



# Performance Framework

## Commission Guiding Principles

**Students First, Always:** Student success is our north star. We want every student to experience the transformative power of education.

**Stewards of the Public Trust:** We exercise our authority with transparency, discipline, and humility. Credibility is foundational and we understand that trust must be earned, not assumed. We seek to build enduring trust with families, educators, communities, tribes, and policymakers through every decision we make.

**Authorizing for Systems Change:** We don't just authorize schools, we help foster a more responsive, innovative, and effective public education system.

**Excellence is the Expectation:** Students deserve our best. That's why we set a high bar for schools, boards, authorizers, and ourselves.

**Community-Centered Innovation:** We listen to and elevate local voices and context, especially in rural and tribal communities, in order to create the conditions where excellence can thrive.

**Clarity and Courage in Decision-Making:** We lead transparently and act with integrity. We face difficult decisions with moral clarity and constitutional conviction.

**Policy**

**20-11-117. Community choice school performance and renewal.** (1) The performance provisions within the charter contract must be based on a performance framework that clearly sets forth the academic and operational performance indicators, measures, and metrics that will guide the authorizer's evaluations of each choice school. The performance framework must include indicators, measures, and metrics for, at a minimum:

- (a) student academic proficiency;
  - (b) student academic growth;
  - (c) achievement gaps in both proficiency and growth between major student subgroups;
  - (d) attendance;
  - (e) recurrent enrollment from year to year;
  - (f) postsecondary readiness;
  - (g) financial performance and sustainability; and
  - (h) governing board performance and stewardship, including compliance with all applicable laws, regulations, and terms of the charter contract.
- (2) Each choice school, in conjunction with its authorizer, shall set **annual** performance targets designed to help each school meet applicable federal, state, and authorizer expectations.
- (3) (a) The contract performance framework must include rigorous, valid, and reliable indicators proposed by a choice school to evaluate its performance that are consistent with the purposes of this part.
- (b) The authorizer shall collect and analyze data from each choice school it oversees in accordance with the performance framework.
- (c) Multiple schools operating under a single charter contract or overseen by a single governing board shall report their performance as separate, individual schools. Each school must be held independently accountable for its performance.

Performance Framework Components				
Mission Driven Measures	Academic Measures	School Environment Measures	Operational Measures	Financial Measures
Is the school delivering on its promise?  <i>To be developed in Year 0 program in collaboration with school team to measure the unique elements of their school model</i>	Is the school an academic success?  Proficiency & Growth <ul style="list-style-type: none"> <li>● Literacy &amp; Mathematics               <ul style="list-style-type: none"> <li>○ Same Students</li> <li>○ All Students</li> <li>○ Special Populations</li> </ul> </li> </ul> Assessment Participation  Post Secondary Readiness	Is the school a safe and welcoming environment conducive to learning?  Student Attendance  Recurrent Enrollment  Staff Retention  School Community Engagement	Is the school an effective and viable organization?  Governance Oversight  Operational Compliance	Is the school fiscally sound?  Near Term Health <ul style="list-style-type: none"> <li>● Current Ratio</li> <li>● Unrestricted Days Cash</li> <li>● Default</li> <li>● Enrollment Variance</li> </ul> Sustainable Health <ul style="list-style-type: none"> <li>● Debt Service Coverage Ratio</li> <li>● Debt to Asset Ratio</li> <li>● Financial Compliance Rubric</li> </ul>

## Section I: Mission Driven Measures

Is the school delivering on its promise?

*Indicator TBD*

*Indicator TBD*

(performance indicator)
(description) (Reference: MCA 20-11-117 (3)(a) and Contract Sections 7.1 and 7.2)
Source:
Exceeds Standard
Meets Standard
Approaches Standard
Does Not Meet Standard

(performance indicator)
(description) (Reference: MCA 20-11-117 (3)(a) and Contract Sections 7.1 and 7.2)
Source:
Exceeds Standard
Meets Standard
Approaches Standard
Does Not Meet Standard

## Section II: Academic Measures

Is the school an academic success?

