SIXTH ANNUAL REPORT
ON NACSA'S AUTHORIZER SURVEY

THE STATE OF CHARTER SCHOOL AUTHORIZING

2013

nacsa
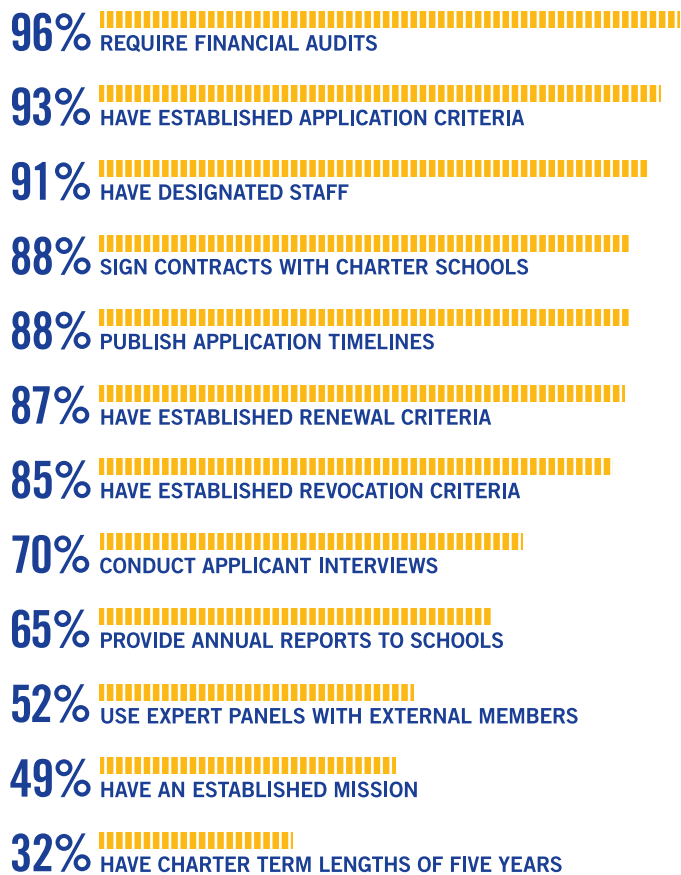NATIONAL ASSOCIATION OF
CHARTER SCHOOL AUTHORIZERS

2013 STATE OF CHARTER SCHOOL AUTHORIZING
AT A GLANCE

nacsa
NATIONAL ASSOCIATION OF CHARTER SCHOOL AUTHORIZERS

NACSA'S INDEX OF ESSENTIAL PRACTICES

96% REQUIRE FINANCIAL AUDITS

93% HAVE ESTABLISHED APPLICATION CRITERIA

91% HAVE DESIGNATED STAFF

88% SIGN CONTRACTS WITH CHARTER SCHOOLS

88% PUBLISH APPLICATION TIMELINES

87% HAVE ESTABLISHED RENEWAL CRITERIA

85% HAVE ESTABLISHED REVOCATION CRITERIA

70% CONDUCT APPLICANT INTERVIEWS

65% PROVIDE ANNUAL REPORTS TO SCHOOLS

52% USE EXPERT PANELS WITH EXTERNAL MEMBERS

49% HAVE AN ESTABLISHED MISSION

32% HAVE CHARTER TERM LENGTHS OF FIVE YEARS

Large authorizers report an average Index score of **9.9** out of 12

AVERAGE INDEX SCORE WAS **9.1** OUT OF 12

LARGE AUTHORIZERS IMPLEMENT MORE ESSENTIAL PRACTICES

APPLICATION APPROVAL RATES:

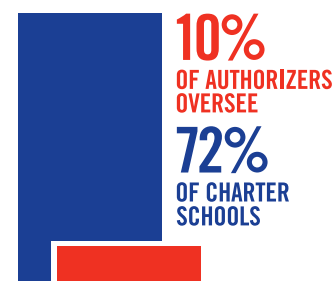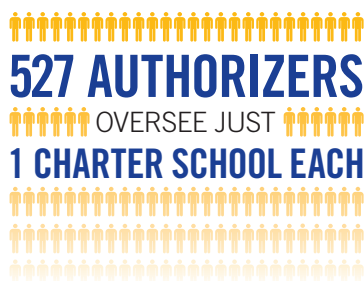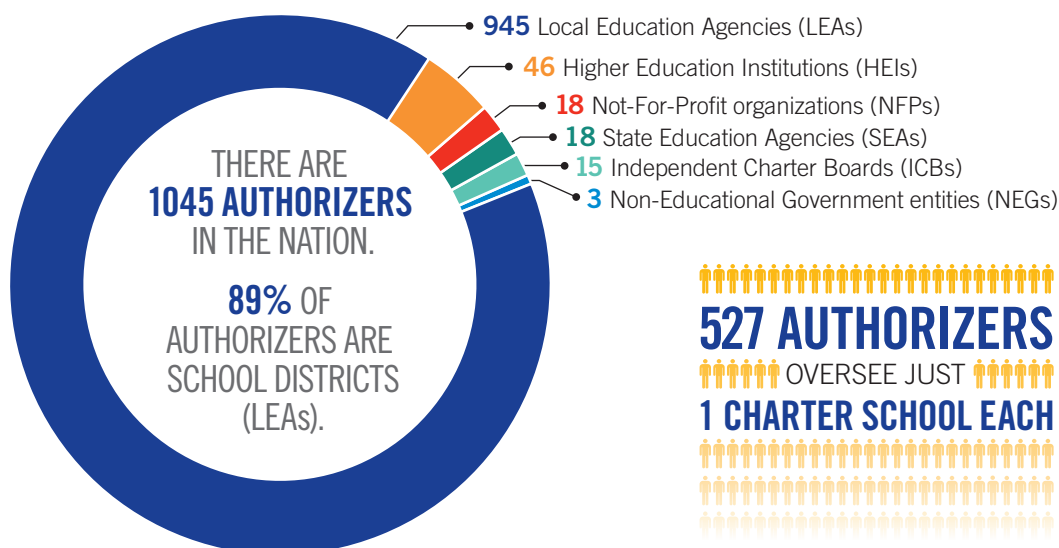| 2009–2010	2010–2011	2011–2012	2012–2013
33%	38%	33%	33%

CLOSURE RATES DURING RENEWAL:

2009–2010	2010–2011	2011–2012	2012–2013
8.8%	6.2%	12.9%	11.6%

THERE ARE **1045 AUTHORIZERS** IN THE NATION.

89% OF AUTHORIZERS ARE SCHOOL DISTRICTS (LEAs).

- **945** Local Education Agencies (LEAs)
- **46** Higher Education Institutions (HEIs)
- **18** Not-For-Profit organizations (NFPs)
- **18** State Education Agencies (SEAs)
- **15** Independent Charter Boards (ICBs)
- **3** Non-Educational Government entities (NEGs)

527 AUTHORIZERS OVERSEE JUST **1 CHARTER SCHOOL EACH**

10% OF AUTHORIZERS OVERSEE

72% OF CHARTER SCHOOLS

For more information and to download a copy of the *2013 State of Charter School Authorizing*, please visit **www.qualitycharters.org**.

Table of Contents

Introduction

Never has the quality of charter school authorizing been more important than it is right now.

Through its One Million Lives campaign, announced in late 2012, NACSA has called on authorizers to take decisive action to close failing charters and open strong new ones—bringing new hope to the lives of one million American students over five years.

In the months since that announcement, significant progress has already taken place. NACSA estimates that more than 232,000 students are attending better schools because authorizers have taken action. A companion report, *One Million Lives: Stories of Momentum and Success*, discusses numerous initiatives taken by authorizers and policymakers in the past year that move us toward fulfilling the ambitious goals of One Million Lives.

Ten years ago, NACSA first put forward its groundbreaking *Principles & Standards for Quality Charter School Authorizing*. In 2010, a set of Essential Practices common to effective authorizers followed. NACSA looks at adoption of those practices as a principal yardstick for measuring authorizer performance in the aggregate and by specific authorizer type. This report summarizes findings of a comprehensive national survey that covers authorizer adoption of Essential Practices, as well as important context about the evolution of the authorizing profession itself.

There are some gratifying results, with near-unanimous adoption of such key practices as requiring financial audits of schools and performance contracts between authorizers and schools. But enthusiasm must be tempered by caution, since some practices allow considerable latitude in actual implementation. NACSA's extensive evaluation work discloses, for example, that there can be wide variation in the quality of contracts executed by one authorizer versus another.

It's clear, though, that this report presents a strong argument for capacity and scale: NACSA's survey sample includes nearly all large authorizers active during the 2012-2013 school year. Large authorizers, who oversee approximately 66% of the charter school student population, have increasingly implemented more of NACSA's Essential Practices, whether considered cross-sectionally for each year or longitudinally for authorizers that responded both years.

Conversely, the 2013 results indicate that it is more difficult for small authorizers to establish a full range of professional practices. Authorizers located within traditional education systems (local and state education agencies) seem to have a harder time adopting strong authorizer practices than those located in other types of organizations. Independent chartering boards, the statewide agencies created solely to approve and oversee charter schools, score highest among all types of authorizers across a number of categories, suggesting that their tight focus on charter school quality provides a strong incentive for honing their own skills. That is one reason NACSA has fought to establish such agencies and has helped defend them when threatened by legal and political attacks.

NACSA is proud to present this report and prouder still of professional charter school authorizers working every day on behalf of 2.3 million charter school students.

An Authorizer Glossary

Before plunging ahead, you should be familiar with a few of the basic categories NACSA uses to compile and evaluate the data.

Large authorizers have 10 or more charter schools in their portfolio.

Small authorizers have fewer. Remember that this is just about the number of charter schools overseen by a given authorizer, not the size of the institution or its staff.

You will see abbreviations for the following authorizer types throughout the publication:

- **LEA**: local education agency, usually a local or countywide district whose school board is the literal "authorizer" since it makes final decisions

- **SEA**: state education agency

- **ICB**: independent chartering board. Also known as "commissions" or "institutes," these are statewide bodies that have been set up in 15 states for the sole purpose of awarding charters and overseeing charter schools.

- **HEI**: higher education institutions, which can authorize charter schools in 13 states

- **NEG**: non-educational government entities, such as the mayor of Indianapolis. (Because there are so few authorizers of this type, they are not listed separately in tables, but their results are included in overall tallies.)

- **NFP**: not-for-profit organizations. These are currently active only in Minnesota and Ohio, although permitted by law in Louisiana and Hawaii.

Finally, in many of the tables and charts below, the bottom-line results are reported as "Overall". This indicates results calculated across all authorizers that responded to NACSA's 2013 survey, rather than an average of figures in the table itself.

