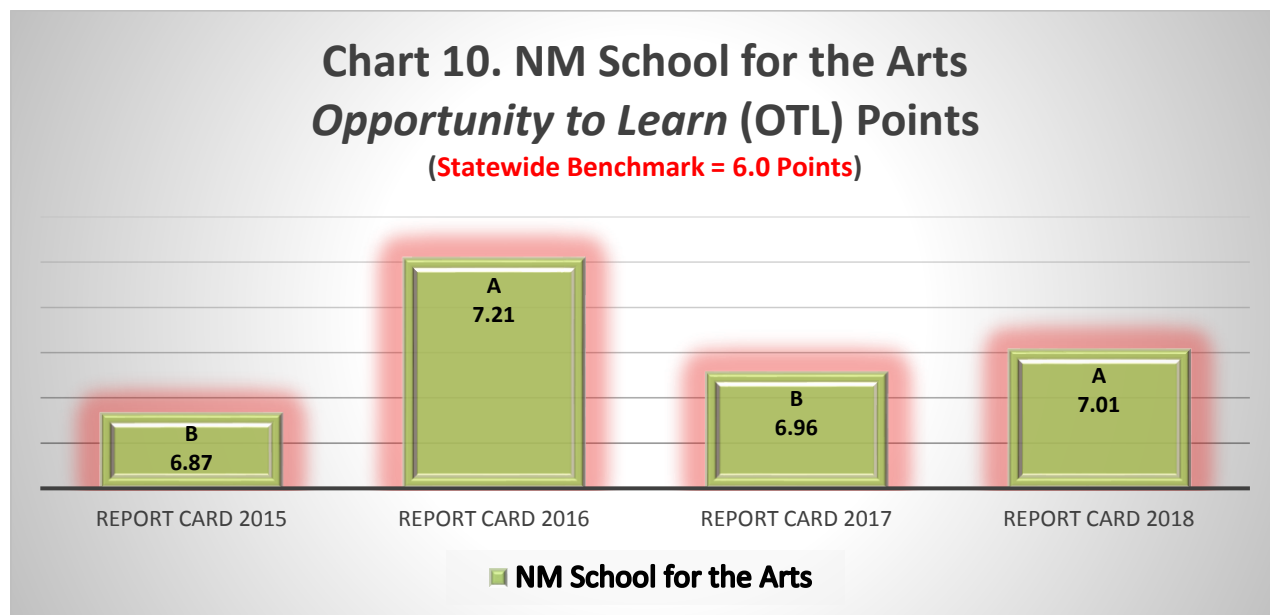
(excluding masked data) during most years of the contract term met expected growth in reading with overall student growth being met in 4 of 4 years. In math, all subgroups in most years met expected growth with overall student growth being met in 4 of 4 years.



Subgroups within Lowest-Performing Students (Q1). In Q1 student growth, the indicator evaluates changes in comparative performance for the school's lowest-performing students (lowest 25%). All subgroups (excluding masked data) during all 4 years of the contract term met expected growth in reading with overall student growth being met in 4 of 4 years. In math, all subgroups during most years met expected growth with overall student growth being met in 4 of 4 years.



Opportunity to Learn (OTL). Opportunity to learn represents the learning environment schools provide⁴. This indicator is based on attendance and a classroom surveys administered to students (or parents in grades K-2). High schools can earn 8 total points (3 for attendance, 5 for the survey). The target for attendance is 95%. New Mexico School for the Arts has performed well since 2015 exceeding the statewide benchmark in each of the past 4 and earning 2 “B’s” and 2 “A’s” in the category during this period.



High School Graduation. This indicator is calculated based on 4-year, 5-year, and 6-year rates and the annual increase in the 4-year graduation rate and is based on three years of data (Ibid). Calculation of 4-year, 5-year, and 6-year cohort graduation rates uses the Shared Accountability method. Schools are proportionally accountable for student graduation for all students in a graduation cohort who were enrolled in their school for any amount of time. The model includes 4-year, 5-year, and 6-year rates, which produce a maximum of 8, 3, 2, and 4 points respectively. The extended-year rates include only members of the prior 4-year cohort and do not allow new entrants in subsequent years. The school’s graduation cohort of 2014 to 2017 surpassed the statewide goal of 90% during the past 2 years. New Mexico School for the Arts had a 95% (2016) and a 96.2% (2017). The school exceeded the statewide benchmark in each year of its contract earning 3 “A’s” and 1 “C” in the category. The school also surpassed the state average in all 4 years.

⁴ The “New Mexico School Grading Technical Guide: Calculation and Business Rules for Schools and Districts” document by the New Mexico Public Education Department may be obtained at:
<https://aae.ped.state.nm.us/SchoolGradingLinks/1617/Technical%20Assistance%20for%20Educators/Technical%20Guide%202017.pdf>.

