

MEMORANDUM

July 11, 2024

TO: Kristen Hole
Chief Academic Officer

FROM: Georgia Graham, Ph.D.
Interim Executive Director, Assessment, Accountability, and Compliance

SUBJECT: **External Performance Contract Campus Evaluation, 2022–2023**

CONTACT: Georgia Graham, (713) 556-6700

Houston Independent School District (HISD) contracted with seven External Performance Contract Campuses also known as contract campuses or charter schools. These contract campuses receive funding through the district; however, they are responsible for managing their budgets, staffing, curricula, and other operations. Houston ISD implemented a comprehensive performance accountability and compliance monitoring system that provides the board with the necessary information to make rigorous, evidence-based decisions regarding performance contract renewal, termination, probation, or other interventions, as required by Board Policy EL(LOCAL). This report evaluates the contract campuses by reviewing their academic, financial, and operational performance.

Key findings:

Academic Framework Overall Indicators

Table 1 shows the Academic Framework indicators, summarized by school. The seven academic indicators are grade-level specific and apply to contract schools with those grades. Energized for Excellence Academy – ES met the highest number of grade-level applicable academic indicators.

Table 1. Contract Campuses Summary of Academic Performance Indicators, 2022-2023

Campus	Renaissance 360 Reading	Renaissance 360 Math	STAAR/ EOC	HB3 Literacy	HB3 Math	CCMR	Accountability Rating, (A/B)
Energized for Excellence Academy - ES	Met 10 of 10 indicators	Met 9 of 10 indicators	Met 5 of 10 indicators	Met 5 of 5 indicators	Met 0 of 5 indicators	N/A	Met
Energized for Excellence Academy - MS	Met 1 of 9 indicators	Met 3 of 10 indicators	Met 3 of 8 indicators	N/A	N/A	N/A	Met
Energized for STEM Academy - HS	Met 2 of 10 indicators	Met 1 of 9 indicators	Met 7 of 10 indicators	N/A	N/A	Met 0 of 5 indicators	Met
Energized for STEM Academy - MS	Met 0 of 10 indicators	Met 0 of 10 indicators	Met 2 of 10 indicators	N/A	N/A	N/A	Did not meet
Mount Carmel Academy	Met 0 of 9 indicators	Met 1 of 8 indicators	Met 2 of 9 indicators	N/A	N/A	Met 0 of 4 indicators	Did not meet
Texas Connection Academy at Houston	Met 9 of 10 indicators	Met 9 of 10 indicators	Met 5 of 10 indicators	Met 0 of 5 indicators	Met 4 of 5 indicators	Met 7 of 7 indicators	Did not meet

Financial Framework Overall Indicators

Table 2 summarizes the overall rating to assess the financial health and viability of contract campuses. All contract campuses received passing grades on the Financial Framework Overall Rating. Connections Academy of Texas, LLC received the highest passing grade of 100 and Energized for Excellence Academy, Inc. received the lowest passing grade of 68.

Table 2. Financial Framework Overall Rating by Operator			
School Name	Score	Rating	Status
Energized for Excellence Academy, Inc.	68	C	Pass
<i>Energized ECC, Energized ES, Energized MS</i>			
Energized for STEM Academy, Inc.	78	C	Pass
<i>E-STEM MS, E-STEM HS</i>			
Mount Carmel Academy	98	A	Pass
Connections Academy of Texas, LLC	100	A	Pass

Operational Framework Overall Indicators

Table 3 summarizes the overall operational rating for each of the seven contract campuses. All seven contract campuses received a “Pass” for the operational framework overall rating. All seven contract campuses met expectations regarding overall operational compliance. Texas Connections Academy (TCAH) is the only contract campus with a perfect operational rating.

Table 3. Operational Framework Overall Rating by Campus			
School Name	Total Points	Final Rating	Result
Energized ECC (350)	90	Met Expectation	Pass
Energized ES (364)	90	Met Expectation	Pass
Energized MS (342)	90	Met Expectation	Pass
E-STEM MS (390)	90	Met Expectation	Pass
E-STEM HS (321)	90	Met Expectation	Pass
Mount Carmel Academy (311)	90	Met Expectation	Pass
TCAH (100)	100	Met Expectation	Pass

We welcome your feedback; please share it via this link: [AAC Evaluations](#). Should you have further questions, please contact Dr. Georgia Graham in Assessment, Accountability, and Compliance at (713) 556-6700. The public can view the [SY2021-22](#) report. The 2023-24 report will be available in the Spring of 2025.



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Attachment

cc: Glen Reed
Willie Spencer

Charter School Evaluation, 2022–2023

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Background

Policy Overview

In 1995, Texas charter schools were authorized to improve student learning, increase the choice of learning opportunities, create professional opportunities that attract new teachers, establish a new form of accountability, and encourage different and innovative learning methods within the public school system (Texas Education Code, §12.118). Texas charter schools operate more flexibly than traditional schools based on instructional practices and decision-making. The TEA established the Charter School Performance Framework report, divided into three guiding areas or standards: academic, financial, and operational, to monitor and evaluate charter campuses. The standards determine whether charter schools are academically successful, effective, financially healthy, viable, operationally efficient, well-run, and compliant.

