

# Strengthening Charter School Policies

*Educators are leading the charge for true innovation in our nation's schools, and public charter schools that operate in a transparent, accountable manner can contribute to that goal. Strengthening charter school policies in several key areas will benefit students, families, taxpayers, and the charter schools themselves.*

—NEA President Dennis Van Roekel

**P**olicymakers are continuing to explore strategies to meet the crucial challenge to raise student achievement and close achievement gaps among U.S.

students. In the face of these challenges, charter schools have received broad-based support for the past two decades.



More than 3 percent of K-12 students in the United States attend public charter

schools, which are permitted in 40 states, the District of Columbia, and Puerto Rico. These schools are funded by taxpayer dollars but exempted from some of the regulations that apply to traditional public schools.

The exemptions aim to permit greater flexibility and autonomy in charter school curricula, scheduling, hiring, and other practices while raising accountability. Initially, the primary argument for permitting charter schools was to create opportunities for parents, educators, community members, and others to pursue innovative educational approaches without impediments from local, state, or national policies. There was a hope that successful practices of charter schools could eventually be applied to traditional public schools.

Charter schools are part of the prescription to raise student achievement in two federal legislative initiatives: Race to the Top; and Title I School Improvement Grants. These programs encourage State Education Agencies (SEA's) and Local Education Agencies (LEA's) to enact charter expansion policies or adopt one of four turnaround models for schools that receive funds. One of those four is the Restart Model, which converts or closes the school and reopens it under an effective charter operator, a charter management organization (CMO), or an education management organization (EMO).

## Learning from the charter school experience

What have we learned from 20 years of charter school experience? How might charter school policies that are

currently prevalent be adjusted to strengthen student achievement?

In terms of student achievement, charter schools have produced mixed results. While some show excellent performance, charter schools on average perform no better than do traditional public schools with comparable student populations. Several prominent education commentators who have supported the charter school concept have also concluded that too many of today's charter schools are of mediocre or poor quality.<sup>1</sup> Charter schools that are underperforming now outnumber those that excel by a ratio of two to one.<sup>2</sup>

In a 2009 study, the Massachusetts Teachers' Association documents very high student attrition rates and low enrollment of high-needs students in Commonwealth charter schools in Boston. The study also identifies dramatic enrollment declines in Boston's charter high schools. For every five freshmen who had entered in 2004, only two seniors were still enrolled by 2008. During the same period, four out of five freshmen at traditional Boston public high schools were still enrolled by their senior year.<sup>3</sup>

In addition to low student outcomes at many charters, lax oversight and monitoring in many states has contributed to financial improprieties and poor management. For example, in recent years, the U.S. Department of Education Office of the Inspector General (OIG) has seen a steady increase in the number of allegations of fraud involving charter schools. Since January 2005, OIG has opened more than 40 charter school criminal investigations, which have resulted in 18 indictments and 15 convictions of charter school officials. OIG notes, "Local educational agencies or chartering agencies often fail to provide adequate oversight needed to ensure that Federal funds are properly used and accounted for."<sup>4</sup>

The Leona Group, a Phoenix-based for-profit charter school management company, appears to have evaded Ohio law by opening a new school in that state to replace one of

its schools that the state had closed at the end of the 2009-2010 school year because of poor academic performance.<sup>5</sup>

In 2008-2009, Minnesota adopted new requirements designed to improve the quality of charter authorizer decisions pertaining to school-opening and school-closing decisions and overall oversight. However, as of early 2011, as many as 64 charter schools in Minnesota, serving about 13,000 students, did not have an authorizer for the 2011-12 school year. Any that fail to find an authorizer would be forced to close.<sup>6</sup> (Charter authorizers are given legal authority and responsibility for approving or rejecting charter applications, monitoring charter operations, and closing schools where warranted.)

Arizona and Texas have experienced widespread instances of inflated student enrollment reports for charter schools in their states. In Texas, the misreporting cost taxpayers at least \$9 million. As a result of serious problems found in audits in Arizona, the state asked more than 80 charter operators for corrective action plans.<sup>7</sup>

### Continuing questions

Several concerns remain pertaining to student outcomes, transparency and accountability, community connections, teacher turnover, student access and inclusiveness, innovation, and collaboration between charters and other public schools:

- Improved performance of charter authorizers and more vigilant monitoring would help to address concerns regarding student outcomes and the transparency and integrity of charter operations.
- About 30 percent of charter schools are currently being managed under contract by a nonprofit or for-profit CMO or EMO.<sup>8</sup> Most are headquartered outside the school community, which raises questions about their ability to connect with local families.
- Charter schools as a whole have substantially higher teacher turnover rates than traditional public schools. This leads to questions about the stability of staffing models used by many charter schools.
- Several studies suggest that charter schools underserve English Language Learners and students with disabilities, which raises questions about student access and inclusiveness. Other research suggests that individual charter

schools may be more segregated than other public schools by family income, ethnicity, or race—although the charter school sector as a whole serves a diverse range of students.<sup>9</sup>

- Further study is needed pertaining to innovation in charter school education. Data suggests that the current level of innovation is not markedly higher than in traditional public schools. It is unclear how rigorously and systematically charter sector innovations are being identified, evaluated, and assessed with a view towards possible adaptation elsewhere in public education.<sup>10</sup>
- Charter schools, magnet schools, and neighborhood schools would all benefit from collaborating with one another. Joint development and sharing of instructional strategies and classroom assessments associated with student performance standards would require minimal resources. Charter schools could and should learn from innovative practices occurring in traditional public schools and magnet schools.