A detailed note about the 2013 survey methodology can be found on page 28.

A Profile of Authorizers

The authorizing field passed a notable milestone in 2013, exceeding one thousand active charter school authorizers. The ranks have grown with impressive speed from 712 in 2008 to 1,045 in 2013, a 47% increase in just five years.

This does not represent simply the addition of new entities into the authorizing business; it's the net gain of new authorizers minus those who have stopped authorizing. Most of this churn occurs among local school districts that open their first charter or close the only one they have. The small size of LEA portfolios adds some volatility to the authorizer count.

Of course, quality is more important than numbers, and some states would benefit by removing some incumbent authorizers. But the new number is testament to the vitality of the charter sector, which grew by more than 1,300 schools and 835,000 students over the same six-year period to more than 6,000 schools and approximately 2.3 million students.

Local education agencies remain by far the dominant category of authorizers: 945 out of the 1,045 total, or 90%, a share that has remained nearly constant over time. But they account for a much smaller share of schools overall–just over half–since almost 90% of district authorizers oversee five or fewer charter schools. But given their massive presence in the authorizer sector, local districts still account for a solid majority of charter school students: nearly 1.38 million, or roughly 57% of the total.

Among other authorizer types, 46 higher education institutions comprise the next most numerous category. NFPs and SEAs account for 18 each, and there are 15 ICBs. There are also three non-educational government authorizers, such as the mayor of Indianapolis.

Another way of slicing the pie is to compare large vs. small authorizers: those with 10 or more schools vs. those with fewer. Although there are only 104 "large" authorizers, just 10% of the total, they are dominant in terms of schools and students served, with 8 authorizers overseeing more than 100 schools each. Large authorizers account for 72% of charter schools and 66% of the student population. At the other end of the scale, there are 527 authorizers with just one charter school. These shares of the authorizing marketplace have remained relatively stable over the past three years, and Figure 1.1 shows the distribution for 2013.

Percent of Charter Schools in the Nation by Authorizer Portfolio Size

2013 - 2014
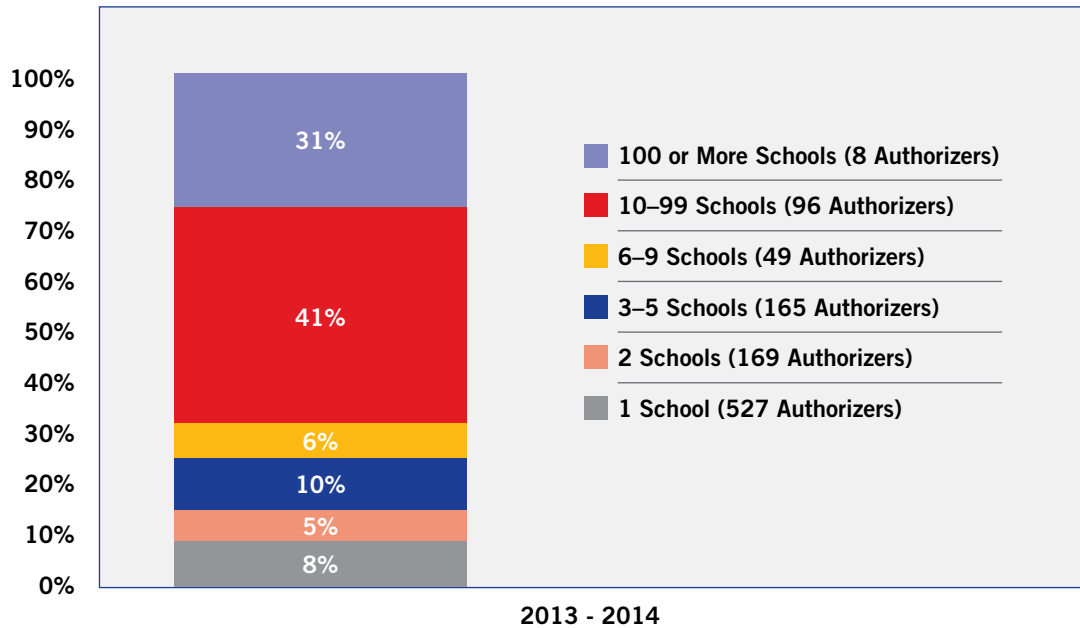
While nearly all LEA authorizers (94%) fall into the "small" category, other types of authorizers can be small or large, and their status may change over time. One-third of independent chartering boards, for example, have fewer than 10 schools according to NACSA's current survey, but most ICBs are relatively new and may join the "large authorizer" set as they approve more charters over time.

TABLE 1.1: *Frequency of Authorizer Size by Type*

AUTHORIZER TYPE	SMALL AUTHORIZERS	LARGE AUTHORIZERS
HEI	74%	26%
ICB	33%	67%
LEA	94%	6%
NEG	33%	67%
NFP	39%	61%
SEA	17%	83%

Inside the Authorizing Shop

According to NACSA's *Principles & Standards*, a quality authorizer

- "Determines the financial needs of the authorizing office and devotes sufficient financial resources to fulfill its authorizing responsibilities in accordance with national standards and commensurate with the scale of the charter school portfolio."

- "Employs competent personnel at a staffing level appropriate and sufficient to carry out all authorizing responsibilities in accordance with national standards, and commensurate with the scale of the charter school portfolio."

In short, effective authorizing takes money and talent. Yet there continue to be wide disparities in the level of staffing and financial resources available to authorizers.