Chart 11. NM School for the Arts Graduation Points

(Statewide Benchmark = 12.8 Points)

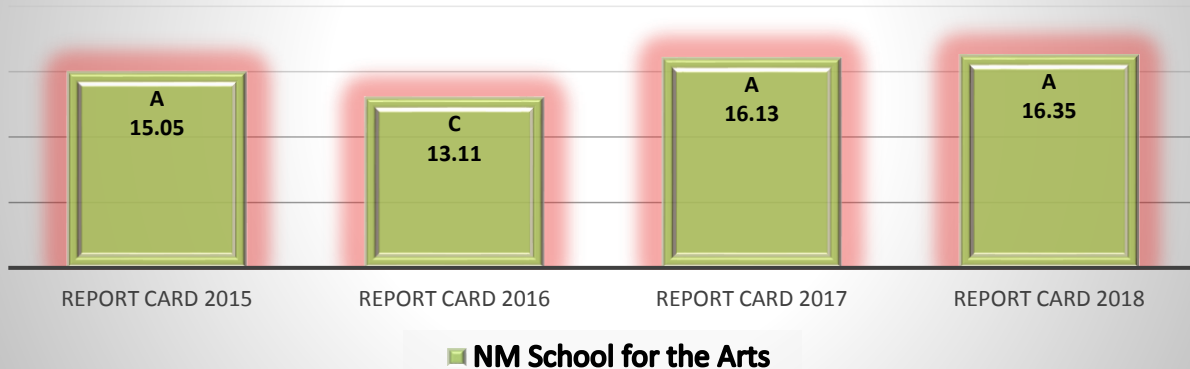
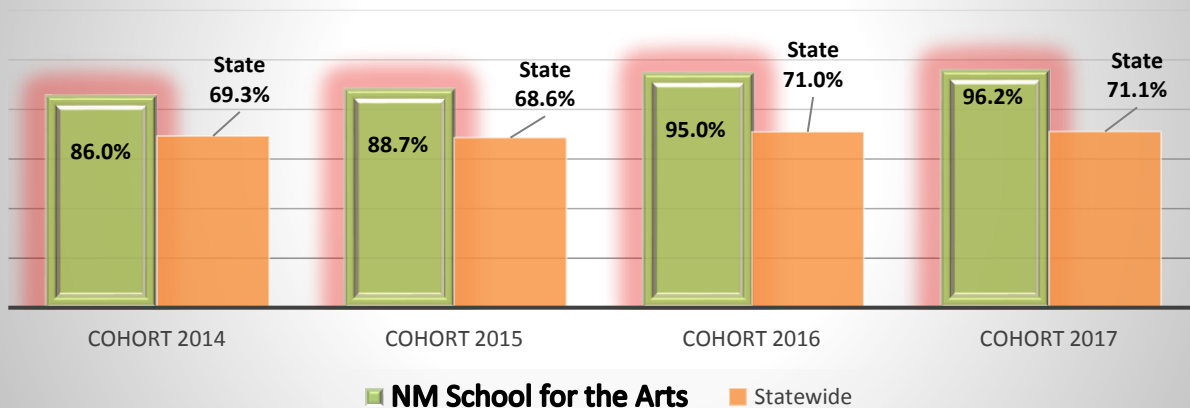


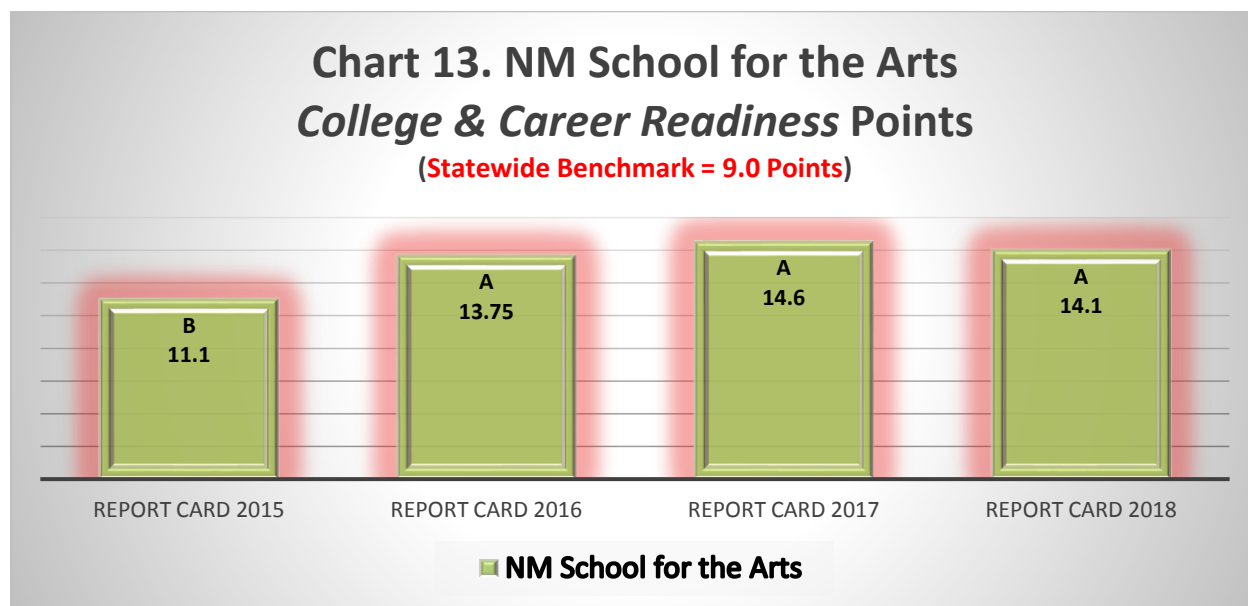
Chart 12. NM School for the Arts-Only 4-Year Graduation Rate (Multi-Year)



