

Identifying Indicators of Distress in Charter Schools

Tools to Support Authorizer Data Collection

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NATIONAL
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RESOURCE CENTER



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Key Terms

Charter school: A charter school, as defined in this report, is a public school that operates as a school of choice as described in [the Elementary and Secondary Education Act \(ESEA\) Section 4310\(2\)](#). Charter schools commit to obtaining specific educational objectives in return for increased autonomy. They are exempt from significant state or local regulations related to operation and management but otherwise adhere to regulations of public schools.

Charter school authorizer (Authorizers): An authorized public chartering agency, as defined under [Section 4310\(1\) of the ESEA](#), is a state educational agency, local educational agency, or other entity responsible for reviewing and approving or rejecting charter applications and monitoring charter school performance related to both academic and fiscal/organizational metrics, as well as compliance with relevant laws. State law determines the types and number of organizations permitted to act as authorizers.

Distress: We define distress in this report as experiencing difficulty achieving or sustaining ESSA's definition of a high-quality charter school.

Early warning system: This is a process for identifying patterns and characteristics from previous events that turned out to be risky, testing those patterns in a local context to identify specific indicators and thresholds for risk, and then using the characteristics in a systemic way to identify scenarios of risk and to efficiently target interventions.

Governing board: Sometimes referred to as a school board, this group of individuals serves as a charter school's governing body. The board is ultimately responsible for a school's quality and performance and serves an integral oversight role. A charter contract to operate a school is often held between the authorizer and the charter school governing board.

High-quality charter school: As described in [ESEA Section 4310\(8\)](#) a high-quality charter school shows evidence of strong academic results, including significant increases in achievement and/or graduation rates where applicable, for any and all subgroups of students, and has no significant issues in the areas of student safety, financial and operational management, or statutory or regulatory compliance.

Indicators of distress: These are characteristics that occur early in a school's decline suggesting a school that is struggling to achieve or maintain high levels of quality. Indicators of distress tend to be more difficult to measure but easier to influence than *lagging* indicators; as a *leading* indicator, they might predict future failure.

Indicators of failure: These are output data points that occur later in a school's decline to measure how a school performed. Indicators of failure are easier to measure but, as a *lagging* indicator, require more substantive interventions to influence.

School leader: This term is frequently used in the singular to most often reference a principal, but depending on the school, this may be one or more individuals who take on leadership or administrative responsibilities for a particular school.

Stakeholders: This term refers to the myriad actors and entities that make up the charter school ecosystem, including but not limited to state education agencies, charter school authorizers, charter school support organizations, governing boards, school leaders, parents, and community members.

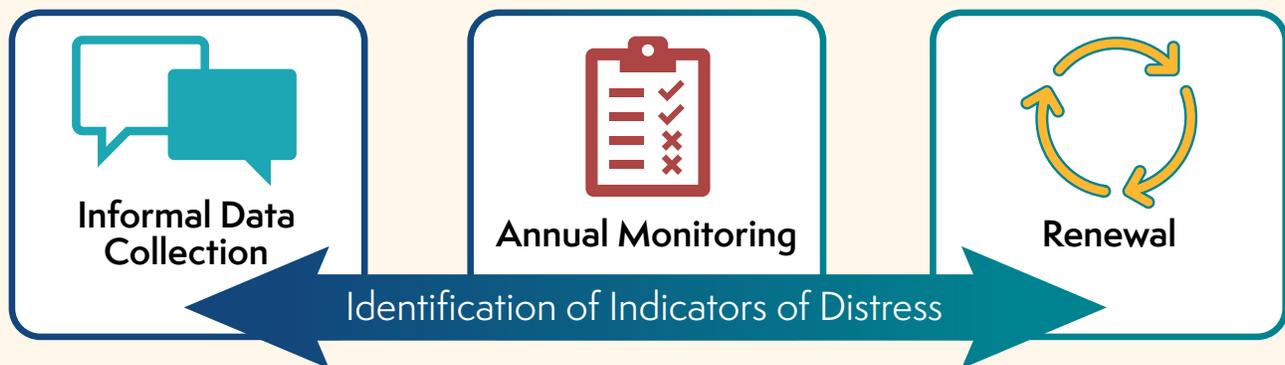
Background: Integrating Indicators of Distress Will Improve Your Portfolio

Charter schools do not show up at renewal time suddenly failing, but rather have likely struggled for some time. By paying attention to and addressing signals of school distress before the issues permeate all aspects of the school, schools can save their students years of lowered outcomes and diminished opportunities.

Identifying schools in distress affords schools, and the ecosystem supporting them, the opportunity to intervene earlier and at the cost of fewer resources beyond just funding, including time and energy. Although school failure and school improvement are complex challenges that look different in various contexts, patterns and trends associated with schools in early distress are emerging. With this new understanding of stages of school failure—now more than ever—we have the opportunity and imperative as a field to identify schools in distress while improvement is still feasible. Indicators of distress can be identified through the processes authorizers already use to monitor and gauge the quality of the schools in their sector.

This publication is the second in a series on indicators of distress in charter schools. The toolkit builds on the first publication, [Identifying Indicators of Distress in Charter Schools Part 1: The Role and Perspective of Charter School Authorizers](#), which identified and described common indicators of distress observed by charter school authorizers in schools in decline. Future research by NCSRC will include examples of how charter school authorizers are working with schools to address indicators and an analysis of indicators of distress as observed by school-level leaders.

Authorizers' System of Data Collection



The process of identifying schools in distress does not require vast reams of data or extensive school staff time. For many authorizers, identifying indicators of distress in schools simply means looking at existing data in a different way. Applying an indicators-of-distress lens to authorizers' systems of data collection provides a structure for authorizers, and other stakeholders, to review data in a longitudinal fashion with an eye toward decline.

How to Integrate Indicators of Distress into Data Collection Activities

Charter school authorizing is inherently contextual work, and each charter school authorizer is the expert on their own context and portfolio of schools. Authorizers are encouraged to use the indicators identified in [Part I](#) and reiterated throughout this toolkit as a starting point, but to also determine which indicators characterize struggling schools in their own context. **The purpose of this toolkit is to build on the process authorizers currently use and support authorizers in identifying struggling schools prior to failure, and prior to not meeting renewal criteria.** This toolkit walks authorizers through auditing the data they are currently collecting and mechanisms for collection to determine whether indicators of distress are part of their current efforts. Focusing on these research-based indicators of distress, rather than just indicators of failure, such as standardized test scores, means we do not have to wait for schools to fall into full organizational failure before acting—and more students might be saved from the negative impacts of a failing or closed school.

To that end, **this toolkit includes tools to help authorizers *identify* indicators of distress, *audit* their data collection efforts for indicators of distress within their current data collection and monitoring activities, and *assess* which schools in their portfolio are showing indicators of distress and to what extent.**

WHAT YOU WILL NEED:

Expertise: These tools can be used individually but are more impactful when used with a team. Invite your team members who monitor schools in areas of academic, financial, and operational performance to participate in the process.

Information: Each tool will specify the school-specific data required, such as annual reports, site visit reports, board meeting materials, financial audits, compliance checks, and data that are informally collected, such as during check-ins with leaders or during board meetings.



[Tool #1: Identifying Indicators of Distress in Your Portfolio:](#) This tool helps authorizers determine how indicators may appear in data and in practice, reflect on these data, and identify indicators of distress in their own portfolio.

[Tool #2: Auditing Your Data Collection for Indicators of Distress:](#) This tool supports authorizers in reviewing their data collection methods to determine where they are already collecting data on indicators and to close gaps to improve the identification of schools in distress.

[Tool #3: Assessing Schools for Indicators of Distress:](#) This tool provides an easy-to-use assessment to determine how schools fare on each of the indicators and the extent to which they are showing signs of distress.

Tool #1: Identifying Indicators of Distress in Your Portfolio

Research has identified seven categories of charter school core functions, and indicators of distress can arise within each one: leadership, governing board, operations, financial management, talent, culture, and instruction.¹ Indicators do not necessarily show up all at once, in all categories, and may look different in different contexts. The type of school, whether the school is independent or part of a network, whether the board has been trained, whether the school is in an urban, suburban, or rural area, and other factors may all affect how indicators become visible.

The tables below describe the indicators of distress as identified in Part I in each category of charter school functions, and the differing ways authorizers and the literature discuss how these indicators may show up in practice. A space has been provided for your own notes on how these examples compare to your own schools' experiences of distress. For a more detailed look at each indicator and an indicator assessment for schools, see [Tool 3: Assessing Schools for Indicators of Distress](#).

Instructions:

1. Think about all the schools that have struggled in your portfolio.
2. Read through the seven indicators of distress tables below.
3. In the third column, check the box if struggling schools in your portfolio showed signs of distress that were similar to the indicators listed.
4. In the fourth column, add other examples of related data or indicators that you observed in declining schools that do not appear in this table or other thoughts on the relevance of these indicators in your own context.
5. In the reflection section below the tables, reflect on the indicators most relevant in your portfolio and why schools in your context may be experiencing these indicators.

Purpose: Determine how indicators may appear in data and in practice and reflect on indicators of distress in your own context.

Intended Users: Authorizers and other stakeholders supporting charter schools.

Estimated Time: We recommend **1.5 hours** for this activity. How much time you spend is up to you!

Materials/Data Required: Data collection reports, such as site visits, annual reports, and renewal reports from schools in your portfolio.

¹ An explanation of this categorization can be found in [Part 1](#).

Leadership

Indicator of Distress	Evidence of Indicator in Practice	Schools in My Portfolio Have Exhibited Evidence of This Indicator <i>(check all that apply)</i>	Additional Indicators, Evidence, and Notes
Mismatched leadership competencies to context	Leader's inability to share decision-making authority	<input type="checkbox"/>	
	Leader's inability to gain respect/trust of staff or families	<input type="checkbox"/>	
	Leader's inability to respect/trust staff	<input type="checkbox"/>	
	Leader's failure to demonstrate instructional leadership as necessary; for example, by taking minimal interest or time in classroom instruction	<input type="checkbox"/>	
	Leader's failure to manage time efficiently and appropriately	<input type="checkbox"/>	
	Core school operational or instructional tasks drop in quality	<input type="checkbox"/>	
	Leader is failing in operational leadership; for example, by delegating all business functions to the extent that they cannot answer questions about core school operations	<input type="checkbox"/>	
	Leader does not demonstrate the ability to make changes, handle complaints/concerns, leverage board and staff skills and time appropriately	<input type="checkbox"/>	
	Leader is unable to create or maintain effective teams	<input type="checkbox"/>	

Indicator of Distress	Evidence of Indicator in Practice	Schools in My Portfolio Have Exhibited Evidence of This Indicator <i>(check all that apply)</i>	Additional Indicators, Evidence, and Notes
Inability to sustain leadership	High or increased leader turnover	<input type="checkbox"/>	
	Lack of leadership pipeline development	<input type="checkbox"/>	
Lack of systemic leadership development	Lack of succession planning for key leadership and other positions	<input type="checkbox"/>	
	“Founder’s syndrome” demonstrated by a leader who develops and starts a school but fails to develop shared or distributed leadership structures	<input type="checkbox"/>	
Lack of leadership	Leader is unable to make decisions	<input type="checkbox"/>	
	Lack of academic and organizational leadership	<input type="checkbox"/>	
	Decreased frequency or quality of communication with authorizer or delays responding to authorizer requests	<input type="checkbox"/>	
	Leader is not able to report on key progress indicators	<input type="checkbox"/>	
	Leader is not present at the school for significant amounts of time or to the extent that staff work or school functions are negatively impacted	<input type="checkbox"/>	
	Leader is not accessible to families, board, or authorizer	<input type="checkbox"/>	

Governing Board

Indicator of Distress	Evidence of Indicator in Practice	Schools in My Portfolio Have Exhibited Evidence of This Indicator <i>(check all that apply)</i>	Additional Indicators, Evidence, and Notes
Inability to convene the board	Failure to recruit or retain sufficient and appropriate membership based on bylaws	<input type="checkbox"/>	
	Failure to recruit or retain sufficient depth and diversity of expertise necessary for successful board governance	<input type="checkbox"/>	
	Low or decreasing attendance at board meetings	<input type="checkbox"/>	
	Low engagement in the school's work	<input type="checkbox"/>	
	Minimal knowledge of the school's mission, core operations, or improvement status	<input type="checkbox"/>	
Board's deteriorating relationship with authorizer	Inability to accept feedback from staff or authorizer	<input type="checkbox"/>	
	Decreased frequency or quality of communication with authorizer or increased time responding to authorizer requests	<input type="checkbox"/>	
Board's inability to hold school leaders accountable	Poor relationship between board and school leaders	<input type="checkbox"/>	
	Inadequate review of school leaders' decisions	<input type="checkbox"/>	
	Lack of appropriate structures or tools to execute its strategic vision	<input type="checkbox"/>	

