National Charter School Resource Center 2009-10 Year in Review

an overview of research, news, and developments in the charter school sector

National Charter School Resource Center

at LEARNING POINT ASSOCIATES

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Overview: The State of Charter Schools

Nearly 5,000 charter schools served 1.5 million students in 39 states and the District of Columbia during the 2009-10 school year, continuing an unbroken cycle of growth that began with the nation's first charter school in 1992.

Charter schools now represent 5.1 percent of all public schools and serve more than 2 percent of all school-age children. The 450 new charter schools that opened their doors during the 2009-10 school year represent growth of 6.7 percent, down slightly from 7.4 percent in 2008-09, according to the National Alliance for Public Charter Schools. But the continued growth in numbers is accompanied by important changes that have pushed the charter school sector to the forefront of education reform and given it newfound prominence.

THE SCHOOLS

According to the National Alliance for Public Charter Schools' *Public Charter Schools Dashboard,* 4,936 charter schools opened their doors to students during the 2009-10 school year, including 450 new schools. The dashboard provides a snapshot of the characteristics of current charter schools, including:

- The typical charter school has been in operation for 6.7 years. According to National Alliance data, 26.7 percent of all charter schools have been open for 1-3 years; 26.5 percent for 4-6 years, 18.9 percent for 7-9 years, and 27.9 percent for 10 or more years.
- 90.6 percent of charter schools are startup schools; 9.2 percent are conversions.
- More than three-quarters of all charter schools (77.8 percent) are free-standing operations. Ten percent are run by education management organizations (EMOs), while 11.6 percent are run by charter management organizations (CMOs).
- 91.9 percent of charter schools are traditional "brick and mortar" operations, while 4.4 percent are online "virtual schools." The remaining 3.7 percent employ one of several hybrid models.

Charter schools also continue to be smaller in size than conventional public schools, enrolling on average 372 students—nearly 22 percent less than conventional public schools, according to the Center for Education Reform's 2010 survey.

According to the organization, fewer than 12 percent of charter schools adhere to union contracts with teachers, and more than half—54 percent—of those surveyed said they were moving towards compensating teachers based at least in part on their students' progress.

THE STUDENTS

According to the U.S. Department of Education's National Clearinghouse of Educational Statistics, the percentage of students enrolled in assigned public schools decreased from 80 to 73 percent between 1993 and 2007, the most recent year for which federal data is available. According to its *Trends in the Use of School Choice 1993 to 2007* report, released in April 2010, charter school students remain more likely to be minorities and live in cities than their counterparts in other public schools. Among its findings:

- 64 percent of charter school students are from cities, while 22 percent live in suburbs.
- A higher percentage of charter school students were minorities (64 percent) than their counterparts in traditional public schools (43 percent).
- A smaller percentage of charter school students had parents whose highest level of education was a high school diploma or GED (11 percent, compared to 23 percent in traditional public schools) or a bachelors degree (13 percent, compared to 21 percent in traditional public schools).
- White students made up 36 percent of the charter school population in 2007. Black students represented 28 percent of charter students, and 30 percent were Hispanic.
- About half (47 percent) of charter school students were classified as non-poor, while 34 percent were considered poor and another 19 percent were considered near-poor.
- A smaller percentage of charter school students were in high school compared with their peers in traditional public schools (24 percent vs. 35 percent).
- 56 percent of charter school students lived in two parent-families, compared to 71 percent of students in traditional public schools.
- Nearly half (45 percent) of all charter school students lived in the west, compared to 27 percent of all students in traditional public schools.

While the majority of charter school students remain minorities, recent research suggests that their demographics are similar to traditional public schools that draw from the same geographic areas. Researchers at the University of Arkansas, for example, found similar proportions of minority students in charter and traditional schools located in the same neighborhoods, arguing that earlier research that identified greater disparities between the demographics of charter and traditional public schools compared individual charter school populations with districtwide demographics.

BEYOND THE NUMBERS

Charter schools have played a key role in the Obama Administration's $4 billion Race to the Top Fund, as one of a number of key factors considered in evaluating state applications. Indeed, the two first-round winners—Tennessee and Delaware—both took steps to increase the number of charter schools in their states, as did a number of other

states seeking funding through the program.

As they applied for the first round of RTT funds, some states, including New York and Massachusetts, made changes to existing laws to increase the potential number of charter schools in their states. Lawmakers in other states without charter school legislation, including Kentucky and West Virginia, have also revisited or launched legislative efforts that could ultimately allow them.

Along with RTT, the success of individual charters continues to draw attention. Three charter schools ranked in the top 10 of *Newsweek* magazine's annual ranking of "America's Best High Schools"—Corbett School in Oregon, BASIS Charter School in Tucson, Ariz.; and the Signature School in Evansville, Ind., which was that state's first public charter high school. Two charters—Denver School of Science and Technology in Colorado and the Environmental Charter High School in Lawndale, Calif.—were also named finalists in President Obama's Race to the Top High School Commencement Challenge, which placed their stories and school-produced videos in front of a nationwide audience.

Foundations are also paying greater attention to the role charters play in reshaping education. Speaking at the National Charter Schools Conference in June 2010, Microsoft founder Bill Gates called charter schools and their ability to innovate a key to The Bill & Melinda Gates Foundation's overall education strategy, while at the same time urging charter school leaders to hold themselves accountable and collaborate with traditional schools and districts. In summer 2010, the Ewing Marion Kauffman Foundation was authorized to open a charter school in its hometown of Kansas City, Mo., marking the first time a large private foundation has become a charter school operator.