College & Career Readiness (CCR). This indicator evaluates the percent of cohort members (high school students' 4th year) who show evidence of college or career preparation, along with the proportion of those students meeting a success benchmark⁵. Schools receive credit when students participate in college entrance exams and coursework leading to dual credit and vocational certification. The school receives additional credit when students meet success goals. College and Career Readiness is composed of *Participation* (5 points) and *Success* (10 points) yielding a total 15 points in the high school's overall grade. The statewide benchmark for points earned is 9.

⁵ See the "New Mexico School Grading Technical Guide: Calculation and Business Rules" document which can be obtained at: <https://aae.ped.state.nm.us/SchoolGradingLinks/1617/Technical%20Assistance%20for%20Educators/Technical%20Guide%202017.pdf>

Chart 14 illustrates the total *College and Career Readiness* (CCR) points earned during the past four (4) years. NM School for the Arts did well, surpassing the statewide benchmark in all years earning a letter grade of “A” in the category since 2015. In 2018, the school report card data indicated that $\geq 95\%$ of students at the school participated in *College and Career Readiness* opportunities (such as PSAT, dual credit, PLAN, which resulted in the school earning 4.90 points out of 5 for this portion of the category. Out of the $\geq 95\%$ of NM School for the Arts students who participated in *College and Career Readiness* opportunities in 2018, 92% were successful resulting in an additional 9.2 points earned (10 possible) for this portion of the category. This was the highest number of points earned by the school since 2015.



1b. Specific Charter Goals

This section includes analysis of New Mexico School for the Arts' progress towards meeting its Specific Charter Goals (mission-specific and optional academic performance indicators) through 2017-2018. The school met or exceeded 2 of 3 goals during the past 2 years and all goals in 2015. The goals that were not met related to annual math proficiency on the state-mandated assessment (PARCC).

Charter Specific Goals

“Goal 1: New Mexico School for the Arts students will achieve academic proficiency in reading as measured by the annual NM Standards Based Assessment.

Note: The cohort identified below is not determined by NMSA for this indicator. The Assessment Bureau of NMPED determines this cohort [see Performance Framework indicator metric, p. 3].”

“Goal 2: New Mexico School for the Arts students will achieve academic proficiency in math as measured by the annual NM Standards Based Assessment.

Note: The cohort identified below is not determined by NMSA for this indicator. The Assessment Bureau of NMPED determines the cohort [see Performance Framework indicator metric, p. 4].”

“Goal 3: All students who have attended New Mexico School for the Arts (NMSA) for six or more consecutive semesters will demonstrate proficiency as measured by individual department rubrics for a creative collaborative department project that illustrates competency in their discipline, personal-expression through their art form, and the ability to produce and carry out a comprehensive project.”

Figure 2. Progress towards Charter Specific Goals.⁶

Goal	Description	2015				2016 ⁷				2017			
		Exceeds	Met	Did Not Meet	Falls Far Below	Exceeds	Met	Did Not Meet	Falls Far Below	Exceeds	Met	Did Not Meet	Falls Far Below
1	Reading on SBA/ PARCC		X			X				X			
2	Math on SBA/PARCC		X						X				X
3	Comprehensive projects		x			X				X			

Goal	Description	2018			
		Exceeds	Met	Did Not Meet	Falls Far Below
1	Reading on SBA/ PARCC	X			
2	Math on SBA/PARCC				X
3	Comprehensive projects	X			

⁶ Charter Specific Goals are referred to as “Mission-Specific Indicators” or “Performance Indicators” in the school’s contract and performance framework.