### Policy recommendations

Strengthening charter school policies to address key shortcomings would help to maximize the chances of consistently good results for students, transparency and accountability for parents and other taxpayers, equity in the school system, and community involvement. In most states, this would require increasing charter monitoring, reporting, and regulation.

NEA offers the following suggestions for improving charter schools policies:

**Help strengthen authorizer performance.** States should monitor their charter authorizers, facilitate improved performance, and establish meaningful accountability. State policies should include a fair process for revoking an authorizer's authority for persistent or widespread poor performance where improvement efforts are unsuccessful. Federal charter funds should only benefit charter schools in states that allocate resources for protecting students and taxpayers in these ways. Improving the quality of authorizer decisions would increase the proportion of high-quality charter schools and reduce the number of schools that need to be closed due to poor quality. The National Association of Charter School

Authorizers has taken some useful steps toward ensuring quality authorizer decisions.<sup>11</sup>

**Ensure greater transparency in charter school operations.** States should require charter schools to publicly disclose student attrition rates, nonpublic funding amounts, and student demographic characteristics.<sup>12</sup> To help reduce fraud and other financial irregularities, state-based audits should take place as frequently for charter schools as for traditional public schools. Research shows that in comparison with other public schools, charter schools as a whole spend more on administrative overhead and less on student instruction.<sup>13</sup> All states with charter schools should establish and enforce clear conflict-of-interest guidelines governing individuals who are responsible for authorizing charter schools, charter school governing board members, and others charged with independently overseeing charter school operations and determining potential closures. Taxpayers often subsidize the cost of charter school facilities, land, and equipment, and often it is unclear which legal entity holds title. Disclosure requirements can protect taxpayers from subsidizing sweetheart deals for developers and unscrupulous charter operators.

**Retain current charter caps.** In connection with its Race to the Top initiative and the awarding of competitive federal grants, DOE has been encouraging states to eliminate or raise their limits on the number of charter schools allowed to operate at a given time. Such action is being promoted without regard to a given state's experience with charters or the judgments of its policymakers. One major study showed a prevalence of low-performing charter schools in states with the largest numbers of charter schools.<sup>14</sup> This suggests that states with large numbers of charter schools may have difficulty ensuring good overall quality in their charter sectors.

**Encourage stability and collaboration in the teacher workforce.** It could be especially useful to evaluate teacher turnover and recruitment in the staffing models used by many charter schools. Furthermore, minimal resources would be needed for local officials to arrange for instructional staff from neighborhood, magnet, and charter schools to collaborate by sharing instruction and classroom assessment practices.

**Promote innovation in the charter sector.** Some charter school advocates as well as critics have cited evidence of too little meaningful innovation in the charter sector. In the early 1990s, a primary argument for allowing charter schools to operate was the innovative potential of charters. Advocates also pointed to the opportunity to test and evaluate charter innovations and use the results to improve education for all students. NEA believes that the U.S. Department of Education (DOE) should collect data on charter innovation more frequently and systematically. In particular, improved data would be useful for evaluating blended learning approaches, which use both quality online instruction and traditional face-to-face education in school buildings.

**Consider thoughtful decentralization and deregulatory reforms.** Just as the charter sector is under-regulated in some ways, the traditional public schools may be over-regulated in various ways. Certain forms of autonomy, such as greater professional discretion over ELL instruction, may improve education in charter schools. Similar forms of autonomy may also improve education in other public schools. If it is helpful for charter schools to adopt their own mission statements, it could also make sense to encourage neighborhood public schools to adopt specific mission statements. If certain regulatory constraints or burdens have been relaxed in the charter sector with successful results, why not ease those constraints and burdens for all public schools?

## Conclusions

NEA supports high-quality charter schools that: operate in a manner that is transparent and accountable to parents and taxpayers; do not increase segregation by family income, ethnicity, or race; and solicit input from parents, school staff and the communities they serve—and benefit from such input.

Current charter school policies in most states fall short of meeting one or more of those criteria. The data necessary to ensure that charters meet such criteria needs to be consistently collected. Enacting NEA's recommendations will help identify weaknesses in current charter schools policies and lead to concrete improvements for students and other stakeholders.<sup>15</sup>

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