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New Demands Shape a Field in Transition

This report is a part of the National Association of Charter School Authorizers (NACSA)'s Performance Management, Replication, and Closure (PMRC) project. PMRC is a U.S. Department of Education-funded initiative focused on developing, piloting, and disseminating integrated, research-based performance management, replication, and closure practices that help authorizers strategically close low-performing schools and replace them with high-performing alternatives.

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Charter schools have moved from being widely viewed as a marginal force in public education reform to taking on a central role in our national, state, and local debates around improving education. And a growing number of policymakers—including superintendents, mayors, governors, and even U.S. Secretary of Education Arne Duncan—are using chartering as a critical tool to drive school improvement and meet the needs of underserved children. These developments create new demands on authorizers to strategically manage their portfolios by effectively monitoring the quality of the schools they have chartered, closing low-performing schools, and fostering the replication and growth to scale of high performers.

Charter school authorizers are under increasing pressure—from policymakers, funders, and the media—to assume a variety of responsibilities, including spurring struggling and mediocre schools to higher levels of achievement, attracting high-quality operators, and fostering the replication of successful schools—in addition to their more established roles



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of approving charter applications, monitoring school performance, and closing low-performers. Key questions for authorizers—and the charter school movement more generally—are which of these roles are really appropriate for authorizers to take on, which they can reasonably be expected to do well, and which would be better addressed by other entities, including those that do not yet exist.

PMRC Model Authorizers:

- Central Michigan University
- Chicago Public Schools
- Denver Public Schools
- District of Columbia Public Charter School Board
- Indianapolis Mayor's Office
- State University of New York
- Volunteers of America Minnesota

This paper, created as part of NACSA's federally funded Performance Management, Replication, and Closure (PMRC) project to improve the policies and practices of authorizers in these key areas, looks at how a set of seven leading authorizers (herein called "model authorizers")—all of whom oversee substantial numbers of schools, have been authorizers for some time, and are nationally regarded as leaders in the field—are responding to new challenges and demands in the three areas where expectations for authorizer performance are undergoing the greatest evolution: performance management, replication, and closure.

We find that even the most forward-looking authorizers are struggling to develop effective policies and practices in these areas, and no one authorizer has "all the answers."

At the same time, we find that authorizers are highly cognizant of the complex implications of the new roles that charter schools are being asked to play in public education reform, and are creating new practices, processes, and tools to address some of those implications. Every one of the seven authorizers is currently taking steps to refine, improve, or create new practices in these three key areas. For example:

- **The District of Columbia Public Charter School Board (DCPCSB)** recently created, and is currently implementing, a new Performance Management Framework that will raise expectations for charter school performance in the District of Columbia and hold all charter schools in its portfolio to common metrics.
- **Chicago Public Schools (CPS)** is developing a new charter revocation process to enable the authorizer to identify and close the three lowest-performing schools every year, independent of the standard five-year review process, and is revising its request for proposals (RFP) process to create a stronger system for considering and approving replication requests from existing schools.
- **Central Michigan University (CMU)** is creating new scorecards for schools' academic, financial, and governance performance and recently developed a new student growth measure, "My Goal," to hold its schools accountable against increasing academic expectations.
- **The Charter Schools Institute at the State University of New York (SUNY)** is developing a new process to approve replications of existing schools, following the 2010 passage of legislation that allows multiple charter school campuses to operate under one charter.
- **Volunteers of America (VOA)**, a nonprofit organization that authorizes charter schools in Minnesota, has worked over the last three years to raise the bar for academic performance of the schools it charters, communicating increased expectations to schools and incorporating them into contracts at charter renewal.
- **Denver Public Schools (DPS)** is implementing a new charter-renewal process, as well as a new School Quality Framework and financial frameworks, and is working on a district-charter compact

designed to strengthen collaboration between the district and its charter schools that will have implications for its authorizing work.

- **The Indianapolis Mayor's Office** is working on changes to its performance framework to better address special education and high school performance.

As the above examples show, the most effective authorizers are learning from experience and data, and steadily working to improve the quality of their practices, processes, and policies. This cycle of continuous improvement reflects both a field in transition in response to new demands and the commitment of these individual authorizers to delivering high-quality and effective authorizing practices. At the same time, new policies and processes—even if they represent improvements—can also create a lack of continuity and confusion for schools and other stakeholders, which authorizers must handle carefully as they continue to refine their practices.