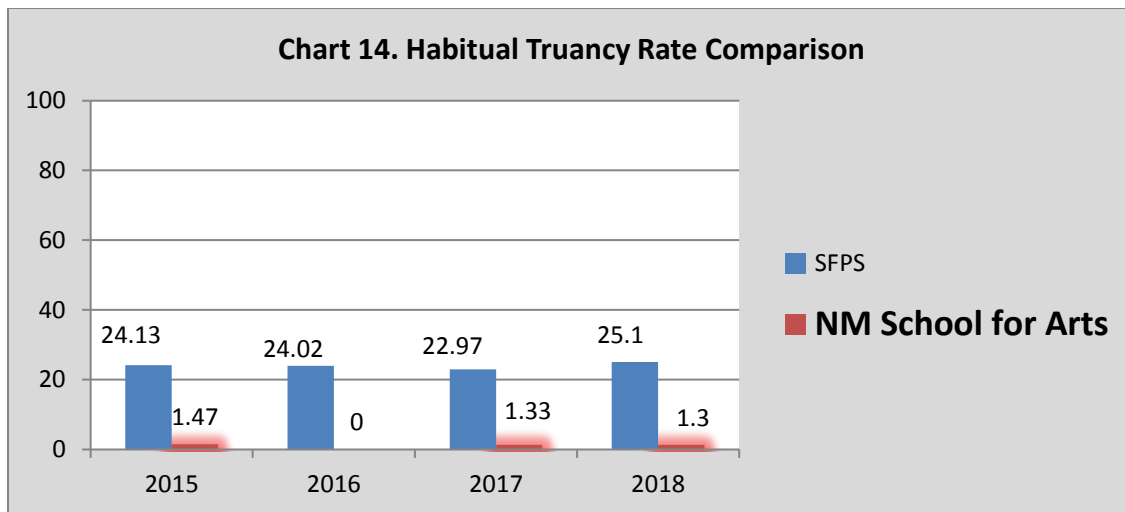
⁷ The goals as documented in the web-EPSS report for 2015-2016 did not appear to have been rated.

Student Attendance and Enrollment

The following information provides a picture of the school's attendance and truancy, current student membership (enrollment), and enrollment trends over the term of the contract.

Habitual Truancy

The chart below shows the school's habitual truancy rate compared to the local district, Santa Fe Public Schools (SFPS). New Mexico School for the Arts' habitual truancy rate is lower than the surrounding district, which was below 2% each year. Caution should be used when interpreting this data as some schools inadvertently included all absences rather than unexcused absences alone.

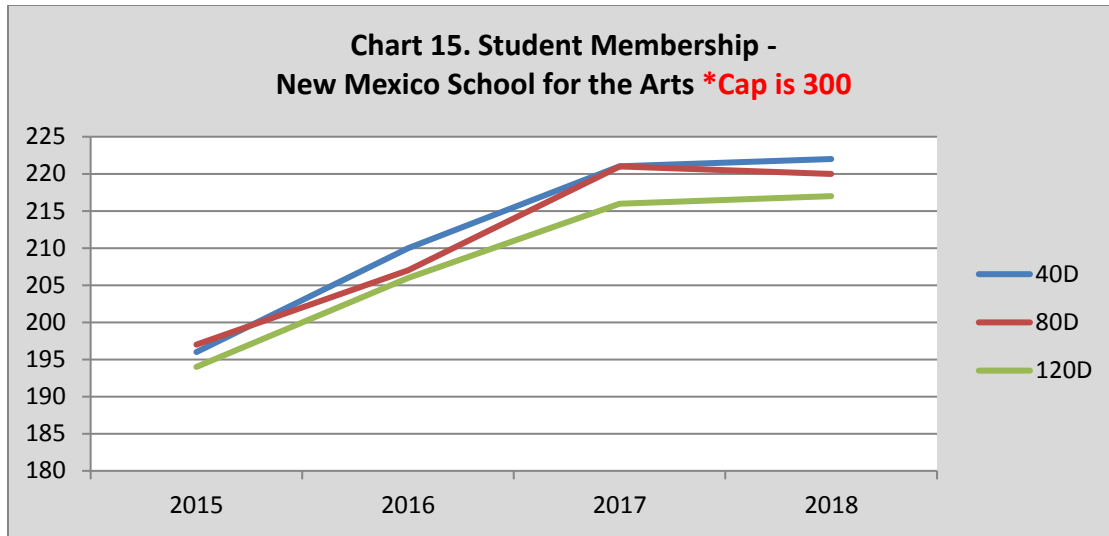


Source: STARS → District and Location Reports → Mobility and Truancy → Habitual Truant Student Totals by District

Student Membership (Enrollment)

The chart (next page) demonstrates the school's student membership for each of the years in operation during the current contract term. All reporting periods have remained on the same path, increasing enrollment and maintaining that enrollment during the three years.