Framework

Houston Independent School District (HISD) currently contracts with seven External Performance Contract Campuses or contract campuses [Energized ECC, Energized ES, Energized MS, E-STEM MS, E-STEM HS, Mount Carmel Academy, Texas Connections Academy Houston]. Houston ISD contract campuses receive funding through the district; however, these campuses control their budgets, staffing, curricula, and other operations. Houston ISD has a comprehensive performance accountability and compliance monitoring system aligned with the board's performance standards. Implementing the monitoring system provides the board with the information necessary to make rigorous, evidence-based decisions regarding performance contract renewal, termination, probation, or other interventions regarding contract campuses, as required by Board Policy EL(Legal) (Houston ISD, 2021).

Purpose of Evaluation Report

Per Board Policy EL(LOCAL), the Superintendent developed a campus performance framework aligned to the state accountability system by which contract campuses are evaluated annually. This report evaluates contract campuses by reviewing the academic, financial, and operational performance, as provided in the performance framework laid out in Board Policy EL(LOCAL), and the contracts signed by each contract campus.

Charter Monitoring

Charters shall provide information and data to the district as required. Annually, the Superintendent shall provide an evaluation report to the Board of each Charter measured against the performance standards established by the charter contract and legal and policy regulations. The report shall include an academic, operational, and financial performance review. The administration shall provide a copy of the evaluation report to campus parents/guardians.

Evaluation results shall also be provided to the campus's governing body and leadership in a report summarizing compliance and performance, including areas of strength and improvement. The results of all evaluations shall be made accessible to the public and available on the district's website.

District staff shall conduct walkthroughs at least bi-annually to determine whether campus facilities are adequate for student needs (Houston ISD, 2020). Walkthrough data and information were unavailable for this report. The policy does not specify the district staff responsible for conducting the walkthroughs.

External Performance Contract Evaluation and Reports

Per Board Policy EL (LOCAL), the Superintendent or designee shall develop a campus performance framework aligned to the state accountability system by which External Performance Contract Campuses shall be evaluated annually. Performance objectives shall include, at minimum, student proficiency, academic growth, and college-readiness metrics.

The campus performance framework shall inform the development of performance contract metrics approved by the board for all External Performance Contract Campuses. Board decisions related to performance contract renewal, probation, or termination shall be based on the campus performance framework. The campus finance framework ensures that contract campuses are held accountable for the quality of their management practices.

Methodology

Regarding **Table 2** (p. 3–4), assessment indicator percentages were calculated by adding the number of educational and demographic groups that met the standard compared to the total number of educational and demographic groups who wrote each exam.

Assessment target percentages were calculated by adding the number of selected educational and demographic groups that met their respective target compared to the total number of selected educational and demographic groups for each exam (**Table 3**, p. 4–5).

District Contract Campuses performance managers completed the Operational and Financial Frameworks performance in collaboration with the Budgeting and Financial Planning Department (**Tables 7 & 8**, pp. 9 & 10, respectively).

Key Findings

Table 1 shows the Academic Framework indicators, summarized by school in **Box 1**. The six academic indicators are grade-level specific and apply to contract schools with those grades.

Box 1. Key Findings Based on Academic Framework Indicators

- Energized for Excellence ES (Energized ES) met two of the four applicable Academic Framework Indicators - Items 2 and 5 - as depicted in **Table 1**.
- Energized for STEM Academy HS (E-STEM HS) did not meet the two applicable Academic Framework Indicators - Items 3 and 6 - as shown in Table 1.
- Mount Carmel Academy (Mt Carmel) did not meet the two applicable Academic Framework Indicators - Items 3 and 6 - as shown in Table 1.
- Texas Connections Academy at Houston (TCAH) met two of the six applicable Academic Framework Indicators - Items 5 and 6 - as shown in Table 1.

Item	Indicator	Status	Data
1	Performance on the Renaissance 360 Early Literary/Reading Assessment	* Met Expectation * Did Not Meet Expectation	Table 2, pp. 3-4
2	Performance on the Renaissance 360 Math Assessment	* Met Expectation * Did Not Meet Expectation	Table 2, pp. 3-4
3	Combined performance on all STAAR and STAAR EOC exams	* Met Expectation * Did Not Meet Expectation	Table 2, pp. 3-4
4	The annual House Bill 3 (HB 3) early literacy target as measured by the percentage of students in Grade 3 performing at or above grade level in reading as measured by the Meets Grade Level Standard on STAAR	* Met Expectation * Did Not Meet Expectation * Not Applicable	Table 3, pp. 4-5
5	The annual House Bill 3 (HB 3) early math target as measured by the percentage of students in Grade 3 performing at or above grade level in math as measured by the Meets Grade Level Standard on STAAR	* Met Expectation * Did Not Meet Expectation * Not Applicable	Table 3, pp. 4-5
6	The annual House Bill 3 (HB 3) College, Career, and Military Readiness (CCMR) target as measured in Domain 1 of the state accountability system	* Met Expectation * Did Not Meet Expectation * Not Applicable	Table 3, pp. 4-5

Sources: HISD Board Policy EL(LOCAL)

It is essential to highlight the assessment results to support this report's analysis and to assist education leaders in their decision-making or strategic planning that supports their community. The following findings are based on assessment indicators and whether schools met those indicators under the district assessments. The following findings in **Box 2** can be referenced in **Table 2** (pp. 3–4).