<p>Proficiency Literacy &amp; Mathematics</p> <ul style="list-style-type: none"> <li>● All Students</li> <li>○ Special Populations</li> </ul>	<p>Growth Literacy &amp; Mathematics</p> <ul style="list-style-type: none"> <li>○ Same Students</li> <li>○ Special Populations</li> </ul>	<p>Post Secondary Readiness</p>
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Proficiency Rubric for Literacy and Mathematics			
Community Choice Schools will use the proficiency rates as determined by an assessment to be determined in conjunction with the Commission and identified in the Contract. (Reference: MCA 20-11-117(a)(c) and Contract Section 7.3) The proficiency rate is the percentage of students who are at or above the 50th achievement percentile on the assessment used. This (50th percentile) is the proficiency benchmark.			
Source: <i>assessment name</i>			
	All Students	Special Populations Closing Achievement Gaps	
	Every student who completed the assessment.	Students with Special Needs Free & Reduced Lunch English Language Learners American Indian & Other Ethnic Groups	
Exceeds Standard	The school's proficiency rate is at or above 65%.	NA	
Meets Standard	The school's proficiency rate falls between 45% and 64%.	No major subgroup's proficiency rate is more than 10 percentage points below the school's overall proficiency rate.	
Approaches Standard	The school's proficiency rate falls between 30% and 44%.	NA	
Does Not Meet Standard	The school's proficiency rate falls below 30%.	One or more subgroups' proficiency rates are more than 10 percentage points below the school's overall proficiency rate.	

Growth Rubric Literacy & Mathematics			
Growth Percentiles are conditional—each student's growth is compared to peers who began at the same achievement level nationally. (Reference: MCA 20-11-117(b)(c) and Contract Section 7.3)			
Source: <i>assessment name</i>			
	Students Meeting Achievement Benchmarks	Students <u>Not</u> Meeting Achievement Benchmarks	Special Populations Closing Achievement Gaps
	Students who completed both fall & spring assessments.		
Exceeds Standard	Median growth in the 4th/Above or 5th/Well Above Quintiles (61st–99th percentiles)	Median growth in the 5th/Well Above Quintile (81st–99th percentiles)	NA
Meets Standard	Median growth in the 3rd/Typical Quintile (41st–60th percentiles)	Median growth in the 4th/Above Quintile (61th–80th percentiles)	Subgroups with no significant gap have median Growth Percentiles $\geq$ 45th. Subgroups with a gap have median Growth Percentiles $\geq$ 55th or demonstrate progress in narrowing the gap ( $\geq$ 2-point reduction).
Approaches Standard	Median growth in the 2nd/Below Quintile (21st–40th percentiles)	Median growth in the 3rd/Typical Quintile (41st–60th percentiles)	NA
Does Not Meet Standard	Median growth in the 1st/Well Below Quintile (1st–20th percentiles)	Median growth in the 1st/Well below and 2nd/Below Quintiles (1st–40th percentiles)	One or more major subgroups with a proficiency gap show median Growth Percentiles $<$ 55th and no improvement in closing the gap.

<b>Assessment Participation</b>	
Percent of students who complete each assessment cycle.	
Calculation: Use enrollment from the most recent count day.	
Meets Standard	95% or more of students completed the assessment in literacy and mathematics.
Does Not Meet Standard	Fewer than 94% of students completed the assessment in literacy and mathematics.

<b>Postsecondary Readiness (College and Career Readiness)</b>	
Adjusted Cohort Graduation Rate (ACGR): High schools will be evaluated based on their 4- Year ACGR (update annually 2023 = 89.3%). (Reference: MCA 20-11-117(f))	
Calculation: Divide the number of students who graduate in four years with a regular diploma by the number of first-time 9th graders, adding students who transfer in, and subtracting students who transfer out	
Exceeds Standard	The school's 4-year ACGR is 91-100%.
Meets Standard	The school's 4-year ACGR is equal to or exceeds the average ACGR rate for the State.
Approaches Standard	The school's 4-year ACGR is within 3 points of the State average..
Does Not Meet Standard	The school's 4-year ACGR is more than 3 points below the state average.

### Section III: School Environment

Is the school a safe and welcoming environment conducive to learning?

Student Attendance	Recurrent Enrollment	Staff Retention	School Community Engagement
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Attendance	
Average daily attendance (Reference: MCA 20-11-117(d))	
Calculation: use the school's average daily attendance rate to measure the school's performance against the attendance rate standard.	
Exceeds Standard	The school's average daily attendance rate is 95% or higher.
Meets Standard	The school's average daily attendance rate is between 90% and 94%.
Approaches Standard	The school's average daily attendance rate is between 85% and 89%.
Does Not Meet Standard	The school's average daily attendance rate is below 85%

Recurrent Enrollment	
Recurrent enrollment refers to the rate at which students re-enroll in the same school from year to year. (Reference: MCA 20-11-117(e))	
Calculation: Divide the number of students indicating they will return for the next school year by the total number of students.	
Exceeds Standard	The school's average re-enrollment rate is (90%) or higher.
Meets Standard	The school's average re-enrollment rate is between (89% and 85%).
Approaches Standard	The school's average re-enrollment rate is between (84% and 80%).
Does Not Meet Standard	The school's average re-enrollment rate is below (79%).

