

# New Mexico Public Education Commission



## New Mexico Charter School Performance Framework Business Rules

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## Introduction

The purpose of this document is to provide the business rules for implementing the New Mexico Performance Management Framework, which was developed by the New Mexico Public Education Commission (PEC) with the support of the Charter Schools Division (CSD) of the Public Education Department (PED). Input from school leaders, legal counsel, and stakeholders has been received, discussed, and, to the extent reasonable, incorporated into this framework.

### Framework, Categories, and Performance Areas

Framework	Category	Performance Area	Option
<b>Academic</b>	State Accountability System	1.A. State Accountability System	1.A.1. State Accountability System
			1.A.2. State Accountability System <b>and</b> Supplemental Proficiency and Growth Data
			1.A.3. PEC-approved Performance System
		1.B. Outcomes for Special Student Groups	1.B.1. State Accountability System
			1.B.2 State Accountability System <b>and</b> Supplemental Proficiency and Growth Data
			1.B.3. PEC-approved Performance System
	1.C. Participation Rate		
	School-Specific	2.A. Mission Goal(s)	
		2.B. Education Program Implementation	
		2.C. Conducive Learning Culture	
<b>Organizational</b>	Governing Body Membership, Training, and Responsibilities	3.A.1. Membership	
		3.A.2. Training	
		3.A.3. Meeting Transparency and Documentation	
	Equitable Enrollment Process	3.B. Non-discriminatory enrollment process	
	Compliance with Legal Requirements	3.C. Annual Compliance Requirements	
<b>Financial</b>	Financial Health	4.A. Days Cash on Hand	
		4.B. Annual Financial Audit	
		4.C. Financial Reporting and Compliance	
		4.D. Fiscal Oversight	
		4.E. Enrollment Variance	

## Academic Framework

**1.A. State Accountability System:** The school ensures students meet or exceed the expectations established by PED for all New Mexican students, including sufficient academic achievement and academic growth

**1.A.1:** The school's overall performance on the state accountability system as compared to all other public schools.

**Business Rule:** Use the state developed and provided school ranking.

**1.A.2:** If option 1.A.2 is selected, this indicator can be met in a variety of ways.

The school's overall performance on the state accountability system

**AND**

Supplemental proficiency and growth data in both reading and math using PED-approved nationally and/or state-normed assessments

**OR**

Under special circumstances, with PEC-approved rationale, nationally and/or state-normed assessments in both reading and math with explicit growth targets and business rules for calculating the growth target as agreed to in the school's charter contract

**Business rule for 1.A.2, yellow highlighted text above**

First, identify the percentile on the state developed and provided school ranking and identify the rating based on this score as done in 1.A.1 and see if the school exceeds the target. If not, go to green highlighted text.

**Business rule for 1.A.2, green highlighted text above**

If additional scoring is needed, identify and score the students who achieve the as follows:

**Numerator:**

# of students who score at or above grade level in fall for reading [PLUS]

# of students who score at or above grade level in winter in reading [PLUS]

# of student who did not score above grade level in fall but do score at or above grade level in spring in reading [PLUS]

# of students who did not score at grade level in the fall or spring but who met growth target from fall to spring in reading [PLUS]

# of students who did not score at grade level in the fall or spring who did not make growth target from fall to spring but met growth target from fall to winter in reading [PLUS]

# of students who did not score at grade level in the fall or spring who did not make growth target from fall to spring but met growth target from winter to spring in reading [PLUS]

# of students who score at or above grade level in fall for math [PLUS]

# of students who score at or above grade level in winter in math [PLUS]

# of student who did not score above grade level in fall but do score at or above grade level in spring in math [PLUS]

# of students who did not score at grade level in the fall or spring but who met growth target from fall to spring in math [PLUS]

# of students who did not score at grade level in the fall or spring who did not make growth target from fall to spring but met growth target from fall to winter in math [PLUS]

# of students who did not score at grade level in the fall or spring who did not make growth target from fall to spring but met growth target from winter to spring in math

**Then divide by the Denominator:**

**Denominator:** # of students who meet the state definition of attending for the full academic year (FAY) [TIMES] 2

**Note:** students can meet math and reading in different ways, for example a student can meet math with a score that is on grade level and meet ELA by meeting their growth target. See Appendix B for all the ways students should be included in the numeration.