Academic Performance

Box 2 summarizes the data findings from Table 2 (pp. 3–4). **Table A, Appendix A** (p.12) also provides data summary. Data references the six contract campuses and their performance on STAAR 3–8 and EOC and Renaissance360 Early Literacy and Mathematics. Energized ECC was not included in the data findings since data only included grades 3–12.

Box 2. Contract Campuses Data Summary for Academic Performance

- Energized ES met 80% of the assessment indicators: ten of ten indicators for Renaissance 360 Early Literacy/Reading, nine of ten indicators for Renaissance 360 Math, and five of ten indicators for all STAAR/EOC exams combined, as shown in **Table 2**.
- Energized MS met 26% of the assessment indicators: one of nine indicators for Renaissance 360 Early Literacy/Reading, three of ten indicators for Renaissance 360 Math, and three of eight indicators for all STAAR/EOC exams combined, as depicted in Table 2.
- E-STEM MS met 7% of the assessment indicators: zero of ten demographic indicators for Renaissance 360 Early Literacy/Reading, zero of ten demographic indicators for Renaissance 360 Math, and two of ten demographic indicators for all STAAR/EOC exams combined, as mapped out in Table 2.
- E-STEM HS met 34% of the assessment indicators: two of ten demographic indicators for Renaissance 360 Early Literacy/Reading, one of nine demographic indicators for Renaissance 360 Math, and seven of ten demographic indicators for all STAAR/EOC exams combined, as shown in Table 2.
- Mt Carmel met 12% of the assessment indicators: zero of nine demographic indicators for Renaissance 360 Early Literacy/Reading, one of eight demographic indicators for Renaissance 360 Math, and two of nine demographic indicators for all STAAR/EOC exams combined, as mapped out in Table 2.
- TCAH met 77% of the assessment indicators: nine of ten demographic indicators for Renaissance 360 Early Literacy/Reading, nine of ten demographic indicators for Renaissance 360 Math, and five of ten demographic indicators for all STAAR/EOC exams combined, as shown in Table 2.

Table 2 summarizes the performance on the Renaissance 360 Early Literacy/Reading and Math end-of-year (EOY) assessments and the combined performance on all STAAR/EOC exams for each campus for which data were available. Each campus has a distinct set of indicators for each assessment based on the educational and demographic characteristics of the campus population.

Energized ES (364)			Energized MS (342)		E-STEM MS (390)		E-STEM HS (321)		Mt Carmel (311)		TCAH (100)	
At or Above District			At or Above District		At or Above District		At or Above District		At or Above District		At or Above District	
2023 Ren360 EOY Early Literacy/Reading	District	Campus	District	Campus	District	Campus	District	Campus	District	Campus	District	Campus
All Students	37%	54%	37%	20%	37%	16%	37%	22%	37%	17%	37%	58%
Male	35%	53%	35%	24%	35%	16%	35%	27%	35%	25%	35%	57%
Female	38%	55%	38%	17%	38%	15%	38%	17%	38%	9%	38%	59%
Economically Disadvantaged	29%	54%	29%	20%	29%	18%	29%	22%	29%	17%	29%	49%
Race/Ethnicity: Black	28%	76%	28%	100%	28%	27%	28%	68%	28%	0%	28%	45%
Race/Ethnicity: Hispanic	31%	52%	31%	13%	31%	9%	31%	20%	31%	19%	31%	52%
Race/Ethnicity: Asian	67%	75%	67%	0%	67%	50%	67%	25%	N/A		67%	68%
Race/Ethnicity: White	70%	50%	N/A		70%	0%	70%	17%	70%	0%	70%	66%
Emergent Bilingual (EB)	26%	50%	26%	14%	26%	9%	26%	12%	26%	7%	26%	40%
Special Education	14%	33%	14%	0%	14%	0%	14%	25%	14%	0%	14%	36%
Total At or Above District	10 of 10		1 of 9		0 of 10		2 of 10		0 of 9		9 of 10	
2023 Ren360 EOY Math	District	Campus	District	Campus	District	Campus	District	Campus	District	Campus	District	Campus
All Students	53%	60%	53%	48%	53%	32%	53%	38%	53%	29%	53%	70%
Male	54%	63%	54%	51%	54%	33%	54%	39%	54%	25%	54%	69%
Female	53%	56%	53%	46%	53%	31%	53%	36%	53%	33%	53%	70%
Economically Disadvantaged	47%	60%	47%	57%	47%	31%	47%	38%	47%	30%	47%	61%
Race/Ethnicity: Black	40%	59%	40%	50%	40%	17%	40%	50%	40%	18%	40%	54%
Race/Ethnicity: Hispanic	52%	59%	52%	48%	52%	34%	52%	38%	52%	39%	52%	69%
Race/Ethnicity: Asian	75%	100%	75%	100%	75%	10%	75%	0%	N/A		75%	87%
Race/Ethnicity: White	78%	25%	78%	0%	78%	36%	N/A		N/A		78%	73%
Emergent Bilingual (EB)	48%	60%	48%	39%	48%	27%	48%	36%	48%	50%	48%	67%
Special Education	24%	39%	24%	14%	24%	0%	24%	0%	24%	0%	24%	55%
Total At or Above District	9 of 10		3 of 10		0 of 10		1 of 9		1 of 8		9 of 10	