The Central Role of State Policies

All of these developments occur against a backdrop of state and federal policy changes that are reshaping the context in which charter school authorizers operate. Both charter schools and charter school authorizers are the creations of state law and highly dependent on state policies to set the conditions for their success. To a large extent, state-level policy factors—such as caps on the number of charter schools that can be created, excessive regulatory requirements on charter schools, policies prohibiting or limiting the creation of multi-campus charter schools, oversight of charter school funding, and laws that do not clearly give the authorizer the ability to close low-performing schools—can constrain authorizers' abilities to effectively manage their portfolios. Further, because most authorizers depend on state assessments and data systems as a source of information about charter school performance, the strength or weaknesses of states' standards, assessments, and data systems can also substantially impact an authorizer's ability to effectively monitor the performance of its schools.

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Over the last two to three years, due partly to Race to the Top, states have made a number of law and policy changes that have impacted the work of authorizers in the areas of performance management, replication, and closure. In some—but not all—of these cases, these changes have created new opportunities or enhanced the ability of authorizers to strategically manage their portfolios. For example, in 2010 New York passed legislation that raised a previously existing cap on the number of charter schools that may be created in New York and also permitted the creation of multi-site charter schools operating under a single charter and board—opening the door for a much more serious consideration of charter school replication in New York State. Over the past five years, the state of Colorado has made a series of improvements to its state data system, including the creation of a new growth model to measure student learning gains that will improve the ability of authorizers and school districts in the state to evaluate the impact that schools are having on student learning.



States have also enacted legislation to raise standards for charter school authorizers. A 2009 law raised the bar for Minnesota authorizers, requiring them to obtain approval from the State Education Department, which reviews their capacity and processes in key areas, such as authorization, contracting, and oversight and renewal. This requirement, part of a broader attempt to improve the currently poor to mediocre performance of most Minnesota charter schools, has spurred authorizers in the state to adopt new policies and practices modeled on those of stronger authorizers.

Additionally, a number of policy developments currently unfolding in states could further alter the environment in which model charter school authorizers operate—most prominently the adoption of Common Core standards and aligned assessments, the continued development of state longitudinal data systems, and, in a few states, the use of charter schools as a strategy for turning around or replacing low-performing schools. Each of these policy changes also has implications for authorizer practice in the areas of performance management, replication, and closure.

Structure of This Paper

In the remainder of this paper, we look at the policies and practices of model authorizers in the three focus areas of performance management, replication, and closure. While we deal with the areas separately for the purpose of analysis, it is important to recognize that authorizer policies and practices must be aligned across these three areas; as they, in fact, are for leading authorizers. Solid closure and replication decisions are impossible unless authorizers have a firm handle on how their schools are performing. Decisions related to closure and replication should flow clearly and transparently from an authorizer's performance management frameworks and policies. While model authorizers have developed strong policies and practices in these key areas, they continue to struggle with complex challenges, particularly as they relate to evaluating the performance of schools that serve unique student populations or grade configurations, responding to struggling—but not failing—schools, facilitating the replication of high performers, and supporting the transition of students from closing charters to higher-performing schools. The PMRC project seeks to help model authorizers develop solutions to these challenges while enabling other authorizers to learn from their work.

Performance Management

Model authorizers have developed robust performance and accountability frameworks that are clear and consistent across schools within an authorizer's portfolio. They tie major decisions about schools to the performance or accountability framework, requiring schools to demonstrate certain levels of performance against the frameworks in order to expand, replicate, or renew their charters, and revoking or not renewing charters for schools whose performance falls below expectations.

Details of performance frameworks vary among authorizers, reflecting differences in type of authorizer, mission and focus, and state policy context and data available. But all model authorizer performance frameworks reflect three key questions that have defined what authorizers should expect of charter schools since very early on in the movement¹—and continue to do so:

- Is the school's educational program serving students successfully? (*Academic Performance*)
- Is the school effective and well run? (*Financial, Governance, and Operational Performance*)
- Is the school meeting its operations and access obligations? (*Monitoring and Compliance*)

¹ Several model authorizers and stakeholders trace the roots of these three questions to the Massachusetts Department of Education.

The following sections look at how model authorizers’ performance frameworks consider these questions.

Academic Performance

Effective authorizers agree that student academic learning is the most critical question in evaluating school performance and the most fundamental performance management task for authorizers. If the students aren’t learning, none of the rest matters.

Not surprisingly, academic performance is also the area in which authorizers have developed the most robust and consistent protocols, and where authorizer staff and stakeholders are most frequently confident that authorizers are collecting the right information to make sound judgments about schools.