**Business rules for 1.A.2, orange highlighted text above**

If a school has negotiated a different scale in the contract (above) under the following provision “under special circumstances, with PEC-approved rationale, nationally and/or state-normed assessments with explicit growth targets and business rules for calculating the growth target as agreed to in the school’s charter contract”,

- Add assessment to charter contract.
- Based on the school's assessment and growth measure, as defined in the charter contract, which must meet the terms defined by the testing company
  - At or above grade level (or grade level equivalent)
  - Meet their growth target
  - Show the equivalent of one year’s worth of growth
  - Other, as defined by the testing company

**For any scoring mechanism in 1.A.2,**

- If fewer than 85% of FAY students identified to be tested are tested on the school-specific assessments, the results are considered invalid, and the school defaults to Option 1.A.1.
- If the testing data is not provided to CSD for review by the timeline established by CSD, the results are considered invalid, and the school defaults to Option 1.A.1.
- If the school changes assessments or the growth targets, it is considered a material change of the charter contract and requires PEC approval.

**See Appendix**

**1.A.3:** The school's overall performance on the state accountability system is replaced with a PEC-approved performance system using PED-approved nationally normed assessments or, under special circumstances, with PEC-approved assessments that are nationally and/or state-normed with explicit growth targets and business rules for calculating the growth target as agreed to in the school’s charter contract.

**Business Rules:** If option 1.A.3 is selected, the scoring will depend on each school’s negotiated agreement with the PEC set forth in the charter school’s Performance Framework. The criteria negotiated with the PEC must:

- Under special circumstances, with PEC-approved assessments that are nationally and/or state-normed and that provide explicit growth targets developed by the assessment provider
- Negotiate a performance scale that is comparable to Option 1 and, based on 100 points, approved by PEC.
- If fewer than 85% of FAY students identified to be tested are tested on the school-specific assessments, the results are considered invalid, and the school defaults to Option 1.A.1.
- If the testing data is not provided to CSD for review by the timeline established by CSD, the results are considered invalid, and the school defaults to Option 1.A.1.

- If the school changes assessments or the growth targets, it is considered a material change of the charter contract and requires PEC approval.

**1.B. Outcomes for Student Groups:** The school ensures the following student groups demonstrate academic excellence through individual growth: male, female, low-income, English learners, students with disabilities, and race/ethnic groups: Native American, White, Black, Asian, and Hispanic.

**1.B.1.** The school's performance on the state accountability system for student groups not masked for N size using the state-generated rating, if applicable.

**Business Rules:** Create each fraction as follows until a score is identified:

**Numerator:** # of Subgroups with a median student growth profile (SGP) of 60 or greater in reading [PLUS] # of special student groups with a median SGP of 60 or greater in math

**Denominator:** # of special student groups in reading [PLUS] # of special student groups in math

If 100% = Exceeds, if not, calculate:

**Numerator:** # of Subgroups with a median SGP of 45 or greater in reading [PLUS] # of special student groups with a median SGP of 45 or greater in math

**Denominator:** # of special student groups in reading [PLUS] # of special student groups in math

If 100% = Meets, if not, calculate:

**Numerator:** # of Subgroups with a median SGP of 35 or greater in reading [PLUS] # of special student groups with a median SGP of 35 or greater in math

**Denominator:** # of special student groups in reading [PLUS] # of special student groups in math

If 50% or more of the subgroups = Working to Meet

If less than 50% = Does Not Meet

**For any scoring mechanism in 1.B.1,**

- Student groups must have a minimum number of Test Takers (TT) as defined in the Consolidated State Plan (CSP) to be included in numerator and denominator.
- When a school does not have the minimum required students in any state-recognized student group, the school receives no score for that group, which does not impact positively or negatively their overall outcome for this performance area.
- If the school has the minimum required eligible students in a student population and tests fewer than 85% of the students, the untested students will be considered “not meeting their growth target” and impact the overall percentage for that student group.
- Student groups are male, female, Asian, Black, Hispanic, Native American, white, students with disabilities, English learners, economically disadvantaged.

If student growth percentile data for a school is unavailable under the state accountability system, the item will be identified as “not able to be scored.” However, in the PEC annual report notice, the PEC may still consider the proficiency of subgroups provided in the state accountability system, including by identifying satisfactory or unsatisfactory performance.

If student growth percentiles are provided for any grade at the school, the item will be scored using available data.