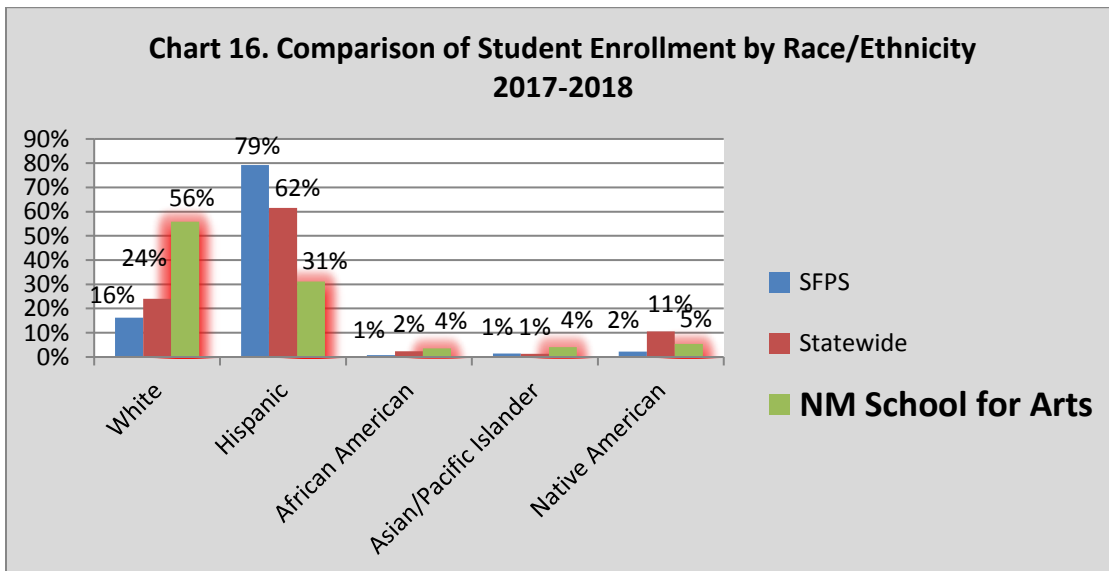
As of 2017-2018, the school had not reached its enrollment cap of 300. The student enrollment indicates the school is operating at about 72% of its approved capacity.



Source: STARS → District and Location Reports → Membership Reports → Membership – District Detail Report

Enrollment by Race/Ethnicity.

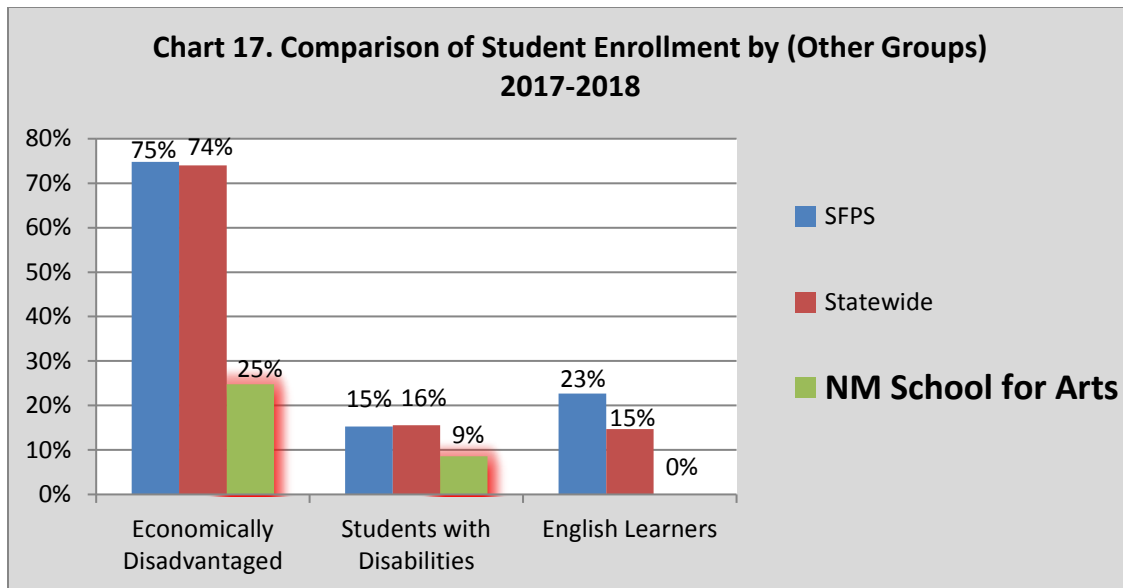
The school's student demographic data shows that it serves a *higher* White population *and a lower* Hispanic population when compared to the surrounding district and state.



Source: STARS → District and Location Reports → General Reports → School Demographics with Charts

Enrollment by Other Subgroups

The school has a *lower* population of economically disadvantaged students than both the local district and the state (over 50 percentage points fewer). The school serves a *lower* number of English Learners with 0% of the student population compared to 23% in Santa Fe Public Schools. The school also has a *lower* percentage of students with disabilities (9% vs 15%).



