

2014

OVERVIEW OF THE STATE OF CHARTER AUTHORIZING



nacsa
NATIONAL ASSOCIATION OF
CHARTER SCHOOL AUTHORIZERS

Background

Since 2008, NACSA has annually surveyed our nation's authorizers. Along the way, we have learned about current practices, challenges, strengths, and shortcomings in authorizing. Survey findings provide an annual measuring stick for those in the field of authorizing, and they help education decision makers, foundations, legislators, and researchers inform their understanding of the field of charter school authorizing.

Findings from the 2013-2014 school year illustrate a 50% increase in the number of authorizers using at least 90% of NACSA's recommended **12 Essential Practices**. But, with less than 90% of authorizers stating that they use a mission for quality authorizing, initial five-year contract charter terms, written annual reports, and an expert panel to review applications, there is still work to be done.

About Authorizers

Tasked with deciding who should be able to start a new charter school, setting expectations and overseeing school performance, and deciding who should continue to serve students or not, authorizers help translate charter school ideas into solid realities for millions of children across our country.

NACSA estimates this year alone, more than 220,000 students have better learning opportunities due to strong authorizing. We say this confidently because authorizers opened 453 new charter schools in 2013-2014—vetted through a rigorous application process—and also closed 210 failing charter schools. Last year, there were 1,053 authorizers in 42 states and the District of Columbia. Collectively, authorizers oversaw 6,440 charter schools serving more than 2.5 million students across the country.

School districts, also called local education agencies (LEAs), make up the largest group of authorizers in the country. In 2013-2014, there were 951 school district authorizers in the country, followed by 47 higher education institutions (HEIs), 19 not-for-profit organizations (NFPs), 18 state education agencies (SEAs), 15 independent chartering boards (ICBs), and three (3) non-education governmental bodies (NEGs), like a mayor or municipality.

Authorizers also vary tremendously in the number of schools they oversee. Over one-half (52%) of all authorizers oversee a single charter school. More than four out of five (82%) authorizers oversee less than five schools. The largest authorizer in the country, by contrast, the Texas Education Agency (TEA), oversees 644 charter schools.



AUTHORIZER TYPES EXPLAINED

- Local education agencies (LEAs) are typically local or countrywide districts, whose school board is the authorizer and makes final decisions
- State education agencies (SEAs) are typically housed in a state's department of education
- Independent chartering boards (ICBs), also known as "commissions" and "institutes," are statewide bodies that have been set up in 15 states for the sole purpose of awarding charters and overseeing charter schools
- Higher education institutions (HEIs) can authorize charter schools in 13 states
- Non-educational government entities (NEGs) are mayors and municipalities that serve as authorizers
- Not-for-profit organizations (NFPs) are currently active as authorizers only in Minnesota and Ohio, although permitted by law in Louisiana and Hawaii

ABOUT NACSA'S ANNUAL SURVEY

The 2014 survey asked authorizers to complete 113 questions across a range of topics related to charter school authorizing, including application practices, renewal decision-making, and ongoing oversight practices.

NACSA collects data from authorizers of all portfolio sizes, but focuses and reports on “large” authorizers: those authorizers that oversee 10 or more schools. In 2013-2014, there were 103 large authorizers across the country. While they make up only about 10% of all authorizers, they account for oversight of 71% of all charter schools. Eight of these large authorizers oversaw more than 100 charter schools each.

NACSA pays special attention to survey items that inform its *Index of Essential Practices (Index)*. The *Index* consists of 12 practices derived from NACSA's *Principles & Standards for Quality Charter School Authorizing* that describe foundational practices of successful authorizers. The *Index* is used as a tool for authorizer self-evaluation, and is also used by authorizing staff, boards, and lawmakers to improve authorizing practice. The increasing use of *Index* practices is likely resulting in stronger educational options for students. In 2014, 63% of large authorizers reported implementing 11 or 12 *Index* practices – a 50% increase from 2013.

Available 2014 Data:

FOR AUTHORIZERS, RESEARCHERS, AND THE MEDIA

NACSA's 2014 survey contains data on 182 authorizers across the country. While we provide complex sets of information to individual authorizers, we are happy to provide aggregated information to other parties interested in advancing quality opportunities for students.

Please contact NACSA's Senior Research Analyst, Sherry Tracewski, at sherryt@qualitycharters.org for inquiries. If your inquiry topic is not listed in the following sampling of available 2014 survey data, NACSA may still be able to help answer your questions about authorizers or authorizing.