Indicator of Distress	Evidence of Indicator in Practice	Schools in My Portfolio Have Exhibited Evidence of This Indicator <i>(check all that apply)</i>	Additional Indicators, Evidence, and Notes
	Lack of ability to work with school leaders to implement changes or improvements as necessary	<input type="checkbox"/>	
Inadequate board capacity to govern	Board practices reflect a lack of distinction between governance vs. management in charter schools (i.e., board attempts to manage the daily operations of a school beyond its formal purview)	<input type="checkbox"/>	
	Board does not demonstrate strong governance oversight	<input type="checkbox"/>	
	Board members fail to engage with the school	<input type="checkbox"/>	
	Board members fail to engage with the community	<input type="checkbox"/>	
	Board members do not have requisite content expertise related to core board functions, such as academics, school finances, and school operations	<input type="checkbox"/>	

Operations

Indicator of Distress	Evidence of Indicator in Practice	Schools in My Portfolio Have Exhibited Evidence of This Indicator <i>(check all that apply)</i>	Additional Indicators, Evidence, and Notes
Breakdown in compliance and reporting functions	Decision-making that lacks oversight or internal accountability among school leadership and/or the board	<input type="checkbox"/>	
	Lack of process and procedures for operational decision-making among school leadership and the board	<input type="checkbox"/>	
	Lack of compliance with relevant reporting requirements (i.e., applicable laws, rules, regulations, and provisions of the charter) to the school's authorizer, state education agency, district education department, and/or federal authorities	<input type="checkbox"/>	
	Missed compliance activities or missed deadlines, such as failure to comply with state and local security and building safety requirements	<input type="checkbox"/>	
	Lack of fulfillment of Generally Accepted Accounting Principles (GAAP)	<input type="checkbox"/>	
	Evaluation showing the charter holder's annual audit reporting packages do not reflect sound operations	<input type="checkbox"/>	
Failure to be responsive to market needs	Decrease in student enrollment	<input type="checkbox"/>	
	Decrease in student re-enrollment	<input type="checkbox"/>	
	Decrease in actual enrollment compared to projected enrollment	<input type="checkbox"/>	
	Poor reputation in community, decreasing reputation, or lack of a reputation	<input type="checkbox"/>	
	Poor community engagement policies or practices	<input type="checkbox"/>	

Finance

Indicator of Distress	Evidence of Indicator in Practice	Schools in My Portfolio Have Exhibited Evidence of This Indicator (check all that apply)	Additional Indicators, Evidence, and Notes
Failure to properly manage finances	Unclear budgeting/reporting process	<input type="checkbox"/>	
	Unaddressed facilities upgrades or repairs	<input type="checkbox"/>	
	Debt default (i.e., the school is in default of loan covenant[s] and/or is delinquent with debt service payments)	<input type="checkbox"/>	
	Poor near-term financial viability: ²		
	<ul style="list-style-type: none"> • Falling or variable student enrollment 	<input type="checkbox"/>	
	<ul style="list-style-type: none"> • Low current ratio 	<input type="checkbox"/>	
	<ul style="list-style-type: none"> • Low unrestricted days of cash on hand 	<input type="checkbox"/>	
	Poor financial sustainability measures:		
	<ul style="list-style-type: none"> • High debt-to-asset ratio 	<input type="checkbox"/>	
	<ul style="list-style-type: none"> • Low or negative cash flow 	<input type="checkbox"/>	

² Authorizers hold slightly different thresholds in determining distress around near-term financial viability and financial sustainability indicators. The bullet points represent examples of distress thresholds by one authorizer.

Indicator of Distress	Evidence of Indicator in Practice	Schools in My Portfolio Have Exhibited Evidence of This Indicator (check all that apply)	Additional Indicators, Evidence, and Notes
	<ul style="list-style-type: none"> • Low or negative total margin/aggregated 3-year margin. 	<input type="checkbox"/>	
	<ul style="list-style-type: none"> • Low debt service coverage ratio 	<input type="checkbox"/>	
Misappropriation of funds	Lack of checks and balances in financial decisions among the board and/or school leadership	<input type="checkbox"/>	
	Mismanagement of financial systems	<input type="checkbox"/>	
	Hiring of individuals with histories of misappropriation of funds	<input type="checkbox"/>	

Talent

Indicator of Distress	Evidence of Indicator in Practice	Schools in My Portfolio Have Exhibited Evidence of This Indicator (check all that apply)	Additional Indicators, Evidence, and Notes
Hiring challenges	Low or decreased student-to-qualified-staff ratios	<input type="checkbox"/>	
	Poor/lowered qualifications of hires	<input type="checkbox"/>	
	Lack of key personnel to meet student needs (i.e., social workers, counselors)	<input type="checkbox"/>	
High teacher turnover/Loss of specialized	Falling or variable student enrollment	<input type="checkbox"/>	
	High or increased staff turnover	<input type="checkbox"/>	
	High turnover or churn of specialized staff, such as special education, EL certified teachers	<input type="checkbox"/>	
	Staff turnover in the middle of the school year	<input type="checkbox"/>	
Decreasing teacher capacity	Poor qualifications of hires	<input type="checkbox"/>	
	Low number of years of experience per hire	<input type="checkbox"/>	
	Poor teacher effectiveness	<input type="checkbox"/>	

Indicator of Distress	Evidence of Indicator in Practice	Schools in My Portfolio Have Exhibited Evidence of This Indicator (check all that apply)	Additional Indicators, Evidence, and Notes
	Lack of adequate/effective teacher evaluation system	<input type="checkbox"/>	
	Lack of support for staff (professional development, coaching)	<input type="checkbox"/>	
	Lack of leaders using instruction and school assessment data to inform teacher effectiveness supports and professional development	<input type="checkbox"/>	

