



Charter Agreement Tennessee Achievement School District

This Charter Agreement (Agreement) is entered into by and between the Achievement School District (ASD) and **Brick Church College Prep, LLC** (Operator), a Tennessee nonprofit limited liability company, pursuant to Tennessee Code Annotated § 49-1-614 and the Tennessee Public Charter Schools Act, T.C.A. § 49-13-101 et. seq.

Definitions

The following are definitions of terms used in this agreement as defined in State law.¹

Achievement School District (ASD) – An organizational unit of the department of education, established by the commissioner for the purpose of providing oversight for the operation of the total program for individual schools or LEAs.² . The ASD may contract directly with individuals or non-profit corporations to manage schools, or authorizer charter schools to serve students zoned to attend ASD schools.

Application – The document submitted by the Operator in response to a request for proposals or qualifications to provide educational services to students zoned to attend ASD schools.

Local Education Agency (LEA) – Any county, city or special school district, unified school district, school district of any metropolitan form of government or any other Tennessee school system in which schools under the jurisdiction of the ASD are located.

Memorandum of Understanding (MOU) – An agreement secondary to this contract, specifying further details of the working relationship between the ASD, the Operator and/or an LEA or LEAs.

Operator – In this agreement, “operator” refers to either the sponsor of an application to receive a charter from the ASD; the governing body of an approved charter school; or an individual, governmental entity or non-profit entity entering a contract with the ASD to “manage the day-to-day operations of a school or schools within the ASD”.

¹ Pursuant to Tennessee TCA 49-13-104. All Tennessee laws may be accessed online at <http://www.lexisnexis.com/hottopics/tncode/>.

² Pursuant to Tennessee § 49-1-602. T.C.A. 49-1-614.



1. Grant of Charter

The ASD hereby grants a charter to the Operator for the phase-in management of **Brick Church College Prep**, formerly known as Brick Church Middle School, for ten (10) consecutive school years, beginning with the 2012-13 school year. In accordance with the terms of the Operator's Application, the Operator will operate the **5th** grade of **Brick Church College Prep** during the 2012-13 academic year, and an additional one grade of **Brick Church College Prep** each year thereafter, until the academic year **2015-16** at which time the charter school will consist of all grades 5-8. The Operator is expected to serve all ASD-eligible students who are zoned to attend Brick Church Middle School in the applicable grades. Enrollment in each year of operation shall be no less than 95% of projected enrollment reflected in the annual Board-adopted budget that the Operator submits to the ASD. An Operator who does not meet or exceed enrollment projections of students may be subject to further review by the ASD.

The ASD shall remain the chartering authority through the duration of the charter agreement and the school shall remain under the authority of the ASD. Operator will remain in good standing if school or program performance meets key threshold and performance criteria set forth in the School Performance Framework (Exhibit 5).

Upon expiration of the charter agreement, or sooner, provided the conditions for transfer set forth in state law³ are met, the school shall return to the LEA that operated the school prior to its inclusion in the ASD. The Operator will also be given the opportunity to renew the charter agreement with the ASD or seek a new charter agreement with any other charter authorizer allowed under state law⁴.

Pursuant to T.C.A. § 49-13-121, the initial term of the charter shall commence on the effective date and end on the thirtieth (30th) day of June following the tenth (10th) anniversary of the effective date.

2. Roles and Responsibilities

The ASD shall ensure that the charter school is governed and operated as set forth in the Application and in accordance with this agreement and all other applicable laws and regulations. The Operator shall be accountable to the ASD for ensuring the implementation of the terms and conditions of this agreement.

During the term of the charter, the ASD shall retain the right to review the academic, operational and financial performance of the Operator. The ASD plans to conduct scheduled desk

³ T.C.A. § 49-1-614 [link]

⁴ T.C.A. § 49-13-121



reviews and comprehensive site visits in years two, five and nine of operation. In the School Performance Framework, key criteria have been included to measure performance of a school. If the criteria are not met, the ASD retains the right to review any and all written material and data as well as conduct site visits as frequently as necessary until all criteria are met. The ASD agrees to provide a minimum of seventy two hours notice of any site visit and will allow a minimum of three business days for an Operator to provide requested documentation. Decisions to revoke or renew the charter shall be made pursuant to this agreement and state law⁵.

The Operator shall be the first avenue for response in case of any grievances filed against the charter school or its employees. The Operator will establish policies and procedures for receiving and addressing grievances directed toward the Operator or its employees and will make those policies available to students, parents/guardians, school employees, the ASD and any other persons who request them. Grievances that are not resolved by the Operator, or a pattern of serious grievances may be considered in any application for renewal of this agreement or any action to revoke the charter.

The Operator will use reasonable, good faith efforts to educate children and demonstrate progress in achieving the goals outlined for all ASD schools and those goals the Operator established in its application. The goals and performance expectations of all Operators authorized by the ASD are detailed in the School Performance Framework [Exhibit 5] to this agreement.

3. General Terms and Conditions of the Charter Agreement

3.1 The Application

The application in response to the Request for Qualification (application), submitted August 15, 2011, attached as [Exhibit 1], sets forth the goals, standards, and general operational policies relating to the management of the Operator's charter school. The Application is incorporated by reference to this agreement. To the extent that the Operator desires to implement specific policies, procedures, or other specific terms of operation that supplement those set forth in the Application, they shall be permitted to implement such policies, procedures, and specific terms of operation, provided that such policies, procedures, and terms of operation (i) are not otherwise prohibited or circumscribed by applicable law or this agreement, and (ii) are not materially different from those set forth in the Application.

To the extent there is a conflict between the terms of this agreement and the Application, the terms of this agreement shall govern.

⁵ T.C.A. § 49-13-122



Material changes to the Application must be reviewed by the ASD prior to implementation. Changes that are almost always material and which require review and approval include but are not limited to:

- adding grades not included in this agreement;
- increased or decreased enrollment constituting 15% of the school's student population or 50 students, *whichever is less*;
- changes to curriculum or pedagogical approach that are inconsistent with the Application; or
- changes to operational specifications in the Application including but not limited to transportation or facility plans.

3.2 Funding

3.2.1 State and Local Funds

- a. Distribution of Funds. The ASD shall allocate and pay one hundred percent (100%) of state and local Basic Education Program (BEP) funds to the Operator on a per pupil basis as provided in T.C.A. § 49-13-112 and as calculated by the formula provided by the Tennessee State Department of Education.
- b. Allocation of Funds Based on ADM. New charter schools or charter schools adding a new grade shall be funded based on anticipated enrollment in the charter agreement. Initial payments will be based on this anticipated enrollment, which must be agreed upon by the ASD and the Operator by June 15 each year. Upon completion of the grade expansion period, the Charter School's state and local funds will be allocated based on the prior year Average Daily Membership (ADM).
- c. Funding Timing. The ASD shall allocate and distribute one-tenth of state and local funds to the Operator by the 15th of the month in August, September, October, November, December, January, February, March, April, and June. Each state and local payment from October through April and the final payment in June is contingent on the Operator's reporting of the School's ADM to the ASD. Each payment starting in October will be reconciled to the reported ADM for the period before being released. The final (tenth) payment will not be released until the year's ADMs have been reconciled.
- d. Use of Funds. All BEP funds distributed to the Operator shall be used for the School authorized under this Agreement. The Operator shall not charge tuition for any student for any and all activities that take place during the official school day. The Operator may charge for preschool and/or before-and-after-school programs, unless prohibited under applicable law.



- e. Fees for Services. Any educational or operational services the ASD provides for a fee shall be specified in a separate agreement between the charter school and the ASD. Fees for services provided to the Operator by the ASD shall be deducted from the BEP payments provided to the Operator.

3.2.2 Categorical Funds

- a. Eligibility. Each year, the ASD shall provide to the Operator the school's proportionate share of applicable federal Elementary and Secondary Education Act funding (e.g. Title I, Title II, Title III, Title IV or Title V) and other categorical grants received by the ASD for which the Operator's school is eligible. Schools are eligible for such funds upon approval of their plans for such funds either by the ASD or the Tennessee Department of Education as required.
- b. Fund Distribution & Reporting. Funds shall be distributed on a documented expenditure reimbursement basis with the required documentation.⁶ The Operator shall submit grant reimbursement reports to the ASD at least quarterly and no more frequently than monthly. The ASD shall distribute to the Operator categorical reimbursement funds within 30 days of receipt of approved expenditure reimbursement requests.
- c. Use of Funds. The Operator shall comply with all federal regulations tied to such categorical funds.

