

# Identifying Indicators of Distress in Charter Schools

## Supplemental Workbook for Authorizers for Reflection During Workshop

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NATIONAL  
CHARTER SCHOOL  
RESOURCE CENTER



The National Charter School Resource Center (NCSRC) provides technical assistance to federal grantees and resources supporting charter sector stakeholders working across the charter school life cycle. NCSRC is funded by the U.S. Department of Education and managed by Manhattan Strategy Group in partnership with WestEd.

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# Self-Reflection Part 1

**Spend five minutes reflecting upon the following questions, leveraging Tool #1 for Step 3.**

**STEP 1** → Think back to a school that recently experienced distress or a school that experienced an improvement effort. When did you notice that it started to struggle? What examples of distress did you identify?

**STEP 2** → Think more about what happened in the early stages. Looking through the documents of that school, what were the first signs that the school was struggling? Were there any signs of early distress in the school's finances, leadership, governing board, teachers and staff, instruction, or culture?

**STEP 3** → Using **Tool #1**, Check the boxes showing what these signs looked like at this school for each category of distress. Add other examples of related data/indicators you observed in that school that do not appear in the table.

# Leadership

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
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 (check all that apply)	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 (check all that apply)	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 (check all that apply)	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: <sup>1</sup>		
	• Falling or variable student enrollment	<input type="checkbox"/>	
	• Low current ratio	<input type="checkbox"/>	
	• Low unrestricted days of cash on hand	<input type="checkbox"/>	
	Poor financial sustainability measures:		
	• High debt-to-asset ratio	<input type="checkbox"/>	
	• Low or negative cash flow	<input type="checkbox"/>	

<sup>1</sup> 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
	• Low or negative total margin/aggregated 3-year margin.	<input type="checkbox"/>	
	• 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"/>	

Additional Notes:



## Self-Reflection Part 2

**Spend 10 minutes reflecting upon the following questions, leveraging Tool #2 for Step 5. (Don't forget Step 6!)**

**STEP 4** From **Tool #1**, identify two key indicators of distress you would like to focus on today.

Indicator 1:

Indicator 2:

**STEP 5** Review **Tool #2** and identify if and how you are collecting data on these indicators from the struggling school you had in mind. Are you already collecting data on these indicators? Could you reform your data review processes to identify these indicators earlier for schools?

## 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	<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	<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	<input type="checkbox"/> Board minutes <input type="checkbox"/> Check-ins <input type="checkbox"/> Board and school leader evaluations	
Inadequate board capacity to govern	<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	<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"> <li><input type="checkbox"/> Annual charter report</li> <li><input type="checkbox"/> Annual audit reporting package</li> <li><input type="checkbox"/> Documentation of compliance activities</li> </ul>	
Failure to be responsive to market needs	<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	<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	<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	<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	<input type="checkbox"/> Staff retention, annual trends <input type="checkbox"/> Dates of staff departure <input type="checkbox"/> Staff credentials data	
Decreasing teacher capacity	<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
Poor student and family connection to school	<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	
Inhospitable professional culture	<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
Poor or declining assessment outcomes	<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	
Lack of focus on instruction	<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	
Lack of cohesion or alignment in curriculum	<input type="checkbox"/> Progress on a school's mission-specific academic goals <input type="checkbox"/> Curriculum and assessment documents	



**STEP 6** Think about your overall data collection processes. Are there gaps in your processes in collecting data on a prominent indicator in your portfolio? How could you add to your data collection/review processes to better identify this indicator?

**Additional Notes:**

# Breakout Room Discussion Questions

In your small groups, please discuss the following questions:

What were the key indicators you identified?

How are you already collecting data on them?

How could you reform your data collection/review processes to better identify them?

What surprised you with this exercise?

What did you learn?

# Full Group Discussion Questions

What were some gaps identified in your group or ways to reform in data collection and review processes?

Are there ways—formally or informally—that you can focus collection further on key indicators of distress in your data collection and review processes without adding unnecessary or additional burden on schools?

In thinking about focusing your data collection and review processes, how does COVID-19 play into the identification of school distress if many or most schools are struggling right now?

What are the indicators every school is currently struggling with?

How can you focus on reviewing indicators that identify schools struggling beyond the temporary effects of the pandemic?

# Action Planning Template

## Action Planning Guide

Discover	Obstacles	Define	Ideate	Plan	Initiate	Reflect
What do you need to work on?	What conditions exist that may impact your success?	What does success look like?	What are the various ways you can tackle this challenge?	What steps do you need to take to put these ideas into action?	Put your plan into action!	How is your plan going?
<p><b>Probing Questions:</b> After engaging in this workshop, what areas of your work need improvement? What practices are you looking to advance? What needs to be done differently to aid in identifying schools in distress? What else could you be doing to help better identify schools in distress?</p>	<p><b>Probing Questions:</b> What are the barriers to addressing the areas you have identified in this workshop? How are these conditions affecting others (your team, schools, governing boards, charter community)? What relationships will be impacted by focusing on determining schools in distress?</p>	<p><b>Probing Questions:</b> How will you know you have effectively addressed the areas you have identified? What are you hoping to accomplish? What are the intended outcomes?</p>	<p><b>Probing Questions:</b> What can you do to turn success into reality? What ideas do you have to support this work? Who else can help you generate solutions?</p>	<p><b>Probing Questions:</b> What are the steps needed to tackle the issue you've identified? Who do you need to involve in the process? What resources do you need? What timeline are you going to hold yourself accountable to?</p>	<p><b>Move out of the planning stage and into the action stage!</b></p>	<p><b>Probing Questions:</b> Is your plan on the path towards success? What isn't working? How can you course correct? Are you having the impact you desired? What could you be doing differently to ensure success?</p>

### Discover

List three things you'd like to change/do/improve/advance based on the content of this workshop. Prioritize which entry will have the greatest impact on leveraging the Indicators of Distress in your work.

- 1.
- 2.
- 3.

**Obstacles**

Identify three challenges/obstacles/conditions you may need to overcome to be successful in addressing the area of work outlined above.

1.

2.

3.

Identify three ways you can overcome these challenges/obstacles/conditions.

1.

2.

3.

**Define**

What does success look like in implementing the work you identified? List three SMART objectives to define success.

1.

2.

3.

**Ideate**

What ideas do you have for how your organization can implement the area of work identified?

1.

2.

3.

4.

5.

Who else might be able to help you generate ideas to help you implement the area of work identified?

1.

2.

3.

**Plan**

What steps do you need to take to put these ideas into action?

- 1.
- 2.
- 3.
- 4.
- 5.

**Initiate**

What is your timeline for taking action?

*Launch date:*

*Mid-point reflection date:*

*Completion date:*

**Reflect**

How will you reflect upon, and celebrate, your accomplishments at the end of your timeline?

- 1.
- 2.
- 3.

NOTES: