

New Mexico Public Education Commission



New Mexico Charter School Performance Framework Business Rules

Approved by the PEC: June 27, 2025

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Introduction

The purpose of this document is to provide the business rules for implementing the New Mexico Performance Management Framework, which was developed by the New Mexico Public Education Commission (PEC) with the support of the Charter Schools Division (CSD) of the Public Education Department (PED). Input from school leaders, legal counsel, and stakeholders has been received, discussed, and, to the extent reasonable, incorporated into this framework.

Framework, Categories, and Performance Areas

Framework	Category	Performance Area	Option
Academic	State Accountability System	1.A. State Accountability System	1.A.1. State Accountability System
			1.A.2. State Accountability System and Supplemental Proficiency and Growth Data
			1.A.3. PEC-approved Performance System
		1.B. Outcomes for Special Student Groups	1.B.1. State Accountability System
			1.B.2 State Accountability System and Supplemental Proficiency and Growth Data
			1.B.3. PEC-approved Performance System
		1.C. Participation Rate	
	School-Specific	2.A. Mission Goal(s)	
		2.B. Education Program Implementation	
		2.C. Conducive Learning Culture	
Organizational	Governing Body Membership, Training, and Responsibilities	3.A.1. Membership	
		3.A.2. Training	
		3.A.3. Meeting Transparency and Documentation	
	Equitable Enrollment Process	3.B. Non-discriminatory enrollment process	
	Compliance with Legal Requirements	3.C. Annual Compliance Requirements	
Financial	Financial Health	4.A. Days Cash on Hand	
		4.B. Annual Financial Audit	
		4.C. Financial Reporting and Compliance	
		4.D. Fiscal Oversight	
		4.E. Enrollment Variance	

Academic Framework

One option will be chosen by each school for 1.A., 1.B., and 2.A. only. Options 1.A.1. and 1.B.1 are the default options; schools may negotiate options 1.A.2., 1.A.3. 1.B.2., and 1.B.3. during contract negotiations. The academic performance indicators negotiated as part of the charter contract and associated performance framework are intended to remain unchanged for the duration of the charter contract. Newly approved high schools (serving only grades 9-12) may not select Option 1.

If the school selects Option 2 or 3 for 1.A. and 1.B. and fewer than 85% (or, for Option 3, the percentage negotiated) of students identified to be tested are tested on school-specific assessments, the results are considered invalid, and the school defaults to Option 1 unless Option 1 is unrated, in which case the rating will be based on results attenuated below 95% participation. If testing data are not provided to CSD for review by the timeline established by CSD, the results are considered invalid, and the school defaults to Option 1, unless it is unrated. If the school wishes to change assessments or growth targets, it is considered a material change of the contract and requires PEC approval prior to the change through a contract amendment.

In using the alternative assessment measure, the same students tested under the state accountability system will be tested under the alternative assessment measure as well. A school may negotiate with the PEC to test more students under the alternative assessment measure, but, in all cases, those students tested under the state accountability system will also be assessed under the alternative assessment measure.

1.A. State Accountability System: The school ensures students meet or exceed the expectations established by PED for all New Mexican students, including sufficient academic achievement and academic growth

1.A.1: The school's overall performance on the state accountability system as compared to all other public schools.

Business Rule: Use the state developed and provided school ranking.

1.A.2: If option 1.A.2 is selected, this indicator can be met in a variety of ways.

The school's overall performance on the state accountability system

AND

Supplemental proficiency and growth data in both reading and math using PED-approved nationally and/or state-normed assessments

OR

Under special circumstances, with PEC-approved rationale, nationally and/or state-normed assessments in both reading and math with explicit growth targets and business rules for calculating the growth target as agreed to in the school's charter contract

Business rule for 1.A.2, yellow highlighted text above

First, identify the percentile on the state developed and provided school ranking and identify the rating based on this score as done in 1.A.1 and see if the school exceeds the target, according to the rubric in Appendix A. If not, go to green highlighted text.

Business rule for 1.A.2, green highlighted text above

If additional scoring is needed, identify and score the students who achieve as follows, calculating reading and math separately. For each subject area, divide numerator by denominator, then multiply by

100. Rounding rule: ≥ 0.50 is rounded up to next whole integer; < 0.50 is rounded down to next whole integer.

Numerator:

of students who scored at or above grade level at any testing window (e.g., fall, winter, or spring) [PLUS]

of students who did not score at or above grade level at any testing window but who met growth target between any two testing windows (e.g., from fall to winter, fall to spring, winter to spring, or, for SAT, from PSAT to SAT)

Denominator: If $\geq 95\%$ of FAY students identified to be tested are tested, # of students tested; if $< 95\%$ of FAY students identified to be tested are tested, # of students tested [PLUS] the whole number of students it would take to reach a 95% participation rate

If $\geq 80\%$ = Exceeds if school is $\geq 51^{\text{st}}$ percentile on state accountability system

If $\geq 60\%$ = Meets if school is $\geq 26^{\text{th}}$ percentile on state accountability system

If $\geq 50\%$ = Working to Meet

Note: students can meet math and reading in different ways, e.g., meet math with a score that is on grade level and meet reading by meeting growth target.

Business rules for 1.A.2, orange highlighted text above

If a school has negotiated a different scale in the contract (above) under the following provision “under special circumstances, with PEC-approved rationale, nationally and/or state-normed assessments with explicit growth targets and business rules for calculating the growth target as agreed to in the school’s charter contract”,

- Add assessment to charter contract.
- Based on the school's assessment and growth measure, as defined in the charter contract, which must meet the terms defined by the testing company
 - At or above grade level (or grade level equivalent)
 - Meet their growth target
 - Show the equivalent of one year’s worth of growth
 - Other, as defined by the testing company

For any scoring mechanism in 1.A.2,

- If fewer than 85% of FAY students identified to be tested are tested on the school-specific assessments in either reading or math, the results are considered invalid, and the school defaults to Option 1.A.1.
- If the testing data is not provided to CSD for review by the timeline established by CSD, the results are considered invalid, and the school defaults to Option 1.A.1.
- If the school changes assessments or the growth targets, it is considered a material change of the charter contract and requires PEC approval.

1.A.3: The school's overall performance on the state accountability system is replaced with a PEC-approved performance system using PED-approved nationally normed assessments or, under special circumstances, with PEC-approved assessments that are nationally and/or state-normed with explicit growth targets and business rules for calculating the growth target as agreed to in the school’s charter contract.

Business Rules: If option 1.A.3 is selected, the scoring will depend on each school’s negotiated agreement with the PEC set forth in the charter school’s Performance Framework. The criteria negotiated with the PEC must:

- Under special circumstances, with PEC-approved assessments that are nationally and/or state-normed and that provide explicit growth targets developed by the assessment provider

- Negotiate a performance scale that is comparable to Option 1 and, based on 100 points, approved by PEC.
- On any given assessment subject, the number of untested students needed to meet a 95% participation rate on that subject will be considered not to have met the target.
- If fewer than 85% of students identified to be tested are tested on the school-specific assessments in either reading or math, the results are considered invalid, and the school defaults to Option 1.A.1.
- If the testing data is not provided to CSD for review by the timeline established by CSD, the results are considered invalid, and the school defaults to Option 1.A.1.
- If the school changes assessments or the growth targets, it is considered a material change of the charter contract and requires PEC approval.

1.B. Outcomes for Student Groups: The school ensures the student groups included in the state accountability system demonstrate academic excellence through individual growth.

1.B.1. The school's performance on the state accountability system for student groups not masked for N size using the state-generated rating, if applicable.

Business Rules: Create each fraction as follows until a score is identified, divide numerator by denominator, multiply by 100, calculating reading and math separately. For each subject area:

Numerator: # of student groups with a median student growth percentile (SGP) of 60 or greater

Denominator: # of student groups in the subject area

If 100% = Exceeds, if not, calculate:

Numerator: # of student groups with a median SGP of 45 or greater

Denominator: # of student groups in the subject area

If 100% = Meets, if not, calculate:

Numerator: # of student groups with a median SGP of 35 or greater

Denominator: # of student groups in the subject area

If $\geq 50\%$ of the student groups = Working to Meet

If $< 50\%$ of the student groups = Does Not Meet

For any scoring mechanism in 1.B.1,

- Student groups must have a minimum number of Test Takers (TT) as defined in the Consolidated State Plan (CSP) to be included in numerator and denominator.
- When a school does not have the minimum required students in any state-recognized student group, the school receives no score for that group, which does not impact positively or negatively their overall outcome for this performance area.
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If student growth percentile data for a school is unavailable under the state accountability system, the item will be identified as "not able to be scored." However, in the PEC annual report notice, the PEC may still consider the proficiency of subgroups provided in the state accountability system, including by identifying satisfactory or unsatisfactory performance.