3.2.3 Financial Management & Operations

- a. Fiscal Year. The fiscal year for the Operator's school shall begin on July 1 of each year and end on June 30 of the subsequent year.
- b. Financial Management & Records. At the end of the fiscal year, the Operator shall prepare the school's annual financial statements in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations (GAAP). During the fiscal year, the Operator shall operate the school in accordance with GAAP, the cash basis of accounting, or any other basis of accounting, provided that the school's accounting methods allow it to prepare reports required by the Achievement School District (ASD), the Tennessee Department of Education (TDOE), and any other grantors.
- c. Records. The Operator shall record and report the school's financial information during the fiscal year and at the end of the year using the Tennessee Uniform Chart of Accounts. The Operator shall record all

⁶ 34 C.F.R. § 80.21.



financial transactions in general, appropriations, and revenue and expenditures records. Appropriate entries from the adopted budgets shall be made in the records for the respective funds. Separate accounts shall be maintained for each of the funds.

- d. Audit. The Operator shall undergo an independent financial audit⁷. The audit shall be furnished to the ASD, the Commissioner of Education, and the Comptroller of the Treasury, as approved by the Operator's governing board by December 31 of each year. The Operator will pay for the audit. In addition, the Operator shall transmit the final trial balance to the ASD using the Tennessee Uniform Chart of Accounts with the submission of the annual independent financial audit. If such audit is not received by December 31 of each year, it shall be considered a material breach of this Agreement, which the Operator shall have 10 days, or such other time as the Parties may agree, to cure. The financial audit shall include, without limitation:
 - i. An opinion on the financial statements (and Supplementary Schedule of Expenditures of Federal Awards, if applicable)
 - ii. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards
 - iii. An Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133, if applicable
- e. Interim Financial Reports. The Operator shall prepare or cause to be prepared quarterly financial reports, in accordance with ASD instructions, which shall be submitted to the ASD no later than forty-five (45) calendar days after the end of each quarter and no later than sixty (60) calendar days after the end of each fiscal year. Quarterly financial reports are not required to be submitted in the LEA Chart of Accounts format.
- f. CMO/EMO Fees. Tennessee's Basic Education Program (BEP) allows local education agencies (LEAs) and the ASD significant discretion in spending. Tennessee law⁸ requires that funds generated for classroom components of the BEP be spent in the classroom (e.g., textbooks, instructional equipment, classroom related travel). Tennessee law also specifically prohibits a charter school operator from contracting with for-profit entities for the management or operation of the school⁹. Beyond those requirements,

⁷ Conducted in accordance with TN 49-13-111(m) and 49-13-127(c).

⁸ T.C.A. § 49-3-354(b)

⁹ T.C.A. § 49-13-124(a)(1)



however, school and district operators determine how to spend BEP funds. BEP funds may be spent, for example, in an LEA or within the ASD for shared overhead for direct-run schools. Charter operators may pay similar fees to non-profit charter management organizations or to a sponsoring non-profit entity. In order to ensure compliance with the law and to help the ASD study and share financial practices that improve student achievement, ASD transformation partners and charter operators must include in their financial reports detailed descriptions of how any fees paid to a charter, education management, or related non-profit organizations are spent.

- g. Budget. The Operator shall prepare and provide to the ASD a draft of the school's annual budget for the upcoming fiscal year by no later than May 1. The Operator shall adopt and provide a copy of its annual budget for the upcoming fiscal year by no later than June 15.
- h. Financial Policies. The Operator shall use and follow a Financial Policies and Procedures Handbook, the Tennessee Uniform Chart of Accounts, and appropriate use of account codes, including grant codes using templates provided by the ASD as mandated by the TDE.
- i. Fund Compliance. In the event that the Operator accepts state or federal funds, the Operator shall adhere to state and federal guidelines and regulations regarding the appropriate budgeting, expenditure, accounting and reporting for such funds;
- j. Dissolution. Upon termination of this Agreement for any reason by the ASD, upon expiration of the Agreement, or if a school for which part of this contract applies should be closed or cease operations or otherwise dissolve, the ASD will supervise and have authority to conduct the business activities related to the closure or phase-out and other affairs of the school; provided, however, that in doing so the ASD will not be responsible for and will not assume any liability incurred by the school beyond funds allocated to it by the ASD under this Agreement. The Operator's personnel and its governing body shall cooperate fully with any activity related to school closure or phase out.
- k. Disposition of School's Assets upon Termination or Dissolution. Upon termination of this Agreement for any reason or if a school which is a part of this Agreement should be closed or cease operations or otherwise dissolve, then, at the sole discretion of the ASD, any assets owned by the Operator on behalf of the ASD-authorized school or schools that will no longer be operated by the Operator, including tangible, intangible, and real property, remaining after paying the Operator's debts and obligations and not



requiring return or transfer to donors or grantors, will become the property of the ASD.

- I. Insurance. The Operator will submit a copy of the current Umbrella and Directors and Officers (D&O) Insurance policies maintained by the Operator. The D&O policy will have a minimum limit of \$3,000,000 and the umbrella policy will have a minimum limit of \$4,000,000 and will cover areas of:
 - iv. Employee theft
 - v. Money and securities while on premises or in transit
 - vi. Forgery
 - vii. Funds transfer fraud
 - viii. Computer fraud
 - ix. Money order and counterfeit currency fraud
 - x. Credit card fraud
 - xi. Optional client coverage
 - xii. Coverage for investigative costs for covered losses

3.2.4 Financial Performance Requirements

1. Annual Audit

- i. The annual audit will be submitted to the ASD by December 31 of each year, related to the prior year.
- ii. The audit should express an unqualified opinion on the financial statements. A qualified audit opinion will result in an automatic review and explanation from the charter school board.
- iii. No material weaknesses in controls should be disclosed during the audit. A material weakness will result in a potential review and explanation from the Operator's board.

2. Financial Indicators

- iv. A prior year operating deficit will result in a potential review and explanation from the charter school board.
- v. Any default on payroll or any debt or non-compliance with debt-related covenants will result in an automatic review and explanation from the charter school board.
- vi. End of year current ratio of less than 1.0 will result in an automatic review and explanation from the charter school board. A current ratio between 1.0 and 1.1 will result in a potential review and explanation from the charter school board.
- vii. End of year debt service coverage ratio of less than 1.0 will result in an automatic review and explanation from the charter school board. A debt service coverage ratio between 1.0 and 1.1 will result in a



potential review and explanation from the charter school board.

- viii. Average end of year unrestricted cash balance (based on the four quarter-ending cash balances) of less than 30 days of current fiscal year operational expenses will result in an automatic review and explanation from the charter school board. Average end of year unrestricted cash balance between 30 and 60 days of operational expenses will result in a potential review and explanation from the Operator's board.

3. Compliance Items

- ix. Reporting should be consistent with agreed timelines for the annual report/audit, the annual budget and the annual financial report (AFR).
- x. Quarterly financial statement submissions should be received by the ASD within the agreed timeframe.
- xi. Revenue reimbursement reports for non-BEP funds should be submitted at least quarterly and no more frequently than monthly.
- xii. Operator's Board of Director/Trustees must sign and submit a signed conflict of interest form annually.
- xiii. Operator's board should be able to provide documented minutes and agendas from finance committee and full board meetings throughout the fiscal year, upon request.
- xiv. The annual audit will be presented, reviewed and approved at a regular board meeting.

3.3 Student Population and Enrollment

The Operator may serve only students geographically zoned to attend ASD schools. As a public school in the state of Tennessee, the Operator shall serve all students zoned for its school, up to its enrollment capacity. If applications exceed the capacity of the charter school, the Operator shall conduct a lottery, giving first priority to students geographically zoned to attend **Brick Church College Prep**. If space exists after enrollment of those students, students zoned to attend other ASD-eligible schools in **Nashville** may enroll or be included in any enrollment lottery.