Table 2. Assessment Performance Summary, 2023, Continued																	
2023 All STAAR/EOC Exams, Combined			District	Campus	District	Campus	District	Campus	District	Campus	District	Campus	District	Campus	District	Campus	
All Students	41%	39%	41%	36%	41%	33%	41%	57%	41%	33%	41%	43%					
Male	40%	39%	40%	39%	40%	34%	40%	57%	40%	30%	40%	42%					
Female	42%	38%	42%	33%	42%	32%	42%	57%	42%	36%	42%	44%					
Economically Disadvantaged	34%	38%	34%	36%	34%	33%	34%	57%	34%	33%	34%	34%					
Race/Ethnicity: Black	32%	44%	32%	50%	32%	32%	32%	67%	32%	19%	32%	31%					
Race/Ethnicity: Hispanic	37%	38%	37%	35%	37%	33%	37%	56%	37%	37%	37%	39%					
Race/Ethnicity: Asian	74%	67%	74%	N/A	74%	21%	74%	38%	74%	N/A	74%	66%					
Race/Ethnicity: White	69%	25%	69%	N/A	69%	38%	69%	87%	69%	20%	69%	50%					
Emergent Bilingual (EB)	28%	37%	28%	28%	28%	28%	21%	28%	31%	28%	28%	26%					
Special Education	27%	36%	27%	11%	27%	6%	27%	11%	27%	19%	27%	21%					
Total At or Above District	5 of 10		3 of 8		2 of 10		7 of 10		2 of 9		5 of 10						

Sources: <https://txresearchportal.com/>; <https://a4epwr.houstonisd.org/cognos1117/bi/?perspective=PWRHome>

Notes: "N/A" indicates insufficient data for reporting. "Green" indicates expectations were met. "Red" indicates expectations were not met. Campus results in red indicate percentages lower than the district; campus results in green indicate percentages equal to or higher than the district. Results for Energized for Excellence Early Childhood Center (Energized ECC) are not displayed, as students at that campus are not assessed.

This report emphasizes performance outcomes related to early literacy, mathematical proficiency, and career, college, and military readiness to ensure that education leaders make informed decisions and develop effective strategies that benefit their communities. The following findings indicate assessment targets based on key demographic groups and whether schools met those targets under the district's assessment. The following findings are referenced in **Table 3**.

College Readiness

Box 3. Key Findings on College Readiness

- Energized ES met 50% of the applicable assessment targets: five of five for Early Literacy/Reading targets and zero of five for Math.
- E-STEM HS and Mt. Carmel did not meet any of the applicable assessment targets regarding College Readiness.
- TCAH met 65% of the applicable assessment targets: zero of five for Early Literacy/Reading, four of five for Math, and seven of seven for College Readiness.
- Three (Energized for Excellence – ES, Energized for STEM – MS and Energized for STEM – HS) of the six campuses met the targeted A or B Accountability Ratings.

Table 3 and Table A, Appendix (p.12) summarizes the progress toward HB 3 early literacy and early mathematics targets and the College, Career, and Military Readiness (CCMR) target for each campus for which data are available. Based on the demographic details of the campus population, each campus has specific sets of indicators to be met for each assessment. Because HB 3 progresses only measures student performance in grade 3 or grades 9–12, data are only shown for four of the seven campuses (middle schools and early childhood centers were excluded).

