



EDUCATION COMMISSION
OF THE STATES
Your education policy team.

CHARTER SCHOOLS

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Kentucky State Board of Education



Who we are

The **essential, indispensable** member of any team addressing education policy.



What we do

We believe in the power of **learning from experience** and we know informed policymakers create **better education policy.**



How we do it



Charter School Basics

Authorizing

Governance and Management

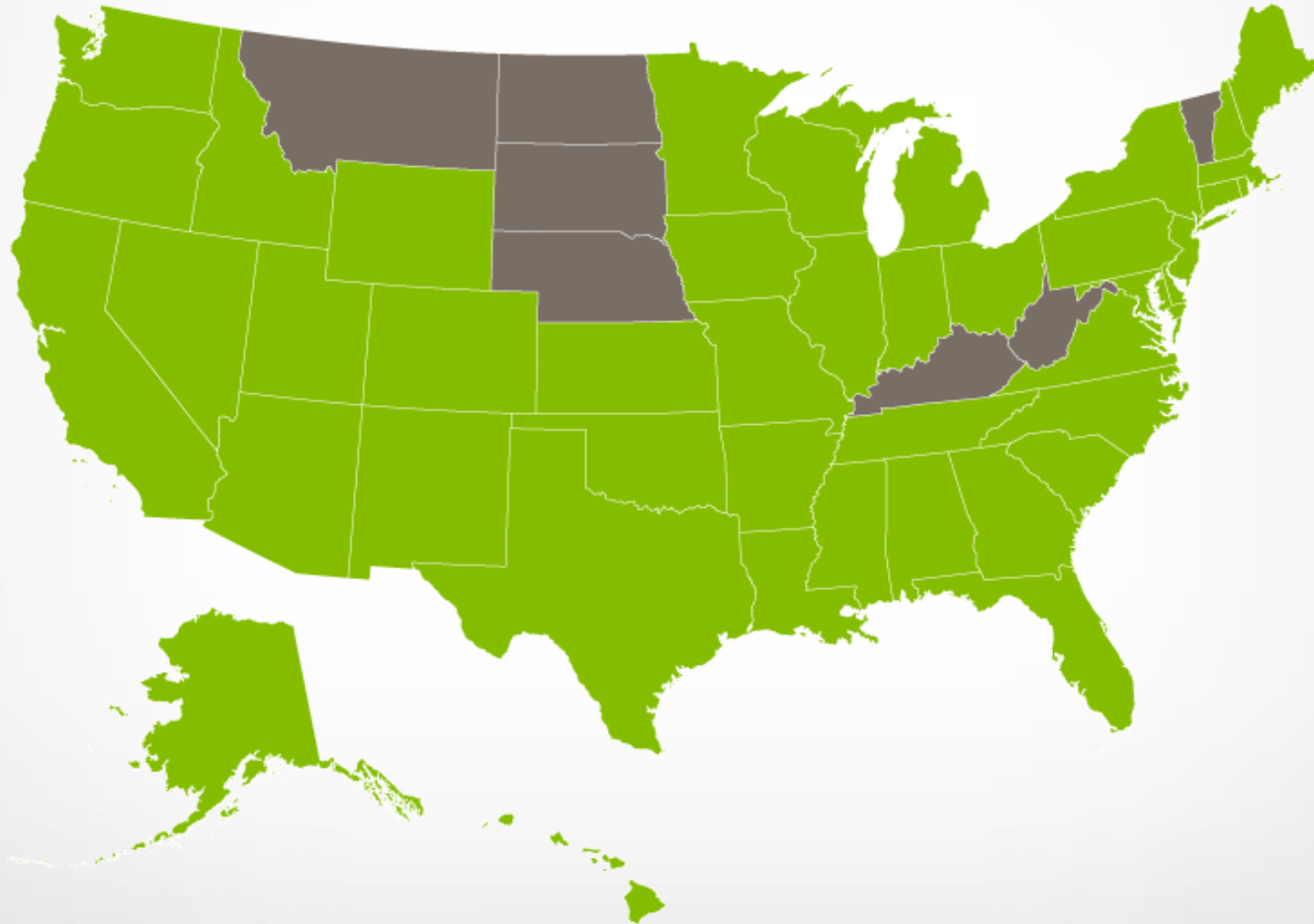
Finance

Accountability

Rural Considerations

Charter School Basics

43 States + Washington D.C. have charter school laws



What are charter schools?

Public schools

Public funding

What are charters?

- Charter = contract
- Allows school to have autonomy, exempts school from most state rules
- Typical contract provisions:
 - ◆ Governing requirements
 - ◆ Operations
 - ◆ Teacher issues
 - ◆ Performance standards and expectations

What are charters?

- Initial charters typically 3-5 years
- Renewed periodically
- Authorizers approval, renew charters

Who may apply?