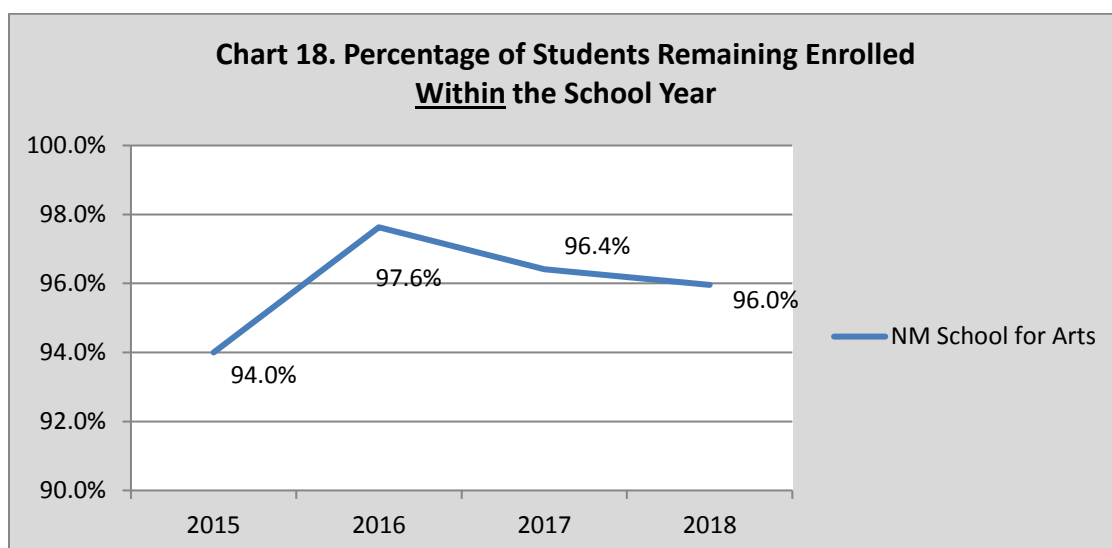
Source: STARS → District and Location Reports → General Reports → School Demographics with Charts

Retention and Recurring Enrollment

In its Performance Framework, the PEC has established student retention expectations. For this school, the PEC established a target of 85% recurrent enrollment between years.

Below, the PED has calculated within-year retention rates to evaluate the percentage of students who remain enrolled in the school from the time they enroll until the end of the school year. This data is calculated by identifying all students who enroll in the school at any time during the year and then evaluating if the students remain enrolled until the end of the school year. Students whose withdrawal codes indicate circumstances beyond their control are removed from the data set.

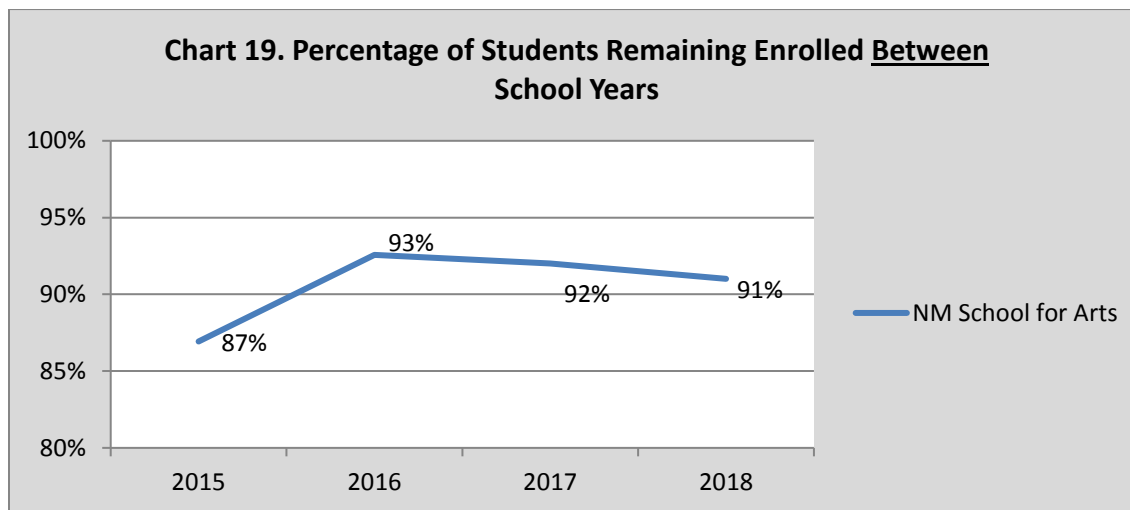
The student enrollment data below shows that over 94% of students enrolled during the school year remained enrolled through the end of the school year.



Source: STARS → District and Location Reports → Options for Parents → Charter School Enrollment Report

To evaluate recurrent enrollment as required by the PEC, the PED has calculated this measure by identifying the students enrolled at the end of each year who are eligible to reenroll (not graduated), and then identifying the students who reenroll on or before the 10th day of the subsequent year. Students whose withdrawal codes indicate circumstances beyond their control are removed from the data set.