If student growth percentiles are provided for any grade at the school, the item will be scored using available data.

1.B.2. If option 1.B.2 is selected, this indicator can be met in a variety of ways.

The school's overall performance on the state accountability system

AND

Supplemental proficiency and growth data in both reading and math using PED-approved nationally and/or state-normed assessments

Business rules for 1.B.2, yellow highlighted text above: First, identify the percentile on the state developed and provided school ranking for student groups and identify the rating based on this score as done in 1.B.1 and see if the school exceeds the target, according to the rubric in Appendix B. If not, go to green highlighted:

Business rules for 1.B.2, green highlighted text above: If additional scoring is needed, identify and score the students who achieve as follows, calculating reading and math separately. For each subject area, divide numerator by denominator, then multiply by 100:

For each student group:

Numerator: # of students meeting the growth target as approved by the PEC

Denominator: If $\geq 95\%$ of FAY students identified to be tested are tested, # of students tested; if $< 95\%$ of FAY students identified to be tested are tested, # of students tested [PLUS] the whole number of students it would take to reach a 95% participation rate. Rounding rule: ≥ 0.50 is rounded up to next whole integer; < 0.50 is rounded down to next whole integer.

Exceeds

Numerator: # of student groups with $\geq 70\%$ of the students meeting the growth target(s)

Denominator: # of student groups in the subject area with the minimum number of test takers

If $100\% = \text{Exceeds}$, if not, calculate:

Meets

Numerator: # of student groups with $\geq 60\%$ of the students meeting the growth target(s)

Denominator: # of student groups in the subject area with the minimum number of test takers

If $100\% = \text{Meets}$, if not, calculate:

Approaching and Does Not Meet

Numerator: # of student groups with $\geq 30\%$ of the students meeting the growth target(s)

Denominator: # of student groups in the subject area with the minimum number of test takers

If $\geq 50\% = \text{Working to Meet}$

If $< 50\% = \text{Does Not Meet}$

For any scoring mechanism in 1.B.2,

- If the testing data is not provided to CSD for review by the timeline established by CSD, the results are considered invalid, and results will not be included in the equations.
- If the school changes assessments or the growth targets, it is considered a material change of the charter contract and requires PEC approval.
- Student groups must have the minimum required Test Takers (TT) to be included in numerator and denominator.
- When a school does not have the minimum required students in any state-recognized student group, the school receives no score for that group, which does not impact positively or negatively their overall outcome for this performance area.
- If the school has the minimum required eligible students in a student population and tests fewer than 95% of the students in the subgroup on reading and/or math, the number of untested students needed to meet a 95% participation rate for that subject will be considered not to have met the target.
- If the school has the minimum required eligible students in a student population and tests fewer than 85% of the students on the school-specific assessments in reading and/or math, the results are considered invalid, and the school defaults to Option 1.B.1.

1.B.3. The school's performance on the state accountability system for student groups is replaced with a PEC-approved performance system using PED-approved nationally normed assessments¹ or, under

¹ As determined by the PED Assessment Bureau: <https://webnew.ped.state.nm.us/bureaus/assessment/>

special circumstances, with PEC-approved assessments that are nationally and/or state-normed assessments with explicit growth targets and business rules for calculating the growth target as agreed to in the school's charter contract.

Business Rule: Identify and score the students according to the provisions negotiated between the parties and identified the Performance Framework

For any scoring mechanism in 1.B.3,

- The school's performance on the state accountability system for special student groups is replaced with a PEC-approved performance system using nationally and/or state-normed assessments or, under special circumstances, with PEC-approved assessments that are nationally and/or state-normed assessments with explicit growth targets and business rules for calculating the growth target as agreed to in the school's charter contract.
- If the school has the minimum required eligible students in a student population and tests fewer than 95% of a student group in reading or math, the number of untested students needed to meet a 95% participation rate for that subject will be considered not to have met the target.
- If fewer than 85% of negotiated students are tested on any given assessment subject on the school-specific assessments, the results are considered invalid, and the school defaults to Option 1.B.1.
- If the testing data is not provided to CSD for review by the timeline established by CSD, the results are considered invalid, and the school defaults to Option 1.B.1.
- If the school changes assessments or the growth targets, it is considered a material change of the charter contract and requires PEC approval.

