

# Charter School Performance Accountability

The **National Association of Charter School Authorizers (NACSA)** is the trusted resource and innovative leader working with educators and public officials to increase the number of high-quality charter schools in cities and states across the nation. NACSA provides training, consulting, and policy guidance to authorizers and education leaders interested in increasing the number of high-quality schools and improving student outcomes. Visit us at [www.qualitycharters.org](http://www.qualitycharters.org).

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## About NACSA’s Policy Guide Series

The growth and quality of a charter school sector is largely dependent on state policies that define approval, monitoring and renewal structures, criteria and processes. NACSA’s Policy Guide series is intended to support state legislatures in developing policy environments that promote quality authorizing and high-quality charter schools. Additional copies of this Guide are available upon request.

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# Charter School Performance Accountability: The Heart of the Matter

Charter schools are public schools that operate under performance contracts with an authorizing agency. These schools receive operating autonomy in exchange for meeting clear, objective, and measurable performance outcomes. Schools that fail to meet these defined outcomes should lose their authorization to operate.

## ■ Background on Charter School Performance Accountability

Charter schools emerged in the early 1990s as a strategy for improving student learning and increasing quality educational options, often for underserved students and communities. The charter school idea centers on the promise of increased autonomy for accountability for results. Thus, the charter movement has helped to lead the charge – and has provided valuable models and lessons – for greater accountability in public education.

Across the country, however, the record of charter schools is mixed. Eighteen years into this reform movement, the charter school sector is performing well in some states, while falling short of expectations in others.<sup>1</sup> At the same time, the impact of state policy on the quality of a state’s charter sector is increasingly recognized. To strengthen the quality of charter schools, states should provide a clear foundation, structure and guidance for authorizers to hold charter schools accountable for their performance.

Performance accountability for charter schools means accountability for both academic and operational performance, focusing on objective outcomes rather than inputs. It includes, but goes beyond, legal and regulatory compliance. In a well-designed statewide accountability system for charter schools, the state establishes minimum standards and essential elements to guide charter school evaluation generally, while enabling authorizers to develop the details of the contract in conjunction with the schools they oversee.

Two key pillars are required for a strong statewide structure for charter school accountability:

1) **A clear contract**, executed before the school begins operating, that sets forth a) the essential academic and operational performance standards and expectations the school must meet in order to earn the right to continue operating, and b) the types of data that will inform the authorizer’s judgment.

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2) **A strong body of evidence** built upon sound, multidimensional data specified in the contract and collected, analyzed, and reported at least annually by the authorizer over the term of the school’s contract.

Operational accountability for charter schools includes both financial management and legal compliance. State charter school laws should (and most do) explicitly state that financial mismanagement or material violation of applicable laws is grounds for revoking or not renewing a contract. These domains are generally straightforward for authorizers to assess through objective means such as regular financial audits and compliance audits.

In contrast, academic accountability is often inadequately addressed in state charter school laws, and thus thornier for authorizers to enforce.<sup>2</sup> Policymakers can improve state law and policy to help authorizers make educational judgments that are grounded in sound data, firmly defensible, and less vulnerable to endless debate and controversy.

## ■ Key Considerations for Policymakers in Structuring Sound Performance Accountability for Charter Schools

### What charter school performance standards and requirements should state law include?

To provide clear guidance to help authorizers make sound, solidly defensible judgments on educational performance, states should:

- Make clear that charter schools are subject to the same academic standards and expectations as all public schools in the state;
- Require charter school contracts and evaluations to center on objective, measurable, and multi-dimensional data focused on **performance outcomes** – not inputs or subjective data;
- Define minimum academic and operational performance elements as a basic framework for charter school accountability; and
- Allow authorizers, in developing performance expectations with charter schools, to augment state standards and expectations with additional rigor-

ous, valid, and reliable measures and metrics.