The chart (below) shows recurrent enrollment at the school. Student enrollment data indicates that 87% of the students that completed the school year in 2014-2015 returned to the school in 2015-2016. 91% of the students that completed the 2016-2017 school year returned to NM School for the Arts in 2017-2018. The school exceeded the goal of 85% recurrent enrollment each year.

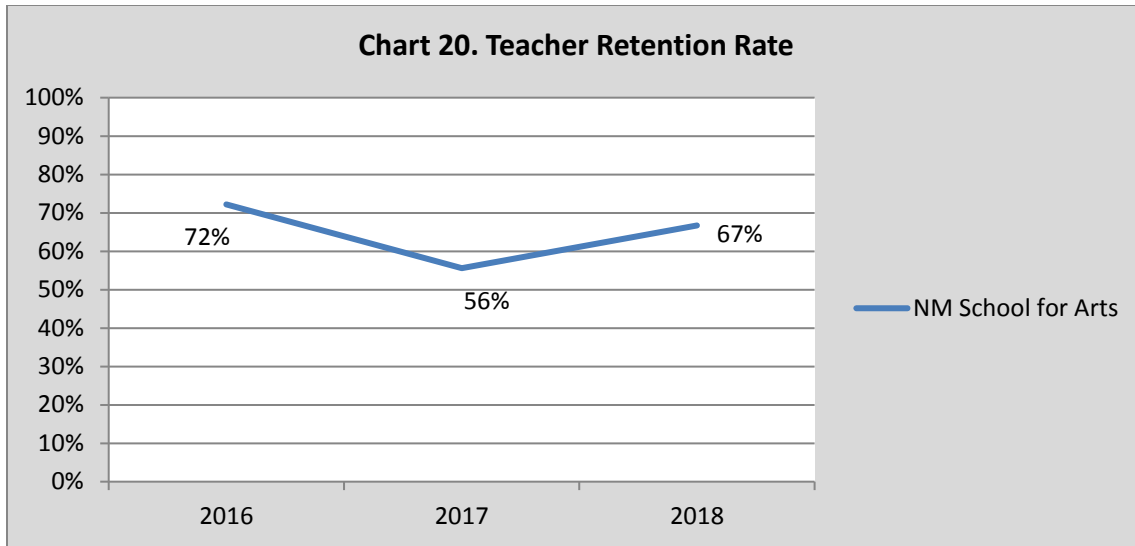


Source: STARS → District and Location Reports → Options for Parents → Charter School Enrollment Report

Teacher Retention Rate

The chart (next page) shows teacher retention over time. This data is calculated by comparing the license numbers for teachers from one year to the next. For example, all teacher license numbers reported for the 2014-15 school year were compared to teacher license numbers the following year for the same reporting period. The percentage of duplicate license numbers were compared in the second year and the retention rate was calculated based on the percentage of teachers who returned the following year.

The PEC established a goal of 80% teacher retention (lower than 20% turnover) as stated in the performance framework #4d. The chart below demonstrates the school's teacher turnover rate over the last three school years. The school's teacher turnover rate was 27.8% for the 2015-2016 school year, 44.4% for the 2016-2017 school year and 33.3% for the 2017-2018 school year. New Mexico School for the Arts did not meet the expected teacher retention rate of at least 80% during the past 3 years.



Source: STARS → State Reports → Staff Reports → Turnover Rates for Assignment Category (Teachers)

SECTION 2. FINANCIAL COMPLIANCE

2a. Audit

Figure 2. Fiscal compliance over term of contract.

Audit Year	# of Findings	# of Repeat Findings	# of Material/Significant Findings
FY17	1	0	0
FY16	2	0	0
FY15	3	0	0

Summary of Fiscal Reports

In **FY17**, the school received **finding of other non-compliance** related to retiree health care contributions.

- **2017-001 Retiree Health Care Contributions Other Non-compliance**

Condition: For June 2017, the monthly Retiree Health Care (RHC) contribution was made after the tenth day of the subsequent month.

In **FY16**, the school received **2 findings of non-compliance** related to: (1) payroll transactions and (2) timely deposits.

- **2016-001 Payroll Transactions Non-compliance**

Condition: During our testwork of payroll and payroll related liabilities, we noted one individual on long-term leave whose insurance benefits were continually being paid by the School. We reviewed

the School's internal policies and procedures and noted the following in regards to extended leave. "Employees on unpaid leave of more than one month of consecutive work-days may continue group insurance by timely payment of the full premium, with no NMSA High School contribution."

- **2016-002 Timely Deposits Non-compliance**

Condition: During our cash receipts testwork, we noted that a cash receipt in the amount of \$625 was collected and not deposited within twenty-four (24) hours after being received.

In **FY15**, the school received **3 finding of non-compliance** related to (1-2) internal control structure, (3) excess of expenditures over budget.