Culture

Indicator of Distress	Evidence of Indicator in Practice	Schools in My Portfolio Have Exhibited Evidence of This Indicator (check all that apply)	Additional Indicators, Evidence, and Notes
Poor student and family connection to school	Frequent or increased parental complaints regarding the school, leader, and/or staff	<input type="checkbox"/>	
	Lack of meaningful communication with families	<input type="checkbox"/>	
	Decreased or low student attendance; low attendance for particular student subgroup(s)	<input type="checkbox"/>	
	Decreased or low student re-enrollment	<input type="checkbox"/>	
	High overall chronic absenteeism; high chronic absenteeism for particular student subgroup(s)	<input type="checkbox"/>	
	High or increased disciplinary incidents; high or increased disciplinary incidents for particular student subgroup(s)	<input type="checkbox"/>	
Inhospitable professional culture	Staff do not see themselves as part of a team	<input type="checkbox"/>	
	Staff plan and prepare for instruction in isolation	<input type="checkbox"/>	
	Decrease in staff meetings/collaboration opportunities	<input type="checkbox"/>	
	Decrease in teacher attendance	<input type="checkbox"/>	

Instruction

Indicator of Distress	Evidence of Indicator in Practice	Schools in My Portfolio Have Exhibited Evidence of This Indicator (check all that apply)	Additional Indicators, Evidence, and Notes
Poor or declining assessment outcomes	Poor alignment of goals, vision, and mission to meet students' needs	<input type="checkbox"/>	
	Lack of differentiation to address specific student needs	<input type="checkbox"/>	
	Large or growing gaps between student subgroup outcome data (i.e., state assessments)	<input type="checkbox"/>	
Lack of focus on instruction	Lack of clear expectations for staff and students	<input type="checkbox"/>	
	Lack of teachers using data and school assessment system to inform instruction	<input type="checkbox"/>	
	Lack of a professional development plan that aligns with the program of instruction and best practices	<input type="checkbox"/>	
	Insufficient instruction time	<input type="checkbox"/>	
	Lack of a systematic process for reviewing and evaluating the curriculum, at specific intervals, for alignment with state academic standards and improving student academic outcomes for the population served	<input type="checkbox"/>	
Lack of cohesion or alignment in curriculum	Poor/lack of alignment of standards, curriculum, assessments	<input type="checkbox"/>	
	Teacher pedagogies inconsistent with the school's mission	<input type="checkbox"/>	

Reflect

1. While each school in distress is often encountering struggles unique to its own context, there may be indicators that are most relevant (e.g., most frequent, most impactful) once you look across the struggling schools in your sector. Review your check marks and notes from the tables above. What are the most relevant indicators that schools in your portfolio display—and the evidence exhibited—when experiencing distress? Schools will likely exhibit several indicators. Focusing on the most relevant indicators will help you prioritize and address the indicators that are most impactful in your portfolio.

Categories of Indicators	Indicators of Distress Most Relevant to Your Portfolio	Evidence of Most Relevant Indicators
Leadership		
Governing Board		
Operations		
Finance		
Talent		
Culture		
Instruction		

2. Pertaining to the most relevant indicators noted above, what could be the underlying reasons schools in your portfolio are struggling in these areas? As an authorizer, what can you do to address these issues? Indicators idiosyncratic to a particular school may need to be addressed specifically with that school, while the same indicators across your portfolio may need to be addressed systemically.³

³ This toolkit asks authorizers to *reflect* on how to support schools in distress, but how authorizers do so varies tremendously based on context. Addressing schools in distress will be explored more deeply in upcoming NCSRC publications.

Tool #2: Auditing Your Data Collection for Indicators of Distress

Identifying indicators of distress requires that authorizers maintain effective and accurate data collection systems that are **usable** and **useful** for both authorizers and schools. The authorizers interviewed for Part I had multiple opportunities throughout their monitoring activities to collect information on school quality and determine whether schools were showing signs of distress. Some of these opportunities were more informal and occurred on a frequent basis, such as having check-in calls with the governing board chair or leadership team or reviewing board meeting materials. More formal data collection activities occurred less frequently, such as site visits, reviewing annual reports, audits, survey findings, and compliance reports. While the scope, frequency, and nature of data collection by authorizers related to identifying indicators of distress varied by type and capacity of the authorizer, both formal and informal reviews provided authorizers with ample opportunities to collect indicators of distress and identify struggling schools.

This tool invites you to audit your current data collection efforts and determine the existence and extent to which you are currently collecting indicators of school distress. Then consider how you might customize your data collection to further gather these data in ways that accommodate your context and the requirements of your role as an authorizer, as well as the unique needs of your schools.

The tables below provide examples of artifacts and sources you may use to identify indicators of distress using existing school monitoring processes. While not all the data listed under *Artifacts/Sources* have a bearing on renewal, you may find these data valuable when considering which schools may be experiencing distress and where to dig deeper to understand the school's challenges and to provide oversight or support as necessary.

Instructions:

1. Read through the seven indicators of distress in the tables below, reviewing the example data artifacts/sources that may be used to track those indicators.
2. Use the Notes section to list the data you are currently collecting that may also be relevant to these indicators.
3. In the reflection section below the tables, outline any changes needed to your current data collection efforts to identify these indicators, such as frequency, type of data, and presentation of data. Keep in mind, it is not likely that you will need to revamp your data collection efforts to identify schools in distress. Ideally, you can examine existing data with these indicators in mind and make minor modifications to existing data collection methods.

Purpose: Reflect on how your current data collection methods can identify schools showing signs of distress; determine any duplication and/or gaps in data collection.

Intended Users: Authorizers

Estimated Time: We recommend **30 minutes** for this activity. How much time you spend is up to you!

Materials/Data Required: Data collection *instruments*, such as site visit protocols, annual reports, performance management frameworks, etc.