People.

To some extent, staffing levels follow a predictable pattern: where charter authorizing is the sole concern, charter offices tend to be larger; where it is one among many priorities, charter offices are smaller.

Independent chartering boards have substantially more staff, in absolute terms, than any other kind of authorizer, with an average of 8.2 full-time equivalent staff (FTEs) per agency. State education agencies are next with 5.7 FTEs. Higher-education institutions overall have 5.1 FTEs, but that number is boosted by the 40-member staff of Central Michigan University's John M. Engler Center for Charter Schools. Without the Engler Center, average staffing among higher-education authorizers drops to 3.9 FTEs. At the low end are local education agencies, with fewer than three full-time staff on average. Table 1.2 shows staffing levels for the past two years.

TABLE 1.2: *Average Number of Reported Authorizing Staff by Type and Year*

AUTHORIZER TYPE	2012	2013
HEI	4.0	3.9
ICB	8.2	8.2
LEA	3.0	2.2
NFP	3.7	3.5
SEA	5.1	5.7
Overall	**4.1**	**3.3**

But how much staff is enough? Perhaps a fairer comparison is to look at the average level of staffing dedicated to each school authorized. Here again, ICBs come out on top, with just under one-half of an FTE for each school. The rest of the categories cluster between 0.3 and 0.34 FTE.

FIGURE 1.2: *Average Authorizer Staff Per School, 2013*
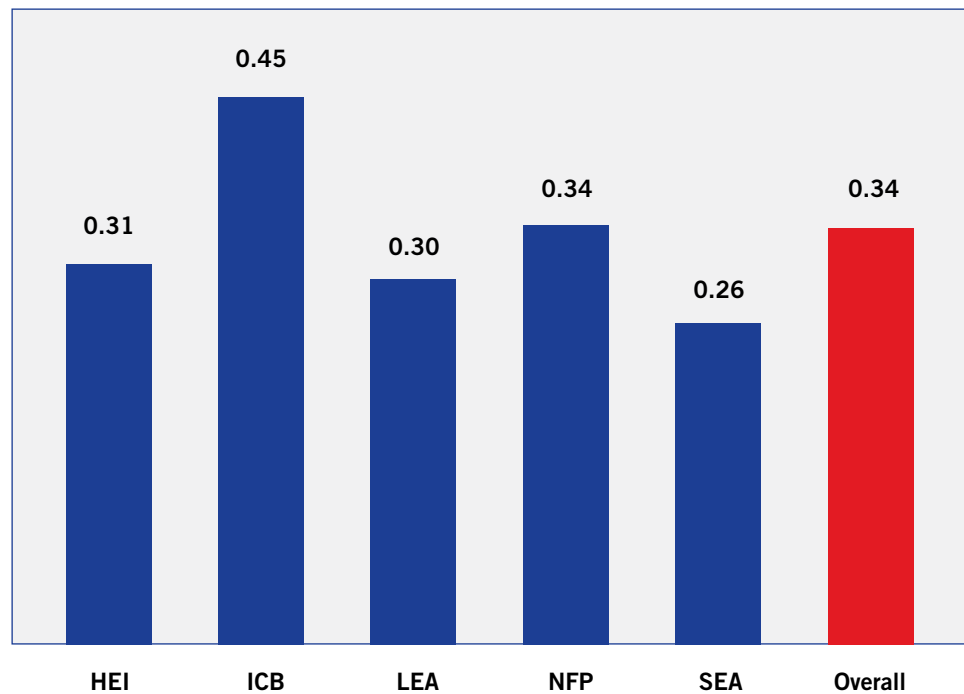
Funding.

Surprisingly few authorizers have a budget specifically dedicated to authorizing: just 37% overall. A sizeable majority of large authorizers, 59%, reports having a dedicated budget, compared to just 22% of small authorizers. But this masks a vast difference among authorizer types. ICBs, HEIs, and nonprofits do best on this measure, with approximately 80% of each type reporting a discrete budget. But SEAs (36%) and LEAs (18%) pull the average way down—and these numbers raise troubling questions about whether these traditional public agencies provide adequate resources for their chartering work.

Where the money comes from.

Just over half of authorizers receive fees deducted from school payments to support their operations. A fifth (20%) reported that they are funded at least in part through the budget of a parent organization. Again, these numbers vary by type, and often authorizers have more than one kind of funding stream. Approximately three-quarters of university authorizers collect oversight fees, while a quarter report some state appropriation; most ICBs receive revenue from fees and appropriations, but many also rely on grants from public or private sources. More than 90% of nonprofit authorizers get oversight fees, but 40% also have support from their parent organization. The majority of LEA authorizers report receiving funding from oversight fees (58%) and just under half report funding from the district budget (48%). It is probably not surprising that the authorizer group most reliant on state appropriations and state and federal grants are SEAs.

TABLE 1.3: *Sources of Authorizer Funding by Authorizer Type*

FUNDING SOURCE	HEI	ICB	LEA	NFP	SEA	OVERALL
Oversight fees deducted from charter school revenues	76%	64%	58%	93%	27%	**53%**
State appropriations for authorizer functions	24%	64%	9%	0%	53%	**33%**
The regular operating budget of the authorizing office's parent organization	7%	0%	48%	40%	27%	**20%**
State or federal grants	3%	18%	12%	0%	33%	**11%**
Foundation grants	0%	27%	1%	7%	7%	**15%**

Approving, Renewing, and Closing Charters

Approvals.