- **2015-001 Internal Control Structure Non-compliance**

Condition: During our internal control test work over a sample of 25 disbursements and 1 travel expenditures we noted a hotel charge for the amount of \$825.61 that did not have proper documentation to support the charge. The School's finance department paid off an e-mail request from the Instructional Support Specialist.

- **2015-002 Internal Control Structure Non-compliance**

Condition: During our travel test work, we noted that a teacher took a trip with students and paid for various expenses related to the trip. Receipts were turned in for all charges except for two in the amounts of \$51.21 and \$16.31. As a result, the employee submitted the form "Affidavit of Lost or Unavailable Receipt." The form was completed but there was no approval by a member of the administration.

- **2015-003 Excess of Expenditures over Budget Non-compliance**

Condition: The School has an expenditure function where actual expenditures exceeded budgetary authority: Private Direct Grant – Instruction \$796

2b. Board of Finance

The governing council of New Mexico School for the Art's Board of Finance has never been suspended during the term of its contract.

SECTION 3. CONTRACTUAL, ORGANIZATIONAL, AND GOVERNANCE RESPONSIBILITIES

3a. Charter Material Terms

The School's mission statement is as follows:

"NMSA provides access to a rigorous mastery arts and academic high school education for youth with passion and aptitude in the arts, leading to post-secondary learning, careers in the arts, and lives that contribute to society. Success."

Educational Program of the School.

NMSA is a public/private partnership comprised of the NMSA-Art Institute, a nonprofit art educational institution, and NMSA-Charter School, a New Mexico state charter high school.

The school will maintain admissions criteria designed to admit students who show exceptional promise or aptitude in the arts and a strong desire to pursue a career in the arts. (NMSA admits students based on passion, promise, and aptitude for the arts.) The admissions process will be conducted in a way that provides equal opportunity for admission to each prospective student regardless of that student's exposure to previous artistic training and without regard to the student's ability to pay residential costs.

The board shall ensure, to the greatest extent possible and without jeopardizing admissions standards, that an equal number of students is admitted to the school from each of the state's congressional districts.

The school shall conduct outreach activities throughout the state to acquaint potential students with the programs offered by the school. The outreach activities shall include programs for middle school students and workshops for teachers. There shall be no admissions criteria established for participation in outreach activities.

The school, either through a foundation or other private or public funding sources, shall obtain funding to ensure that the school has adequate revenue to pay for all expenses associated with outreach activities provided for in Section 22-15F-6 NMSA 1978 and for room and board costs for those students who are not able to pay the full cost of room and board as provided in Section 22 -15F-7 NMSA 1978.

The school shall provide an annual report to the PEC in June as required by 22-15F 6. C. that includes:

- a. non-personally identifiable demographic information about both applicants (to the extent available) and students admitted to the school delineated by counties, congressional districts, socioeconomic status, gender and ethnicity; and*

the number of students who requested financial assistance for room and board, the total amount of financial assistance provided, and the amounts distributed delineated by the source of gifts, grants and donations received by the school.

The School, at its option, may provide the information required in the report to PEC or its designees during the Site Visit for the School in lieu of providing a special separate report.

Student – Focused Term(s).

The school will offer intensive pre-professional instruction in the performing and visual arts combined with a strong academic program that leads to high school diploma.

Art disciplines of Dance, Music, Theater and Visual Arts will be offered.

The school will offer a Guest Artist Program that augments students' technical skills, provides mentors and real-life examples of what can be achieved, expands imaginations as to what can be dreamt, and supports and inspires the regular teaching staff.

A residential program will be available for students who qualify.

Total Student Enrollment.

- 300

3b. Organizational Performance Framework

The school received zero (0) “Falls Far Below Standard” ratings in 2017-2018 and in 2016-2017.

Figure 3. 2017-2018 Organizational Framework Ratings (17 indicators total).

Meets	Working to Meet	Falls Far Below
16	1	0

Figure 4. 2016-2017 Organizational Framework Ratings (17 indicators total).

Meets	Working to Meet	Falls Far Below
13	4	0

3c. Governing Body Performance

According to the last reporting from this school, New Mexico School for the Arts has five members serving on their Governing Body as follows:

Figure 5. Governing council composition.

Name	Role	Service Start Date*	Membership Status	FY18 Training Requirements
Bill Beacham	Chair	September 12, 2015	Continuing	Incomplete
Michael Kaplan	Vice-Chair	June 13, 2017	Continuing	Complete
Paula Tackett	Secretary	November 6, 2012	Continuing	Incomplete
Greg Hunt	Treasurer	June 14, 2016	Continuing	Incomplete
Doddie Espinosa	Member	December 11, 2016	Continuing	Incomplete

According to PED records, the school has not completed all required training for FY18. Though each member completed the correct number of hours for returning/continuing members when factoring in the