THE CHALLENGES

Given the newfound attention, it's hardly surprising that the growth in the number of charter schools has not kept up with demand. According to the Center for Educational Reform's *Annual Survey of America's Charter Schools,* 65 percent of charter schools surveyed had a waiting list, an increase of 6 percent from CER's previous survey. While the median charter school waiting list has 70 students, some schools reported as many as 7,500 students on their waiting lists. On average, the number of students on a charter school waiting list nationwide increased by 21 percent, according to CER, which argues that those students could fill another 5,000 charter schools—nearly double the existing number.

The growth in the number of charter schools "has slowed from double digits… because of arbitrary constraints written into state charter laws in the form of charter school caps and moratoriums on new schools or certain types of schools," the CER study said. "Until these caps are eliminated, demand will continue to grow at a faster rate, leaving many families without educational choice." CER noted the key role played by independent authorizers, noting that states with multiple

authorizers continue to create the highest quality and quantity of charter schools, according to the survey.

While individual charter schools—the Harlem Children's Zone Promise Academy in New York City and many Knowledge is Power Program (KIPP) middle schools among them—showed significant student achievement gains in recent studies, the sector's overall record remains mixed. A June 2010 study of 36 charter middle schools in 15 states by the U.S. Department of Education Institute of Education Sciences found that on average, charter middle schools were no more successful than traditional public schools in improving student achievement, behavior, and school progress. Performance varied from school to school—although schools serving more low-income or low-achieving students had significant positive effects on math test scores, according to the study.

Noting that approximately 200 charter schools are among the 5,000 lowest performing schools nationwide targeted for turnaround by the U.S. Department of Education, Education Secretary Arne Duncan has urged greater accountability from charter school leaders and the organizations that authorize them. "Bad charter schools taint all of your reputations and allow your opponents, your opposition, to use those examples," Duncan said in a July speech. "There has not been, that I'm aware…courageous leadership from the charter school movement itself to step up and say here are criteria below which these schools should cease to exist… You should not be tolerating in your family academic failure."

Finances remain another key challenge for charter school operators. The CER survey found reporting charter schools receiving an average $7,286 in per-pupil funding, compared to $10,754 received on average by conventional public schools—a 32 percent gap, according to CER. Further, the average charter school participant in the CER survey reported an average $8,001 per-pupil cost, a $715 gap over the funding they receive. Another study by Ball State University found that charter schools nationwide receive $2.2 billion less than their traditional public school counterparts, with a typical charter school facing a $562,000 shortfall in public funding each year.

Funding for facilities—not included in most states' allocations to charter schools—also remain a critical challenge. Only 26 percent of CER's survey respondents received any dedicated funding for facilities.

THE NATIONAL CHARTER SCHOOL RESOURCE CENTER

It is with these issues in mind that the National Charter School Resource Center (NCSRC) was created as a national center for resources, information, and guidance to support high-quality charter schools.

The Charter School Center and its website serve three primary constituency groups—charter school leaders and their staffs, national and local charter school intermediary and support organizations, and state

education agency (SEA) personnel responsible for overseeing charter school activity in their jurisdictions. The Center's five main priority areas include:

- Supporting **state education agency officials** (SEAs), who share a common responsibility for growing, supporting and monitoring quality charter schools.
- Addressing the challenging needs charter schools face planning, financing, and maintaining **facilities**.
- Supporting **charter school authorizers**, described as the "linchpin of quality" in the charter sector because of their crucial role granting charters and holding schools accountable for results.
- Providing resources and support for **charter** school **leadership**, which faces the responsibilities of overseeing not only a school's educational program but also all other aspects of running what are essentially large nonprofit businesses.
- Identifying successful charter school models for **school turnaround**, a key strategy for addressing low-performing schools under Title I School Improvement.

The pages that follow provide an overview of current research and developments in these five critical priority areas, as well as provide links to additional resources and information. While not intended to serve as a comprehensive guide, this Year in Review offers a high-level view of the issues facing charter schools, as well as recommendations from leading researchers and policymakers.

Sources:

Annual Survey of America's Charter Schools 2010 (Center for Education Reform)
www.edreform.com/download/charterSurvey2010.cfm

Public Charter Schools Dashboard (National Alliance for Public Charter Schools)
www.publiccharters.org/dashboard/home

Trends in the Use of School Choice 1993 to 2007 (U.S. Department of Education National Clearinghouse of Educational Statistics)
http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2010004

Evaluation of Charter School Impacts (U.S. Department of Education Institute of Education Sciences National Center for Education Evaluation and Regional Assistance)
http://ies.ed.gov/ncee/pubs/20104029/pdf/20104029.pdf

What Works Clearinghouse: Harlem Children's Zone Promise Academy Study Quick Review (U.S. Department of Education Institute of Education Sciences)
http://ies.ed.gov/ncee/wwc/publications/quickreviews/QRReport.aspx?QRID=134

Student Characteristics and Achievement in 22 KIPP Middle Schools (Mathematica Policy Research Inc.)
www.mathematica-mpr.com/publications/redirect_pubsdb.asp?strSite=pdfs/education/KIPP_fnlrpt.pdf

Remarks by Secretary Arne Duncan to the National Alliance of Public Charter Schools, July 1, 2010 (U.S. Department of Education)
www.ed.gov/news/speeches/remarks-secretary-arne-duncan-national-alliance-public-charter-schools

Resources:

U.S. Department of Education Charter Schools Program
www2.ed.gov/programs/charter/index.html

National Charter School Resource Center
www.charterschoolcenter.org

Priority Area: Support for State Agencies

www.charterschoolcenter.org/priority-area/support-state-agencies

State education agency (SEA) personnel who oversee charter school activity must attend to myriad responsibilities for monitoring, supporting, and growing quality charter schools. SEA charter school offices are diverse in size, scope, and years of existence; each office operates in a unique set of policy and political conditions. Effective, promising practices for SEA charter school offices include administering federal monies, supporting and growing effective charter schools, engaging stakeholders, and serving special populations in charter schools.