Table 3. HB 3 Progress Summary, 2023										
HB 3 Early Literacy: 3rd Grade Reading Meets Grade Level	HISD		Energized ES (364)		E-STEM HS (321)		Mt Carmel (311)		TCAH (100)	
	District	Target	Campus	Target	Campus	Target	Campus	Target	Campus	Target
All	45%	47%	47%	43%	N/A		N/A		46%	48%
African American	38%	37%	N/A		N/A		N/A		N/A	
Hispanic	39%	45%	48%	42%	N/A		N/A		38%	39%
White	77%	71%	N/A		N/A		N/A		57%	59%
American Indian	48%	N/A	N/A		N/A		N/A		N/A	
Asian	75%	82%	N/A		N/A		N/A		N/A	
Pacific Islander	67%	N/A	N/A		N/A		N/A		N/A	
Two or More Races	75%	72%	N/A		N/A		N/A		N/A	
Special Ed	35%	34%	N/A		N/A		N/A		N/A	
Econ. Disadv.	37%	41%	47%	40%	N/A		N/A		32%	39%
Special Ed (Former)	37%	45%	N/A		N/A		N/A		N/A	
EL (Curr + Mon)	37%	46%	46%	43%	N/A		N/A		N/A	
Cont. Enrolled	47%	47%	49%	45%	N/A		N/A		N/A	
Non-Cont. Enrolled	36%	42%	N/A		N/A		N/A		46%	47%
Total Met Target	5 of 12	42%	5 of 5	100%					0 of 5	0%

Note: N/A = Not applicable

Table 3. HB 3 Progress Summary, 2023, continued

HB 3 Early Mathematics: 3rd Grade Math Meets Grade Level	HISD		Energized ES (364)		E-STEM HS (321)		Mt Carmel (311)		TCAH (100)	
	District	Target	Campus	Target	Campus	Target	Campus	Target	Campus	Target
All	42%	51%	52%	55%	N/A		N/A		39%	38%
African American	28%	39%	N/A		N/A		N/A		N/A	
Hispanic	38%	50%	52%	54%	N/A		N/A		27%	36%
White	72%	74%	N/A		N/A		N/A		55%	47%
American Indian	43%	N/A	N/A		N/A		N/A		N/A	
Asian	77%	87%	N/A		N/A		N/A		N/A	
Pacific Islander	50%	N/A	N/A		N/A		N/A		N/A	
Two or More Races	65%	73%	N/A		N/A		N/A		N/A	
Special Ed	35%	37%	N/A		N/A		N/A		N/A	
Econ. Disadv.	34%	46%	52%	53%	N/A		N/A		27%	25%
Special Ed (Former)	37%	51%	N/A		N/A		N/A		N/A	
EL (Curr + Mon)	38%	51%	52%	55%	N/A		N/A		N/A	
Cont. Enrolled	44%	52%	53%	55%	N/A		N/A		N/A	
Non-Cont. Enrolled	32%	45%	N/A		N/A		N/A		40%	37%
Total Met Target	0 of 12	0%	0 of 5	0%					4 of 5	80%

Table 3. HB 3 Progress Summary, 2023, Continued

College Readiness: CCMR	HISD		Energized ES (364)		E-STEM HS (321)		Mt Carmel (311)		TCAH (100)	
	District	Target	Campus	Target	Campus	Target	Campus	Target	Campus	Target
All	69%	68%	N/A		61%	76%	45%	70%	55%	48%
African American	59%	58%	N/A		N/A		71%	N/A	62%	40%
Hispanic	71%	68%	N/A		62%	79%	44%	71%	52%	48%
White	74%	75%	N/A		N/A		N/A		51%	51%
American Indian	63%	58%	N/A		N/A		N/A		40%	N/A
Asian	91%	92%	N/A		N/A		N/A		88%	N/A
Pacific Islander	71%	N/A	N/A		N/A		N/A		N/A	
Two or More Races	76%	69%	N/A		N/A		N/A		71%	N/A
Special Ed	77%	69%	N/A		N/A		33%	N/A	79%	N/A
Econ. Disadv.	N/A	66%	N/A		61%	76%	43%	67%	48%	39%
Special Ed (Former)	51%	53%	N/A		N/A		N/A		N/A	
EL (Curr + Mon)	58%	55%	N/A		55%	70%	70%	N/A	56%	N/A
Cont. Enrolled	74%	69%	N/A		62%	75%	45%	74%	59%	52%
Non-Cont. Enrolled	52%	54%	N/A		N/A		N/A		53%	43%
Total Met Target	7 of 12	58%			0 of 5	0%	0 of 4	0%	7 of 7	100%

Sources: 2022–2023 TAPR Data File

Notes: “N/A” indicates insufficient data for reporting. “Green” indicates expectations were met. “Red” indicates expectations were not met. Campus results in red indicate percentages lower than the district; campus results in green indicate percentages equal to or higher than the district. Results for Energized for Excellence Early Childhood Center (Energized ECC) are not displayed, as students at that campus are not assessed.

Attendance, Disciplinary Actions, and Dropout Rate

Attendance, disciplinary actions, and dropout rate are critical factors that can significantly impact a campus’s success. Regular class attendance helps students learn and improve academic outcomes. Disciplinary actions are essential to maintain a safe and secure learning environment for students and staff. They help to prevent disruptive behavior and ensure that students are held accountable for their actions. Dropout rates are a crucial indicator of student success and can be used to identify areas of improvement. High dropout rates can lead to decreased funding and resources, negatively impacting the quality of education provided to students. Therefore, monitoring and addressing these factors is essential to ensure campus achievement. The following findings in **Box 4** can be referenced in **Table 4** (p. 6).

