

ASD Accountability
School Performance Framework (SPF)
Threshold Criteria

Threshold Criterion #1	Measure Description
Clean annual financial audit	Financial audit does not contain any material weaknesses or qualified opinions.
Meets Threshold criteria	Financial audit is 'clean' without any material weaknesses or qualified opinions.
Potential Review criteria	Financial audit includes material weaknesses, particularly with financial controls.
Automatic Review criteria	Financial audit includes a qualified opinion of any type.

Threshold Criterion #2	Measure Description
Positive operating income	Positive balance is maintained for operating income.
Meets Threshold criteria	Positive balance for operating income.
Potential Review criteria	N/A
Automatic Review criteria	Negative balance for operating income.

Threshold Criterion #3	Measure Description
Enrollment projections met	Enrollment projections in contract met or surpassed.
Meets Threshold criteria	95% or more of projected enrollment realized and maintained.
Potential Review criteria	85-94.9% of projected enrollment realized and maintained.
Automatic Review criteria	Less than 85% of projected enrollment realized.

Threshold Criterion #4	Measure Description
Adequate working capital	Current ratio (current assets/current liabilities) determines working capital.
Meets Threshold criteria	Strong ratio above 1.1, signifies school's ability to pay short term debt/payables.
Potential Review criteria	Ratio between 1.0 and 1.1.
Automatic Review criteria	Weak ratio less than 1.0, signifies school's inability to pay off obligations.

Threshold Criterion #5	Measure Description
Appropriate debt level	Cash flow measured by debt service coverage ratio (net operating income/total debt service).
Meets Threshold criteria	Strong ratio above 1.1, signifies school's ability to pay debt principal and interest.
Potential Review criteria	Ratio between 1.0 and 1.1.
Automatic Review criteria	Weak ratio less than 1.0, signifies school's inability to pay debt principal/interest.

Threshold Criterion #6	Measure Description
Adequate unrestricted cash	Maintenance of adequate amount of unrestricted cash to pay short term obligations.
Meets Threshold criteria	Enough unrestricted cash to fund more than 60 days of operations.
Potential Review criteria	Enough unrestricted cash to fund 30 – 59 days of operations.
Automatic Review criteria	Not enough unrestricted cash to fund operations for 30 days or less.

Threshold Criterion #7	Measure Description
On-time payment	On-time payment of all debt payments and ongoing payables, such as payroll, and compliance with all loan covenants.
Meets Threshold criteria	Meeting all obligations related to debt payments, payables and loan covenants.
Potential Review criteria	N/A

Automatic Review criteria	Delinquent on debt service payments or payables or default on loan covenants.
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Threshold Criterion #8	Measure Description
Compliance requirements	Compliance with all prioritized federal, state and ASD policy requirements.
Meets Threshold criteria	100% of prioritized compliance requirements are met on time.
Potential Review criteria	N/A
Automatic Review criteria	Less than 100% of prioritized compliance requirements are met or are on time.

Threshold Criterion #9	Measure Description
Performance composite score	ASD annual performance composite score is adequate to ensure school is on track to meeting performance expectations.
Meets Threshold criteria	Performance composite score greater than 12.
Potential Review criteria	Performance composite score of 8 – 11.75.
Automatic Review criteria	Performance composite score less than 8.