**1.B.2.** If option 1.B.2 is selected, this indicator can be met in a variety of ways.

The school's overall performance on the state accountability system

## AND

Supplemental proficiency and growth data in both reading and math using PED-approved nationally and/or state-normed assessments

**Business rules for 1.B.2, yellow highlighted text above:** First, identify the percentile on the state developed and provided school ranking for student groups and identify the rating based on this score as done in 1.B.1 and see if the school exceeds the target. If not, go to green highlighted:

**Business rules for 1.B.2, green highlighted text above:** If additional scoring is needed, identify and score the students who achieve the as follows:

### Exceeds

**Numerator:** # of student groups meeting the median SGP target of 60 in reading [PLUS] # of student groups that did not have a median SGP of 60 but had 70% or more meeting the test company's growth target in reading [PLUS] # of student groups meeting the median SGP target of 60 in math [PLUS] # of student groups that did not have a median SGP of 60 but had 70% or more meeting the test company's growth target in math

**Denominator:** # of special student groups in reading [PLUS] # of special student groups in math  
If 100% = Exceeds, if not, calculate below:

### Meets

**Numerator:** # of student groups meeting the median SGP target of 45 in reading [PLUS] # of student groups that did not have a median SGP of 45 but had 60% or more meeting the test company's growth target in reading [PLUS] # of student groups meeting the SGP target of 45 in math [PLUS] # of student groups that did not have a median SGP of 45 but had 60% or more meeting the test company's growth target in math

**Denominator:** # of special student groups in reading [PLUS] # of special student groups in math  
If 100% = Meets, if not, calculate:

### Approaching and Does Not Meet

**Numerator:** # of student groups meeting the median SGP target of 35 in reading [PLUS] # of student groups that did not have a median SGP of 35 but had 30% or more meeting the test company's growth target in reading [PLUS] # of student groups meeting the SGP target of 35 in math [PLUS] # of student groups that did not have a median SGP of 45 but had 30% or more meeting the test company's growth target in math

**Denominator:** # of special student groups in reading [PLUS] # of special student groups in math  
If 50% or greater = Approaching.  
If less than 50% = Does Not Meet

### For any scoring mechanism in 1.B.2,

- If the testing data is not provided to CSD for review by the timeline established by CSD, the results are considered invalid, and results will not be included in the equations.
- If the school changes assessments or the growth targets, it is considered a material change of the charter contract and requires PEC approval.
- Student groups must have the minimum required Test Takers (TT) to be included in numerator and denominator.
- When a school does not have the minimum required students in any state-recognized student group, the school receives no score for that group, which does not impact positively or negatively their overall outcome for this performance area.
- If the school has the minimum required eligible students in a student population and tests fewer than 95% of the students, the untested students will be considered "not meeting their growth target" and impact the overall percentage for that student group.

**1.B.3.** The school's performance on the state accountability system for student groups is replaced with a PEC-approved performance system using PED-approved nationally normed assessments<sup>1</sup> or, under special circumstances, with PEC-approved assessments that are nationally and/or state-normed assessments with explicit growth targets and business rules for calculating the growth target as agreed to in the school's charter contract.

**Business Rule:** Identify and score the students according to the provisions negotiated between the parties and identified the Performance Framework

**For any scoring mechanism in 1.B.3,**

- The school's performance on the state accountability system for special student groups is replaced with a PEC-approved performance system using nationally and/or state-normed assessments or, under special circumstances, with PEC-approved assessments that are nationally and/or state-normed assessments with explicit growth targets and business rules for calculating the growth target as agreed to in the school's charter contract.
- If the school has the minimum required eligible students in a student population and tests fewer than 85% of the students, the untested students will be considered "not meeting their growth target" and impact the overall percentage for that student group.
- If less than 85% of ALL students are tested on the school-specific assessments, the results are considered invalid, and the school defaults to Option 1.B.1.
- If the testing data is not provided to CSD for review by the timeline established by CSD, the results are considered invalid, and the school defaults to Option 1.B.1.
- If the school changes assessments or the growth targets, it is considered a material change of the charter contract and requires PEC approval.

**1.C. Participation Rate:** The school assesses student progress and achievement annually.

**Business Rule:** Participation Rate as calculated by PED on all state mandated assessments: early literacy, reading, math, science, English learner proficiency, and alternate assessments for all grade levels.