APPLICATION PRACTICES

- Number and rate of applications received and approved
- Number and percent of authorizers establishing application priorities and preferences
- Degree to which authorizers have specific application criteria or processes for applicants seeking to partner with educational service providers, establish alternative education campuses, obtain multiple charters or school sites, and open virtual schools
- Extent authorizers use expert panels, what capacities are a part of those panels, and what panel members do
- Extent to which authorizers interview applicants and who from the applicant team they interview

HIGH-STAKES REVIEW AND CLOSURE PRACTICES

- Number and percent of charters undergoing a high-stakes review
- Charter renewal and non-renewal criteria
- Use of escalating scale of consequences prior to revocation
- Closure rate, including number and percent of closures during the renewal review process and outside of that process (i.e., revoked or surrendered charters)
- Extent authorizer closure decisions are appealed to an appellate body
- Use of protocols that describe closure processes

REPLICATION AND EXPANSION

- Number and percent of charters that are replications or expansions
- Use of policies that explicitly promote replication and expansion, and types of practices used to that end

PERFORMANCE CONTRACTS AND FRAMEWORKS

- Number and percent of authorizers that sign performance contracts
- Rights and responsibilities articulated in performance contracts
- Use of accountability frameworks and the degree those frameworks are different than state accountability frameworks

OVERSIGHT PRACTICES

- Financial oversight and monitoring practices, including how and how often authorizers evaluate school financial health
- Use and frequency of school site visits
- Use of public and annual school performance reports, the degree to which they differ from state report cards, and the degree to which they include qualitative data on school practices
- Extent of school board meeting attendance, including how often
- Length of typical charter term

STAFFING AND FINANCING

- Future hiring plans
- Number of staff, including number of staff by number of schools and number of students
- How authorizers finance their operations

VIRTUAL SCHOOLS AND ALTERNATIVE EDUCATION CAMPUSES

- Number and percent of authorizers overseeing virtual schools or alternative education campuses
- Proportion of schools that are virtual schools and alternative education campuses
- Applications received from virtual school and alternative education campus proposals
- Use of alternative accountability systems for alternative education campuses

INDEX OF ESSENTIAL PRACTICES

- Number and percent of authorizers implementing any and/or all essential practices



We are getting smarter about charter growth by only letting the best applicants open new schools—that means more high-quality seats for more children.

92%

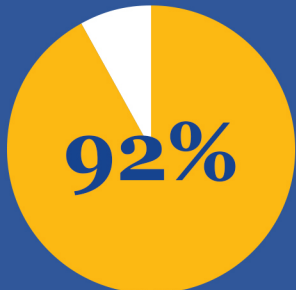


Of the **new charter schools** that opened in 2014-2015, **92%** of those openings went through a rigorous, quality-focused application process – increasing the odds that children will have a better school to attend.

Authorizers are selective: they receive, on average, **14 applications** for new schools each year and only approve **one-third** of them.



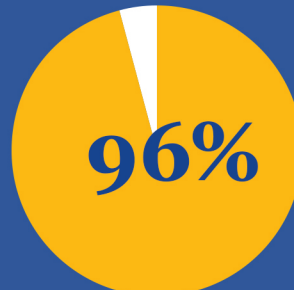
Authorizers use smart tools to ensure only the best applicants are approved:



interview all qualified applicants



have clear application approval criteria



have an established timeline for reviewing new schools

There's always room to improve:



Only **76% of authorizers** have a panel of experts review charter applications in addition to internal staff.

Only some authorizers ask for what they want up front: **fewer than half (42%)** of authorizers are intentionally setting application priorities and preferences for the kinds of applications they want to receive.





We can't provide better schools for hundreds of thousands of children through growth alone—we also have to make the hard decisions to close schools that persistently fail children.

Authorizers closed an average of **3.8%** of the charter schools in their portfolios in 2013–2014, on par with 2012–2013. (The National Alliance for Public Charter Schools reports that a total of 210 charter schools closed in 2013–2014.)

3.8%

of

CHARTER SCHOOLS

TWO PRIMARY TYPES OF CLOSURES

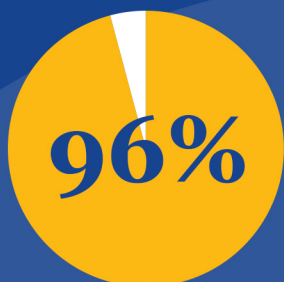
NON-RENEWAL

More Common

During periodic renewal reviews, charter school authorizers must decide whether or not schools have delivered on their promises to children and the public.



of the charters that were reviewed in 2013-2014 **WERE RENEWED.**

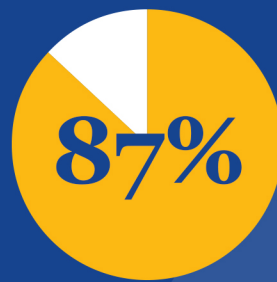


OF AUTHORIZERS have established and documented criteria when making non-renewal decisions.

REVOCAION

Less Common

Sometimes authorizers must close schools between renewal cycles when other factors, such as intractable financial problems, force their hand.



OF AUTHORIZERS have an established, escalating scale of consequences prior to revocation of a charter.