1.C. Participation Rate: The school assesses student progress and achievement annually.

Business Rule: Participation Rate as calculated by PED on all state mandated assessments: early literacy, reading, math, science, English learner proficiency, and alternate assessments for all grade levels.

2.A. Mission Goals: The school's education program effectively supports mission implementation, student academic success, and overall student well-being that supports the community in which they serve

Business Rules:

- Using [Results-Based Accountability™ \(RBA\)](#) as a model, reflect your thinking about the following questions: Is anyone better off as a result? How do you know? How much did the school do? How well did the school do it?
- The data must be in the form of student outcomes, not school inputs; for example, it cannot be the number of students attending a class but rather the number of students with passing grades on the culminating portfolio assignment.
- **For any scoring mechanism:**
 - If fewer than 85% of students identified to be tested are tested on the mission-specific assessment, the results are considered invalid, and the school's mission goal will be considered Does Not Meet.
 - If the testing data specified in the contract is not provided to CSD for review by the timeline established by CSD, the results are considered invalid, and the school's mission goal will be considered Does Not Meet.
 - If the school changes assessments or the way in which the measure is calculated, it is considered a material change of the charter contract and requires PEC approval.

2.B. Education Program Implementation: The school's education program fulfills a need in the community in which they serve, as documented in their charter contract and PEC-approved amendments

Business Rule: As stated in the contract.

2.C. Conductive Learning Culture: Eligible student re-enrollment (recurrent enrollment) in the school from the 40th day count of the previous school year to the 40th day count of the current school year.

Business Rules: Divide numerator by denominator; multiply by 100.

Numerator: Eligible Students who enrolled in Year 1 (Y1) and remain enrolled in Year 2 (Y2)

Denominator: Eligible Students enrolled Y1

- An “**eligible student**” is enrolled in the school in the fall of the previous school year (Y1) in one of the “starting grades” and has not: moved out of jurisdiction, been determined unable to attend school by a doctor, received a waiver from CSD for extenuating circumstances.
- A “**re-enrolled student**” is an “eligible student” who is enrolled in the school in the fall of the current year (Y2).
- **Starting Grades:** K, 1, 2, 3,4, 6, 7, 9, 10, and 11
- A school operating a school with multiple grade spans will have a combined re-enrollment rate that only includes “eligible students” (i.e., not students in Y1 who are in grades 5, 8 or 12).
- Re-enrollment can be to repeat the same grade or enter the next grade.
- **Extraordinary circumstances:** The CSD will set up a process for accepting waivers for special circumstances, for example: when a family leaves a school (with multiple students) and disproportionately impacts re-enrollment, a new school opens close to the existing school with overlapping grades, adjudicated youth unable to determine where they attend school
- High schools that have an educational program description in the charter contract to enroll students who have previously dropped out of school or are at high risk of dropping out of school will negotiate a substitute measure: “persistence within a single school year” (e.g., from semester 1 to semester 2).

Option 3:

Numerator: # of students in Q1 Count who are in Q2 Count, # of students in Q2 Count who are in Q3 Count, # of students in Q3 Count who are in Q4 Count

Denominator: # of students in Q1, # of students in Q2, # of students in Q3

3.A.1. Governing Body Membership: The number of governing council members stays within the range designated in the school's bylaws.

Business Rules:

- Minimum number of governing council members is five for all schools, unless the school bylaws require a higher number
- Schools must notify CSD of governing council vacancies and new appointments by deadline in the PEC notification form
- Schools must fill vacancies within 45 days or ask for an extension before the 45 days elapse; one extension of 30 days will be granted

3.A.2. Governing Body Training: All members of the governing body, and new members who have served for at least six months, have completed all training hours required by CSD and PEC by the end of the fiscal year.