- **Most states allow many groups**
 - ◆ Michigan: “one or more persons or an entity may apply for a charter”
 - ◆ Typically: nonsectarian, nonprofit organizations; universities; groups of teachers or parents
- **A few states prohibit for-profit organizations**

Conversion charter schools

- Existing schools become charter schools
- District leaders, school leaders, parents, etc. may apply
 - ◆ Approval from staff and/or parents
- Most states allow, may restrict to low-performing schools or districts

Who may attend?

- Anyone (sort of)
- Specific purpose or population (at-risk youth, dual language immersion)
- Enrollment preference and/or lottery

Charter school limits

- Charter school limits in 21 states + D.C.
- Types of limits:
 - ◆ Statewide caps (Massachusetts, Idaho)
 - ◆ Progressively increasing caps (Alabama)

Charter school limits

- **Other limits:**
 - ◆ Populations served (Virginia, Rhode Island)
 - ◆ Geography (Missouri)
 - ◆ Limits per authorizer (Wisconsin)

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What are authorizers?

- **Organizations that:**
 - ◆ Grant charters
 - ◆ Oversee existing charters
 - ◆ Evaluate performance
 - ◆ Revoke or not renew charters
- **Most states have multiple authorizers**

Authorizing

What are authorizers?

Authorizers by Number and Percent, 2014-15

Higher Education Institution	45	4%
Independent Chartering Board	17	2%
Local Education Agency	950	90%
Non-Education Government Entity	3	0.3%
Not-for-profit Entity	17	2%
State Education Agency	18	2%
Total	1,050	

Source: NACSA, *State of Charter Authorizing*, 2015, <http://www.qualitycharters.org/research-policies/archive/soca-data-in-depth-authorizer-demographics/>

Types of authorizers

- **School boards/districts**
 - ◆ 31 states
 - ◆ Usually 5 or fewer charter schools
- **State education agencies**
 - ◆ 17 states
 - ◆ May be the sole authorizer

Types of authorizers

- **Independent charter board**
 - ◆ 14 states + D.C.
 - ◆ State-wide authorizing body that is sometimes the state's sole authorizer
- **Higher education institutions**
 - ◆ 12 states
 - ◆ Often authorize schools associated with the university in some way

Types of authorizers

- **Non-profit organizations**
 - ◆ 2 states
 - ◆ Minnesota: Audubon Center of the North Woods
- **Non-educational government agency**
 - ◆ 3 states
 - ◆ Indiana: Indianapolis Mayor's Office

NACSA's 12 Essential Practices for Authorizers

- 1 **MISSION**
Have a published and available mission for quality authorizing.
- 2 **STAFF**
Have staff assigned to authorizing within the organization or by contract.
- 3 **CONTRACTS**
Sign a contract with each school.
- 4 **APPLICATION CRITERIA**
Have established, documented criteria for the evaluation of charter applications.
- 5 **APPLICATION TIMELINE**
Publish application timelines and materials.
- 6 **APPLICATION INTERVIEW**
Interview all qualified charter applicants.
- 7 **EXTERNAL EXPERT PANEL**
Use expert panels that include external members to review charter applications.
- 8 **5-YEAR TERM LENGTH**
Grant initial charter terms of five years only.
- 9 **FINANCIAL AUDIT**
Require and/or examine annual, independent financial audits of its charter schools.
- 10 **RENEWAL CRITERIA**
Have established renewal criteria.
- 11 **REVOCATION CRITERIA**
Have established revocation criteria.
- 12 **ANNUAL REPORT**
Provide an annual report to each school on its performance.

Source: NACSA, 12 Essential Practices, <http://www.qualitycharters.org/for-authorizers/12-essential-practices/>

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Governing boards

- Small group of volunteers who oversee the school
- Some states allow or disallow one board to oversee multiple schools, most states silent on the issue