**2.A. Mission Goals:** The school's education program effectively supports mission implementation, student academic success, and overall student well-being that supports the community in which they serve

**Business Rules:**

- Using [Results-Based Accountability™ \(RBA\)](#) as a model, reflect your thinking about the following questions: Is anyone better off as a result? How do you know? How much did the school do? How well did the school do it?
- The data must be in the form of student outcomes, not school inputs; for example, it cannot be the number of students attending a class but rather the number of students with passing grades on the culminating portfolio assignment.
- **For any scoring mechanism:**
  - If fewer than 85% of students identified to be tested are tested on the mission-specific assessment, the results are considered invalid, and the school's mission goal will be considered Does Not Meet.

<sup>1</sup> As determined by the PED Assessment Bureau: <https://webnew.ped.state.nm.us/bureaus/assessment/>

- If the testing data specified in the contract is not provided to CSD for review by the timeline established by CSD, the results are considered invalid, and the school's mission goal will be considered Does Not Meet.
- If the school changes assessments or the way in which the measure is calculated, it is considered a material change of the charter contract and requires PEC approval.

**2.B. Education Program Implementation:** The school's education program fulfills a need in the community in which they serve, as documented in their charter contract and PEC-approved amendments

**Business Rule:** As stated in the contract.

**2.C. Conducive Learning Culture:** Eligible student re-enrollment (recurrent enrollment) in the school from the 40<sup>th</sup> day count of the previous school year to the 40<sup>th</sup> day count of the current school year.

**Business Rules:** Divide numerator by denominator.

**Numerator:** Eligible Students who enrolled in Year 1 (Y1) and remain enrolled in Year 2 (Y2)

**Denominator:** Eligible Students enrolled Y1

- An “**eligible student**” is enrolled in the school in the fall of the previous school year (Y1) in one of the “starting grades” and has not: moved out of jurisdiction, been determined unable to attend school by a doctor, received a waiver from CSD for extenuating circumstances.
- A “**re-enrolled student**” is an “eligible student” who is enrolled in the school in the fall of the current year (Y2).
- **Starting Grades:** K, 1, 2, 3,4, 6, 7, 9, 10, and 11
- A school operating a school with multiple grade spans will have a combined re-enrollment rate that only includes “eligible students” (i.e., not students in Y1 who are in grades 5, 8 or 12).
- Re-enrollment can be to repeat the same grade or enter the next grade.
- **Extraordinary circumstances:** The CSD will set up a process for accepting waivers for special circumstances, for example: when a family leaves a school (with multiple students) and disproportionately impacts re-enrollment, a new school opens close to the existing school with overlapping grades, adjudicated youth unable to determine where they attend school
- High schools that have an educational program description in the charter contract to enroll students who have previously dropped out of school or are at high risk of dropping out of school will negotiate a substitute measure: “persistence within a single school year” (e.g., from semester 1 to semester 2).

Option 3:

**Numerator:** # of students in Q1 Count who are in Q2 Count, # of students in Q2 Count who are in Q3 Count, # of students in Q3 Count who are in Q4 Count

**Denominator:** # of students in Q1, # of students in Q2, # of students in Q3

**3.A.1. Governing Body Membership:** The number of governing council members stays within the range designated in the school's bylaws.

**Business Rules:**

- Minimum number of governing council members is five for all schools, unless the school bylaws require a higher number



- Schools must notify CSD of governing council vacancies and new appointments by deadline in the PEC notification form
- Schools must fill vacancies within 45 days or ask for an extension before the 45 days elapse; one extension of 30 days will be granted

**3.A.2. Governing Body Training:** All members of the governing body, and new members who have served for at least six months, have completed all training hours required by CSD and PEC by the end of the fiscal year.

**Business Rules:**

- Governing body members appointed between July 1 and December 31 complete training requirements by the end of the fiscal year (June 30) per 6.80.5 NMAC: 10 hours for new members and 8 hours for continuing members, less any exemptions provided by CSD based on annual audit and academic outcomes.
- Members appointed between January 1 and June 30 may complete the 10 hours of new member training in the following fiscal year but must also complete the required 8 hours of continuing member training during that fiscal year.

**3.A.3. Governing Body Meeting Transparency and Documentation:** The school is in compliance with publicly posting meetings, minutes, and calendar of meetings.