In 2012-2013, surveyed authorizers approved 308 new charter applications out of 1,118 received. The number of applications received by authorizers responding to NACSA's survey dropped significantly this year, down from 1,494 in 2012. That decline occurred among all categories of authorizers except not-for-profits.

For the last two years, authorizers have been remarkably consistent in the overall rates at which they approve new charters. Just as they did the year before, this past year authorizers approved one-third of all applications received. In 2013, these tallies diverge a bit by size, with small authorizers approving 36.4% and large authorizers moving slightly down to 32.5%. There was far more variation by type, however. Nonprofits continued to have the highest rates of approval, 55.3%. ICBs, HEIs, and NFPs all increased their rates of approval, while LEAs and SEAs went down. The large drop in approval rates among state agencies, from 36% in 2012 to 20.8% in 2013, was driven by steep declines in rates of approval in Louisiana, Delaware, and Massachusetts.

In the early days of charter schools, most authorizing was reactive, a matter of opening the window and seeing who wanted to apply. In response to calls for charters to meet specific needs within communities, a number of authorizers have embraced a more targeted approach. In its 2013 survey, NACSA asked whether authorizers had established priorities or preferences for new applications, including grade levels, educational themes, or targeted populations. A surprising 43% of authorizers reported seeking such specialties.

TABLE 1.4: *Aggregate Approval Rates by Authorizer Type and Year*

AUTHORIZER TYPE	2011 - 2012	2012 - 2013
HEI	14.0%	20.3%
ICB	26.0%	36.8%
LEA	43.0%	38.0%
NFP	44.0%	55.3%
SEA	36.0%	20.8%
Overall	**33.0%**	**33.0%**

Renewal Processes.

Ideally, charter schools and their authorizers are on the same page about what it takes for a school to be renewed—and that page should be found in each charter contract. That's not always the case, however. All responding nonprofit authorizers report basing renewal decisions on the criteria included in the contract, as do a solid 93% of higher-education authorizers, but the figure is lower for other authorizer types. SEA contracts are the least likely to include renewal criteria, at 71%.

In fact, a surprising number of authorizers that responded to NACSA's survey, including nearly one-fifth of local and state education agencies and one-quarter of ICBs, does not report providing schools with renewal criteria at all.

Closures.

NACSA's survey distinguishes among four types of closures: revocation, surrender outside of renewal, non-renewal, and surrender during renewal. For simplicity's sake, we will look at closures that happen within the regular, end-of-term renewal process and compare them to closures that take place in midterm, when a charter is revoked or surrendered—usually for financial or operational problems. In 2013, survey respondents reported closing a total of 118 charter schools. Of these, 58 were midterm revocations or surrenders and the rest were non-renewals.

There was a marked difference between large and small authorizers in the proportion of their portfolios that came up for renewal in 2013. Large authorizers reviewed nearly double the share of their schools for renewal than did small authorizers (17.1% vs. 9.3%). They also declined to renew a larger share of schools at the time of these reviews (11.8% vs. 8.5% for small authorizers).

Large authorizers are far more likely than small authorizers to revoke charters in midstream, closing 2.3% of schools outside renewal processes compared to just 0.3% of charters closed by small authorizers outside of renewal.

University authorizers had the highest overall closure rate, shutting down 5.7% of their active portfolios. This was driven in part by Ball State University's decision not to renew seven of its schools. Independent chartering boards had the lowest closure rate, just 2.3%. Given that many ICBs have started up within the last five years and that only 73% of them have developed renewal criteria, the relative youth of their portfolios is probably a factor here.

TABLE 1.5: *Aggregate Closure Rates by Authorizer Type*

AUTHORIZER TYPE	CLOSURE RATE DURING RENEWAL	CLOSURE RATE OUTSIDE RENEWAL	OVERALL CLOSURE RATE	PERCENT REVIEWED FOR RENEWAL
HEI	21.6%	1.7%	5.7%	21.0%
ICB	9.5%	1.8%	2.3%	7.1%
LEA	10.2%	2.1%	3.3%	16.4%
NFP	6.4%	2.1%	3.6%	34.8%
SEA	13.8%	1.4%	2.8%	12.4%
Overall	**11.6%**	**1.9%**	**3.3%**	**15.7%**

Since 2008, closure rates have fluctuated, with a significant dip between 2009 and 2011. However, the relatively constant performance in the past two years (Table 1.6) suggests that a somewhat higher average may be maintained over time—or may increase as calls to shut more underperforming charters and laws that require their automatic closure bear fruit.

TABLE 1.6: *Aggregate Closure Rates Over Time*

YEAR	CLOSURE RATE DURING RENEWAL	CLOSURE RATE OUTSIDE RENEWAL	OVERALL CLOSURE RATE	PERCENT REVIEWED FOR RENEWAL
2008 - 2009	12.6%	1.5%	2.9%	12.6%
2009 - 2010	8.8%	1.6%	2.8%	18.5%
2010 - 2011	6.2%	1.5%	2.3%	16.5%
2011 - 2012	12.9%	2.5%	3.8%	14.2%
2012 - 2013	11.6%	1.9%	3.3%	15.7%

Improving One Million Lives: The Metrics

At the National Press Club in November 2012, NACSA President Greg Richmond announced an ambitious campaign to improve the education and life opportunities of a million young people by closing a thousand low-performing charter schools and opening twice that number of strong new schools over five years. NACSA reported first-year results of the campaign in early 2014: 206 persistently failing charter schools closed, and of all the new charters opened, 491 qualified as "strong" because their authorizers had followed at least 4 of the 5 Essential Practices associated with quality charter application and approval processes.