Governance and Management

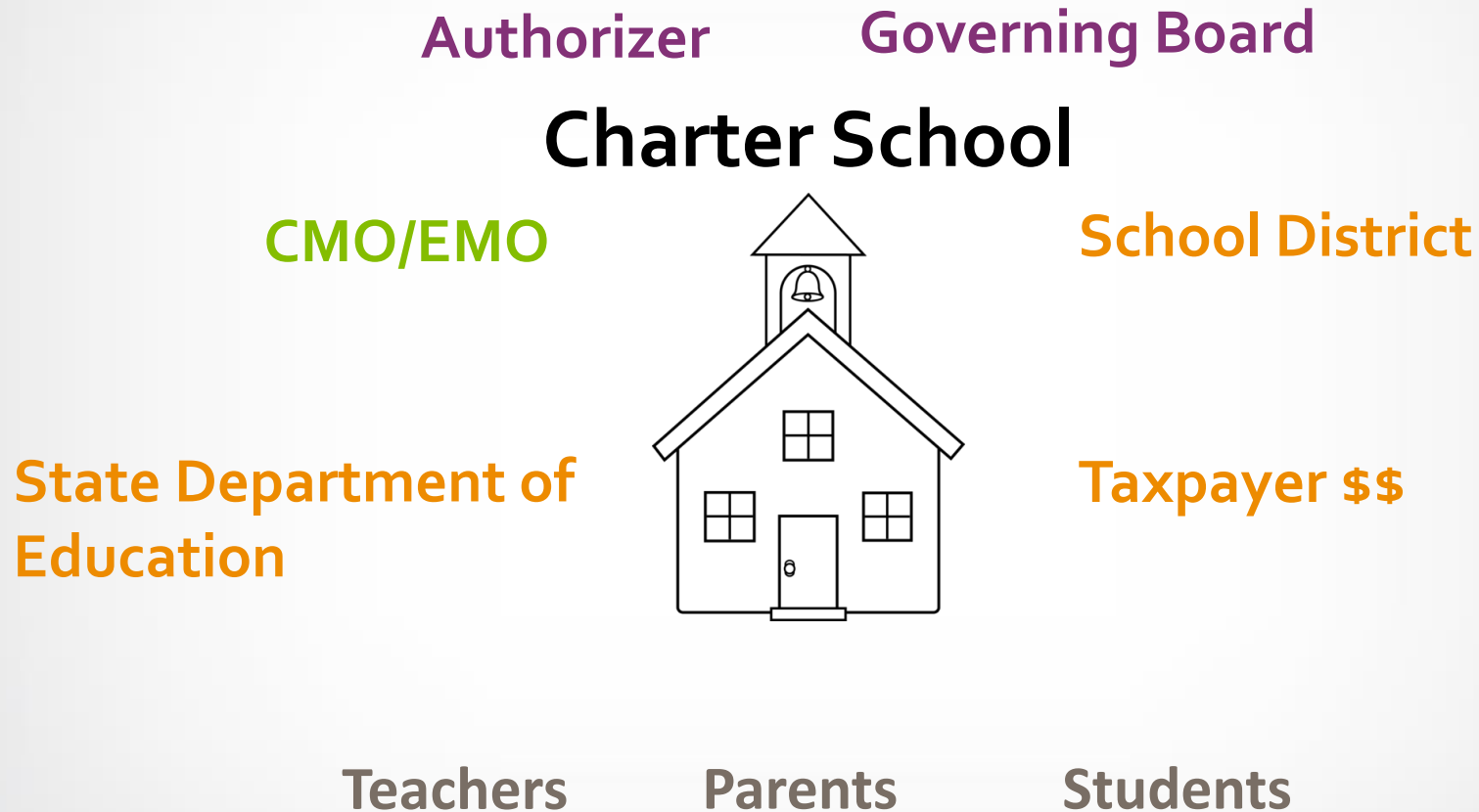
CMOs and EMOs

- **Charter management organizations (CMOs)**
 - ◆ Nonprofit entities that manage multiple schools
 - ◆ Provide “back office functions” for economies of scale
 - ◆ May also provide training, professional development, etc.
- **Education management organizations (EMOs)**
 - ◆ Similar to CMOs, but for-profit entities

CMOs and EMOs

- Number of CMOs and EMOs and affiliated schools are growing
- Urban and suburban areas
- Concentrated in 8 states

Governance and Management



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- Three basic charter school funding types
- Some states use a different funding formula for charter schools and standard districts

Finance

State

- Entirely funded with state per-pupil amount
- No local funding for charter schools
- More pressure on state budgets
- Example: Arizona

State + Local

- State per-pupil funding plus local funding
- Large variation between states in the amount of state and local funding for charter schools
- Districts lose local funding
- Less pressure on state budgets
- Many states use this funding method

Hybrid

- Phases in local funding
- Losing students to charter schools does not affect districts as much
 - Years 1-2: Charter schools receive only state funding
 - Years 2-3: Some combination of largely state funding and some local funding.
 - Years 3+: Funding eventually reaches the state's combination of state and local funds (whatever that may be)
- Example: New York

Facilities

- Local expense with some state help
- Big expense for charter schools
- Support:
 - ◆ “First dibs” for district/government buildings

Other funding considerations

- **Transportation**
 - ◆ Some states require charters to provide it, some don't
- **Start-up or planning grants**

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Accountability

- **Performance-based contracts**
 - ◆ Minimally acceptable performance standards
- **Annual reporting**
 - ◆ Both school and authorizer
- **Process for renewing or revoking charters**

NACSA's Principles & Standards for Quality Charter School Authorizing

PERFORMANCE STANDARDS

A Quality Authorizer...