Students enrolled at the charter school may transfer to any other ASD schools pursuant to ASD intra-district policies, and to other LEA schools pursuant to LEA inter-district transfer policies.

3.4 Facility

The charter school shall be located at **2835 Brick Church Pike Nashville, TN 37207**. The Operator may use the school building and all facilities and property otherwise part of the school and recognized as part of the facilities or assets of the school prior to its placement in the ASD and shall have access to such additional facilities as are typically available to the school, its students, faculty and staff prior to its



placement in the ASD. Such use shall be governed by the terms of the Operating Agreement with **Metro Nashville Public Schools** that owns the facility (**Exhibit 2**) and the building co-location plan to which the Operator and LEA's school leader have agreed (**Exhibit 3**), as applicable. The Operator shall maintain insurance that meets the requirements in the Operating Agreement and provide to **Metro Nashville Public Schools** prior to occupancy, a copy of its certificate of insurance, naming **Metro Nashville Public Schools** as an additional insured.

To the extent there is a conflict between the terms of the Operating Agreement and the co-location plan, the terms of the Operating Agreement shall govern.

3.5 Transportation

Subject to the terms of the Operating Agreement, transportation shall be provided by Operator pursuant to T.C.A. § 49-13-114, free of charge to and from school on regularly scheduled school days for all students:

- a. residing outside of the LEA's defined Parent Responsibility Zone;
- b. required to cross hazard zones between home and school; and/or
- c. with transportation requirements included in their Individualized Education Programs (IEPs).

3.6 Assessment

- a. The Operator shall have the autonomy to devise its own student assessment programs, beyond the following requirements:
 - i. Administer all TDE-required student assessments, including but not limited to TCAP, End of Course Assessments, Writing Assessments, ACT, Explore and ELL Assessments for the required grades and testing windows.
 - ii. Administer the ASD-required student assessment, NWEA Measure of Academic Progress (MAP) three times per year in grades K-10 in the required testing windows.
- b. The Operator shall comply with all TDOE- and ASD- required assessment administration and reporting requirements.

3.7 Compliance with Applicable Laws, Regulations and State, Federal and ASD Policies, Reporting Requirements and Grant Commitments

By signing this agreement, the Operator warrants that it has specific knowledge of:

- a. its statutory obligations and that it will comply with all federal, state and local laws applicable to the provision of public education within a charter school in the ASD. Further assurances are provided in the Application. The Operator acknowledges the regulatory and/or statutory requirements listed in T.C.A. § 49-13-105(b), which cannot be waived and understands that the provisions of



the Tennessee Public Charter School Act, T.C.A. § 49-13-101 et seq. also may not be waived by the commissioner.

- b. its state and federal grant obligations and that it will comply with all grant assurances to which the Operator has agreed, including but not limited to the following grants: School Improvement Grant (SIG), Title I and Title II, IDEA and the US Department of Education Investing in Innovation grant .
- c. State, Federal and ASD compliance reporting requirements, as reflected in **(Exhibit 4)**.

3.8 School Performance Expectations

- a. Federal and Tennessee Compliance
 - i. The ASD will complete an annual audit and periodic reviews of the Operator's compliance with federal and state laws and regulations, including but not limited to: operational and student and staff safety, employment and service requirements. The compliance checklist will be provided in advance of any reviews.
 - ii. Non-compliance with any state or federal laws will trigger review and may result in immediate closure.
- b. Tennessee Department of Education (TDOE) Achievement
 - i. The ASD will complete an annual threshold test of all schools to determine their compliance with TDOE academic performance targets as defined in the TDOE's Accountability Framework.
 - ii. Schools must meet TDOE school accountability goals to remain authorized by the ASD.
 - iii. New schools in their first year of operation in the ASD are not held accountable to the TDOE school accountability system.
 - iv. In the event that the Operator's school fails to meet TDOE school accountability goals for two years in a row following the first year of operation, the Operator's authority to operate the school may be revoked.
- d. ASD School Performance Framework
 - i. The ASD School Performance Framework **(Exhibit 5)** establishes school performance indicators with targets that are equal to or exceed state or LEA performance targets.
 - ii. The ASD will publicly report annually schools' performance according to the ASD School Performance Framework on School Report Cards and Portfolio Report Cards. Operators shall make available data required to report achievement and progress, according to the ASD School Performance Framework.
- e. ASD School Performance Composite Score



- i. The ASD School Performance Framework includes a subset of metrics that combine to create a Composite Score (**Exhibit 5**) to determine if schools are on track to dramatically improve outcomes for students.
- ii. The Operator's individual performance targets within the Composite Score and broader ASD Performance Framework must be reflected, to the degree required, in applicable grant applications, including, but not limited to the Title I and SIG grant applications. If the Operator commits to performance targets in a state or federal grant application that exceed targets reflected in the ASD Performance Framework, the Operator must adhere to its grant obligations.
- iii. The ASD will use the Operator's School Composite Score to determine the closure or rate of replication for the Operator's schools in the ASD (**Exhibit 6**).

3.9 Hold Harmless

Hold Harmless. The Operator agrees to indemnify and hold harmless the State of Tennessee and, subject to the Operating Agreement, the local government entity which owns any building in which the school is located, as well as their officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Operator, its employees, or any person acting for or on its or their behalf relating to this agreement. The Operator further agrees it shall be liable for the reasonable cost of attorneys for the State and the local government entity in the event such service is necessitated to enforce the terms of this agreement or otherwise enforce the obligations of the Operator to the State.

In the event of any such suit or claim, the Operator shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Operator written notice of any such claim or suit, and the Operator shall have full right and obligation to conduct the Operator's own defense thereof. Nothing contained herein shall be deemed to accord to the Operator, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by T.C.A. § 8-6-106.

3.10 Monitoring, Inspection and Certification of Records

The ASD shall at all times have authority to enter the charter school to monitor Operator's compliance with applicable law and the terms of this agreement. The Operator shall designate a representative to serve as the point person for ensuring compliance, reporting, and other communications related to the Operator's compliance.



3.11 Services Provided by the Local Education Agency (LEA)

The parties agree that services provided by the LEA to the Operator shall be based on a schedule developed by the LEA and the Operator, or a schedule developed by the ASD.

4. Incorporation by Reference

Each of the following documents is included as a part of this agreement by reference. In the event of a discrepancy or ambiguity regarding the Operator's responsibilities and performance under this agreement, these items shall govern in order of precedence below:

- A. Application in response to Request for Qualification
- B. Memorandum of Understanding between the ASD, Operator and/or LEA.

5. Effective Date

This agreement shall not be binding upon the parties until it has been signed first by the Operator and then by the ASD. When it has been so signed and filed, this agreement shall be deemed effective as of June 1, 2012.

X 
Chris Barbic
Superintendent, Achievement School District

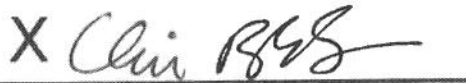
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Chris Reynolds
President & COO, LEAD Public Schools



Exhibit 1 – Operator Application in response to Request for Qualification

Exhibit 2 – ASD-LEA Operating Agreement

Exhibit 3 – Operator-LEA Co-location Plan

Exhibit 4 – ASD List of State and Federal Compliance Reports

Exhibit 5 – ASD School Performance Framework and School Composite Performance Score

Exhibit 6 – ASD School Replication Framework



Exhibit 4 – ASD List of State and Federal Charter Compliance Reports¹⁰

Updated May 24, 2012

TN Charter Schools State Reporting Requirements to the ASD

Report	Basis	Components of Report	SDE Contact	Report Due	Recipient from LEA	Add'l Info.
Verification/Certification of enrollment lottery compliance	T.C.A. 49-13-113; Rule 0520-14-01-.04		<u>Rich Haglund</u>	Pre or post-lottery	Department	N/A if applicants do not exceed capacity
Waiver requests (to chartering authority or commissioner)	T.C.A. 49-13-105; Rule 0520-14-02	Discretionary	<u>Rich Haglund</u>	At least 60 days prior to implementation	Chartering authority or commissioner	<u>SDE Policy for Waiver Requests to Commissioner</u>
Teacher evaluation system selection	T.C.A. 49-1-302; 49-5-108; Rule 0520-02-04		<u>Aneesh Sohoni</u>	Prior to start of school year	Department	
Teacher evaluation data	T.C.A. 49-1-302; 49-5-108; Rule 0520-02-04		<u>Aneesh Sohoni</u>	TBD	Department	
Teacher licensure advancement forms	T.C.A. 49-13-111(i)	Completed form provided by department	<u>Regional SDE Field Service Centers</u>	Ongoing	Regional SDE Field Service Centers	<u>Teacher Licensing website</u>
Annual progress report	T.C.A. 49-13-120	Varies by chartering authority; but statute requires	<u>Rich Haglund</u>	Varies by chartering authority	Sponsor, chartering authority and commissioner	Audit may satisfy annual financial report requirements. The annual progress and

¹⁰ Note: a complete list of all mandatory data reporting for all ASD schools will be provided to operators and school leaders prior to the start of each school year.