Confronted with record budget shortfalls in many jurisdictions, it's hardly surprising that financial support remains a key challenge for SEAs seeking to support high-quality charter schools in their states. Two studies released in the past year suggest the size of the funding challenges faced by charter schools.

Ball State University's *Charter School Funding Inequity Persists* study used 2006-07 state and federal funding data—the most recent year in which reliable information was available—to examine public funding patterns for charter schools. Researchers found that as a whole, charter schools nationwide receive $2.2 billion less than their traditional public school counterparts each year, with the typical charter school facing a $562,000 shortfall in public funding each year. Among the study's findings:

- An average per-pupil funding gap of 19.2 percent, or $2,247, compared to traditional public schools in the same state. Funding gaps were even more pronounced in the districts serving large cities surveyed by researchers, according to the study.
- Significant shortfalls in facilities funding, especially at the district level and in urban areas. Only 14 states provide any facilities funding for charter schools.
- More than 85 percent of the disparity between charter and traditional public school funding resulted from differences in access to local revenues, the study said.
- Many states had difficulty providing funding data for charter schools.

These findings were echoed by the Center for Educational Reform's *Annual Survey of America's Charter Schools,* which found a 32 percent gap between what survey respondents received in public funding and their per-student costs. Only 26 percent of CER's survey respondents received any kind of dedicated facilities funding.

A MODEL LAW

In the 18 years since Minnesota enacted the nation's first charter school law, another 39 states, Guam, and the District of Columbia have followed suit,

creating their own legislation governing charter schools.

An 18-month effort led by the National Alliance for Public Charter Schools and funded by the Joyce Foundation has led to the creation of a new "model law" that would support larger numbers of high-quality charter schools. The new model law is "grounded in principle, flexible enough to serve in a wide variety of state policy environments, and well-supported by empirical evidence," Todd Ziebarth, vice president for state advocacy and support at the National Alliance for Public Charter Schools said during a National Charter School Resource Center webinar in Spring 2010.

At first, charter school laws were considered strong if they placed few limits on the number of charter schools, provided funding, and ensured genuine autonomy, according to Ziebarth. In its report, *A New Model Law For Supporting The Growth Of High-Quality Public Charter Schools*, the National Alliance has added three new criteria to that list—support for finding and financing facilities, authorizing, and special education. It identified 20 essential components of charter school laws, including:

- No caps on the growth of public charter schools in a state.
- Variety of public charter schools allowed, including start-ups, conversions, and virtual schools.
- Multiple authorizers, including non-local school board authorizers.
- Authorizer accountability systems overseen by a state-level entity.
- Adequate authorizer funding, including guaranteed funding and public accountability.
- Transparent charter application, review, and decision-making processes.
- Comprehensive charter school monitoring and data-collection processes.
- Clear processes for renewal, nonrenewal and revocation decisions.
- Performance-based charter contracts, with academic and operational expectations and school and authorizer rights and duties.
- Autonomous schools with independent boards.
- Clear student recruitment, enrollment, and lottery procedures.
- Automatic exemptions from many state laws.
- Collective bargaining exemptions.
- Provisions to allow educational service providers.
- Multi-school charters and multi-contract boards.
- Eligibility and access to extracurricular and interscholastic activities.
- Clear identification of special education responsibilities.
- Equitable operational funding and equal access to state and federal categorical funding.
- Equitable capital funding.
- Employee retirement system access.

The authorizing components of the model law are described in more detail on page 18.

But strong charter laws are only part of a supportive charter school

environment. According to the Alliance, the five primary factors that promoted student achievement in charter schools were:

- Supportive laws and regulations—referring to what is "on the books" and the spirit in which these laws and rules are implemented.
- Quality authorizers.
- Effective charter support organizations.
- Outstanding school leaders and teachers.
- Engaged parents and community.

THE IMPORTANCE OF AUTONOMY

The value of autonomy at the charter school level was underscored by two reports that suggest that charter schools can produce results when they have the freedom to hire the staff they want and build innovative programs—but caution that they often face constraints from state law and charter contracts.

Developed by Public Impact for the National Alliance for Public Charter Schools, *Free to Lead: Autonomy in Highly Successful Charter Schools* surveyed charter school leaders in five states to determine the seven areas of autonomy that make the greatest difference in student learning and school reform. They include:

- Freedom to develop a great team.
- Freedom to manage teachers as professionals.
- Freedom to change curriculum and classroom structure.
- Autonomy in scheduling.
- Financial freedom.
- Freedom to focus on education.
- Freedom to define school culture.

However, a corresponding study released by the Thomas B. Fordham Institute suggests that charter schools typically enjoy autonomy in some of these areas—but not others. According to *Charter School Autonomy: A Half-Broken Promise,* charter schools typically enjoy wide latitude in such areas as curricula, school calendars, teacher work rules, and procurement policies. But they are often restricted by state laws and contracts in such areas as teacher hiring, governance boards, choosing providers for special education services, and participation in state retirement systems.

State laws remain the primary constraints on charter autonomy, according to the Fordham Institute, which gave autonomy efforts an average B- grade nationwide. Nearly half the 26 states surveyed earned a B, while five earned As, seven earned Cs, and two states each earned Ds and Fs.

While state laws were the primary constraints, about 60 percent of charter contracts issued by authorizers imposed restrictions beyond state requirements, the Fordham study said. According to researchers, 30 percent of the 50 authorizers surveyed reduced autonomy by more than a letter grade through their own actions. School districts and institutions of higher education serving as authorizers typically imposed the most additional constrains, while nonprofit organizations and state boards of education imposed the fewest, the study said.