Box 4. Contract Campuses Data Summary for Attendance, Disciplinary Actions, and Dropout Rate

- **Attendance:** Contract campuses must maintain an attendance rate of at least 92 percent. The 2021–2022 attendance rates, as communicated in the 2022–2023 Texas Academic Performance Reports (TAPR), were provided for HISD and each contract campus with available data. Attendance data were unavailable for Energized ECC. The attendance rates for all other contract campuses exceeded the minimum requirement compared to the district (Table 4, p. 6).
- **Disciplinary Actions:** The rate of disciplinary actions of students at contract campuses was compared to students within HISD. The 2022–2023 disciplinary actions rate reported in the Student Disciplinary Action Report, 2202–2023, are displayed in Table 4 (p. 6) for the district and each contract campus. The rate of disciplinary actions at all contract campuses was lower than the district-wide rate.
- **Dropout Rate:** The dropout rate at contract campuses may not exceed three percent; if exceeded, the campus must reduce the dropout rate for the next academic year to no more than three percent. The 2021–2022 annual dropout rate for all students in grades 7–12 as reported in the Texas Education Agency (TEA) 2021–2022 Annual Dropout Summary Reports are displayed in Table 4 (p. 6) for the district and each contract campus for which data were available. The dropout rates for all grades 7–12 students on contract campuses were lower than the district-wide dropout rate

Table 4 summarizes the attendance, disciplinary actions, and dropout Rates for the contract campuses listed above, compared to the district.

Table 4. Attendance, Disciplinary Actions, and Dropout			
School Name	Attendance Rate 2021-2022	Disciplinary Actions 2022-2023	Dropout Rate 2021-2022
Houston ISD	91.9	18.58	3.6
Energized ECC (350)	--	--	--
Energized ES (364)	94.2	--	--
Energized MS (342)	94.8	8.21	1.4
E-STEM HS (321)	93.0	4.97	2.0
E-STEM MS (390)	95.3	2.25	2.9
Mt. Carmel (311)	92.4	--	0.4
TCAH (100)	100.0	--	2.1

Sources: 2022–2023 TAPR Report; 2022–2023 Student Disciplinary Action Report; 2021–2022 Annual Dropout Summary Report

Notes: *TCAH does not mark “daily attendance” in the same manner as traditional in-person campuses. Instead, attendance records are based on one or more of the following: attendance as reported by Learning Coaches and as supposed by the learning coach's record of assignment completion; student and teacher communication logs; and/or other evaluations of student work.

Financial Strength

Charter schools’ financial strength is crucial for their long-term sustainability and success. A quality charter school demonstrates sound financial practices through responsible use of public funds, maintaining publicly accessible fiscal records, conducting annual audits, and developing a comprehensive fiscal plan that aligns with the school’s mission and vision. The primary drivers of charter school income and expenses include per-student funding from federal, state, and local sources, fundraising, and categorical funding to offset costs for student groups or school functions. By managing their cash efficiently, relying less on debt, and raising more money, charter schools can achieve higher funding surpluses and experience larger enrollment growth. Financial strength indicators and performance are referenced in **Tables 5A** (p. 6 –7), **5B** (p. 8), and **6** (p. 10).

The Financial Framework indicators detailed in Table 6A provide key data to assess the financial health and viability of contract campuses. This evaluation ensures that contract campuses are held accountable for the quality of their management practices. Indicators 1–6 are “critical indicators.” If a contract campus fails any critical indicators, the performance contract rating is “Fail” for substandard achievement, regardless of points earned.

Table 5A. Financial Framework Indicators		
Item	Indicator	Response/Points
1^	Was the complete annual financial report (AFR) submitted to HISD according to the contract terms?	* Met Expectation * Did Not Meet Expectation
2^	Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there is an unmodified opinion.)	* Met Expectation * Did Not Meet Expectation