<b>Staff Retention</b>	
Staff Retention refers to the rate at which staff return to the school from year to year excluding staff not offered a contract to return.	
Calculate retention rate by dividing the number of staff planning to return by the number offered a return contract x 100 (this excludes any staff not offered a return contract).	
Exceeds Standard	The staff retention rate is 90% or higher.
Meets Standard	The staff retention rate is between 85-89%.
Approaches Standard	The staff retention rate is between 75-84%.
Does Not Meet Standard	The staff retention rate is below 74%.

<b>School Community Engagement</b>	
The school achieves a cohesive community that supports student achievement, staff and family satisfaction, and the organizational health of the school with the following elements fully developed and functioning effectively:	
Sources: events calendar, external partnerships, strategic planning process, town halls, public comment at board meetings, student council, parent advisory council	
Meets Standard	<input type="checkbox"/> Approaches to shared decision making include student, family, and staff voice <input type="checkbox"/> Relationships exist with community leaders and organizations that enhance student engagement <input type="checkbox"/> Community events and celebrations engage students, staff, and families in building the school community
Does Not Meet Standard	The school failed to implement each of the programs as described above and the failure was material and significant to the viability of the school.

## Section IV: Operational Measures

Is the school an effective, viable organization?

Governance Oversight

Operational Compliance

### Governance Oversight: Governing Board Legal Composition and Standing

The governing board is properly constituted and operates in compliance with statutory and charter requirements. (Reference: MCA 20-11-119 (1)(f); MCA 35-2-113 through 35-2-1402 and Contract Sections 4.1 - 4.3).

Source: Articles of Incorporation, Bylaws.

Meets Standard

Governing board membership, bylaws, and Articles of Incorporation comply with statute and the charter contract; any changes reported within statutory and contractual timelines.

Does Not Meet Standard

Board composition or governing documents are out of compliance or changes were not reported in accordance with the charter contract and/or statute.

### Governance Oversight: Open Meetings Act

The governing board complies with Montana open meetings and public records laws. (References: MCA 20-11-119 (7)(c); Contract Section 4.4)

Source: Annual Calendar, website checks.

Meets Standard

Board meetings, notices, agendas, and minutes comply with MCA Title 2, Chapters 3 and 6 and are publicly accessible.

Does Not Meet Standard

Board composition or governing documents are out of compliance or changes were not reported in accordance with the charter contract and/or statute.

<b>Governance Oversight: Conflicts of Interest</b>	
The governing board maintains independence and avoids conflicts of interest. (Reference: Contract Section 4.5).	
Source: Conflict of Interest policy and annual disclosure form provided by the Commission.	
Meets Standard	The governing board has a conflict-of-interest policy that meets the requirements of the Contract Section 4.5, and provides annual disclosures that are free of conflict violations.
Does Not Meet Standard	The governing board does not have a policy on file that meets the requirements of Contract Section 4.5 or there are unresolved conflicts of interest that violate the conflict-of-interest policy.

<b>Governance Oversight: Financial Oversight</b>	
The governing board exercises effective financial oversight and fulfills its fiduciary responsibility to ensure the financial health and sustainability of the school. (Reference: MCA 20-11-118(1)(d); 20-11-119(5); Contract Sections 4.1; 8.3; 8.6).	
Source: Approved budgets, budget amendments, annual financial audit, quarterly financial statements, corrective action plans/responses to audits, board minutes.	
Meets Standard	The governing board adopts and monitors a balanced annual budget, reviews financial reports and the annual audit, and takes appropriate action to address identified financial risks or compliance issues.
Does Not Meet Standard	The governing board fails to exercise adequate financial oversight, as evidenced by one or more of the following: <ul style="list-style-type: none"> <li>● Failure to adopt a balanced budget;</li> <li>● Failure to review financial reports or the annual audit;</li> <li>● Failure to respond to identified financial risks, audit findings, or material compliance issues; or</li> <li>● Board actions or inaction that contribute to material financial noncompliance, fiscal mismanagement, or financial instability.</li> </ul>

<b>Operational Integrity: Enrollment and Nondiscrimination</b>	
Enrollment, admissions, and lottery policies are open, fair, and nondiscriminatory. (Reference: MCA 20-11-116, 119 (6); Contract Sections 6.2 - 6.4). Source:	
Enrollment policy (with lottery).	
Meets Standard	Policies and practices comply with the law and charter contract; no substantiated complaints received.
Does Not Meet Standard	Admission and enrollment practices and/or policies are noncompliant. Complaints received and substantiated.

<b>Operational Integrity: Health, Safety, and Welfare</b>	
The Choice School maintains systems to protect student health and safety. Reference: MCA 20-11-118 (1)(c); Contract Sections 3.5; 5.6).	
Source: compliance with state health and safety requirements	
Meets Standard	No unresolved safety violations; incidents reported in compliance with the Contract.
Does Not Meet Standard	Unreported incidents or unresolved safety violations at the school.