States should require charter school accountability to be built around a performance plan, that is codified in the school’s contract with its authorizer, that clearly sets forth the academic and operational performance **indicators, measures, metrics, and targets** (see box) that guide authorizer evaluations of every charter school. States should establish the required elements of the plan, while giving authorizers latitude to develop the specifics of plan. State law and policy should ensure that charter contracts and authorizer-developed accountability requirements are appropriately focused on performance and consistent with the intent of the charter school law and national best practices for charter school accountability. Equally important, state law and policy should ensure that charter contracts and accountability requirements are not an avenue for “regulatory creep” that hinders charter school autonomy.

### Charter School Performance Plan Elements: Key Terms<sup>3</sup>

The performance elements recommended in this section are drawn from a **Framework for Academic Quality** developed by a national Consensus Panel under NACSA’s co-leadership. This framework is built around (from the most general to the most specific):

#### Indicators >> Measures >> Metrics >> Targets

**Indicators.** Indicators represent general dimensions of academic quality or achievement, such as “*Postsecondary Readiness and Success*.”

**Measures.** Measures are general instruments or means to assess performance in each area defined by an indicator. Measures require the application of specific metrics or calculation methods (see below). For example, a measure of postsecondary readiness is *high school completion*.

**Metrics.** Metrics specify a quantification, calculation method, or formula for a given measure. For example, the typical high school completion metric is a *graduation rate*, such as “*the percentage of ninth-graders graduating in four years*.”

**Targets.** Taking metrics a step further, targets are specific, quantifiable objectives that set expectations or define what will constitute success on particular measures within a certain period of time. For example, a graduation-rate target might be “*90% of ninth-graders graduating within four years*.” Likewise, state-mandated performance levels are common targets.

States should require charter school contracts<sup>4</sup> to include a performance plan that includes, at

a minimum, a core set of indicators and related measures, metrics, and targets (see box).<sup>5</sup>

### **Charter School Performance Plan: Essential Elements**

- Student achievement levels based on state content and performance standards
- Student academic growth over time
- Achievement gaps between major student subgroups in both student achievement levels and academic growth
- Attendance
- Recurrent enrollment from year to year
- Postsecondary readiness (for high schools)
- Financial performance and sustainability
- Compliance with all applicable laws, regulations, and the terms of the charter contract

### **Why is it important to measure student academic growth?**

The school performance indicator that most state accountability systems rely on – an aggregate student achievement level or “status” for a particular grade in a particular year – is a “snapshot” that reveals nothing about how much schools improve (or fail to improve) student learning over time, given students’ individual starting points. Rigorously measuring student academic growth over time is necessary to reveal what schools are accomplishing or not accomplishing with their students, and often provides a dramatically different picture of school performance. It may reveal, for example, that a school that would be judged as “low-performing” on status alone is actually accelerating student learning far faster than any other school in the district. Conversely, it can show that a school always praised as “high-performing” is simply maintaining students at the same level, rather than challenging and helping them achieve more each year.

For this reason, sound growth measures and data are essential components of a strong performance accountability system for charter schools. Measuring growth requires appropriate assessments and methodologically sound data analysis, and states

should ensure that a sound model is used to measure student academic growth in all public schools, including charter schools.<sup>6</sup> This model should include requiring a rigorous and consistent methodology to measure the **rate** of individual student growth toward state content and performance standards – to ensure that students are making not only some progress, but enough progress to reach standards within a certain number of years.

### **Should the state require the closure of charter schools that chronically fall short of minimum performance expectations set for all public schools?**

States should require charter schools to meet the same minimum performance expectations as district schools, and charter schools that persistently fail to meet minimum state-defined thresholds for student achievement and academic growth should be closed. Authorizers’ decisions to renew, not renew, or revoke a charter should be based on a school’s actual performance to date on a set of clearly defined performance measures and operational criteria. Such decisions should be based on what has happened, not on what might happen in the future.

## Should there be different standards for different kinds of charter schools?

By design, charter schools across a state will likely have diverse missions and serve diverse student populations. Such diversity underscores the importance of the state's responsibility to provide for a common system of accountability – ensuring that all schools meet certain minimum expectations and prepare students for their next step, whether it is middle school, high school, or a variety of postsecondary options. A well-designed school performance plan captures improvements in student learning for all types of students and the minimum performance plan elements recommended above are applicable to any charter school, regardless of its mission or particular population.