Report	Basis	Components of Report	SDE Contact	Report Due	Recipient from LEA	Add'l Info.
		report on the progress toward achieving goals in the charter;				financial reports are to be provided to the chartering authority and the commissioner.
Annual financial report	T.C.A. 49-13-112(e) and 120	Revenues and expenditures (including sources of all funds received)	<u>Rich Haglund</u>	Varies by chartering authority	Sponsor, chartering authority and commissioner	
Annual Audit (may meet AFR requirement, too)	T.C.A. 49-13-111(m) and 127	GAAP and GASB compliant audit	<u>Comptroller of the Treasury</u>	"As soon as practicable after June 30."	Comptroller, commissioner and chartering authority	
Surety bonds for those authorized to access or expend funds	T.C.A. 49-13-112(n)	The dept. and comptroller are working on this, since the existing forms don't fit charter schools.	<u>Comptroller of the Treasury</u>	Ongoing		The dept. and comptroller are working on this, since the existing forms don't fit charter schools.

This list does not include compliance reports that flow through the LEA, such as student attendance, special education info and other student demographic reports.



Exhibit 5 – ASD School Performance Framework and Composite Performance Score

Overview of the ASD Performance Framework

The Achievement School District (ASD) uses the Performance Framework to determine the success of a school based on a common set of key performance indicators (KPI) that meet ASD and Tennessee accountability requirements. A majority of key indicators are consolidated to produce a single composite score that demonstrates the overall performance of a school. The framework also includes several other indicators that are bellwethers of school performance; that provide an early warning system of academic, operational or financial challenges at a school, as well as provide key data points that are important to parents. The Performance Framework will be applied to Achievement Schools managed directly by the ASD, ASD transformation partners and ASD authorized charter operators.

This guide will provide detailed information about the definition of each data component of the Performance Framework as well as the decision rules of each KPI and whether a school is on track to move the bottom 5% of schools in Tennessee to the top 25% in its first five years.

It is noted that this initial framework will be amended periodically and this document will be updated to reflect any changes. The latest version of the framework will be available at www.achievementschooldistrict.org/performanceframework.

ASD Performance Framework

The ASD performance framework includes three main components: threshold criteria, composite score and cultural indicators. The threshold criteria and composite score will be used to determine the ASD's School Action decisions about school closure, renewal and replication, in accordance with the Operator's Charter Agreement, as applicable. The cultural indicators will be tracked and publicly reported on school report cards, but will not be used to make ASD School Action Decisions. Operators will be offered at least two weeks to review and appeal performance results before they are publicly reported on school report cards.

Threshold Criteria: Threshold criteria are primarily financial and operational minimum levels of performance expected of each school and program. These criteria will be evaluated twice annually (typically August and January). Authorized entities that do not surpass every threshold may be subject to a review at the discretion of the ASD. Schools or Operators that violate several criteria or who are not able to bring the school back in line within a reasonable period of time will be eligible for a revocation of their charter, cancellation of their contract or discontinuation of the Operator's management of a specified school or schools, as applicable. The ASD is held to the same expectation as charter and transformation partner Operators to meet the identified threshold criteria for the management of Achievement Schools.



Composite Performance Score (CPS): The Composite Performance Score (CPS) is made of several performance criteria that are central to the mission of the Achievement School District in moving the bottom 5% of schools straight to the top 25% within five years. The CPS is included in the Threshold Criteria with a minimum standard for continuity as an Operator of an ASD school(s) and as a separate determinant of replication decisions (see ASD School Replication Framework, which will be posted at www.achievementschooldistrict.org/Replication). The components are weighted heavily in favor of growth in year over year student achievement. Criteria also include key performance indicators that are generally accepted as important bellwethers of future student and school success, including 3rd grade reading levels, 8th grade math levels, integrated community supports, equity of access for students in the community and student persistence in re-enrolling year over year.

Cultural Indicators: These indicators focus on safety and attendance and are generally referred to as measures of school culture. These are guides for future school performance but are also important criteria for parents when making school choice decisions. They are not included in the ASD's School Action decision-making.

THRESHOLD CRITERIA

Threshold criteria will be evaluated twice per year with reviews planned every January and August for the previous period. Each criterion is expected to be met fully as part of the obligations of the operator to be authorized by the ASD. If an operator does not fully meet all threshold criteria, they may be subject to a review by the ASD. Minor infractions not corrected in a timely manner and major issues may result in a school contract being terminated.

Threshold criteria for school operators:

1. **Receive "clean" annual financial audit**

Each year, every school or organization managing an ASD program is expected to receive a financial audit that does not contain any material weaknesses or qualified opinions.

Meets Threshold: Annual financial audit is "clean" without any material weaknesses or qualified opinions

Potential Review: Annual financial audit includes material weaknesses, particularly in area of financial controls

Automatic Review: Annual financial audit includes a qualified opinion of any type

2. **Maintain positive operating income**

Each year, every school or organization managing an ASD program is expected to maintain a positive balance for operating income.

Meets Threshold: Annual financial audit indicates school has positive annual operating income.



Potential Review: N/A

Automatic Review: Annual financial audit indicates school has negative annual operating income

3. **Meeting enrollment projections in the school contract**

Each year schools and programs are expected to meet or surpass enrollment figures included in their contract.

Meets Threshold: School maintains 95% or more of projected enrollment

Potential Review: Enrollment is between 85-94.9% of projected enrollment

Automatic Review: Enrollment falls below 85% of projected enrollment

4. **Maintain adequate amounts of working capital to ensure financial viability. Measured by Current Ratio**

The current ratio is a financial measure that indicates whether a school or program is able to pay short term debt and payables such as payroll. The ratio is calculated by dividing current assets (cash or receivables) by current liabilities (debt and payables). The higher the ratio the easier it is for the school to pay its obligations. Ratios above 1.1 are considered strong. Schools with a ratio under 1.0 are generally determined to be unable to pay off its obligations at any given time.

Meets Threshold: Ratio higher than 1.1

Potential Review: Ratio between 1.0 to 1.1

Automatic Review: Ratio less than 1.0

5. **Maintain appropriate levels of debt. Measured by Debt Service Coverage Ratio**

The Debt Service Coverage Ratio is another measure of financial health generally defined as the amount of cash flow available to pay principal and interest on debt. For the purposes of the ASD it will be calculated by dividing net operating income by total debt service. Target ratios for debt service are the same as the current ratio with a ratio about 1.1 being positive with below 1.0 being an area of concern.

Meets Threshold: Ratio higher than 1.1

Potential Review: Ratio between 1.0 to 1.1

Automatic Review: Ratio less than 1.0

6. **Maintain adequate levels of unrestricted cash on hand**

Operators are expected to maintain adequate level of cash to pay short term obligations. The ASD will expect each school and program to maintain, or have access to, enough unrestricted cash to fund no less than 60 days of operations.

Meets Threshold: More than 60 days in unrestricted cash

Potential Review: 30-30 days in unrestricted cash



Automatic Review: Less than 30 days in unrestricted cash

7. Meet all obligations with regards to debt payments, loan covenants and payroll

Operators are expected pay all debt payments and ongoing payables, such as payroll, on time and all operators are expected to be in compliance with all loan covenants for which the operator has an obligation.

Meets Threshold: Meeting all obligations related to debt payments, loan covenants and payroll

Potential Review: N/A

Automatic Review: Default on loan covenants or delinquent on debt service payments or payroll

8. Achieve an adequate composite score to ensure school is on track to meet student achievement growth and performance expectations.