OF AUTHORIZERS have protocols that describe the grounds for revocation.

Authorizer closure decisions are scrutinized, but those decisions are largely being affirmed:

20%

OF AUTHORIZER CLOSURE DECISIONS are appealed to an appellate body.



FOR ABOUT HALF OF THOSE APPEALS, the school has closed or the appeal has already been withdrawn; the remaining half are pending.

We simply cannot justify making any child, any family, wait another year for change—each year lost in a child's education cannot be regained.



WHADDYA KNOW?



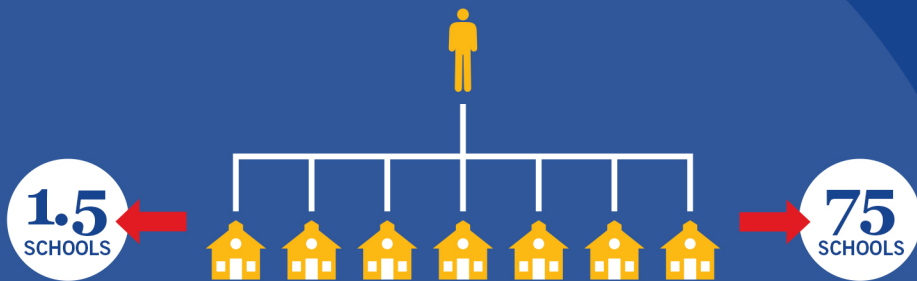
Authorizers are part of a growing industry
#OneMillionLives

Authorizing charter schools to create better opportunities for children is a great career path!

On average, authorizing offices have **BETWEEN SIX AND EIGHT** staff members.



The total number of staff is **INFLUENCED BY THE NUMBER OF SCHOOLS** an authorizer oversees.



The average staff-to-school ratio is **ONE STAFF MEMBER FOR EVERY 7.16 SCHOOLS**. However, the range varies widely from **ONE STAFF MEMBER FOR EVERY 75 SCHOOLS** to **ONE STAFF MEMBER FOR EVERY 1.5 SCHOOLS**.

LOOKING AHEAD

44% OF AUTHORIZERS surveyed plan to hire more staff in the next year.

ONLY 3% plan to reduce staff.





To serve more kids, the strongest authorizers are helping expand and replicate successful school models.

A quarter of charter school growth comes from known entities:



are the **RESULT OF AN EXISTING SCHOOL** (or operator) replicating their model or expanding to serve more students.

Some authorizers ease the administrative burden of expansion for schools with proven records: **ABOUT ONE IN THREE AUTHORIZERS** reduce application requirements or have a different application cycle for potential replicators.



Authorizers report using a range of other replication policies, including state laws that **REQUIRE REPLICATIONS** under certain circumstances and the recruitment of high-quality operators to their communities.

Now that the charter school sector is nearing its 25-year mark, authorizers can see which models work best. Some existing excellent charter schools want to serve more children and are willing to respond to local demand. **AUTHORIZERS ARE POISED TO TAKE ADVANTAGE OF AN INCREDIBLE OPPORTUNITY** to give thousands of children a better chance at a great education, but in order to do so, they must make it easier for proven school models to grow.



WHADDYA KNOW?



Authorizers take their roles seriously
#OneMillionLives

We can ensure better futures for hundreds of thousands of children by making sure we honor the trust the public has placed in us as authorizers.

100%

of authorizers surveyed
REQUIRE A FINANCIAL AUDIT

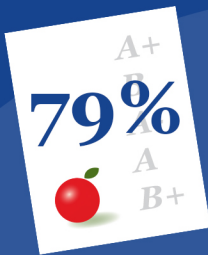
97%

monitor financial health, in addition to annual audit,
AT LEAST ANNUALLY

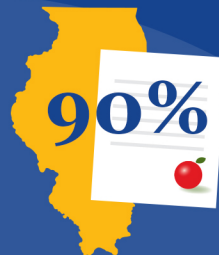
73%

monitor financial health
MONTHLY OR QUARTERLY

AUTHORIZERS ARE DILIGENT ABOUT PUBLIC REPORTING ON SCHOOL PERFORMANCE:



provide a written annual report on school performance



of those authorizers indicate that report is separate from state report cards

ARE THESE AREAS WHERE AUTHORIZERS SHOULD BE DOING MORE TO PROTECT PUBLIC INTERESTS?

57% of large authorizers report attending school board meetings

53% Of the 57%, the majority attend at least one meeting annually

23%

and nearly a quarter of them attend every governing board meeting

Authorizers are rarely involved in selecting school auditors. **72% OF AUTHORIZERS** report that charter schools alone select their auditors, as long as those auditors are qualified and independent. **ONLY 25% OF AUTHORIZERS** report having a direct role in selecting or approving the auditor.



72%



25%





© 2014 National Association of Charter School Authorizers