Best of all, by NACSA's calculation these measures will positively impact 232,000 students—a robust first step toward accomplishing the five-year goal.

ONE MILLION LIVES

NACSA's Essential Practices - 2013

High-quality authorizers:

1. Have a published and available mission for quality authorizing

2. Have staff assigned to authorizing within the organization or by contract

3. Sign a performance contract with each school

4. Have established, documented criteria for the evaluation of charter applications

5. Publish application timelines and materials

6. Interview all charter applicants

7. Use expert panels that include external members to review charter applications

8. Grant charter terms of five years only

9. Require and/or examine annual, independent financial audits of its charter schools

10. Have established renewal criteria

11. Have established revocation criteria

12. Provide an annual report to each school on its performance

Essential Practices: How Are Authorizers Doing?

Since 2011, NACSA has asked authorizers which of 12 Essential Practices they are currently implementing. The practices do not define everything a strong authorizer must do well, but they provide a must-do list: authorizers who omit several of these practices are probably not meeting what authorizing professionals consider a minimum level of proficiency at their trade.

On its website, NACSA provides individual Index Scores for each authorizer based on the number of implemented Essential Practices reported by each authorizer that responds to the survey. Here, we look at the big picture. This report focuses on dominant trends and year-to-year changes that show how the authorizing field as a whole is making progress.

Table 2.1 shows how the overall picture has changed in the past year. In 2012, more than 90% of authorizers reported implementing five of the 12 Essential Practices. In 2013, that's true of just three practices. The rate of implementation improved for five practices but declined for seven.

TABLE 2.1: *Frequency of Essential Practices - All Authorizers by Year*

PRACTICE	2012	2013	CHANGE
Contract	93%	88%	-5%
Application Criteria	91%	93%	2%
Application Timeline	84%	88%	4%
Applicant Interview	79%	70%	-9%
External Expert Panel	50%	52%	2%
Five-Year Term Length	28%	32%	4%
Financial Audit	98%	96%	-2%
Annual Report to Schools	67%	65%	-2%
Revocation Criteria	83%	85%	2%
Renewal Criteria	90%	87%	-3%
Authorizing Staff	93%	91%	-2%
Mission	57%	49%	-8%

Before concluding that the state of authorizing is in decline, however, a word is in order about the composition of this year's survey respondent pool. A large number of new, small authorizers responded to the survey for the first time this year, as did a modest number of large authorizers. In both cases, the ratings for these new arrivals were significantly lower on average than those for veteran respondents. Looking just at the average number of practices implemented by authorizers who responded both years, small and large authorizers actually scored higher in 2013 than in 2012.

TABLE 2.2: *Average Number of Essential Practices Implemented by Authorizer Size and Year*

SIZE	2012	2013
Small Authorizers	9.4	9.7
Large Authorizers	9.8	10.1
Overall	**9.6**	**9.9**

In fact, all types of authorizers who responded both years increased their Essential Practices scores:

TABLE 2.3: *Average Number of Essential Practices implemented by Authorizer Type and Year*

TYPE	2012	2013
HEI	9.4	9.8
ICB	9.4	10.3
LEA	9.3	9.4
NFP	10.4	10.6
SEA	9.3	9.8
Overall	**9.6**	**9.9**

Nearly across the board, large authorizers report greater adoption of the practices than do small authorizers, often by wide margins (10% or more in eight of the categories). The only practice for which small authorizers report wider adoption than large is the five-year charter term length, by a margin of 37% to 24%.

TABLE 2.4: *Frequency of Essential Practices - All Authorizers by Size*

PRACTICE	SMALL AUTHORIZERS	LARGE AUTHORIZERS
Contract	85%	92%
Application Criteria	89%	99%
Application Timeline	82%	96%
Applicant Interview	70%	71%
External Expert Panel	44%	64%
Five-Year Term Length	37%	24%
Financial Audit	95%	97%
Annual Report to Schools	59%	75%
Revocation Criteria	79%	95%
Renewal Criteria	83%	93%
Authorizing Staff	85%	100%
Mission	31%	74%

Different authorizer types also report varying rates of implementation:

TABLE 2.5: *Frequency of Essential Practices by Authorizer Type*

PRACTICE	HEI	ICB	LEA	NFP	SEA
Contract	100%	100%	85%	100%	67%
Application Criteria	96%	100%	90%	100%	100%
Application Timeline	86%	100%	85%	100%	93%
Applicant Interview	55%	82%	74%	87%	53%
External Expert Panel	59%	91%	40%	87%	67%
Five-Year Term Length	34%	18%	35%	7%	27%
Financial Audit	96%	100%	94%	100%	100%
Annual Report to Schools	79%	91%	57%	87%	60%
Revocation Criteria	100%	91%	78%	100%	93%
Renewal Criteria	93%	73%	84%	100%	93%
Authorizing Staff	93%	100%	87%	100%	100%
Mission	68%	82%	37%	80%	47%

There are a few things to note in Table 2.5:

- In a few categories, high scores may reflect statutory "building blocks" of the charter model found in most state laws: a contract, application criteria, and an audit requirement. Conversely, low scores may reflect limitations in state law.