Sources:

Charter School Funding Inequity Persists (Ball State University Teachers College)
www.bsu.edu/teachers/media/pdf/charterschfunding051710.pdf;
state-by-state findings: *www.bsu.edu/teachers/ocsr/funding/*

A New Model Law For Supporting The Growth Of High-Quality Public Charter Schools (National Alliance for Public Charter Schools)
www.publiccharters.org/files/publications/ModelLaw_P7-wCVR.pdf

Free to Lead: Autonomy In Highly Successful Charter Schools (National Alliance for Public Charter Schools)
www.publiccharters.org/files/publications/Issue_Autonomy_V4.pdf

Charter School Autonomy: A Half-Broken Promise (Thomas B. Fordham Institute)
http://edexcellence.net/doc/201004_CharterAutonomyReport.pdf

Resources:

Database of state charter school legislation (U.S. Department of Education National Center for Education Statistics)
http://nces.ed.gov/programs/statereform/tab4_3.asp

State Education Reforms: Support for School Choice and Other Options (NCES)
http://nces.ed.gov/programs/statereform/sss.asp

SEA Communities of Practice Presentation (National Charter School Resource Center)
www.charterschoolcenter.org/resource/sea-communities-practice-outreach-guidance-and-technical-assistance-ppt

Retrofitting Bureaucracy: Factors Influencing Charter Schools' Access to Federal Entitlement Programs (Public Impact for The Center on Innovation & Improvement)
www.centerii.org/survey/downloads/Retrofitting_Bureaucracy.pdf

Priority Area: Facilities

www.charterschoolcenter.org/priority-area/facilities

Charter schools face unique and challenging needs related to facilities, especially because public funding models typically do not provide funds specifically for capital needs. As a result, charter leaders devote considerable amounts of their start-up efforts to finding and identifying sources of funding for facilities; they also face challenges in financing, design, leasing, and regulatory issues.

Forward momentum on financing for charter school facilities was slowed by the global credit crisis, which has "affected every private source of charter school facility financing," according to research by the Educational Facilities Financing Center of Local Initiatives Support Corporation (LISC). According to its *2010 Charter School Facilities Landscape* report, commercial lenders scaled back community development lending and tightened underwriting criteria, while in many cases municipal bond insurers collapsed altogether. Nonprofit organizations that support charter facilities were also forced to scale back as their funding sources evaporated, according to the report.

SOURCES OF FUNDING

As private funding options have contracted, the facilities landscape for charter schools has changed little at the state level in the past several years, according to the LISC report, which found that only 11 of the 40 jurisdictions with charter laws provide per-pupil funding earmarked specifically for facilities. Among the findings detailed in the report:

- Only three localities provide more than $1,000 per student in facilities funding.
- Eight jurisdictions appropriate additional funds or grants for charter facilities, while two others have similar programs that are currently unfunded.
- Three localities allow charter schools to tap into local taxing authority, such as mill levy provisions.
- Five jurisdictions have publicly funded loan programs.
- Six localities offer some form of credit enhancement program.
- 34 jurisdictions allow charters to access tax-exempt debt through "conduit issuers."
- 31 localities allow charters to participate in both the federal Qualified School Construction Bond and Qualified Zone Academy Bond programs, which are described in more detail below.

More than two dozen non-profit organizations have collectively provided $1.1 billion in direct support for charter school facilities, along with another $369 million in financing through the New Markets Tax Credit (NMTC) program from the Community Development Financial Institutions Fund

(CDFI) of the U.S. Department of the Treasury, according to LISC. They include:

- Seven foundations committed to charter school facilities financing, grants, and program-related investments.
- 20 nonprofits that provide financing for charter facilities as part of community development missions.
- Three nonprofits that provide real estate development services.
- 13 organizations that have received $180 million in support from the U.S. Education Department's credit enhancement program.
- 11 organizations that have been awarded $2.6 billion in NMTC allocations by the CDFI.

Federal programs continue to play a key role. The Education Department's credit enhancement grant awards to 19 public and nonprofit groups totaled $214 million, and helped leverage $1.3 billion in capital for 278 charter schools. The department also provided $78 million in incentive grants to four states, and continues to fund a second cohort of two states with $13 million awards, according to LISC.

Charter schools in many locations can also avail themselves of Qualified Zone Academy Bonds (QZABs), which help renovate existing facilities, and Qualified School Construction Bonds (QSCBs), a new program created by the American Recovery and Reinvestment Act of 2009. Two charter schools—one in New Jersey and one in Texas—have received $22 million in QSCB funding, according to LISC.

FINANCIAL PERFORMANCE

Despite the challenges startup charter schools face in meeting underwriting requirements, defaults have been rare, according to the LISC report. Of the $1.1 billion in direct financial support to charters over the past decade, 31 percent has been repaid in full. All told, charter schools have defaulted on just 13 loans or guarantees representing $11 million; only 9 of those defaults resulted in actual losses to the lender, according to LISC. Between 1999 and 2009, $2.4 billion in rated tax-exempt debt was issued to finance charter school facilities, largely those that are older and with larger enrollments. Out of the 176 charter facility bond issues during that period, default rates were 0.1 percent.

As the economy improves, private lending may be poised for a comeback. This spring, financial services firm JPMorgan Chase announced that it will provide $325 million in financing assistance for charter school facilities development, including $50 million in grants of permanent equity to community development institutions working with charter schools.

THE STATE ROLE

"What is clear from the first 18 years of the public school movement is that there is not a 'silver bullet' to resolving charters' facilities challenges," states the National Alliance for Public Charter Schools report, *A New Model Law For Supporting The Growth Of High-Quality Public Charter Schools*. "Instead, states will likely have to implement several 'silver bullets' in order to slay the facilities beast."