Business Rules:

- Governing body members appointed between July 1 and December 31 complete training requirements by the end of the fiscal year (June 30) per 6.80.5 NMAC: 10 hours for new members and five hours for continuing members, less any exemptions provided by CSD based on annual audit and academic outcomes.
- Members appointed between January 1 and June 30 may complete the 10 hours of new member training in the following fiscal year but must also complete the required five hours of continuing member training during that fiscal year.

<p>3.A.3. Governing Body Meeting Transparency and Documentation: The school is in compliance with publicly posting meetings, minutes, and calendar of meetings.</p>
<p>Business Rules: School website includes governance page that is clearly identified on main page and contains:</p> <ul style="list-style-type: none"> • Accurate and up to date calendar of all regular board meetings subject to the Open Meetings Act (OMA) • Notification of board meetings in compliance with OMA and bylaws • Minutes of board meetings within 10 days of approval • Name, position on board, and contact information for all board members
<p>3.B. Equitable Enrollment Process: The school has an Enrollment Policy consistent with Lottery Guidance and with two distinct sections: Lottery Form/Lottery Process and Enrollment/Registration</p>
<p>Business Rule: The school's Enrollment Policy is consistent with the Lottery Guidance criteria on the CSD website or lottery/enrollment laws and rules, if promulgated.</p>
<p>3.C. Compliance with Legal Requirements: List of Annual Compliance Requirements, as approved annually no later than July 1 by PEC, and distributed by CSD to schools by that time.</p>
<p>Business Rules:</p> <ul style="list-style-type: none"> • School complies with all requirements in the CSD's Annual Compliance Checklist for the current fiscal year, published on the PEC and CSD web pages by July 1 annually. • To confirm compliance with PED requirements and statutes/rules enforced by PED, CSD will request data from other PED bureaus/divisions to verify compliance. • CSD will verify compliance with the contract during the annual site visit and annual report process. • To update the compliance requirements each year: <ul style="list-style-type: none"> • CSD will only update the list of compliance requirements as required by the PED, PEC or state and federal law. • PEC adopts the updated list by June 30 of each year.
<p>4.A. Days Cash on Hand: The school demonstrates its financial health by having sufficient cash to ensure operations can withstand an immediate need.</p>
<p>Business Rules: Numerator: the fund balance for the prior fiscal year, as reported in the audit report, which reflects the end of fiscal year general fund cash balance reported to PED and adjusted for assets and liabilities</p> <ul style="list-style-type: none"> • Denominator: the annual operational expenditure for the prior fiscal year, as reported in the audit report, divided by 365
<p>4.B. Annual Financial Audit: The results of the financial audit demonstrate that the school meets basic expectations of financial oversight.</p>
<p>Business Rules: Based on findings of the prior fiscal year audit report for PED, of which state charter schools are component units. The criteria for "demonstrates improvement" to move from a rating of Does Not Meet to Working to Meet are:</p> <ul style="list-style-type: none"> • The total number of material weakness and significant deficiency findings combined is fewer than the number in the prior year AND • The total number of material weakness findings is more than 30% fewer than the number of material weakness findings in the prior year [formula: (prior year number – current year number)/prior year number > 30%]

4.C. Financial Reporting and Compliance: The school and its governing board effectively establish and approve the budget and meet all financial reporting and compliance requirements. (NMSA 22-8-6.1 and 10)

Business Rules:

- Quarterly reports to PED School Budget Bureau (SBB) due 10/31, 1/31, 4/30, 7/31: one month following the end of each quarter (9/30, 12/31, 3/31, 6/30). If school is on monthly reporting, reports due last day of month for prior month.
- SBB will provide information to CSD regarding those schools who are in compliance with the requirements and those schools that “consistently fail to submit” or have “frequent, repeated errors.”
- Rating is based on the four reports submitted during the school year, i.e., the fourth quarter report for the prior fiscal year and the first three quarterly reports for the current fiscal year.

4.D. Fiscal Oversight:

The school:

1. has employed financial expertise and/or contracts with a licensed business manager and licensed procurement officer.

The governing board:

2. has adopted and maintains financial-related policies.
3. reviews financial reports and statements, including a statement of net position, a budget to an actual statement of revenues, expenditures, and changes in fund balance, and a cash flow statement at all meetings.
4. annually reviews the audited financial statements, related reports, and management letters and ensures all findings are addressed.
5. has an audit committee that fulfills its requirements as described in statute.
6. has a finance committee fulfills its requirements as described in statute.