Leadership

Indicator of Distress	What relevant artifacts/sources are you currently collecting?	Additional notes or artifacts/sources collected
Mismatched leadership competencies to context	<input type="checkbox"/> Academic data trends <input type="checkbox"/> Leader evaluation reports <input type="checkbox"/> Teacher interviews/focus groups <input type="checkbox"/> Annual report or audit data	
Inability to sustain leadership	<input type="checkbox"/> Staff retention data <input type="checkbox"/> Annual report data <input type="checkbox"/> Interviews or conversations with current leaders and board members	
Lack of systemic leadership development	<input type="checkbox"/> Staff retention data <input type="checkbox"/> Interviews or conversations with current leaders or board members	
Lack of leadership	<input type="checkbox"/> Leader interviews <input type="checkbox"/> Check-ins	

Governing Board

Indicator of Distress	What relevant artifacts/sources are you currently collecting?	Additional notes or artifacts/sources collected
Inability to convene the board	<ul style="list-style-type: none"> <input type="checkbox"/> Board meeting observations <input type="checkbox"/> Board meeting minutes <input type="checkbox"/> Interviews with board members <input type="checkbox"/> Review of these data against board policies, board bylaws, state open meeting laws 	
Board's deteriorating relationship with authorizer	<ul style="list-style-type: none"> <input type="checkbox"/> Check-ins <input type="checkbox"/> Board minutes <input type="checkbox"/> Conversations with board members <input type="checkbox"/> Conversations with staff members 	
Board's inability to hold school leaders accountable	<ul style="list-style-type: none"> <input type="checkbox"/> Board minutes <input type="checkbox"/> Check-ins <input type="checkbox"/> Board and school leader evaluations 	
Inadequate board capacity to govern	<ul style="list-style-type: none"> <input type="checkbox"/> Board minutes <input type="checkbox"/> Board evaluations 	

Operations

Indicator of Distress	What relevant artifacts/sources are you currently collecting?	Additional notes or artifacts/sources collected
Breakdown in compliance and reporting functions	<ul style="list-style-type: none"> <input type="checkbox"/> Documentation of process and procedures for operational decisions <input type="checkbox"/> Reports to the school’s authorizer, state education department, and federal authorities: <ul style="list-style-type: none"> <input type="checkbox"/> Annual charter report <input type="checkbox"/> Annual audit reporting package <input type="checkbox"/> Documentation of compliance activities 	
Failure to be responsive to market needs	<ul style="list-style-type: none"> <input type="checkbox"/> Enrollment data <input type="checkbox"/> Student retention data <input type="checkbox"/> Estimated enrollment figures from the budget <input type="checkbox"/> Parent surveys <input type="checkbox"/> Informal parent and community feedback <input type="checkbox"/> Documentation of community engagement policies and practices 	

Finance

Indicator of Distress	What relevant artifacts/sources are you currently collecting?	Additional notes or artifacts/sources collected
Failure to properly manage finances	<ul style="list-style-type: none"> <input type="checkbox"/> Documentation of internal controls <input type="checkbox"/> Borrowing history <input type="checkbox"/> Site visits and/or facility reviews <input type="checkbox"/> Planning and budgeting documentation around facilities <input type="checkbox"/> Documentation of debt default <input type="checkbox"/> Annual and renewal reporting/audits <i>Financial reporting metrics:</i> <input type="checkbox"/> Enrollment data <input type="checkbox"/> Current ratio (current assets divided by current liabilities) <input type="checkbox"/> Unrestricted days of cash on hand <input type="checkbox"/> Debt-to-asset ratio <input type="checkbox"/> Cash flow <input type="checkbox"/> Total margin (net income divided by total revenue)/aggregated 3-year margin <input type="checkbox"/> Debt service coverage ratio (net income + depreciation + interest expense)/(principal and interest payments) 	
Misappropriation of funds	<ul style="list-style-type: none"> <input type="checkbox"/> Whistleblower reports or feedback from school stakeholders <input type="checkbox"/> Background checks on school leaders and governing board members <input type="checkbox"/> Cash flow 	

Talent

Indicator of Distress	What relevant artifacts/sources are you currently collecting?	Additional notes or artifacts/sources collected
Hiring challenges	<ul style="list-style-type: none"> <input type="checkbox"/> HR policies and procedures, timelines, and strategy <input type="checkbox"/> Staff roster and student enrollment <input type="checkbox"/> Open staff positions <input type="checkbox"/> Staff credentials data 	
High teacher turnover/Loss of specialized staff	<ul style="list-style-type: none"> <input type="checkbox"/> Staff retention, annual trends <input type="checkbox"/> Dates of staff departure <input type="checkbox"/> Staff credentials data 	
Decreasing teacher capacity	<ul style="list-style-type: none"> <input type="checkbox"/> Classroom observations <input type="checkbox"/> Staff interviews/discussions <input type="checkbox"/> Staff credentials data <input type="checkbox"/> Staff support strategy, policies, procedures, <input type="checkbox"/> Staff evaluation policy, procedures, staff evaluations 	

Culture

Indicator of Distress	What relevant artifacts/sources are you currently collecting?	Additional notes or artifacts/sources collected
<p>Poor student and family connection to school</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Policy or practices related to family engagement, such as a schedule of communication with families <input type="checkbox"/> Attendance rates <input type="checkbox"/> Chronic absenteeism rates <input type="checkbox"/> Disaggregated attendance, chronic absenteeism by grade, race/ethnicity, socioeconomic status, special education, English Learner status, and gender <input type="checkbox"/> Discipline data <input type="checkbox"/> Disaggregated discipline data, by grade in school, race/ethnicity, socioeconomic status, special education, English Learner status, and gender <input type="checkbox"/> Student re-enrollment rate 	
<p>Inhospitable professional culture</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Staff interviews/discussions <input type="checkbox"/> Staff attendance <input type="checkbox"/> Staff retention <input type="checkbox"/> Teacher survey data 	

Instruction

Indicator of Distress	What relevant artifacts/sources are you currently collecting?	Additional notes or artifacts/sources collected
<p>Poor or declining assessment outcomes</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Progress on a school’s mission-specific academic goals <input type="checkbox"/> Classroom observation data <input type="checkbox"/> Assessment results, annually and trends over time <input type="checkbox"/> Disaggregated student assessment data by grade, race/ethnicity, socioeconomic status, special education, English Learner status, and gender 	
<p>Lack of focus on instruction</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Process of developing professional development plan <input type="checkbox"/> Professional development plan <input type="checkbox"/> Classroom observation data <input type="checkbox"/> Teacher interviews and/or surveys <input type="checkbox"/> Assessment schedule <input type="checkbox"/> School schedule 	
<p>Lack of cohesion or alignment in curriculum</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Progress on a school’s mission-specific academic goals <input type="checkbox"/> Curriculum and assessment documents 	

Reflect

- Now that you have identified the relevant artifacts and data you are currently collecting, it can be helpful to document which data collection activities in your own practice can be used to compile indicators of distress. Informal data collection may occur more frequently, such as check-ins with the governing board chair or leadership team, attending board meetings, and reviewing board reports, whereas more formal data collection mechanisms can take place annually or less often and tend to have a bearing on renewal decisions. Use the table below to indicate where you currently collect information on each indicator.

