



TO: Education Transition Team for President-Elect Obama

FROM: Greg Richmond, President, National Association of Charter School Authorizers

RE: Charter School Authorizers, School Quality and System Innovations

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The National Association of Charter School Authorizers (NACSA) is a professional membership organization of the agencies that oversee charter schools. Our members are school districts, state education agencies, universities, independent chartering boards and others. We have a deep belief in the efficacy of the charter school sector while maintaining an honest, unwavering focus on quality academic results for children.

We are practical and solution oriented. Based in Chicago, most of our work occurs in the field, working side-by-side with our members and others to improve the scale and quality of the charter school sector in communities across the nation.

Much of our work resembles consulting. Our clients have included school systems in New York, Florida, Missouri, Denver, New Mexico, Los Angeles and Oakland. NACSA has been deeply involved in New Orleans. Under contract with the Recovery School District, we have evaluated every charter school application that has been submitted since shortly after Hurricane Katrina.

Our experiences throughout the country have shown us that authorizers (1) play a critical role in achieving quality results at scale within the charter sector and (2) possess valuable lessons that can improve all of public education.

### **Quality at Scale within the Charter School Sector**

Authorizers are vital to achieve quality at scale within the charter sector. While many entities are necessary to achieve quality in the charter sector, authorizers are *the* linchpin who must make the ultimate decision about which schools are approved to open, how they will be allowed to operate, and which schools must close.

In doing so, high quality authorizers protect the interests of students and the public by maintaining high standards for the schools they oversee. Quality authorizers also support high performance by charter schools by defining and protecting the autonomies to which charter schools are entitled.



More than 15 years into the charter movement, we can now see that the places with some of the strongest charter school sectors – Massachusetts, Chicago, New York, Washington, DC, Michigan – often have the most engaged and professional authorizers. In these cities and states, the charter sector is growing at a responsible rate and expanding educational options for students while maintaining high performance standards.

Conversely, we see evidence that in those places where authorizing has lacked rigor, such as Ohio, Texas and Arizona, some great schools flourished, but many bad schools were allowed to start and still continue to operate.

Authorizers are the strongest tool available to improve quality throughout the charter sector yet are often overlooked amidst the enthusiasm to open more charter schools.

### Professional Standards: Eligibility for the Federal Charter School Program

The federal Charter School Program (CSP) should be strengthened to require charter schools and authorizers to meet minimum professional standards and to support professional practices among authorizers.

The CSP already provides a mechanism for requiring charter schools that receive CSP funds to meet certain requirements. For example, the law requires schools that receive CSP funds to admit students via a random lottery. There are additional important criteria that could be put in place that would strengthen charter school quality.

#### (a) Contracts

The “charters” held by charter schools are multi-year, multi-million dollar arrangements under which charter schools provide public education services in exchange for receiving public funds. These arrangements should be defined in a contract that details the rights and responsibilities of two parties: the school and its authorizer. Yet, at least 10% of charter schools in the country (and probably much more) don’t have a contract. A good contract is in the interests of both the school and the public. The lack of a contract makes it difficult for an authorizer to protect the public’s interests and leaves the charter school vulnerable to over-regulation. The CSP should require charter schools in states that receive CSP grants to have a contract, executed by school and authorizer, that defines each party’s rights and responsibilities. The contract should be for a defined term and should be considered a privilege, not a property right.

#### (b) Accountability

The heart of the charter school philosophy is increased autonomy in exchange for increased accountability. Charter schools that fail to meet high performance standards are to be closed. Yet too many low-performing charter schools remain open. Accountability standards in the charter sector are too often vague, subjective and not centered on student performance. One-quarter of authorizers surveyed report that they have no policies in place for making renewal decisions. One-fifth report that they do not apply a consistent set of academic performance expectations to all of their charter schools. In short, the “autonomy for accountability” bargain has been undermined in at least 1 in 5 charter schools. As one condition of renewal, the CSP should require charter schools in states that receive CSP grants to be held accountable for



meeting the same objective, measurable student performance standards as other public schools in the state. Those standards should be stated in the school's contract.