Table 5A. Financial Framework Indicators, Continued

Item	Indicator	Response/Points
3 [^]	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)	* Met Expectation * Did Not Meet Expectation
4 [^]	Was the contract campus compliant with the payment terms of all debt agreements during or at fiscal year end? (If the contract campus defaulted in a prior fiscal year, an exemption applies in following years if the contract campus is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Technical defaults that are not related to monetary defaults are also exempted. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (person, company, and so on that owes money) and their creditors, which includes a plan for paying back the debt.)	* Met Expectation * Did Not Meet Expectation
5 [^]	Did the contract campus make timely payments to the Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	* Met Expectation * Did Not Meet Expectation
6 ^{^Y}	Was the total net asset balance in the Statement of Financial Position for the contract campus greater than zero? (If the contract campus's change of students in membership over five years was 7 percent or more, then the contract campus passes this indicator.) (New contract campuses with a negative net asset balance will meet this indicator if they have an average of 7 percent growth in students year-over-year until they complete their fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)	Not Rated for the 2022-2023 school year
7	Did the external independent auditor report any deficiencies repeated from the prior three years? (Corrective action plan must be included in the AFR.)	Points: 0-10
8	Was the number of days of cash on hand and current investments for the contract campus sufficient to cover operating expenses? The calculation will use expenses, excluding depreciation. Pension expenses will be excluded for government contract campuses.	Points: 0-10
9	Were the contract campus's current assets to current liabilities ratio sufficient to cover short-term debt?	Points: 0-10
10	Was the contract campus's ratio of long-term liabilities to total assets sufficient to support long-term solvency? (If the contract campus's change of students in membership over five years was 7 percent growth or more, then the contract campus passes this indicator.) (New contract campuses with a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until they complete their fifth year of operations. After the fifth year of operations, the calculation changes to a 7 percent increase over five years.)	Points: 0-10
11	Did the contract campus's revenues equal or exceed expenses, excluding non-cash expenses such as depreciation, amortization, and unrealized gains or losses? If not, was the contract campus's number of days of cash on hand greater than or equal to 40 days? The calculation will use expenses, excluding depreciation.	Points: 0-10
12	Was the debt service coverage ratio sufficient to meet the required debt service?	Points: 0-10
13	Was the contract campus's administrative cost ratio equal to or less than the threshold ratio?	Points: 0-10
14	Did the contract campus not have a 15 percent decline in the student-to-staff ratio over three years (total enrollment to total staff)? (If the student enrollment does not decrease, the contract campus will automatically pass this indicator.)	Points: 0-10
15	Were related party transactions disclosed in the AFR per board policy EL(Local)?	Points: 0-10
16	Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)	Points: 0-10

Notes: "A" Indicates a "Critical Indicator." If the Contract Campus fails any critical indicators (1-6), the Performance Contract Rating is "Fail" for substandard achievement, regardless of points earned. *Indicator 6 as written in the contract. A re-wording of this indicator is being processed.

Table 5B displays the overall financial rating scale. The final rating of A, B, or C indicates that contract campuses met the financial component requirements. The findings are summarized in **Box 5** and analyzed in Table 6.

Table 5B. Financial Framework Overall Rating			
Rating		Points	
		Min	Max
A - Superior	Pass	90	100
B - Above Standard		80	89
C - Meets Standard		60	79
F - Substandard Achievement	Fail	0	59

Box 5. Key Findings on Financial Strength

- All contract campuses received passing grades on the Financial Framework Overall Rating.
- The Energized for Excellence Academy, Inc. received the lowest passing grade of 68.
- Connections Academy of Texas, LLC received the highest passing grade of 100.

Because the wording of indicator six was ambiguous, all contract campuses received an “NR” or “not rated” for indicator six for the 2022–2023 school year.

Table 6. Financial Framework Overall Rating by Operator			
School Name	Score	Rating	Status
Energized for Excellence Academy, Inc. <i>Energized ECC, Energized ES, Energized MS</i>	68	C	Pass
Energized for STEM Academy, Inc. <i>E-STEM MS, E-STEM HS</i>	78	C	Pass
Mount Carmel Academy	98	A	Pass
Connections Academy of Texas, LLC	100	A	Pass

Operational Compliance

Compliance with federal and state educational, operational, governance, and reporting requirements is crucial for the long-term sustainability and success of charter schools. As public schools, charter schools are governed by federal and state laws, and they must comply with all applicable regulations. Charter schools that comply with federal and state laws can also ensure they are held accountable for any rules or requirements not explicitly stated in the Operational Framework. This compliance can help charter schools adhere to the reporting requirements of the authorizer and other responsible entities. The Operational Framework indicators are in Tables 7 and 8.

The Operational Framework indicators detailed in Table 7 served as benchmarks for evaluating each contract campus’ compliance with federal and state laws, state rules or regulations, and/or the contract for external performance contract campuses. These indicators evaluated each contract campus’s compliance with educational, operational, governance, and reporting requirements. The Operational Framework calculations and the overall operational ratings are included at the end of Table 8. A minimum score of 80 indicates that the campus met expectations for the operational component.