Categories of Indicators	Informal				Formal			
	Check-Ins	Board Meetings	Board Meeting Materials	Other	Site Visit	Annual Reports/ Audit	Surveys	Compliance Reports
Leadership								
Governing Board								
Operations								
Finance								
Talent								
Culture								
Instruction								

2. As an authorizer, your data collection activities serve to monitor and gauge schools around renewal criteria. Compiling indicators of distress does not require you to collect different data. However, it does ask that you examine the data differently, with an eye toward decline in the seven research-based areas described above. While not all schools will exhibit all indicators, schools that exhibit several of them warrant further review. **Examining the totality of your data from the tables above, are there particular indicator categories or relevant indicators that are not being accounted for in your data collection activities?** List the indicators relevant to your context that are not accounted for in your data collection activities and identify how you can collect data on the indicators you identified as missing in your data collection. An example row is filled in for you. Data/source examples are included in the sidebar.

EXAMPLES OF DATA COLLECTION SOURCES

- Board member and school leader check-ins
- Board meetings
- Board reports/meeting materials
- Annual/renewal reporting and audits
- Site visits
- Indicators assessment
- Surveys
- Compliance reports
- Other -----

Indicator	Data/Source
<p><i>Example:</i> Inhospitable professional culture</p>	<ul style="list-style-type: none"> • Annual/renewal reporting and audits <ul style="list-style-type: none"> – Add collection of teacher attendance data • Site visits <ul style="list-style-type: none"> – Include question in protocol with staff to gauge professional culture • Board reports/meeting materials <ul style="list-style-type: none"> – Review board materials for discussion and strategies related to teacher satisfaction

Filling in the Gaps: Formal and Informal Mechanisms to Collect Indicator Data

If there are gaps in your data collection, how could the mechanisms you already use be adapted to compile those data in a usable way? Here are some different examples of how authorizers collect data on the Leadership indicators in formal and informal ways based on their unique authorizing contexts and data collection processes. How you integrate or collect this information will depend on your specific processes and relationships with schools.

Board Member and School Leader Check-Ins: Authorizers can use the reflection questions below to guide discussion in formal or informal check-ins with board members and school leaders:

- Can the leader articulate goals and strategies for improvement?
- Can the leader and the board articulate a leadership succession plan?
- Is the leader often absent from the building?
- What is the decision-making process between the school leader and the board for financial and operational decisions? Does it seem to be singular or collaborative decision-making?
- Does the school leader effectively communicate to the board and the school community?
- Is there a clearly understood and written process for how the board is expected to hold the school leader accountable?

Board Reports/Meeting Materials: Authorizers can review board meeting minutes to determine the following:

- What is the decision-making process between the school leader and the board for financial and operational decisions? Does it seem to be singular or collaborative decision-making?
- Does the school leader effectively communicate to the board and the school community? How are community concerns addressed by the school leader? How is the school leader responding to concerns brought forth by the board?
- Are roles clearly defined between the board members and the school leader? Between the school leader and other staff?

Annual/Renewal Reporting: Here is how one authorizer collects information on leadership sub-indicators through their annual reporting rubric.

Indicator Targets: Is the school leader strong in his or her academic and organizational leadership?

Does not meet standard	The school leader presents concerns in a majority of the sub-indicators with no evidence of a credible plan to address the issues.
Approaching standard	The school leader presents concerns in a minimal number of the sub-indicators and may or may not have a credible plan to address the issues.
Meets standard	The school leader complies with and presents no concerns in the sub-indicators below.
Exceeds standard	The school leader consistently and effectively complies with and presents no concerns in the sub-indicators below.

Sub-indicators

Demonstration of sufficient academic and leadership experience	Leadership stability in key administrative positions
Communication with internal and external stakeholders	Clarity of roles among school and staff
Engagement in a continuous process of improvement and establishment of systems for addressing areas of deficiency in a timely matter	Consistency in providing information to and consulting with the school's board of directors

Source: Office of Education Innovation, Indianapolis Mayor's Office 2020–21 Performance Framework

Indicators Assessment: Under certain circumstances, the authorizer may want to directly assess a leader to identify indicators of distress. This could occur through:

- Having the school leader or the board fill out the leadership section of the school assessment in [Tool #3](#);
- Creating or using a personalized assessment of leadership indicators specific to the authorizing context; and/or
- Using a leadership evaluation currently in use by the board or the authorizer.

Tool #3: Assessing Schools for Indicators of Distress

Examining schools with an eye toward decline may sound complex, but most authorizers and schools will find they can do so by looking at existing data in new ways. This tool distills the indicators of distress and provides an opportunity to assess how an individual school is performing across a variety of school functions. You can use this tool to assess what you know about a single school based on a variety of data, or you can choose to share this tool with schools in your portfolio to guide the schools in reflecting on their performance as preparation for a formal review or as a general reflection point. If you have completed [Tool #1](#) of this toolkit, you may want to focus on the metrics aligned with indicators you identified for schools in distress in your portfolio.

Purpose: Assess how a school fares on each of the indicators and the extent to which they are showing signs of distress.

Intended Users: Authorizers and other stakeholders.

Estimated Time: We recommend **30 minutes** for this activity per school assessed. How much time you spend is up to you!