In addition to financial and operational criteria, program and school operators are also expected to meet annual targets related to the academic, safety and cultural performance of the school. Explained more thoroughly in the next section, operators need to maintain high levels of student performance and culture to remain a part of the ASD. The mechanism for identifying adequate progress is called the Composite Score. The score, which is measured on an eighteen or nineteen point scale, depending on grades served, typically consists of nine components that are weighted and summed annually.

Meets Threshold: Score an annual composite score greater than 12

Potential Review: Score an annual composite score of 8 - 11.75

Automatic Review: Score on annual composite score less than 8

COMPOSITE SCORE CRITERIA

The composite score is the single most important indicator of school performance within the framework. It incorporates growth and absolute student performance with several other indicators that exemplify the commitment of the ASD to create a system of great schools that serve students from their local communities. The composite score consists of 8-9 essential measures of performance that are summed based on an eighteen (18) or nineteen (19) point scale, as applicable to the schools' grade configuration. Key groups of components include growth in student performance, absolute student performance, achievement gap closure, community impact, equity and student retention. A summary of the components and weights included in the composite score are presented on page 21 for schools serving grades K-8 and page 22 for schools serving grades 9-12. A definition of each component follows the summary charts.



PK-8 Composite Performance Score (CPS) Calculation¹¹

Components of Composite Score	Measure Description	R	Y	G	S	Score	%
Growth Measure							
School Success Measure (Growth per year)	Red: >1 σ below state mean Yellow: state mean to 1 σ below, Green: state mean to 1 σ above, Blue: More than 1 σ above state mean	1	2	3	4	—/4	21%
MAP (RIT growth in years)	Red: <1 year growth, Yellow: 1-1.49, Green: 1.5-1.74, Blue: >1.75	.5	1	1.5	2	—/2	11%
Absolute Achievement							
School Success Measure (%ile of all K-8 schools in TN)	Red: <25%, Yellow: 25-49.9%, Green: 50-74.9%, Blue: 75%+	1	2	3	4	—/4	21%
% of students proficient or advanced in 3rd Grade Reading (TCAP)	Red: <60%, Yellow: 60-74.9%, Green: 75-89.9%, Blue: 90%+	.25	.5	.75	1	—/1	5%
% of students passing Algebra EOC exam by end of 8th grade	Red: <60%, Yellow: 60-74.9%, Green: 75-89.9%, Blue: 90%+	.25	.5	.75	1	—/1	5%
Achievement Gap Closure In-school gap closure (includes special ed, ELL)	Red: Miss any gap closure target of 6.3% per year, Yellow: N/A, Green: 6.3-9.9% gap closure within all applicable subgroups, Blue: 10%+ with each subgroup	.25	NA	.75	1	—/1	5%
Community Impact Measure	TBD	.5	1	1.5	2	—/2	11%
Equity (FRL, SPED only) (Pegged to feeder pattern, by sub-group)	Red: >1 σ below feeder pattern mean . Yellow: Mean to 1 σ below, Green: Mean to 1 σ above, Blue: More than 1 σ above mean	.5	1	1.5	2	—/2	11%
Student Persistence (Pegged to three year rolling average of feeder pattern)	Red: >1 σ below feeder pattern mean. Yellow: Mean to 1 σ below, Green: Mean to 1 σ above, Blue: More than 1 σ above mean	.5	1	1.5	2	—/2	11%
	TOTAL					—/19	100%

¹¹ During first two years of operation, scores for 3rd grade reading and 8th grade math will be calculated by comparing proficiency rates of a school to all schools statewide. See note on page 23 for details.

High School (Grades 9-12) Composite Performance Score (CPS) Calculation

Components of Composite Score	Measure Description	R	Y	C	Score	%
Growth Measure						
School Success Measure (Growth per year)	Red: >1 σ below state mean Yellow: state mean to 1 σ below, Green: state mean to 1 σ above, Blue: More than 1 σ above state mean	1	2	3	4	21%
MAP (RIT growth in years)	Red: <1 year growth, Yellow: 1-1.49, Green: 1.5-1.74, Blue: >1.75	.5	1	1.5	2	11%
Absolute Achievement						
School Success Measure (% of all high schools in TN)	Red: <25%, Yellow: 25-49.9%, Green: 50-74.9%, Blue: 75%+	1	2	3	4	21%
ACT Composite	Red: <17, Yellow: 17-18.9, Green: 19-20.9, Blue: 21+	.5	1	1.5	2	11%
Achievement Gap Closure (In-school gap closure (includes special ed, ELL))	Red: Miss any gap closure target of 6.3% per year, Yellow: N/A, Green: 6.3-9.9% gap closure within each applicable subgroup, Blue: 10%+ with each subgroup	.25	.5	.75	1	5%
Community Impact Measure	TED	.5	1.0	1.5	2	11%
Equity (FRL, SPED only) (Pegged to city average, by sub-group)	Red: >1 σ below feeder pattern mean Yellow: Mean to 1 σ below, Green: Mean to 1 σ above, Blue: More than 1 σ above mean	.5	1	1.5	2	11%
Student Persistence (Pegged to three year rolling average of feeder pattern)	Red: >1 σ below feeder pattern mean Yellow: Mean to 1 σ below, Green: Mean to 1 σ above, Blue: More than 1 σ above mean	.5	1	1.5	2	11%
	TOTAL				19	100%



GROWTH

1. Growth on the TN School Success Rate (Applies to Grades 3-11) (Weight 21% K-8 & 22% HS)¹²

As part of the state of Tennessee federal First to the Top grant, every school in the state is now expected to participate in a common accountability system¹³. The first of two overriding objectives

of the system is academic growth for all students, every year. To measure growth and absolute achievement consistently across the state, a common proficiency measure called the Success Rate (see insert) was developed to compare the collective performance of students in a school to

The success rate is a composite proficiency rate for ALL students in a school. The data inputs for the calculation of the success rate include 3 years* of data for all of the following indicators for each school where applicable based on the assessments administered by the school.

- 3-8 Math
- 3-8 Reading/Language Arts
- 3-8 Science
- Algebra I
- English I
- English II
- Biology I
- Graduation Rate

The success rate equals:

Proficient/Advanced Students in Math + Reading/Language Arts + Science + Algebra I + English I + English II + Biology + # HS Graduates

Tested Students in Math + Reading/Language Arts + Science + Algebra I + English I + English II + Biology + # Students in HS Graduation Cohort

similar schools as well as all other schools in the state. The components of the success rate include the results of several key state assessments and growth will be measured by cohort performance year over year. All schools statewide will be ranked and points will be given depending on how a given school performs in comparison to schools statewide. All ASD schools are expected to exceed the mean growth of all schools statewide every year.

Exceeds (blue): Schools will receive the highest rating if growth is one standard deviation¹⁴ or more above the average (or mean) growth in the state in a given year

Meets (green): Schools receive the second highest rating if growth exceeds the statewide mean and up to one standard deviation above the mean growth in the state in a given year

¹² The percentage of a single measure of the total Composite Performance Score varies depending on the weighting and the sum of all weights for all variables for a given school. In some years, (e.g. when a middle school doesn't yet have an 8th grade class or in the first year when the community measure is not calculated) the denominator of the Composite Performance Score will vary for a given school. Therefore, the overall weight by percentage may vary year to year by a few percentage points.

¹³ Current information for TN accountability system available at: <http://www.tn.gov/education/accountability/>

¹⁴ Standard Deviation: The performance of a single variable of all schools (e.g. growth in the success rate) can be used to calculate the mean (average) as well as the variance of each school's performance against the mean. By calculating the variance of each school, the normal expectation of growth above and below the mean can be determined. The boundaries set by what are expected rates of growth above or below the mean is known as the standard deviation. In the case of student growth, schools whose growth is more than one standard deviation above the mean experienced better than normal growth in the course of a year. Whereas, schools that perform more than a standard deviation below the mean, experienced growth that was below what would be considered normal.