Authorizers and stakeholders emphasize the importance of clear, consistent academic expectations for schools. Academic performance frameworks rely primarily on objective, quantifiable data, much of it drawn from state accountability and data systems. Although some early proponents of the charter concept argued that charter schools would be able to set their own academic performance goals, model authorizers have largely abandoned this idea and moved towards consistency and standardization of academic expectations. As Katie Piehl of Volunteers of America says, “If we want to close a school based on poor academic performance, we need to show that other schools in our portfolio are performing better.” Some authorizers, such as SUNY and the Indianapolis Mayor’s Office, began with largely standardized accountability frameworks relatively early on, while others, such as the District of Columbia Public Charter School Board, only recently moved towards frameworks that establish consistent expectations across schools. District authorizers, such as Denver and Chicago, have established common academic expectations for all schools in the district—charter and non-charter. Having common expectations helps parents and the public to navigate an increasingly diverse education marketplace and gives added legitimacy to closure and other high-stakes decisions that district authorizers make—for both charter and traditional district schools.

But model authorizers also realize that variations in student populations mean that the type of “snapshot” proficiency measures used in most state accountability systems do not provide a full picture of a school’s performance. Because of this, model authorizers evaluate academic performance against multiple-indicator frameworks (see Figures 1–2) that are more nuanced than the Adequate Yearly Progress measures under No Child Left Behind, taking into account, for example, not just the percentage of a school’s students who are proficient, but also the learning gains that students make over time. These multiple-indicator academic performance frameworks offer models for other authorizers, as well as the larger education system. Denver’s student growth measures and multiple-indicator performance frameworks (see Figure 2) were first used for charter accountability, then expanded district-wide, and eventually adopted by the state, illustrating the role model that authorizers can play on the cutting edge of accountability.

Figure 1: Sample SUNY Accountability Plan Summary

Summary of Required Goals and Outcome Measures in Elementary/Middle School (K–8) Accountability Plans					
GOAL	Required Outcome Measures				
	Absolute		Comparative		Growth
	75% proficient on state exam	Performance Index (PI) meets Annual Measurable Objective (AMO)	Percent proficient greater than that of local school district	School exceeds predicted level of performance compared to similar public schools by small Effect Size	Grade-level cohorts reduce by half the gap between prior year’s percent proficient and 75%
English Language Arts	◆	◆	◆	◆	◆
Mathematics	◆	◆	◆	◆	◆
Science	◆		◆		
Social Studies	◆		◆		
NCLB	School is deemed in “Good Standing” under state’s NCLB accountability system				

Figure 2: Sample Denver Public Schools Performance Framework Summary

School Performance Framework Measure Stoplights				
Random High School				
Network X				
	Earned Points	Possible Points	% of Points Earned	Stoplight
1. Student Progress Over Time	24	76	32%	Does not meet
1.1a SAR Growth 2007	0	6		Does not meet
1.1b SAR Growth 2006	2	6		Approaching
1.2a Growth Percentile – Reading	2	6		Approaching
1.2b Growth Percentile – Math	2	6		Approaching
1.2c Growth Percentile – Writing	2	6		Approaching
1.3a Growth Percentile Similar Schools – Reading	0	6		Does not meet
1.3b Growth Percentile Similar Schools – Math	4	6		Meets
1.3c Growth Percentile Similar Schools – Writing	4	6		Meets
1.4a Catch Up Growth – Reading	2	4		Approaching
1.4b Catch Up Growth – Math	2	4		Approaching
1.4c Catch Up Growth – Writing	2	4		Approaching
1.5a Keep Up Growth – Reading	2	4		Approaching
1.5b Keep Up Growth – Math	0	4		Does not meet
1.5c Keep Up Growth – Writing	0	4		Does not meet
1.6 AYP Growth	0	4		Does not meet
2. Student Achievement Level	16	38	42%	Approaching
2.1a SAR Performance 2007	1	3		Approaching
2.1b SAR Performance 2006	1	3		Approaching
2.2a AYP 2007 Reading	1	2		Approaching
2.2b AYP 2007 Math	0	2		Does not meet
2.2c AYP 2006 Reading	1	2		Approaching
2.2d AYP 2006 Math	0	2		Does not meet
2.3a CSAP Proficient+ – Reading	1	2		Approaching
2.3b CSAP Proficient+ – Math	1	2		Approaching
2.3c CSAP Proficient+ – Writing	1	2		Approaching
2.3d CSAP Proficient+ – Science	1	2		Approaching
2.4a CSAP Proficient+ Sim Schools – Reading	2	2		Meets
2.4b CSAP Proficient+ Sim Schools – Math	2	2		Meets
2.4c CSAP Proficient+ Sim Schools – Writing	2	2		Meets
2.4d CSAP Proficient+ Sim Schools – Science	2	2		Meets
2.5a Gaps – Reading	0	2		Does not meet
2.5b Gaps – Math	0	2		Does not meet
2.5c Gaps – Writing	0	2		Does not meet
2.5d Gaps – Science	0	2		Does not meet
2.6 Early Literacy – DRA				NA
3. College and Career Readiness				Does not meet
3.1 Colorado ACT	1	3		Approaching
3.2 Graduation Rate		0		
4. Student Engagement	3	3	100%	Exceeds
4.1 Attendance Rate	3	3		Exceeds
4.2 Student Satisfaction Survey				TBD
5. School Demand	4	4	100%	Exceeds
5.1 Re-Enrollment Rate	2	2		Meets
5.2 Enrollment Change	2	2		Meets
6. Parent and Community Engagement				
6.1 Parent Satisfaction Survey				TBD
6.2 Parent Response Rate				TBD