Many charter schools target students who are marginalized or underserved in mainstream district schools – such as students with disabilities, English learners, students at risk of dropping out, or court-involved youth. These schools were granted charters specifically because they promised to successfully improve outcomes for these students. The above performance plan's attention to student academic growth as well as other indicators makes it highly applicable and meaningful for the many special populations served by charter schools. State policy should recognize that charter schools serving non-mainstream populations should be **no less accountable** for student outcomes.

## What general responsibilities and requirements should states set for monitoring and evaluating charter school performance?

### ■ Recommendations and Best Practices for State Policy on Performance Accountability

To establish clear, consistent performance accountability for charter schools across a state, NACSA recommends the following best practices for state policymakers. For specific recommended statutory language on these matters, see A New Model Law for Supporting the Growth of High-Quality Public Charter Schools, Article VII, Section 1.<sup>7</sup>

State law should explicitly require authorizers to monitor the performance and legal compliance of the charter schools they oversee, and empower authorizers to conduct oversight as needed to execute their responsibilities. States should empower authorizers to conduct appropriate inquiries and investigations, so long as those activities are consistent with the intent of the charter school law, adhere to the terms of the charter contract, and do not unduly inhibit the autonomy granted to charter schools. Likewise, to provide for consistent, quality evaluation of charter schools across a state, states should:

- Ensure that all authorizers have access to student-level assessment data. Student-level data, as opposed to simply school-level data, is essential to the performance plan and quality analyses recommended here.
- Ensure that all authorizers have access to data needed to compare their charter schools' performance to other relevant public schools in the state.
- Establish authorizer responsibility for collecting, analyzing, and reporting performance data from state or authorizer-required external assessments for the charter schools that they oversee. Authorizers should not rely, for example, on school self-reporting of unverified data or on school calculations of student academic growth (which are unlikely to meet the methodological requirements established by the state). Authorizer responsibility for these critical tasks is necessary to ensure data accuracy as well as consistent, rigorous methodology of data analysis across schools.

- **Require a clear performance plan, codified in the contract between a charter school and authorizer, to be executed prior to any charter school opening.** The performance plan and contract should specify the body of multidimensional data, to be collected and analyzed over the charter term, on which a school will be judged. States

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should require charter school contracts to focus on objective performance outcomes and include measures, metrics and targets for all the essential Charter School Performance Plan indicators presented above, at a minimum (see box on p. 3).

- **Define minimum standards and requirements for academic and operational performance for all charter schools, while leaving latitude for authorizers to set specific expectations in conjunction with schools.** State law should make clear that charter schools are subject to the same academic standards and performance expectations as all public schools in the state. States should make charter schools subject to closure for chronic failure to meet state-defined minimum thresholds for student achievement and growth.
- **Set basic standards for data analysis used to evaluate charter schools.** States should require longitudinal and disaggregated analysis of all student performance data using consistent, rigorous methodology for all charter schools statewide, including measurement of the adequacy of student growth toward state content and performance standards.
- **Guard against “regulatory creep.”** State law and policy should work to ensure that charter school contracts and authorizer-developed accountability requirements are appropriately focused on performance outcomes and consistent with the intent of the charter school law – rather than a vehicle for unnecessary reporting and compliance burdens.

- **Empower authorizers to conduct oversight activities that enable them to hold charter schools accountable for performance.** State law should explicitly grant authorizers the authority to conduct oversight activities that enable authorizers to fulfill their statutory responsibilities, provided that such oversight activities are consistent with the intent of the charter school law, adhere to the terms of the charter contract, and do not unduly inhibit the autonomy granted to charter schools. To enable quality evaluation of charter schools statewide, states should also provide for:

- 1) Universal authorizer access to student-level assessment data for the schools they oversee, as well as to data needed to compare their schools’ performance to other relevant public schools in the state.
- 2) Authorizer responsibility for collecting, analyzing and reporting all data from state or authorizer-required external assessments.