Approaching (yellow): Schools receive the second lowest rating if growth is below the state mean to as low as one standard deviation below the mean

Does Not Meet (red): Schools receive the lowest rating if the school experiences negative growth or if positive growth is lower than one standard deviation below the mean

2. Measures of Academic Progress (MAP) Growth (Applies to Grades K-10) (Weight 11%)

MAP is a series of computer-based assessments developed by the Northwest Evaluation Association (NWEA) and adopted by the ASD for English, math and science (grades 3-10 only) administered in elementary and middle schools. MAP measures how much a student's knowledge increases over the course of a year and provides a national, norm-referenced comparison of learning growth for a cohort of students served by a school in a given year. Since ASD schools are far behind other schools in the state, the ASD expects schools to facilitate at least 1.5 years of learning growth over the course of a year.

Exceeds (blue): Schools will receive the highest rating if student growth exceeds 1.75 years of learning in one year

Meets (green): Schools meet expectations if student growth ranges from 1.5 to 1.74 years of learning in one year

Approaching (yellow): School receive the second lowest rating if student growth is between 1 and 1.49 years of learning in one year

Does Not Meet (red): School are allocated the lowest score if schools have less than one year of growth in a school year

ABSOLUTE ACHIEVEMENT

3. Absolute Achievement for School Success Measure (Applies to Grades 3-11) (Weight 21%)

The School Success Measure is also used as a common success measure of the absolute achievement of all schools statewide. The components of the success rate include the results of the same formula used to measure growth year over year but the absolute performance measure will force rank school performance statewide and compare all schools against each other. Points will be allocated according to schools' relative statewide achievement rankings with progressively higher targets over the years. All ASD schools are expected to perform above the statewide mean performance within three years and in the top quartile by the fifth year.

Exceeds (blue): School performs in top 25%¹⁵ of all schools in the state of Tennessee, meeting or exceeding the ASD's five year target.

Meets (green): School has above average performance for all schools in Tennessee but has not reached the top quartile.

¹⁵ For the 2010-2011 school year, a school needs a minimum of 44% students rated proficient/advanced on TCAP to be considered in the top 25% of schools in the state of Tennessee.



Approaching (yellow): School or program performs below the average performance of all schools in Tennessee but higher than a quarter of all schools in Tennessee

Does Not Meet (red): School or program performs in bottom 25% of all schools in the state of Tennessee

4. **Proficiency Rates in Third Grade Reading (Applies to all schools serving 3rd grade) (Weight 5%)**

A leading indicator that a student is on track for high school graduation and college/career readiness is whether a student can read on grade-level by the end of the 3rd grade. Schools will be measured using two sets of criteria. During the first two years a school is authorized by the ASD, performance will be measured by how students perform relative to all schools in the state of Tennessee. Points and the weighting on the composite scorecard will remain the same. Beginning in year three the measure will change to the absolute percentage of 3rd grade students who are proficient or advanced on the year-end Reading Language Arts TCAP assessment.

Years 1 and 2

Exceeds (blue): School or program performs in top quartile of all schools in the state of Tennessee

Meets (green): School or program performs in second highest quartile of all schools in the state of Tennessee

Approaching (yellow): School or program performs in second lowest quartile of all schools in the state of Tennessee

Does Not Meet (red): School or program performs in bottom quartile of all schools in the state of Tennessee

Year 3 and beyond

Exceeds (blue): 90% or more of students are proficient or advanced on third grade reading test.

Meets (green): 75-89.9% of students are proficient or advanced on third grade reading test.

Approaching (yellow): 60-74.9% of students are proficient or advanced on third grade reading test.

Does Not Meet (red): Less than 60% of students are proficient or advanced on third grade reading test.

5. **Percentage of students passing Algebra by end of 8th grade (Applies to all schools serving 8th grade) (Weight 5%)**

A leading indicator that a student is on track for high school graduation and college/career readiness is whether a student is proficient in Algebra by the end of eighth grade. Schools will be measured using two sets of criteria. During the first two years a school is authorized by the ASD, performance will be measured by how students perform relative to all schools in the state of Tennessee on the TDE End of Course Algebra exam. Points and the weighting on the composite scorecard will remain the



same. Beginning in year three the measure will change to the absolute percentage of 8th grade students that are proficient or advanced on the TDE End of Course Algebra exam. Schools will be ranked statewide on an annual basis.

Years 1 and 2

Exceeds (blue): School or program performs in top quartile of all schools in the state of Tennessee

Meets (green): School or program performs in second highest quartile of all schools in the state of Tennessee

Approaching (yellow): School or program performs in second lowest quartile of all schools in the state of Tennessee

Does Not Meet (red): School or program performs in bottom quartile of all schools in the state of Tennessee

Year 3 and beyond

Exceeds (blue): 90% or more of students are proficient or advanced on eighth grade Algebra exam.

Meets (green): 75-89.9% of students are proficient or advanced on eighth grade Algebra exam.

Approaching (yellow): 60-74.9% of students are proficient or advanced on eighth grade Algebra exam.

Does Not Meet (red): Less than 60% of students are proficient or advanced on eighth grade Algebra exam.

6. ACT Composite (Weight 5%, High School Only)

A key component of college acceptance remains the score a student receives on the American College Testing, or ACT, exam. The ACT is a standardized test normally taken by 11th grade students who are interested in attending college. The ASD wants to ensure that all students have the option to pursue higher education at a competitive college. Therefore the ASD has set performance expectations for high schools that align to admissions data of competitive colleges in Tennessee. To meet expectations on the Composite Performance Scorecard students at a given high school must average a composite ACT score of 19, which is the average score of accepted and enrolled students at the University of Memphis and Middle Tennessee State University. For schools to exceed expectations, they must average a 21 on the ACT which will result in some students being competitive for acceptance to the University of Tennessee, Knoxville (average ACT: 24) as well the Vanderbilt University (Average ACT: 31)¹⁶.

Exceeds (blue): Average ACT score for all students is equal to or greater than 21.

¹⁶ <http://www.act.org/>



Meets (green): Average ACT score for all students is equal to or greater than 19 but less than 21.

Approaching (yellow): Average ACT score for all students is equal to or greater than 17 but less than 19.

Does Not Meet (red): Average ACT score for all students is less than 17.

ACHIEVEMENT GAP

7. In School Achievement Gap Closure (includes Special Ed, applies to all schools) (Weight 5%)

The second key component of the new state of Tennessee accountability framework, that was part of the spring 2012 NCLB waiver application, is the closing of the achievement gap between identified sub-groups (i.e., Black, Latino, SPED, ELL, FRL) and every test taker. Achievement gaps are measured by gaps in student performance on the ELA and Math TCAP assessment between groups of students based on race, language and poverty. The state has set aggressive targets that require schools to close the annual gap by no less than 6.3% (0.063) per year. The ASD has set performance targets to match the state criteria.

Exceeds (blue): School narrows the achievement gap between every identified sub-group and the every test taker group by more than 10% in a year

Meets (green): School narrows the achievement gap between every identified sub-group and the every test taker group by at least 6.3%, but less than 10% in a year. **NOTE:** This metric is consistent with the minimum annual standard in the Tennessee Accountability Framework.

Approaching (yellow): N/A

Does Not Meet (red): School narrows the achievement gap between every identified sub-group and the every test taker group by less than 6.3% in a year

COMMUNITY IMPACT

8. Community Impact Measure (Applies to all schools) (Weight 0% in 2012-13; 11% in 2013-14+)

The community impact measure will be determined by each school in collaboration with the other schools and community partners in their neighborhood (i.e., school feeder pattern) by March 2013. It will be a metric unique to each neighborhood that defines the community's collective improvement priority that will positively impact student achievement. In schools' first year of operation in the ASD, they will collaborate with their communities to define their community impact metric, determine its baseline and create a plan to address the community's priority with annual targets for improvement. Performance will not have any weighting in the school's composite score in year 1. Beginning in year



2, achievement of the community-defined improvement target will be weighted at 10% of the composite score.

Exceeds (blue): TBD

Meets (green): TBD

Approaching (yellow): TBD

Does Not Meet (red): TBD

STUDENT EQUITY

9. Equity (FRL, SPED) (Applies to all schools) (Weight 11%)

It is important for schools and programs authorized by the ASD to serve all students equitably. As part of the commitment to the communities served by ASD authorized schools and programs we want to ensure that students from our communities have equal opportunity to enroll in the schools of their choice. Therefore, the ASD will track and report whether schools serve proportionate numbers of high needs populations including students who qualify for free and reduced price lunch as well as students with special needs.