(c) Audits and Public Information

Sound financial practices and systems are essential to maintain the viability of a charter school and to assure the public that its resources are being used appropriately. Some of the worst abuses in the charter sector have occurred due to a lack of adequate financial controls. The CSP should require charter schools in states that receive CSP grants to annually retain a qualified, independent auditor to conduct an annual audit of the charter school's financial statements and practices and to file that audit with its authorizer. Also, CSP recipients should be subject to the open meetings and freedom of information laws that apply to all public schools.

(d) Autonomy

As we take steps to ensure that the public's interests in a charter school are being monitored and protected, we must also take steps to ensure that we did not simply re-impose the regulations of the traditional district system onto charter schools. Unfortunately, in order to obtain large grants, some school districts intentionally game the Charter School Program by creating faux charter schools that function under district control. Other states have passed charter school laws in name only, still applying the same laws and regulations to charter schools that apply to districts. The CSP should promote and protect autonomy within the charter sector by specifying that the employees of schools that receive CSP funds may not be school district employees and may not be subject to the collective bargaining agreement that applies to the local school district (although they may retain the right to organize and collectively bargain separately).

Finally, authorizers should be required to post copies of each school's contract, accountability standards and audit results on the Internet.

*Strengthening Authorizing: Adjusting CSP Allocations*

Professional standards are only effective if they are monitored and enforced. To do this, the practices of authorizers around the country need to be strengthened. Fortunately, CSP funds can be re-allocated in a manner that strengthens authorizing without reducing funding for schools.

Since the CSP's inception, state education agencies have been allowed to use 5% of their grant funds for their own administration. These funds have almost always been used by SEAs to balance the bottom line of their own operating budget. Instead, a portion of these CSP funds (or, if federal charter school funding is increased in other ways) should be used to improve the practices of authorizers.

The CSP should be amended to reallocate the 5% administrative funds as follows:

- (a) 1.5% of all federal charter funds should be retained nationally for authorizer improvement initiatives, which may include an authorizer certification pilot or enhanced data collection;



- (b) 2% of CSP funds must be used by SEAs to improve the quality of authorizing, as set forth in each state's applications, for planning, training and systems development;
- (c) 1.5% of CSP retained by SEAS for administration to administer the program.

### **Lessons that Benefit All of Public Education**

Across the country, an increasing number of school system leaders are applying the ideas of the charter school sector more broadly to improve all of public education in their communities.

These visionary leaders are creating new, diverse, entrepreneurial and dynamic educational systems to better meet the diverse and dynamic needs of their student populations. They are managing a portfolio of public school options based on performance and they are utilizing the lessons learned from authorizing to do so. In the context of NCLB, the federal government should incent more of this type of leadership.

The current remedies within NCLB are reactive and not systemic. School districts must implement choice, SES and restructuring efforts only at the school level and only after a school has repeatedly failed for years.

In the future, the federal government should promote proactive and systemic reforms. School districts should be incented, long before any particular school reaches restructuring, to expand school choices throughout their system, lengthen school days, expand before- and after-school services, increase flexibility at the school level and use charter schools to restructure failing schools. NCLB should empower superintendents and principals to be proactive, visionary leaders.

The charter school sector provides a wealth of lessons that can be tapped to develop proactive and systemic reforms that benefit all of public education:

- Teacher recruitment, development and compensation
- School leadership development and support
- School-level funding reforms
- Improved use of time
- New school creation
- Expanded school choice
- Data-based instruction
- School climate, culture and expectations
- Performance-based accountability
- Facility efficiencies

NCLB should incent school districts to create and implement, systemic reform plans that proactively expand choice and supplemental services, fundamentally restructure school staffing, compensation and budgets, and use data for formative and summative decisions. The plans should have clear, measurable benchmarks that districts will achieve. Districts that successfully



implement approved plans would be released from meeting these requirements on a school-by-school, reactive basis.

Finally, it must be noted that local school districts and state education agencies are not structured nor staffed to function as dynamic change agents. They are structured and staffed as compliance organizations, where innovation and change are usually seen as a negative, not a positive. If we are to have success improving our schools, the U.S. Department of Education must directly support organization and systems reforms among LEAs and SEAs.

The National Association of Charter School Authorizers appreciates this opportunity to provide input to President-elect Obama and his transition team. More importantly, we recognize the importance of maintaining communication about these suggestions as well as additional topics, such as data collection and authorizer accreditation. As our work takes us to cities and states across the nation that are on the cutting edge of educational reforms, we look forward to the opportunity to share those lessons with the Obama Administration.

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