At least annually, the finance committee:

7. tests internal audit controls.

Business Rules:

CSD review of licensure documents and minutes of full board meetings and finance and audit committees.

4.E. Enrollment Variance: The school makes accurate enrollment assumptions, resulting in a budget that is sound.

Business Rules: Divide numerator by denominator.

Numerator: actual enrollment on the 40th day of the current school year

Denominator: budgeted enrollment set during budget preparation in spring of the prior school year

Appendix A

1.A.1. Rating Rubric based on Statewide Accountability for all students in reading and math	
PEC Rating	State Accountability Overall Rank Percentile
Exceeds	School ranked in 76-99 th percentile in state
Meets	School ranked in 51st-75 th percentile in state
Working to Meet	School ranked in 26th-50 th percentile in state
Does Not Meet	School ranked in the 1st-25 th percentile in state
Not Rated	School does not receive a State Accountability rating

1.A.2. Rating Rubric based on Statewide Accountability AND supplemental assessment data (see business rules)					
1.A.1. Rating based on State Accountability Percentile Rank	Performance Outcomes on Supplemental Data: Successful if met either proficiency or growth in both math and reading (see Schoolwide Summary 1.A tab)				If participation rate for either math or reading < 85%, default to 1.A.1. rating
	≥ 80% of students met	≥ 60% of students met	≥ 50% of students met	< 50% of students met	
Exceeds ≥ 75 th Percentile	EXCEEDS	EXCEEDS	EXCEEDS	EXCEEDS	EXCEEDS
Meets ≥ 50th but < 75th percentile	EXCEEDS	MEETS	MEETS	MEETS	MEETS
Working to Meet ≥ 25th but < 50th percentile	MEETS	MEETS	WORKING TO MEET	WORKING TO MEET	WORKING TO MEET
Does Not Meet < 25th percentile	WORKING TO MEET	WORKING TO MEET	WORKING TO MEET	DOES NOT MEET	DOES NOT MEET
1.A.1. Not Rated on State Accountability	EXCEEDS	MEETS	WORKING TO MEET	DOES NOT MEET	Rated based on attenuated results

Appendix B

1.B.1. Rating Rubric based on Statewide Accountability for all students in both reading and math	
PEC Rating	Vistas Growth Outcome
Exceeds	All groups have median student growth percentile (SGP) of ≥ 60 in reading and math
Meets	All groups have median SGP of ≥ 50 in reading and math
Working to Meet	≥ 50% of groups have a median SGP of ≥ 35 in reading and math
Does Not Meet	< 50% of groups have median SGP of ≥ 35 in reading and math
Not Rated	School does not serve any grade levels in 4-8 range

1.B.2. Rating Rubric based on Statewide Accountability AND supplemental assessment growth data (see business rules) for all student groups in reading and math					
PEC Rating based on Vistas (1.B.1.)	Growth Outcomes on Supplemental Data: based on number of student groups with required percentage of students meeting growth target on school assessment in both reading and math				If participation for all FAY students either math or reading < 85%, default to 1.B.1. rating unless unrated
	All groups have ≥ 70% meeting target in reading and math	All groups have ≥ 60% meeting target in reading and math	≥ 50% of groups have ≥ 30% meeting target in reading and math	< 50% of groups have ≥ 30% meeting target in reading and math	
Exceeds (100% of groups have an MGP of 70 or higher)	EXCEEDS	EXCEEDS	EXCEEDS	EXCEEDS	EXCEEDS
Meets (100% of groups have an MGP of 60 or higher)	EXCEEDS	MEETS	MEETS	MEETS	MEETS
Working to Meet (50% or more subgroups have an MGP of 35 or higher)	EXCEEDS	MEETS	WORKING TO MEET	WORKING TO MEET	WORKING TO MEET
Does not Meet (Fewer than 50% of subgroups have an MGP of 35 or higher)	EXCEEDS	MEETS	WORKING TO MEET	DOES NOT MEET	DOES NOT MEET
1.B.1. Not Rated on Vistas	EXCEEDS	MEETS	WORKING TO MEET	DOES NOT MEET	Rated based on attenuated results