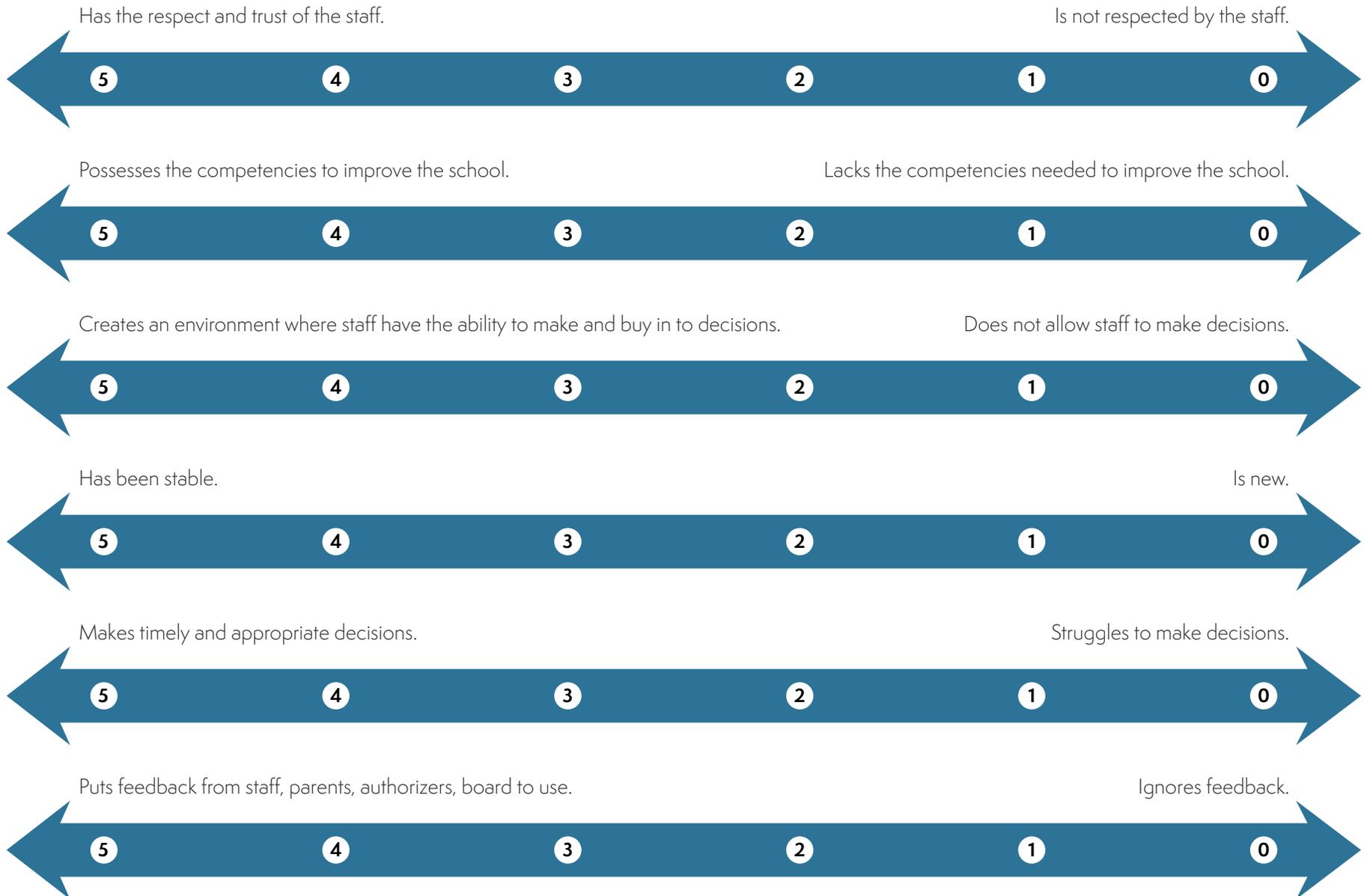
Materials/Data Required: School-level data, such as performance frameworks, annual reports, site visit reports, information gathered during check-ins, and materials from board meetings.

Instructions:

1. For each of the following indicators and any additional indicators identified particular to your context, rank the school on the scales provided.
2. Once you have identified where the school falls on the scales, assess how the school scored in each area of the seven categories of indicators of distress.
3. For indicators in which the school scored higher, how can these strengths be leveraged towards the school's success and achievement of desired outcomes?

In the reflection section below the tables, use the prompts to reflect on the areas where the school scored lower or fell in the middle of the spectrum. What steps can be taken to improve? What resources does this school need in order to improve?

School's Leadership



School's Governing Board





Operations

There is a process and procedure for operational decision-making that is clear and followed by staff.

There are no processes and procedures, or staff are not following them to make operational decisions.



There is a process wherein all operational decisions are checked by another staff member with authority to supersede the decision.

There is only one person making operational decisions at the school.



The school complies with federal, state, and local laws, rules, and regulations.

The school is not in compliance with federal, state, and local laws, rules, and regulations.



All annual audit reports show sound operations.

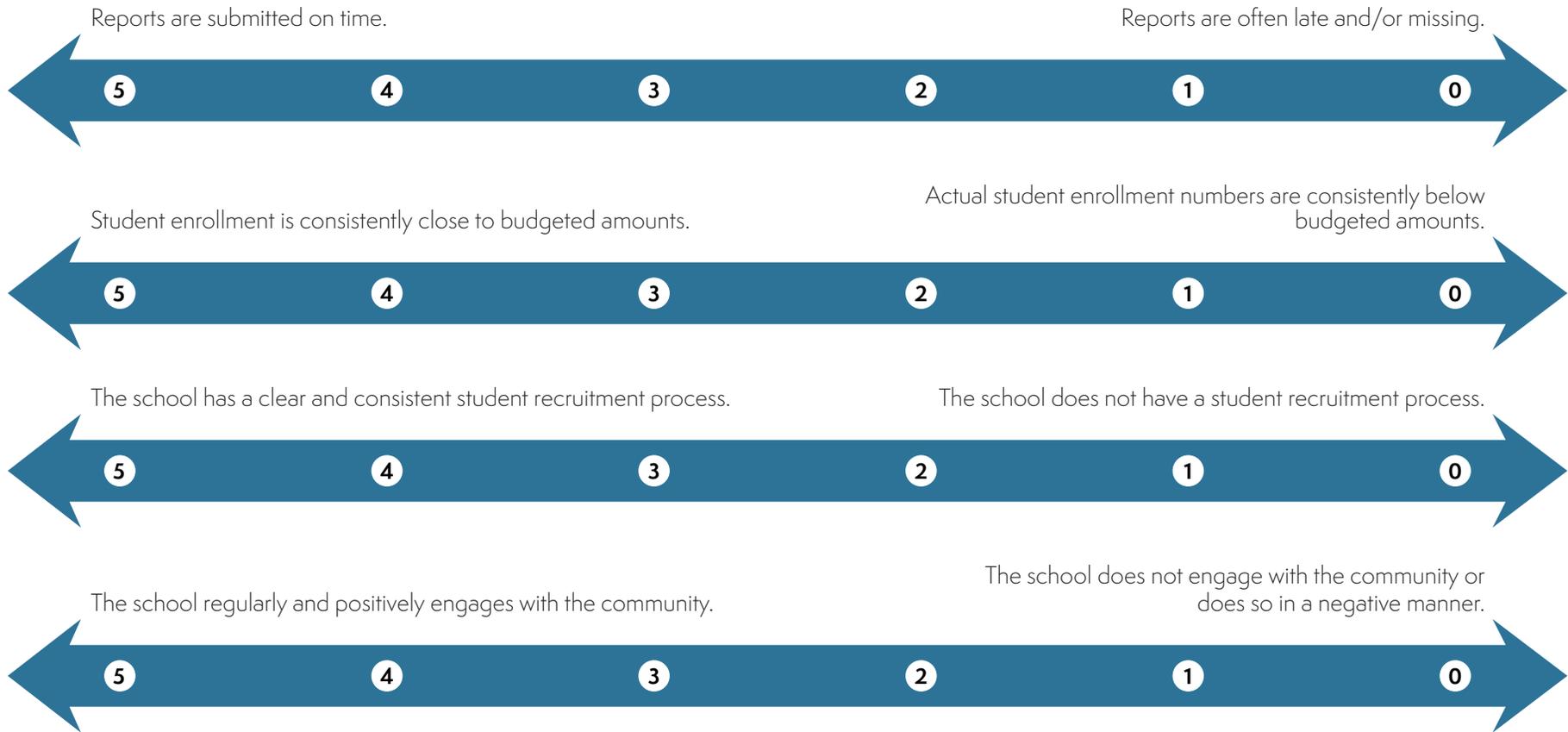
One or more audit reports show findings.



There are few or no errors in submitted reports; data are consistent across reports.

There are many errors in submitted reports; data are inconsistent.





Finance

There is a process and procedure for developing the budget that is clear and followed by staff.

There are no clear processes or procedures, or staff are not following them to develop the budget.



The school is not in debt or default.

The school has recently defaulted on loan payments.



The school's near-term viability is healthy.

The school's near-term viability is declining.



The school's debt-to-asset ratio is stable.

The school's cash flow is not sustainable.



All financial decisions are made with board and/or leadership approval and deliberation.

Financial decisions are made by one person at the school or without board or leadership approval.



Financial decisions are made in the best interest of the school's students.

Financial decisions do not align with the best interests of the school's students.



Talent

Staff are teaching in their certified area or area of content expertise.

Staff are not teaching in their area of expertise.



Staff-to-student ratios are appropriate to students' needs.

Staff-to-student ratios are increasing to higher-than-normal levels.



Staff qualifications match students' needs.

Staff qualifications do not match students' needs.



Staff are stable; turnover of staff is minimal.

Staff turnover is increasing; personnel leave in the middle of the school year.



Staff are regularly and comprehensively evaluated.

Staff are evaluated only once a year or not at all.



Staff are engaged in ongoing PD to meet their needs and the needs of students.

Staff do not receive PD, or the PD topics are irrelevant to the needs of students and staff.



Culture

Student attendance is stable and high; chronic absence is low and addressed.

Student attendance is declining; chronic absence is increasing and not addressed.



Student attendance is stable and high across student subgroups.

Student attendance is declining or uneven across student subgroups.



Student behavior infractions are minimal or decreasing.

Student behavior infractions are increasing.



Disciplinary actions are minimal or decreasing.

Disciplinary actions are increasing.



There is no evidence of disproportionate disciplinary actions across student subgroups.

There is evidence of disproportionate disciplinary actions across student subgroups.



Staff culture is positive: welcoming, respectful, and supportive among teachers.

Staff culture is diminutive: cliquish and cutthroat among teachers.



Instruction

The school has clear learning expectations of its students; the expectations are high but appropriate.

The school does not have clear learning expectations of its students; the expectations are low.



The school's curriculum and assessments are high-quality and aligned with grade-level standards.

The school's curriculum and assessments lack rigor and are not aligned with grade-level standards.



Students are engaged in their learning.

Students are not engaged in their learning.



Students are making progress on the school's mission-specific goals.

Students are not making progress on the school's mission-specific goals.



Students are thriving and showing growth across student subgroups.

Students are not thriving or showing growth across student subgroups.



Additional Measures

Add Measure: Best

Add Measure: Worst



Add Measure: Best

Add Measure: Worst



Add Measure: Best

Add Measure: Worst



Add Measure: Best

Add Measure: Worst



Reflect

Take a moment to review all the responses. What surprised you in your assessment? In which areas did the school receive a high score? Which areas need improvement?

For indicators for which this school received a high score, how can the authorizer and the school leverage these successes?

Assess the areas where this school scored in the lower or middle portions of the spectrum. What steps can the authorizer and the school take to improve these areas?

What resources does this school need to address areas of weakness?

Which stakeholders do you need to convene and collaborate with to address areas of weakness?

How will you hold yourself, and others, accountable for addressing areas of weakness?

Conclusion

Authorizers and other stakeholders in the charter school ecosystem can play important roles in identifying schools experiencing longitudinal, deeply rooted distress that might lead to school failure. This toolkit provides authorizers with the first steps toward identifying and using early indicators of distress in their own contexts to support schools and avoid school failure or closure.

As you continue to consider how these indicators can be used in your own practice, leverage any opportunity to bring together stakeholders across your system to discuss essential questions:

- How will you build in both point-in-time data analysis as well as analyses of trends in school performance across the indicators of distress so you can identify both early and sustained distress?
- What does it mean if a school has been struggling in one category of distress, e.g., leadership, for multiple years?
- What does it mean if a school's performance on one indicator sharply declines in a single year?
- What supports are available and appropriate for schools experiencing distress in a particular indicator?

Answers to these essential questions rely heavily on the quality and rigor of data collection, your team's professional judgment, and knowledge of the schools in your portfolio. This is where bringing in stakeholders with different perspectives will improve your insights into school distress and help to develop an appropriate course of action. Along the way, consider how you can build schools' and other partners' capacities to do this same type of analysis and reflection to help create a true ecosystem of prevention that can cooperatively identify schools in distress as early as possible.

For more on this topic, see our [Identifying Indicators of Distress in Charter Schools](#) series, including reports and webinars.