- Not-for-profit authorizers are located only in Minnesota and Ohio, and these results reflect charter statutes in both states.

- HEIs, SEAs, and LEAs report relatively lower use of external expert panels than do other types of authorizers. For authorizing offices within these larger agencies, agency personnel may be filling the role recommended for "external expert panels" in application reviews.

Type vs. Size.

Since large authorizers tend to implement a larger number of Essential Practices than small authorizers and since some types of authorizers score higher than others, it's worth comparing small vs. large authorizers of different types. As Table 2.6 illustrates, portfolio size seems to matter more for some types of authorizers than others. The largest difference occurs in LEA authorizers; the comparatively few that authorizes more than 10 schools show dramatically higher scores than the large majority that authorizes smaller numbers of schools.

TABLE 2.6: *Average Index Score by Authorizer Type and Size*

	SMALL AUTHORIZERS	LARGE AUTHORIZERS
HEI	9.7	9.8
ICB	11.0	10.0
LEA	8.0	10.0
NFP	10.2	10.6
SEA	9.0	9.0
Overall	**8.5**	**9.9**

Additional Highlights from the Survey

The 2013 survey included some drill-downs that help provide additional depth about the state of authorizing:

Performance Frameworks.

NACSA strongly recommends that authorizers establish performance frameworks to guide accountability relationships with their schools. Frameworks cover academic, financial, and operational aspects of school performance and include specific metrics and targets that help create certainty about expectations for progress in each area.

A large percentage of authorizers use some kind of performance framework in evaluating the performance of their school portfolio—81%, up from 77% in 2012. Frameworks are more commonly used by large authorizers (88%) than small (74%). Among authorizer types, all NFP and ICB respondents said they use such frameworks, with other responses down to a low of 72% for LEA authorizers. It's not clear, however, whether these are authorizer-specific. Some may be new statewide frameworks developed under No Child Left Behind waivers that govern state accountability for all public schools.

Contract Term Length.

While NACSA has recommended a five-year term length, some states stipulate otherwise—from the initial three years required in Louisiana to 15 in Arizona and D.C., with some Colorado authorizers awarding 30-year charters. (See Sidebar comment, on page 24 on NACSA's recent revision of this recommendation.) In 2013, authorizers took a variety of paths in determining the length of charter contracts. Overall, just 32% adhered to the five-year recommendation, ranging from a high of 35% for LEAs to 18% for ICBs.

Sponsor shopping?

As states have established accountability requirements for authorizers and as authorizers themselves have sharpened their accountability processes, some charter operators have sought to move toward less-demanding authorizers. NACSA asked authorizers how many of their applications had transferred from another authorizer, and the national total turned out to be quite low: just 27 for all responding authorizers combined. In additional comments, authorizers indicated that some portion of these were driven by extrinsic factors. In California, for example, existing "statewide benefit" charters were forced by court order to apply to local jurisdictions for new charters. And charters authorized by the State Board of Education (SBE) on appeal sometimes transfer back to the local district, as state law requires such schools to seek renewal from their original district after their SBE charter term expires. In Colorado, with five transfers overall, some charters experiencing difficulty with district authorizers turn to the statewide Charter Schools Institute as an option for more autonomy and clearer accountability.

Among states, California and Ohio reported the largest number of transfers, with seven each. These modest numbers may not be the last word, however, since "shopping" has been reported at scale in some states, involving authorizers who did not respond to NACSA's survey. This phenomenon bears further watching.

Improving One Million Lives: The Metrics

Since NACSA's Index of Essential Practices was developed in 2010, its 12 precepts have remained constant. They form the basis for the practice information in NACSA's annual survey summarized here. Recently NACSA announced modifications of two practices after careful consideration of evidence that some top-quality authorizers were getting strong results with alternative methods.

Contract length.

Research and two decades of practice support the notion that five years is an appropriate length for initial charter contracts. It provides operators time to work out glitches and prove that their model works in the long run and gives authorizers sufficiently expansive data on which to base renewal decisions. An increasing number of authorizers are awarding longer subsequent terms to high-performing charters, and some are using shorter renewal terms to keep a close watch on charters with uncertain performance. Accordingly, NACSA has revised this practice to read: "A high-quality authorizer grants initial charter terms of five years only."

Interviews.

NACSA has recommended that all charter applicants be interviewed, in the interest of ensuring that a paper review not be used as a tool for ruling out worthwhile but unpopular applicants. But some authorizers must manage an unusually large volume of applications: Los Angeles Unified School District received 46 last year, Miami-Dade got 57, and the Louisiana Recovery School District received a whopping 82 applications. Consequently, some authorizers have worked out responsible methods for weeding out unsatisfactory applications, thus saving the time and expense of in-person interviews for those with some realistic chance of approval. Recognizing that this makes sense, NACSA has refashioned this recommendation as well: "A high-quality authorizer interviews all qualified charter applicants."

Scores included in this report reflect the original wording of these recommendations. NACSA's 2014 survey and next year's State of Charter Authorizing publication will use the modified language.

Accountability.

In the world of charter school accountability, everything comes back to the contract. According to NACSA policy, the charter contract "stipulates the terms and conditions by which the school will operate and defines the rights and responsibilities of each party, including performance expectations and conditions for renewal. A charter school contract serves as both an administrative and performance agreement."