In its proposed model charter school law, the National Alliance recommends what it calls a varied "menu of approaches" for supporting charter school facility needs, including:

- Per-pupil facilities allowances, currently in place in 10 states and the District of Columbia.
- Facility grant programs funded by a bond authorization, as is now the case in five states.
- Facility revolving loan programs, funded by state appropriations or grants from the federal Charter Schools Program (CSP).
- Bonding authority, either through an existing tax-exempt authority in the state or charters' own bonding authority. Either option requires changes in state law.
- Moral obligation, allowing the legislature to provided limited credit enhancement for eligible bond transactions for public charter schools, as is the case in two states.
- Credit enhancement funds, which provide grants to nonprofit organizations to obtain financing to purchase, build, renovate facilities; enhance the availability of loans, or obtain lease guarantees.
- Eligibility for charter schools in existing state facilities programs for traditional public schools.
- Providing the right of first refusal to charters to purchase or lease closed or unused public school facilities or properties.
- Prohibiting state or local entities from imposing requirements stricter than those applied to traditional public schools.

Spotlight on the National Charter School Resource Center: The 2010 National Charter Schools Facilities Institute

In June 2010, the National Charter School Resource Center organized a daylong program on ways charter schools can meet their facilities needs. The National Charter Schools Facilities Institute drew about 250 participants and covered a wide range of issues, from the basics of assessing needs to fundraising and financing.

Scott Pearson, associate assistant deputy secretary of the U.S. Department of Education and acting director of the Charter Schools Program, provided the keynote presentation. Breakout sessions focused on educational facilities planning, short-term options, the basics of financing, the predevelopment process, construction planning and management, the opportunities presented by mixed-use facilities, and fundraising. Presenters included representatives of the 21st Century School Fund, Noble Network of Charter Schools, NCB Capital Impact, IFF, Civic Builders, and KIPP.

For archived presentations, handouts, and other resources, visit http://www.charterschoolcenter.org/event/2010-national-charter-school-facilities-institute.

Sources:

2010 Charter School Facilities Landscape (Educational Facilities Financing Center of Local Initiatives Support Corporation)
www.lisc.org/effc/2010Landscape

A New Model Law For Supporting The Growth Of High-Quality Public Charter Schools (National Alliance for Public Charter Schools)
www.publiccharters.org/files/publications/ModelLaw_P7-wCVR.pdf

Resources:

Making Charter School Facilities More Affordable: State-Driven Policy Approaches (U.S. Department of Education)
www.ed.gov/admins/comm/choice/charterfacilities/charterfacilities.pdf

The Educational Facilities Financing Center of Local Initiatives Support Corporation
www.lisc.org/effc

The Answer Key: How to Plan, Develop and Finance Your Charter School Facility (NCB Capital Impact)
www.ncbcapitalimpact.org/default.aspx?id=42

The Sustainable Answer Key: A Guide to Building a Sustainable High Performance Charter School Facility (NCB Capital Impact & The U.S. Green Building Council)
www.ncbcapitalimpact.org/default.aspx?id=1318

Research on the Impact of School Facilities on Students and Teachers: A Summary of Studies Published Since 2000 (21st Century School Fund)
www.charterschoolcenter.org/resource/research-impact-school-facilities-students-and-teachers

Priority Area: Authorizing

www.charterschoolcenter.org/priority-area/authorizing

Charter school authorizers have been described as the "linchpin of quality" in the charter sector because of their critical responsibilities: determining which organizations receive charters, holding charter schools accountable for results, and deciding whether to renew school charters. For that reason, establishing and training quality-oriented authorizing organizations capable of identifying promising charter school plans, creating an even greater emphasis on results, and keeping authorizers apprised of changing appropriations and regulations are all critical.

As consensus grows on what constitutes best practices for charter school authorizing, the number of authorizing organizations has grown to 872 nationwide, according to a survey by the National Association of Charter School Authorizers (NASCA). The major types of authorizers during the 2009-10 school year included:

- School districts/local education agencies (89 percent of all authorizers are LEAs, which oversee 55 percent of the nation's charter schools).
- Higher education institutions (5 percent of authorizers, which oversee 9 percent of charter schools).
- Not-for-profit organizations (2 percent of authorizers, which oversee 5 percent of charter schools).
- State education agencies (2 percent of authorizers, which oversee 16 percent of charter schools).
- Independent chartering boards (1 percent of authorizers, which oversee 15 percent of charter schools).
- Mayors/municipalities (less than 1 percent of authorize, which oversee fewer than 1 percent of charter schools).

While LEAs typically oversee a small number of schools—five or fewer, on average—they collectively oversee 55 percent of the nation's charter schools. Of the 872 authorizers nationwide, just 8 percent oversee 10 or more schools. But the 70 largest authorizers account for the approval and oversight of more than half of all charter schools and 59 percent of all charter students nationwide, according to *The State of Charter Authorizing 2009* survey.

Those large authorizers "appear to be rigorous" in many areas, including reviewing applications for new charter schools, requiring performance-based contracts with explicit academic expectations, and closing low-performing schools during the renewal process, according to NASCA. In fact, large authorizers collectively closed nearly one in seven—14 percent—of the charter schools they oversaw during the renewal process, primarily for poor academic performance. About 1 percent

of schools were closed outside of the renewal process. These closings were more likely due to financial problems or compliance issues, the survey said.