**Business Rules:**

School website includes governance page that is clearly identified on main page and contains:

- Accurate and up to date calendar of all regular board meetings subject to the Open Meetings Act (OMA)
- Notification of board meetings in compliance with OMA and bylaws
- Minutes of board meetings within 10 days of approval
- Name, position on board, and contact information for all board members

**3.B. Equitable Enrollment Process:** The school has an Enrollment Policy consistent with Lottery Guidance and with two distinct sections: Lottery Form/Lottery Process and Enrollment/Registration

**Business Rule:** The school’s Enrollment Policy is consistent with the Lottery Guidance criteria on the CSD website or lottery/enrollment laws and rules, if promulgated.

**3.C. Compliance with Legal Requirements:** List of Annual Compliance Requirements, as approved annually no later than July 1 by PEC, and distributed by CSD to schools by that time.

**Business Rules:**

- School complies with all requirements in the CSD’s Annual Compliance Checklist for the current fiscal year, published on the PEC and CSD web pages by July 1 annually.
- To confirm compliance with PED requirements and statutes/rules enforced by PED, CSD will request data from other PED bureaus/divisions to verify compliance.
- CSD will verify compliance with the contract during the annual site visit and annual report process.
- To update the compliance requirements each year:
  - CSD will only update the list of compliance requirements as required by the PED, PEC or state and federal law.

- PEC adopts the updated list by June 30 of each year.

**4.A. Days Cash on Hand:** The school demonstrates its financial health by having sufficient cash to ensure operations can withstand an immediate need.

**Business Rules:**

The CSD will use the **4th quarter/end of fiscal year report**, which is prepared and submitted by the school to the School Budget Bureau.

- School should submit requests for reimbursements timely; consideration will be given for delays in PED processing.
- If the school has outstanding expenses that cannot be submitted timely to PED and it is no fault of the school, the school may submit an explanation to CSD upon receipt of their preliminary framework, and the CSD has discretion to use professional judgment to change a school’s score on this indicator.

**4.B. Annual Financial Audit:** The results of the financial audit demonstrate that the school meets basic expectations of financial oversight.

**Business Rules:**

Based on findings of audit report for PED, of which state charter schools are component units.

**4.C. Financial Reporting and Compliance:** The school and its governing board effectively establish and approve the budget and meet all financial reporting and compliance requirements. (NMSA 22-8-6.1 and 10)

**Business Rules:**

- Quarterly reports to PED School Budget Bureau due 10/31, 1/31, 4/30, 7/31: one month following the end of each quarter (9/30, 12/31, 3/31, 6/30). If school is on monthly reporting, reports due last day of month for prior month.
- The Budget Bureau of PED will provide information to CSD regarding those schools who are in compliance with the requirements and those schools that “consistently fail to submit” or have “frequent, repeated errors.”

**4.D. Fiscal Oversight:**

1. The school has employed financial expertise and/or contracts with a licensed business manager and licensed procurement officer.

The governing board:

2. has adopted and maintains financial-related policies.
3. reviews financial reports and statements, including a statement of net position, a budget to an actual statement of revenues, expenditures, and changes in fund balance, and a cash flow statement at all meetings.
4. annually reviews the audited financial statements, related reports, and management letters and ensures all findings are addressed.
5. has an audit committee that fulfills its requirements as described in statute.
6. has a finance committee fulfills its requirements as described in statute.

At least annually, the finance committee: 7. tests internal audit controls.
<b>Business Rules:</b>  CSD review of licensure documents and minutes of full board meetings and finance and audit committees.
<b>4.E. Enrollment Variance:</b> The school makes accurate enrollment assumptions, resulting in a budget that is sound.
<b>Business Rules:</b> Divide numerator by denominator.  Numerator: actual enrollment (STARS report 80th day) Denominator: budgeted enrollment (set during spring budget preparation)

### Appendix

#### Ways to Meet Proficiency OR Growth Expectations for Indicator 1.A, Option 2, ELA and Math

Scored at grade Level in the Fall	Scored at Grade Level in the Spring	Met Growth Target between Fall and Spring	Met Growth Target between Fall and Winter	Met Growth Target between Winter and Spring	Include in the Numerator
No	No	No	No	No	No
No	No	No	No	Yes	Yes
No	No	No	Yes	Yes	Yes
No	No	Yes	Yes	Yes	Yes
No	No	No	Yes	Yes	Yes
No	No	Yes	No	No	Yes
No	Yes	No	No	No	Yes
Yes	Yes	No	No	No	Yes
Yes	No	Yes	No	No	Yes
Yes	No	No	Yes	Yes	Yes
Yes	Yes	Yes	No	No	Yes
Yes	Yes	Yes	Yes	No	Yes