In its 2013 survey, NACSA asked authorizers to describe their approach in a few key areas of contracting practices. NACSA strongly recommends, for example, that authorizers establish a contract separate from the application to define with certainty the terms of school accountability. While the overall percentage embracing this practice dropped from 81% in 2012 to 70% in 2013, reflecting lower scores among new survey respondents, this nevertheless remains a widely accepted practice. Among authorizer types, ICBs report the highest rate of separate contracts, at 82%. State agencies are the most likely to use the application itself as a charter contract, with just 57% of SEAs reporting that they create a separate contract.

Replication.

With a burning need to create new, high-quality seats for students, NACSA asked respondents several questions about their role in fostering replication of high-performing models. The answers evoked a telling divide among types and sizes of authorizers: independent chartering boards were far more likely to have explicit policies promoting the replication and expansion of charter schools (73%), with local education agencies the least likely (21%). Also by a wide margin, ICBs were more likely to feature differentiated application processes that allow for streamlined consideration of strong performers. Not surprisingly, they were also the most likely of any authorizer type to have actual replications among their portfolios of charter schools.

TABLE 3.1: *Frequency of Replication Policies and Practices by Type*

TYPE	POLICY TO PROMOTE REPLICATION AND EXPANSION OF EXISTING CHARTER SCHOOLS	DIFFERENTIATED APPLICATION PROCESS FOR REPLICATION OR EXPANSION	PERCENT OF AUTHORIZERS THAT REPORT REPLICATIONS
HEI	39%	7%	43%
ICB	73%	64%	73%
LEA	21%	7%	31%
NFP	53%	20%	47%
SEA	50%	21%	57%
Overall	**47%**	**24%**	**50%**

In raw numbers, local education agencies responding to the NACSA survey in 2013 reported the largest number of successful charters that have gone on to replicate—100 total. However, this is largely driven by strong portfolio growth in California. Los Angeles (27 replications) and San Diego (15) account for more than 40% of the nationwide total.

Large authorizers are clearly more invested in expansion and replication than their small counterparts. Although just one-quarter of large authorizers reported differentiated application processes, they were still significantly more likely to use them than were small authorizers: just 4% of the latter provided a separate path for replications. More than half of large authorizers have policies in place to promote replication and expansion (vs. just 19% of small authorizers), and while small authorizers have an average of just 1.7 current campuses resulting from replications, large authorizers on average have 9.8 campuses.

Conclusion: Looking Forward

In NACSA's listing of its organizational values, the first statement is this: "We are strategic and data driven."

That commitment is reflected in this year's decision to amend two Essential Practices in response to compelling evidence from the field. It also motivates us to examine periodically our own approach to make sure that NACSA's work is informed by strong analysis of facts on the ground.

That's why NACSA is planning to expand the scope of its authorizer survey to include more depth and nuance. In order to understand qualitative differences among authorizers, we will be adding more "how" questions to next year's survey and attempting to go beyond this self-reported instrument into other, more empirical means of assessing the performance of the authorizing profession.

Obviously, this is not something that NACSA can undertake alone and we invite authorizers and other stakeholders to partner in this effort. We solicit your suggestions, and those of other stakeholders, on how we can deepen our research and evaluation functions and anchor our notions of excellent practice in a strong base of evidence related to performance outcomes.

Methodology

NACSA tracks the number, size, and types of charter school authorizers through reviews of state statutes, ongoing cooperation with such partners as the National Alliance for Public Charter Schools, and frequent contact with state education departments and state charter school support organizations.

Drawing on these sources of information, NACSA identified 388 charter school authorizers in the country to survey during the 2012-13 school year. NACSA contacted these authorizers via email and mail to solicit their participation in the survey.

All surveyed authorizers were asked to complete a 12-page, 93-item survey of authorizer practices, designed by NACSA. Participants were asked to answer questions across a range of topics related to charter school authorizing.

Of the 388 charter school authorizers contacted, 78 of 96 authorizers with 10 or more schools (response rate 81%) and 114 small authorizers with fewer than 10 schools (response rate 41%) completed and returned an online version of the survey or hardcopy version via mail.

Readers may note a difference between the closure and opening numbers reported related to NACSA's One Millions Lives campaign and approval/closure tallies contained in this report. Three factors account for this:

- First, the One Million Lives report refers to all charter schools using data collected by the National Alliance for Public Charter Schools (NAPCS), while this volume reports survey results for responding authorizers. So, while percentages reported reflect a reliably large sample, the absolute numbers include just those schools overseen by respondents and are a lower total than that reported through NAPCS data.

- Second, the NAPCS numbers refer to charter *campuses*—i.e., individual schools— while NACSA reports on *charters*, each of which may contain several campuses.

- Third, an important technical point: for One Million Lives, NACSA is reporting on schools that actually open in a given year. This volume reports on authorizer approvals, and approved charters may open in a subsequent year.

Finally, two specific notes about the reported data:

- Approval and closure rates were reported in the aggregate not the average (Tables 1.4, 1.5 and 1.6) in order to more clearly illustrate authorizer behavior

- Essential Practice averages by size and type (in Tables 2.2 and 2.3) are reported only for those authorizers that responded to the survey in both 2012 and 2013.

Questions regarding survey design and implementation should be directed to Sean Conlan, Ph.D., NACSA's director of research and evaluation. Email seanc@qualitycharters.org or phone 817-841-9035.

NATIONAL ASSOCIATION OF
CHARTER SCHOOL AUTHORIZERS

105 W. Adams Street, Suite 3500
Chicago, IL 60603-6253
312.376.2300

www.qualitycharters.org