<b>Operational Integrity: Background Checks</b>	
Employees and board members meet required background check standards. (Reference: MCA 20-11-119 (8)(c); Contract Sections 4.6; 9.4)	
Source: Background Checks	
Meets Standard	All required background checks completed and documented.
Does Not Meet Standard	Required background checks are missing or incomplete.

## Operational Compliance: Submission Requirements

The school submits required reports and documents to the Commission on time and complete.

Source: Epicenter Statistics

Meets Standard

At least 90% of required documents listed in the Annual Calendar of Reporting Requirements were submitted on time during the academic year to the Commission and were complete.

Does Not Meet Standard

Less than 90% of required documents listed in the Annual Calendar of Reporting Requirements were submitted on time during the academic year to the Commission **OR** documents submitted on time were incomplete.

## Section V: Financial Measures

Is the school fiscally sound?

- Current Ratio
- Unrestricted Days Cash
- Default
- Enrollment Variance

- Sustainable Health
- Debt Service Coverage Ratio
- Debt to Asset Ratio
- Financial Compliance Rubric

Near Term Health (Reference: MCA 20-11-117(g) and Contract Section 8.6)				
	Current Ratio	Unrestricted Days Cash	Default	Enrollment Variance
Calculation:	Current Assets divided by Current Liabilities	Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365).	Failure to make payment on a debt.	Actual enrollment divided by the enrollment planned in the budget.
Data Source:	Annual Fiscal Audit Report	Annual Fiscal Audit Report	Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.	Data Source: Student Enrollment Record
Exceeds Standard	The school has a Current Ratio of more than 1.5	The school has more than 60-days cash on hand.	The school has met standards for at least 3 consecutive years, including the most recently completed school year.	The school has met standards for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	The school has a Current Ratio of at least 1.1 OR between 1.0 and 1.1 with a 1-year positive trend	The school has between 30- and 59-days cash on hand and a positive one-year trend. *Note: Schools in their first or second year of operation must have a minimum of 30- days cash on hand.	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include but are not limited to: making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.	Enrollment variance is equal to or greater than 95%.

Approaches Standard	The school has a Current Ratio of between .9 and 1.0 OR between 1.0 and 1.1 with a 1-year negative trend.	The school has between 15- and 30-days cash on hand OR Between 30- and 60- days cash on hand with a negative one-year trend.	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.	The enrollment variance was between 90% and 95% OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	The school has a Current Ratio of .9 or less.	The school has fewer than 15 days cash on hand.	The school is currently in default of financial obligations.	The enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

Sustainable Health (Reference: MCA 20-11-117(g) and Contract Section 8.6)				
	Total Margin and 3-Year Aggregated Total Margin Rubric	Debt Service Coverage Ratio	Debt to Asset Ratio	Financial Compliance Rubric
Calculation:	Most Recent Year Total Margin: e.g., 2026 Net Income divided by 2026 Total Revenue. 3-Year Aggregated Total Margin: (2026 Net Income +2025 Net Income +2024 Net Income) divided by (2026 Total Revenue +2025 Total Revenue +2024 Total Revenue)	If school owns its facility or if the school leases its facility and the lease is capitalized: (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments) OR if school leases its facility and the lease is not capitalized: ( Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)	Total Liabilities, excluding pension liabilities, divided by Total Assets, excluding pension assets	*School must show evidence of every activity listed to meet standard
Data Source:	Annual Fiscal Audit Report	Annual Fiscal Audit Report	Annual Fiscal Audit Report	Annual Fiscal Audit Report, Desk Audit of Policies, other formal notifications received by school

Exceeds Standard	<p>The school's Debt Service Coverage Ratio is 1.5 or greater OR The school operates debt-free</p>	<p>The school has met standard for 3 consecutive years, including the most recently completed school year. OR The school operates debt-free</p>	
Meets Standard	<p>The school's Debt Service Coverage Ratio is between 1.1 and 1.49</p>	<p>The school's Debt to Asset Ratio is less than 0.9</p>	<p><input type="checkbox"/> Accounting Practices: finances are managed in compliance with GAAP  <input type="checkbox"/> Financial Transparency: expenditures and contracts are posted on the school's site  <input type="checkbox"/> Internal Controls: the school's internal controls are compliant</p>
Approaches Standard	<p>The Aggregated 3-Year Total Margin is positive and the most recent year Total Margin is positive OR The Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. *Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.</p>	<p>The school's Debt to Asset Ratio is between 0.9 and 1.0</p>	<p>The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is evident.</p>
Does Not Meet Standard	<p>The Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR The most recent year Total Margin is less than -10 percent.</p>	<p>The school's Debt to Asset Ratio is greater than 1.0</p>	<p>The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR The school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.</p>