Exceeds (blue): Schools will receive the highest rating if percentage of FRL and SPED populations enrolled in a school exceeds city mean by more than one standard deviation

Meets (green): Schools will receive the second highest rating if percentage of FRL and SPED populations exceeds city mean but less than one standard deviation above the mean

Approaching (yellow): Schools will receive the second lowest rating if percentage of FRL and SPED populations is below city mean but more than one standard deviation below the mean

Does Not Meet (red): Schools will receive the lowest rating if percentage of FRL and SPED populations is more than one standard deviation below the mean

STUDENT PERSISTENCE

10. Rate of Student Persistence (Applies to all schools for grade K-11) (Weight 11%)

The ASD is founded on the belief that families should have an array of high-quality, safe schools from which to choose one that best meets the educational needs of their students. An important measure of how well a school is meeting the needs of its students is the percent of students whose families choose to re-enroll them year after year, as family circumstances allow. The ASD expects all of its schools to attract students by providing high quality, educational opportunities. Therefore ASD schools are expected to have less student attrition than other schools in their community.

Exceeds (blue): Schools will receive the highest rating if student reenrollment year over year is more than one standard deviation above the three year rolling average for all schools in the feeder pattern serving comparable grades



Meets (green): Schools receive the second highest rating if student reenrollment year over year exceeds the feeder pattern's average three-year rolling average but less than one standard deviation above the rolling average

Approaching (yellow): Schools receive the second lowest rating if student reenrollment year over year is less than the feeder pattern's average three year rolling average but more than one standard deviation below the rolling average

Does Not Meet (red): Schools receive the lowest rating if student reenrollment year over year is less than one standard deviation below the feeder pattern's three-year rolling average





CULTURE AND SAFETY CRITERIA

The ASD has also included several performance criteria in the performance framework that **will not be included** in making school closure or replication decisions. These measures, primarily focused on school culture and safety, are included to inform parents about key data points that are important to them as they make school choice decisions. The ASD, over the next few years, also expects to determine whether positive or negative performance on a given indicator correlates with student achievement. If an indicator is proven to be predictive of student achievement, it may be included in the threshold criteria or the composite score in the future.

Key culture and safety criteria include:

1. **Percentage of students who agree school is safe and has a positive culture (Applies to Grades 3-11)**

Exceeds (blue): 95% or more of students respond that their school has a positive culture

Meets (green): 85-94.9% of students respond that their school has a positive culture

Approaching (yellow): 75-84.9% of students respond that their school has a positive culture

Does Not Meet (red): less than 75% of students respond that their school has a positive culture

2. **Percentage of students suspended or expelled for serious incidents**

Note: this measure will be benchmarked and the targets may be adjusted in fall 2012.

Exceeds (blue): less than 3% of students are suspended or expelled in a given year

Meets (green): 3-4.9% of students are suspended or expelled in a given year

Approaching (yellow): 5-7.4% of students are suspended or expelled in a given year

Does Not Meet (red): 7.5% or more of students are suspended or expelled in a given year

3. **Attendance**

Exceeds (blue): Average daily attendance exceeds 96%

Meets (green): Average daily attendance between 93 and 95.9%

Approaching (yellow): Average daily attendance between 90 and 92.9%

Does Not Meet (red): Average daily attendance less than 90%



FREQUENTLY ASKED QUESTIONS

What if a school does not serve students necessary for a component of the Performance Framework to be calculated (e.g. Algebra in 8th Grade for a charter that services only grades 6-7)? How will the Composite score be calculated?

If an indicator is not applicable to the school, the component will be removed from the calculation of the composite score. In the example of a K-8 school that serves K-6 only in a particular year, the potential 5% for passing 8th grade Algebra will be marked as not applicable (N/A) and the composite score will be determined by including only pertinent indicators in the denominator.

There is an exception for elementary schools that do not yet serve a third grade class or have not yet added all of their grades. For schools not yet serving 3rd grade the TCAP will not be administered, therefore the weights will shift (see chart) increasing the weight for MAP growth and achievement to 65. In subsequent years the weight of the MAP indicator will drop to 30% when the 3rd grade class is included in the calculation, then drop to 20% with the inclusion of a 4th grade class and finally 10% when the school adds 5th grade.

What about schools only serving kindergarten in its first year?

Schools only serving kindergarten will not receive a score.

Will all measures be evaluated every year in every school?

No. The ASD wants schools to serve students and grades and grow in ways that are appropriate for their models and the communities they serve. Therefore, some measures will not be the same for all schools in the same year of operation if their grade configurations are different. Each year, a description of measures that are included in each grade will be published. The intention of the performance framework is to provide data that tracks trends for growing schools, while providing common comparative data for schools that are serving similar grades.

What if a school adds multiple grades in successive years? For example, a middle school that operates 6th grade only in year one, but adds 7th and 8th grade in year 2?

Criteria will be evaluated based on the performance measures that are appropriate. In the example cited, in year 2 the 7th grade would be used to measure growth for all appropriate indicators, while all students enrolled in the school would be measured for all other criteria.

What subjects will be included in the MAP assessment growth measure?

In K-2 only ELA and Math will be measured for growth in MAP. Beginning in 3rd grade until 10th grade, ELA and Math will be measured in addition to science.

How will the ASD measure in-school achievement gap closure?

The ASD will use the same measure that is used by the state of Tennessee as part of its First to the Top federal grant application. As of the date of publication the sub-groups and comparison groups are measured in the following areas: grades 3-8 math, 3-8 reading and language arts, Algebra I and English II. Subgroups and comparison groups will include Racial/ethnic composite, economically disadvantaged vs. Non-



economically disadvantaged, English learners vs. Non-English learners and students with disabilities vs. students without disabilities. Individual subgroups will include: African American; Asian; Hawaiian Pacific Islander; Hispanic; Native American; White; economically disadvantaged; English learners; and students with disabilities.

How will student persistence be measured?

The student persistence figure, based on re-enrollment rates, will be measured by school and compared to three year rolling re-enrollment rates of other schools in its feeder pattern, region within the city and state wide. Eventually when the ASD has authorized a minimum of 20 schools (likely during the 2014-2015 school year), the denominator of the calculation will change to the student persistence data for ASD schools as it is expected to be a higher threshold for operators.

What if a student leaves a school mid-year, but re-enrolls. How are they counted in the school persistence measure?

Students that re-enroll in a school within 45 calendar days of the date of disenrollment will be included in the persistence rate.

If the success rate includes three years of data, how will a new school be evaluated after the second year of operation?

School data will be based on student performance from the first two years of operation from the school as well as the student data from the year before an operator began operations. This first year, known as the baseline year, will be based on data provided for students from the state of Tennessee or the home district.



Exhibit 6 –ASD School Replication Framework

The Achievement School District (ASD) is committed to supporting the growth of high quality school operators, whether they manage a single school or several campuses. However, the sole purpose of the ASD is to move schools from the bottom 5% to the top 25% statewide within five years by authorizing successful, external school operators and by directly managing Achievement Schools. Therefore, the pace of growth of operators will be largely dependent on the academic success of its existing campuses as well as its capacity to maintain quality while expanding.

Initially, operators will be allowed to present growth plans over several years. However, school replication approval in future years will be dependent on existing school performance against the Threshold Criteria and Composite Performance Score in the ASD School Performance Framework. Operators who plan to grow quickly will be expected to demonstrate that each approved campus is on track to be in the top 25% statewide within five years. Schools that receive high Composite Performance Scores, are deemed to be on track to the top 25% and who have received positive reviews during the mandatory site visits in the second, fifth and ninth years of operation of each school will likely be approved for all projected expansion plans. If operators are not on pace to hit these targets, growth may be slowed or halted at the discretion of the ASD.

The composite score will be the single most important measure in determining the rate of replication for a given school operator. Every year, the ASD will review composite scores for each school and make initial determinations about the rate of growth that is appropriate based on performance. Based on the current composite score criteria¹⁷ the ASD has established cut scores that determine eligibility for replication (see table).