Executes charter contracts that plainly:

- Establish the performance standards under which schools will be evaluated, using objective and verifiable measures of student achievement as the primary measure of school quality;
- Define clear, measurable, and attainable academic, financial, and organizational performance standards and targets that the school must meet as a condition of renewal, including but not limited to state and federal measures; (See Box 3)
- Include expectations for appropriate access, education, support services, and outcomes for students with disabilities;
- Define the sources of academic data that will form the evidence base for ongoing and renewal evaluation, including state-mandated and other standardized assessments, student academic growth measures, internal assessments, qualitative reviews, and performance comparisons with other public schools in the district and state;⁶
- Define the sources of financial data that will form the evidence base for ongoing and renewal evaluation, grounded in professional standards for sound financial operations and sustainability;
- Define the sources of organizational data that will form the evidence base for ongoing and renewal evaluation, focusing on fulfillment of legal obligations, fiduciary duties, and sound public stewardship; and
- Include clear, measurable performance standards to judge the effectiveness of alternative schools, if applicable—requiring and appropriately weighting rigorous mission-specific performance measures and metrics that credibly demonstrate each school's success in fulfilling its mission and serving its special population.⁷

Source: NACSA, [Principles & Standards for Charter School Authorizing](#), 2015

**“chartering policies and practices
consistent with nationally
recognized principles and
standards for quality charter
school authorizing”**

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Rural Considerations

- Limited abilities for “choice”
- Community buy-in
- Charters still face issues found in standard rural schools
- Virtual charter schools: “Wild West”

Rural Considerations



HARVESTING SUCCESS Charter Schools in Rural America



Center for American Progress



The Rural Solution

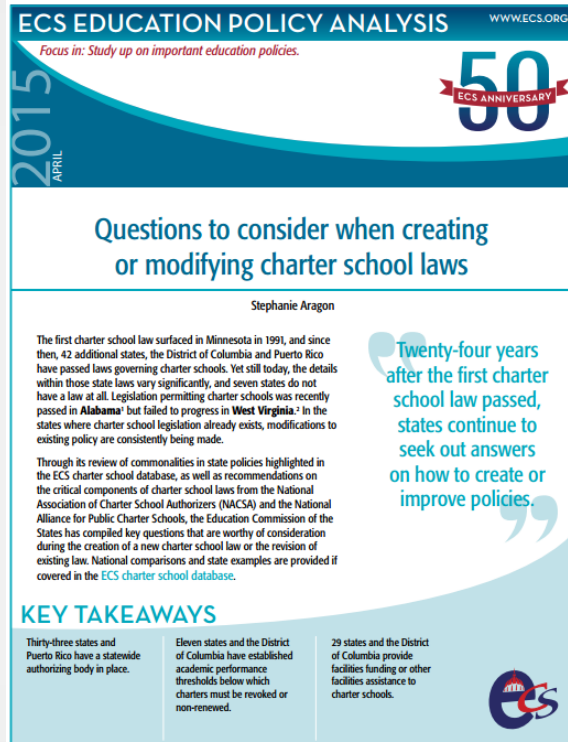
How Community Schools Can Reinvigorate Rural Education

Doris Terry Williams, Rural School and Community Trust September 2010

WWW.AMERICANPROGRESS.ORG

<https://www.charterschoolcenter.org/publication/rural-charter-schools-white-paper>
<https://www.americanprogress.org/issues/education/reports/2010/09/22/8376/the-rural-solution/>

ECS Resources



RESOURCE TITLE:

50-State Comparison: Charter School Policies

Charter schools are semi-autonomous public schools that operate under a written contract with a state, district or other entity (referred to as an authorizer or sponsor). This contract—or charter—details how the school will be organized and managed, what students will be expected to achieve, and how success will be measured. Many charter schools enjoy freedom from laws and regulations affecting other public schools, as long as they continue to meet the terms of their charters. At the present time, 43 states and the District of Columbia have charter school laws. Charter school laws vary from state to state, and often differ on several important factors, such as who is allowed to authorize charter schools, how authorizers and charter schools are held accountable for student outcomes, and whether the teachers in a charter school have to be certified.

← SHARE THIS RESOURCE ON



Education Commission of the States has researched charter school policies in all states to provide this comprehensive resource, updated in January 2016. Click on the questions below for 50-state comparisons showing how all states approach specific charter school policies. Or, choose to view a specific state's approach by going to the [individual state profiles](#) page.

50-state comparisons
Charter school basics

1. Does the state have a charter school law?

<http://www.ecs.org/questions-to-consider-when-creating-or-modifying-charter-school-laws/>
<http://www.ecs.org/charter-school-policies/>

ECS Resources

- Who can apply to open a charter school?
- Who can authorize charter schools?
Multiple bodies?
- Is annual reporting required?
- Are the state's standards and assessments applied to charter schools?
- What laws are exempted?
- How are charter schools funded?
- How is special education services provided and funded?

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