Table 7. Operational Framework Indicators

Item	Indicator	HISD Contact	Points
1	<p>Teacher Certification Requirements</p> <ul style="list-style-type: none"> All Pre-K through fifth-grade teachers are certified. All core subject teachers (as defined by EL (Local) at middle and high schools are certified. All teachers without certification are either on an emergency permit or participating in an alternative certification program. 	ASO/SSO	<p>* Met Expectation: 1 point</p> <p>* Did Not Meet Expectation: 0 points</p>
2	<p>Timely submission of financial affidavits after receipt of ADA payments.</p> <ul style="list-style-type: none"> No later than 20 business days after receipt of the first payment from the district during a school year and no later than ten business days after receipt of the second and third payments 	CSO	<p>* Met Expectation: 1 point</p> <p>* Did Not Meet Expectation: 0 points</p>
3	Timely approval of External Performance Contract Campus auditor name and qualifications by HISD's Internal Auditor	HISD Internal Auditor	<p>* Met Expectation: 1 point</p> <p>* Did Not Meet Expectation: 0 points</p>
4	Timely and complete submission of the Annual External Performance Contract Campus disclosure template	CFO's Office	<p>* Met Expectation: 1 point</p> <p>* Did Not Meet Expectation: 0 points</p>
5	The district's bi-annual campus walkthrough determines whether the facilities meet student needs.	COO's Office	<p>* Met Expectation: 1 point</p> <p>* Did Not Meet Expectation: 0 points</p>
6	<p>All campus staff completed HISD Mandatory Training successfully, including, but not limited to:</p> <ul style="list-style-type: none"> Pre-Service Training Principal Meetings Required Training for Special Populations (e.g., SPED, Bilingual / ESL, 504) 	ASC/SSO	<p>* Met Expectation: 1 point</p> <p>* Did Not Meet Expectation: 0 points</p>
7	The campus follows HISD media policies and procedures, as well as website maintenance, templates, training, and written procedures.	ASC/SSO	<p>* Met Expectation: 1 point</p> <p>* Did Not Meet Expectation: 0 points</p>

Notes: Area Schools' Office (ASO), School Support Officers (SSO), Chief Financial Officer (CFO), Chief Operation Officers (COO), Charter School Office (CSO)

Table 7. Operational Framework Indicators, Continued

Item	Indicator	HISD Contact	Points
8	Appropriate handling of secure assessment materials and proper execution of standardized testing protocols: <ul style="list-style-type: none"> No serious testing irregularities on STAAR or PSAT/SAT as defined by TEA and/or College Board. 	Area Schools' Office / School Support Officer	* Met Expectation: 1 point * Did Not Meet Expectation: 0 points
9	Campus satisfactorily meets all the HISD School Choice program requirements for student transfers and processing.	School Choice Office	* Met Expectation: 1 point * Did Not Meet Expectation: 0 points
10	Campus provides information, data, and records in accordance with HISD data quality record requirements in a timely fashion.	Federal and State Compliance Department	* Met Expectation: 1 point * Did Not Meet Expectation: 0 points
Operational Framework Calculation			
$\frac{(\# \text{ of Points Earned})}{(\# \text{ of Indicators Evaluated})}$			* 100
Operational Framework Overall Rating			Points
		Min	Max
Pass - Met Expectations		80	100
Fail - Did Not Meet Expectations		0	79

Box 6. Key Findings on Operational Compliance

- All seven contract campuses met expectations regarding overall operational compliance.
- Texas Connections Academy (TCAH) is the only contract campus with a perfect operational rating.

Table 8 summarizes the overall operational rating for each of the seven contract campuses. All seven contract campuses received a "Pass" for the operational framework overall rating.

Table 8. Operational Framework Overall Rating by Campus

School Name	Total Points	Final Rating	Result
Energized ECC (350)	90	Met Expectation	Pass
Energized ES (364)	90	Met Expectation	Pass
Energized MS (342)	90	Met Expectation	Pass
E-STEM MS (390)	90	Met Expectation	Pass
E-STEM HS (321)	90	Met Expectation	Pass
Mount Carmel Academy (311)	90	Met Expectation	Pass
TCAH (100)	100	Met Expectation	Pass

References

- Houston ISD. (2020). *Board Policy Manual*. Houston ISD: Campus or program charters. LDU 2020.01. EI (Local)-X. <https://pol.tasb.org/PolicyOnline/PolicyDetails?key=592&code=EL#localTabContent>
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Appendix: Summary of Academic Performance

Table A. Contract Campuses Summary of Academic Performance Indicators

Year	Campus	Renaissance 360 Reading (now MAP)	Renaissance 360 Math (now MAP)	STAAR/EOC	HB3 Literacy	HB3 Math	CCMR	Accountability Rating, A/B)
2022-2023	Energized for Excellence Academy - ES	Met 100% indicators	Met 90% indicators	Met 50% indicators	Met 100% indicators	Met 0 indicators	N/A	Yes
2022-2023	Energized for Excellence Academy - MS	Met 11% indicators	Met 30% indicators	Met 38% indicators	N/A	N/A	N/A	Yes
2022-2023	Energized for STEM Academy - HS	Met 20% indicators	Met 11% indicators	Met 70% indicators	N/A	N/A	Met 0 indicators	Yes
2022-2023	Energized for STEM Academy - MS	Met 0 indicators	Met 0 indicators	Met 20% indicators	N/A	N/A	N/A	No - C
2022-2023	Mount Carmel Academy	Met 0 indicators	Met 13% indicators	Met 22% indicators	N/A	N/A	Met 0 indicators	No - D
2022-2023	Texas Connection Academy at Houston	Met 90% indicators	Met 90% indicators	Met 50% indicators	Met 0 indicators	Met 80% indicators	Met 100% indicators	No - D