Among other findings:

- More than half—52 percent—of the large authorizers surveyed by NASCA do not use external panels of experts to review new charter applications.
- Thirteen percent do not require annual financial audits of charter schools.
- 10 percent do not sign formal contracts with the schools they oversee.
- The overall applicant approval rate for large authorizers is 38 percent. Non-profit organizations that serve as authorizers, however, approve 50 percent of charter applicants.
- 56 percent of large authorizers have a budget dedicated to authorizing duties, and 48 percent do not feel their organization allocates enough resources to fulfill its authorizing responsibilities.
- Larger authorizers typically provide fewer direct services to charter schools than small authorizers and are less likely to intervene directly in struggling schools.
- District authorizers treat their charter schools more like traditional public schools. For example, they are more likely to provide their charters with facilities or financing assistance. They are also more likely to take actions that undermine the authority of charter schools, according to the survey, and are less likely than non-district authorizers to support performance standards that exceed state requirements.
- State education agencies (SEAs) are the most understaffed and under-resourced of the large authorizers surveyed by NASCA. They are the least likely to sign formal contracts with the schools they oversee and are less likely than other authorizers to support performance standards that exceed state requirements.

THE CASE FOR MULTIPLE AUTHORIZERS

According to the Center for Education Reform's *Annual Survey of America's Charter Schools,* limited numbers of authorizers in jurisdictions are hindering the growth of charter schools nationwide. States with multiple authorizers have nearly three and a half times more charter schools than those where LEAs are the sole authorizers, according to the survey. The number of schools approved by LEAs also decreased by 9 percent to 42 percent in 2009, according to CER.

Currently, 21 states have independent or multiple authorizers, and an additional four states offer a binding appeals process for applicants denied charters by authorizers. These states include 78 percent of the nation's charter schools, along with the schools with the best academic performance, as based on state test scores and other research and observation, according to the CER survey. "Without multiple authorizers, charter school organizers have no alternatives for approval and growth in a state is severely stunted," the survey states.

In its recommendations for a model charter school law, the National Alliance for Public Charter Schools echoes the support for multiple authorizers, including non-LEA authorizers, to whom charter applicants can directly apply. Its *New Model Law For Supporting The Growth Of High-Quality Public Charter Schools* offers a variety of approaches for creating an environment with multiple authorizers, including the establishment of a state public charter school commission and the opportunity for both LEAs and various other entities, including municipalities, non-profits, and postsecondary institutions, to apply to become authorizers. The specific mix of authorizers would vary from state to state, though the report's authors stress that both public and non-public organizations have proven successful to date.

"Experiences in various states with both public and non-public authorizing entities reveal that all types of authorizers can be successful if they meet at least three criteria: a clear desire to become an authorizer, enough political insulation to allow data-driven decisions, and the ability to create adequate infrastructure to carry out their authorizer tasks," the report states.

Among the report's other recommendations:

- Providing explicit descriptions of authorizers' roles and responsibilities.
- Developing a statewide formula for authorizer funding.
- Establishing accountability for authorizers at the state level.
- Improving the transparency of the application and decision-making process, including issuing a request for proposals (RFP) at the beginning of the process.
- Requiring contracts with explicit performance objectives between the authorizer and each charter schools.
- Developing performance frameworks to monitor and hold charter schools accountable.
- Establishing clear procedures for oversight, corrective actions, renewals, and revocations of charters.

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www.edreform.com/download/charterSurvey2010.cfm

A New Model Law For Supporting The Growth Of High-Quality Public Charter Schools (National Alliance for Public Charter Schools)
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Resources:

Principles and Standards for Quality Charter School Authorizing (National Association of Charter School Authorizers)
www.qualitycharters.org/files/public/Principles_and_Standards_2009.pdf

Charter School Authorizer Funding Overview (NASCA)
www.qualitycharters.org/files/public/Authorizer_Funding.pdf

Measuring Charter School Financial Health (NACSA)
www.qualitycharters.org/files/public/Oct09_Issue_Brief.pdf

Leave No Charter Behind: An Authorizer Guide to the Use of Growth Data (NACSA)
www.qualitycharters.org/files/public/July_Issue_Brief.pdf

Priority Area: School Turnaround

www.charterschoolcenter.org/priority-area/school-turnaround

Successful charter models are needed for turning around low-performing schools under Title I School Improvement. Although turning around low-performing schools is one of the most persistent challenges in public education, charter schools have played only a limited role to date. With the current administration's call to turn around the nation's 5,000 worst-performing schools, representing 2.5 million students, charter schools are expected to become significant partners in turnaround efforts—either through starting new schools or leading voluntary or district-initiated conversions. Regardless of the model employed, turnaround schools face common challenges related to leadership, partnerships, and state policies.

The policy landscape for school turnaround is changing rapidly. In 2010, the federal government mandated that state education agencies identify and intervene in schools that are among the bottom-performing 5 percent of schools nationwide. Among those 5,000 schools are approximately 200 charter schools, U.S. Education Secretary Arne Duncan said during a July conference, calling for increased accountability by charter school operators and their authorizers.

Ahead of the anticipated reauthorization of the Elementary and Secondary Education Act (ESEA), The U.S. Education Department now requires that states target the more than $3 billion in Title I School Improvement Grant funds at these low-performing schools, using one of four intervention models:

- Turnaround, involving replacing the principal and rehiring no more than half the staff.
- Restart, including closing a failing school and reopening it under the management of a charter school operator, a CMO or EMO.
- School closure.
- Transformation, including comprehensive instructional reform strategy, extending learning time, and providing operating flexibility and sustained support.

The combination of the Title I changes and the requirements of the Race To The Top program has led more than a half-dozen states to pass new turnaround and intervention legislation, according to Mass Insight, which reviewed the changes in a May 2010 report entitled *Enabling Turnaround Through State Policy.* The report argues that states are not leveraging their existing authority to set performance and accountability standards. Along with legislation, states can also pursue turnaround strategies through regulatory code changes, competitive distribution of funds, and other non-legislative actions, the report said.