## ■ Resources and Further Analysis

Building Charter School Quality Initiative (2008). *A Framework for Academic Quality: A Report from the National Consensus Panel on Charter School Academic Quality*.

[http://www.bcsq.org/consensus\\_panel.html](http://www.bcsq.org/consensus_panel.html)  
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CREDO at Stanford University (2009). *Multiple Choice: Charter School Performance in 16 States*. <http://credo.stanford.edu/>

Ernst, J. and Wenning, R. (July 2009). "Leave No Charter Behind: An Authorizer's Guide to the Use of Growth Data," NACSA Issue Brief #19. National Association of Charter School Authorizers. <http://www.qualitycharters.org/publications>

Haft, W. (February 2009). "The Terms of the Deal: A Quality Charter School Contract Defined," NACSA Issue Brief #18. National Association of Charter School Authorizers. <http://www.qualitycharters.org/publications>

National Alliance for Public Charter Schools (June 2009). *A New Model Law for Supporting the Growth of High-Quality Public Charter Schools*, Article VII (1). <http://www.publiccharters.org/ModelLaw>

National Association of Charter School Authorizers (2007). *Principles and Standards for Quality Charter School Authorizing*. <http://www.qualitycharters.org/publications>

National Association of Charter School Authorizers (2009). *Testimony of Greg Richmond to the U.S. House Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies*. <http://www.qualitycharters.org/policy>

Palmer, L. B., Terrell, M. G., Hassel, B., and Svahn, C. P. (2006). *Turning the Corner to Quality: Policy Guidelines for Strengthening Ohio's Charter Schools*. Thomas B. Fordham Institute, National Association of Charter School Authorizers, and National Alliance for Public Charter Schools. [http://www.edexcellence.net/detail/news.cfm?news\\_id=362&id=130](http://www.edexcellence.net/detail/news.cfm?news_id=362&id=130)

## ■ Acknowledgements

This NACSA Policy Guide was authored by **Margaret Lin**, an independent consultant and the first executive director of NACSA. The Policy Guide series was edited by **Bryan C. Hassel**, Co-Director of Public Impact and **Margaret Lin**.

<sup>1</sup> See, e.g., *Multiple Choice: Charter School Performance in 16 States*, CREDO at Stanford University (2009).

<sup>2</sup> A high proportion of charter school closure decisions are explicitly based on reasons other than academic performance. A national study shows that two-thirds of mid-term charter revocations have occurred for reasons other than academic performance. Gau, R., *Trends in Charter Authorizing*, Thomas B. Fordham Institute (2006), at 10.

<sup>3</sup> Adapted from *A Framework for Academic Quality*, at 7.

<sup>4</sup> This framework does not reflect all the contents of a charter contract; rather, these are only minimum recommended elements pertaining to academic and operational performance. For fuller guidance on structuring charter school contracts, see Cass, R., "The Terms of the Deal: Charter School Contracts," NACSA Policy Guide, National Association of Charter School Authorizers (September 2009) and Haft, W., "The Terms of the Deal: A Quality Charter School Contract Defined," NACSA Issue Brief No. 18 (February 2009).

<sup>5</sup> These elements are adapted from performance frameworks recommended in *A Framework for Academic Quality* (2008) and *A New Model Law for Supporting the Growth of High-Quality Public Charter Schools*, National Alliance for Public Charter Schools, Article VII, Section 1 (2009), at 40-41.

<sup>6</sup> For a fuller practical introduction to growth measures and why rigorously measuring student academic growth is critical to valid school evaluation, see Ernst, J. and Wenning, R., "Leave No Charter Behind: An Authorizer's Guide to the Use of Growth Data," NACSA Issue Brief No. 19 (July 2009).

<sup>7</sup> *A New Model Law for Supporting the Growth of High-Quality Public Charter Schools*, Article VII, Section 1.