Score	Replication Rate	Likelihood of renewal
15-19	Rapid expansion of schools (>1 school per year)	High
12-14.75	Eligible for moderate expansion (~1 school per year)	Moderate
8-11.75	Halt any expansion efforts, provide support to schools	Low
4-7.75	Eligible for intervention and possible revocation	None

¹⁷ It is anticipated that the Composite Performance Score criteria for determining an operator's school replication rate will be updated periodically and reflected at www.achievementschooldistrict.org/schoolreplication.



For rapid replication, operators should plan to earn an average Composite Performance Score of 15 for all school sites authorized by the ASD. An average composite score of 12-14.75 by an operator is adequate to approach the top 25% in approximately five years, but indicates there may be a need to slow expansion to ensure each campus achieves the ASD goal. Schools that receive composite scores of 8-11.75 are in need of improvement. Expansion for these operators will be halted to give them an opportunity to improve the performance of existing campuses until each are on pace to reach the top 25% statewide. If these schools do not improve, not only will expansion be halted, but those campuses will likely not be renewed during the next renewal cycle. If schools or operators receive a composite score of less than 8, they are not on pace to reach the top 25% within the next several years and therefore will not be eligible for expansion. Additionally, the operators of these schools should expect to have their charter or contract non-renewed at the end of the term and potentially revoked sooner for management of the applicable school(s).



Amendment to Contract

Amendment No. 1

This amendment (the "Amendment") is made by the Achievement School District and Brick Church College Prep, LLC, parties to the agreement for the management of Brick Church College Prep that was made effective June 1, 2012 (the "Agreement").

The Agreement is amended as follows:

Section 3.2.1, a. Distribution of Funds is replaced in its entirety by the following:

3.2.1 State and Local Funds

- a. Distribution of Funds. The ASD shall allocate and pay one hundred percent (100%) of state and local Basic Education Program (BEP) funds to the Operator on a per pupil basis as provided in T.C.A. § 49-13-112 and as calculated by the formula provided by the Tennessee State Department of Education. Beginning with distributions in the 2015-16 school year, the ASD will withhold \$200 per pupil from the BEP funds distributed to the Operator. One-tenth of that amount (\$20) per pupil will be withheld from each of the ten BEP distributions, based on each school's ADM in TDOE's EIS on the business day closest to the 6th day of each month in which payments are distributed. The ASD will, by December 1 each year, provide an itemized accounting of its revenue and expenses. The ASD will not increase the authorizer fee more often than once every two years.

Section 3.3, Student Population and Enrollment is replaced in its entirety by the following:

3.3 Student Population and Enrollment

- a. The Operator may only serve eligible students, as defined by T.C.A. §§ 49-1-614, and § 49-13-106. The Operator is required to serve all students zoned to its school, up to the building's program capacity (85% of the building capacity) or 130% of the prior year's average daily membership (ADM), whichever is smaller. For schools phasing in, this shall be scaled based on grades served in a particular year, compared to the grades served by the LEA in the school's last year of operation prior to placement in the ASD. In SY 2015-16 only, the Operator may restrict enrollment of zoned students up to the program capacity the Operator defined in its approved charter application and enrollment projections approved by the CFO as the basis for 2015-16 ASD budgeting by May 1, 2015.
- b. If space exists after planned enrollment of zoned students, other eligible students may enroll or be included in an enrollment lottery, Pursuant to T.C.A. § 49-13-106, as reflected in [\(Exhibit 5\)](#).
- c. Once the school is at enrollment capacity, students who are zoned to attend the school shall be reassigned to a different ASD school where space is available. Students



enrolled at the school may transfer to any other ASD schools pursuant to ASD intra-district policies, and to other LEA schools pursuant to LEA intra-district transfer policies.

A section is added for Special Education as follows:

Special Education

Authorities. Special education services, related services, and accommodations for students who are eligible under the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973 (Section 504), the Americans with Disabilities Act (ADA), or any applicable provisions of State law, shall be provided in accordance with applicable State and federal law and this Agreement. The ASD is the local education agency (LEA) responsible for ensuring compliance with the Individuals with Disabilities Education Act (IDEA) and State special education law and regulations. **Costs for Special Education.** All costs associated with providing educational services to enrolled students with disabilities are the responsibility of the Operator. Part of the Basic Education Program (BEP) funds are generated based on special education needs of the ASD during the prior year. The ASD will make IDEA Part B funds available to schools for direct reimbursement, in accordance with ASD policy.

Roles and Responsibilities of the Parties.

- a. The Operator assumes responsibility for the identification of students in need of special education services, provision of services, development and implementation of individualized education programs (IEPs), etc. for students identified as eligible for special education services. The Operator shall have a qualified special education coordinator who will be responsible for monitoring individual case management of all special education students and for arranging the provision of services required by their IEP. The Operator shall maintain a file documenting Operator's compliance with special education requirements.
- b. As the LEA, the ASD retains the authority to oversee and require that the Operator take corrective measures with regard to special education. The Operator is responsible for the management of its special education budgets, personnel, programs and services. The ASD reserves the right to audit the use of special education funds provided to the Operator to ensure compliance with program and fiscal requirements.
- c. The Operator shall ensure that its special education personnel or contracted personnel are appropriately licensed consistent with federal requirements and State laws and regulations. The Operator shall implement the programs and services, including providing related services, required by the IEPs of the students enrolled at the School(s). The Operator shall rely on its discretion to determine whether or not to contract with



outside entities, such as consultants or local districts, for the provision of any mandated special education or related services. Upon request by the ASD, the Operator shall provide all requested or appropriate documentation to demonstrate the licensure status of School personnel providing special education or related services and of independent contractors providing special education or related services, and, the training received by said personnel, and the steps taken by the Operator to comply with applicable credentialing the requirements. The Operator shall promptly provide the ASD with documentation that updates this information during the course of the school year to the extent that it has changes in its personnel, independent contractors, or training for staff.

d. The IEP team convened at the school shall have the authority to make offers of a FAPE and decisions regarding the staffing and methodology used to provide special education and related services at the school pursuant to an IEP. This may include serving a student in an appropriate setting that is outside the Operator's school if the Operator is unable to provide an appropriate placement or services for a student. The Operator must inform the ASD of such decisions.

e. To the extent that the ASD provides training opportunities and/or information regarding special education to the staff of other operators, such opportunities and/or information shall be made available to Operator's staff. To the extent that the ASD elects to offer to the Operator administrative and/or programmatic services relating to special education, the Operator may avail itself of such services at a previously agreed upon fee.

f. The Operator shall promptly report to the ASD any and all alleged serious infractions, filed due process complaints, and other significant non-compliance issues relating to special education. The ASD will investigate, cooperate with and respond to all special education complaints the ASD receives pertaining to the Operator. The Operator will offer mediation to resolve any disagreements and cooperate with the ASD in any such investigations and provide all documentation required to respond to complaints within timelines imposed by the investigating agency.

In the event that a parent or guardian of a student attending the Operator's school initiates due process proceedings, both the Operator and the ASD will act as respondents. The Operator will attempt to informally resolve the matter prior to a hearing by convening a meeting with the parent/guardian and relevant members of the IEP team and/or through mediation offered through the Administrative Procedures Division of the Tennessee Secretary of State. The ASD will participate with the Operator in any subsequent due process hearing. During due process and any other legal proceedings or actions involving special education, the Operator will be responsible for its own representation. If the Operator retains legal representation for a due process



proceeding or other legal proceeding or action, the Operator will be responsible for the cost of such representation.

g. The Operator shall indemnify the ASD for any costs, attorney fees, and/or financial penalties imposed on the ASD by state and/or federal authorities arising out of actions or omissions of the Operator relating to special education. This includes the costs of providing special education and related services, compensatory education and/or reimbursement awarded by a due process hearing officer or court.

Except as set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict between this amendment and the Agreement or any earlier amendment, the terms of this amendment will prevail.

X

Christopher Barbic

Christopher Barbic (Jul 7, 2015)

Chris Barbic

Superintendent, Achievement School District

X

Chris Reynolds

Chris Reynolds (Jul 6, 2015)

Christopher Reynolds

CEO, LEAD Public Schools

X

Dwayne Tucker

Dwayne Tucker (Jul 1, 2015)

Dwayne Tucker

Board Chair, LEAD Public Schools