CHARTER SCHOOLS AND THE RESTART MODEL

The restart model of turnaround has the potential to significantly increase the number of charter schools. Requirements and recommendations for districts pursuing the charter restart model are explored in the revised June 2010 edition of the *School Restructuring: What Works When* guide by Learning Point Associates. Among them:

- A rigorous selection process to choose charter school providers.
- Staff and other resources devoted exclusively to authorizing and overseeing charters.
- Participation of stakeholders, including parents and community groups, in the restart process.
- Freedom for charter schools to deviate from district practices.
- Adequate funding aligned with traditional school funding.
- Providers that know how to choose and manage school leaders with entrepreneurial capabilities.
- Clear goals for school performance, which are monitored closely.
- Clear timeframe for student-learning improvements.
- Planning time before charter school opening—ideally more than one summer.
- Willingness to revoke a charter and restructure again if a restarted school is not successful.

Among the emerging research on the restart model is a Brookings Institution study of conversion charter schools in California, which found little change in student achievement scores over a two-decade period—a finding mirrored across all low-performing schools in the *How Well Are American Students Learning?* Report, released in March as part of the 2009 Brown Center on Education Policy Annual Report. The report also suggests that the conversion schools it studied "look more like traditional public schools than start-up charters." Compared with start-up charter schools, the study found that conversions are even more likely to be concentrated in urban areas, have larger student enrollments, and serve greater numbers of Hispanic and black students. Teachers at conversions are also more experienced and more likely to hold teaching certificates, particularly in bilingual education, the report said.

"It is clear that future evaluations of charter schools must differentiate between start-ups and conversions because of the significant institutional differences between the two types of charters," the report says. "More must be learned about conversion charters if they are to realize their promise as a tool of school reform."

LEADERS AS LEVERS

Two recent studies have identified key leadership actions associated with successful turnarounds. *School Turnarounds: Leader Actions and Results*, a 2008 Center on Innovation and Improvement study, identified 14 "leader actions" associated with turnarounds, including:

- Collecting and analyzing data.
- Making an action plan based on data.
- Concentrating on big, fast payoffs.

- Making necessary staff replacements.
- Communicating a positive vision.
- Measuring and reporting progress frequently.
- Requiring all decision-makers to share data and problem-solve.

The following year, Public Impact researchers examined turnarounds beyond the education sector to identify six leadership strategies that recur in successful school turnarounds. Key traits identified in *The Big U-Turn: How to Bring Schools from the Brink of Doom to Stellar Success* include:

- Focusing on a few early wins.
- Breaking organizational norms.
- Pushing rapid-fire experimentation.
- Getting the right staff.
- Driving change with data.
- Running a "turnaround campaign" to build support for change.

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School Turnarounds: Leader Actions and Results (Center on Innovation and Improvement)
www.centerii.org/survey/downloads/Turnaround%20Actions%20and%20Results%203%2024%2008%20with%20covers.pdf

The Big U-Turn: How to Bring Schools from the Brink of Doom to Stellar Success (Public Impact/EducationNext)
http://educationnext.org/the-big-uturn/

Resources:

Leading School Turnarounds Webinar (National Charter School Resource Center)
www.charterschoolcenter.org/resource/leading-school-turnarounds-ppt-presentation-june-webinar

School Turnaround Leaders Selection Toolkit (Public Impact)
www.publicimpact.com/images/stories/publicimpact/documents/Turnaround_Leader_Selection_Toolkit.pdf

Transforming Schools: Charter Schools as a Strategy for School Turnarounds Webinar (California Charter Schools Association)
www.schoolsmovingup.net/cs/smu/view/e/4020

Priority Area: Leadership

www.charterschoolcenter.org/priority-area/leadership

Leadership has been identified as a key factor in the success of individual charter schools. Charter school leaders are charged with overseeing not only a school's educational programs but also its work as a large nonprofit business. Charter school stakeholders must find ways to identify, attract, and hire talented leaders during the development and start-up phases and then support and retain these leaders to provide effective leadership for the long term.

It's always been understood that leadership matters in the school setting, but new research is quantifying the impact strong school leaders can have on student learning. In July 2010, The Wallace Foundation released the most in-depth study of school leadership to date, concluding that leadership is second only to classroom instruction in its impact on student achievement.

In the *Learning From Leadership: Investigating the Links to Improved Student Learning* report, Wallace researchers found that high-performing schools employ "collective leadership," in which a principal involves a wide range of players, including teachers, parents, and members of the community, in decision-making.

Leadership is especially critical for charter schools, which will need between 6,000 and 21,000 new principals during the next decade, according to the National Alliance for Public Charter Schools. Charter principals, according to the researchers, require "an uncommon set of competencies, combining strong instructional leadership with solid business skills and management know-how."

While charter school leaders, on average, have less experience than principals of traditional public schools, the perception that charter leaders have limited educational backgrounds appear to be unfounded. According to researchers, only 13 percent of charter school principals came to their jobs from fields outside education, according to a 2008 research project by the National Charter School Research Project at the University of Washington, which studied federal data and surveyed charter school leaders as part of *Leading for Learning,* a report developed by the Editorial Projects in Education Research Center with funding from The Wallace Foundation.

According to the report, 30 percent of charter school leaders had led a school for two years or less, compared to 16 percent of traditional public school principals, while 19 percent had more than 10 years of experience as a school leader, compared to 28 percent of traditional public school principals. Among other findings from the *Leading for Learning* report:

- 86 percent of charter school leaders said the school's mission attracted them to the job.
- 94 percent felt confident engaging staff to work towards a common mission.
- Almost half reported not spending enough time on strategic planning.
- Acquiring or managing facilities was cited most frequently as a serious organizational challenge (39 percent), followed by raising funds or managing finances (37 percent), attracting qualified teachers (36 percent), engaging parents (26 percent), and negotiating with district and traditional public schools (25 percent).
- Leaders who had been principals for three or more years were the most confident about financial and instructional matters.

"It's a case where experience really does matter," wrote NCSRP researchers Christine Campbell, Betheny Gross, and Robin Lake. "Policymakers and funders need to recognize this and help charter schools build the management capacity necessary for their success." Among the strategies suggested by the report:

- State and local incentives for leaders to stay on the job.
- Sabbaticals for leaders.
- Stronger incentives for experienced school leaders to try charter schools.
- Funding to provide leadership training for teachers.

In its own research cited in *Leading for Learning*, the National Alliance for Public Charter Schools highlights another challenge—"the frequent demographic contrast between the leaders of charter schools today and the students they serve." While about twice as many charter schools are lead by minorities than traditional public schools—32 percent, compared to 17 percent in traditional schools—that number remains significantly below the demographic composition of the student bodies that charter schools serve.

CMO CHALLENGES

Because of their potential to improve public schools at scale, major philanthropies funding charter schools invested an estimated $500 million over the past decade in charter management organizations (CMOs), organizations that directly manage public charter schools. The first major study of the nation's 82 CMOs released interim findings in June 2010, ahead of a full report slated to be published in summer 2011.

Conducted by the Center on Reinventing Public Education, the *National Study of Charter Management Organization Effectiveness* interim report found wide variability between CMOs, as well as significant organizational and financial challenges. Among the study's interim findings:

- CMOs emphasize increased instructional time and accountability.
- CMOs often face "ambivalence" from the districts in which they operate.
- Most CMOs are reliant on philanthropy to finance their operations.

- The three key challenges faced by CMOs are collaboration with school districts, extending CMO models to the high school level, and teacher turnover.

The interim report made the following recommendations for policymakers:

- Invest in policies and practices that increase CMO financial viability.
- Provide new options for CMO collaborations, including with colleges of education and local school districts.
- Invest in innovative practices, including technology and teacher training programs.

TURNOVER

Turnover remains a key challenge in charter schools, both for their leaders and the teachers they supervise.

According to the *Leading from Learning* research, one-third of charter school leaders plan to leave their current position in three years, with about 70 percent expecting to move within five years. While many of those surveyed by researchers hoped to remain in the education field, few expected to take jobs as principals at other charter schools. And nearly half of all charter school leaders had developed no plans for leadership succession.

To address principal turnover, the Wallace *Learning From Leadership* study recommends that school leaders implement an environment of collective leadership. Research suggests that schools with a strong sense of shared leadership, particularly among teachers, were able to mitigate the negative effects of principal turnover.

A June 2010 research brief from the National Center on School Choice at Vanderbilt University found similar issues involving turnover among charter school teachers. According to *Teacher Turnover in Charter Schools,* charter school teachers leave the profession and move among schools at significantly higher rates than teachers in traditional public schools. The odds of a charter school teacher leaving the profession were 130 percent greater than a traditional public school teacher, and the odds of a charter teacher switching schools was 76 percent greater, according to researchers. Among the report's findings*:*

- Charter schools started from the ground up experienced more teacher attrition than those converted from traditional public schools.
- Differences in teacher characteristics, including age and employment status, explain a large portion of the higher turnover rates, although dissatisfaction with working conditions was a significant factor in voluntary teacher mobility.
- Involuntary attrition is significantly higher in charter schools, which may be due to fewer barriers to dismissing poor performers—but also may be the result of school closures or the dismissal of uncertified teachers to comply with the No Child Left Behind Act's Highly Qualified Teacher mandate.

“Collectively, the findings from this study illuminate a critical challenge facing charter schools and may explain in part why they do not systematically outperform their traditional public school counterparts,” the researchers wrote.

Sources:

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Teacher Turnover in Charter Schools (National Center on School Choice, Vanderbilt University)
www.vanderbilt.edu/schoolchoice/documents/briefs/brief_stuit_smith_ncspe.pdf

Resources:

Working Without a Safety Net: How Charter School Leaders Can Best Survive on the High Wire (CRPE)
www.crpe.org/cs/crpe/view/csr_pubs/245

A Framework for Operational Quality (National Consensus Panel on Charter School Operational Quality)
www.qualitycharters.org/files/public/A_Framework_for_Operational_Quality_May_2009.pdf

Mobilizing and Motivating Your Staff to Get Results: A Technical Assistance Guide for Charter School Leaders (Charter Friends National Network)
www.uscharterschools.org/pdf/gb/motivatingstaff.pdf

A Framework for Academic Quality (National Consensus Panel on Charter School Academic Quality)
www.qualitycharters.org/files/public/BCSQ_CSQC_Report_1.pdf

About the National Charter School Resource Center

Our Vision
Innovative and effective public charter schools.

The National Charter School Resource Center (Charter School Center) serves as a national center to provide on-demand resources, information, and technical assistance to support successful planning, authorizing, implementation, and sustainability of high-quality charter schools; to share evaluations on the effects of charter schools; and to disseminate information about successful practices in charter schools.

Working with its three main constituents – charter school leaders and their staff; national and local charter school intermediary and support organizations; and state education agency (SEA) personnel that oversee charter school activity – the Charter School Center focuses on five priorities:

- Providing technical assistance and resources on facilities-related issues
- Supporting successful charter models as they work to turn around the nation's lowest performing schools under Title I School Improvement
- Providing technical assistance and resources on issues related to quality authorizing
- Providing technical assistance and resources on charter school leadership issues
- Providing technical assistance and resources to charter school SEA personnel

To accomplish these priorities, the Charter School Center will undertake a broad range of activities, from presentations at meetings and conferences to Web-based services to text-based materials to individualized, just-in-time technical assistance.

The center is funded through the U.S. Department of Education's Office of Innovation and Improvement and operated by Learning Point Associates, a nonprofit education research and consulting organization. The contract for the center started October 1, 2009 and will last for five years.

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National Charter School Resource Center

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