At the same time, authorizers too often face challenges in obtaining the data needed to hold schools accountable for student learning. Academic performance frameworks are only as good as the data authorizers have available to them. But state assessments, data, and accountability systems have often not delivered the kind of information that authorizers need in order to reach sound evaluations of school performance. In some cases, weaknesses in state materials have made it impossible for authorizers to get the data they need to measure student learning gains on the state's assessment system. State interpretations of federal privacy laws can pose barriers to authorizers accessing student-level data necessary to evaluate student growth. Some authorizers have also found state assessments insufficiently rigorous in their capacity to evaluate whether schools are really preparing students for success in college and careers.

Staff from Central Michigan University's Center for Charter Schools note that when CMU first began authorizing charter schools, "We didn't have rich assessment data. We used to evaluate performance on the state assessment, and that only provided data in certain grade levels." Like several other model authorizers, CMU has responded to gaps in state-provided data by taking matters into its own hands. The Indianapolis Mayor's Office, Volunteers of America, and CMU have all required schools in their portfolios to use additional assessments, besides the state accountability test, in order to generate information on student learning gains. Denver Public Schools developed their own growth model to evaluate student learning gains on the state assessment—a model that is now being used district and statewide. In Michigan, due to both changes in state policies and CMU's efforts to build its own measures, "the richness of assessment data we're able to get has increased exponentially," says CMU staff. "We can look over the course of a year or contract and really see whether schools are closing achievement gaps and demonstrating growth."

Model authorizers have made good progress in establishing clear, consistent, and nuanced academic expectations for most of the schools in their portfolios. But they are struggling to find appropriate ways to evaluate school academic performance in areas that cannot be assessed by a standard framework, or that state and other widely used assessments do not measure. This is particularly difficult in two areas: schools serving unique or high-need populations and/or grade configurations, and in evaluating schools' performance against their individual missions.

Effective authorizers agree that student academic learning is the most critical question in evaluating school performance and the most fundamental performance management task for authorizers.

Schools Serving Unique Populations

Model authorizers particularly report struggling to evaluate the academic performance of schools that serve very high-needs populations, such as students with disabilities, students who have previously dropped out of school, and "over-age, under-credited" high school students. Standard accountability measures, such as proficiency rates on state assessments, often do not provide meaningful information on the performance of schools serving these populations. The incorporation of student growth measures helps in some cases, but it is not adequate if a school serves students who are very far below grade level, have severe disabilities that make the standard state assessment inappropriate for them, are in exclusively non-tested grades, or are in transitional settings that students attend for less than a year. But there is no

clear consensus in the field regarding appropriate alternative academic measures for such students and schools. Nor is there clear consensus about the criteria by which to identify schools that should be subject to alternative performance measures—particularly in light of the open enrollment nature of charter schools and the fact that many charters operate in communities with high rates of adjudicated youth and students with disabilities.

A related set of challenges emerges around schools with non-standard grade configurations and high percentages of students in non-tested grades. Washington, D.C., for example, allows charter schools to operate preschool and adult education programs—neither of which have state test data. DCPCSB is working to develop appropriate and consistent accountability frameworks for early childhood, adult education, and schools serving high percentages of students with special needs. But this has been a challenge, and for now these schools remain on individualized accountability plans.

Currently, authorizers use a variety of strategies to evaluate the academic performance of non-standard schools. Only one of the seven model authorizers we looked at, Denver, currently has an alternative school performance framework, which is used to evaluate the academic performance of schools that self-certify as alternative, using a statewide definition. (Chicago Public Schools is currently developing a set of alternative performance measures that will apply to all alternative schools in Chicago, both traditional and charter.) But, because the alternative definition covers diverse schools whose unique populations pose differing challenges, one broad framework may not necessarily work well for all alternative schools. Other authorizers, such as Volunteers of America, adjust expectations for individual schools based on the population they serve. But none of the model authorizers really believe they have reached the right approach to evaluate the academic performance of schools serving the highest-need populations or to determine which schools should qualify for alternative measures. Better strategies for measuring the performance of schools serving non-standard populations are an urgent need in the field.

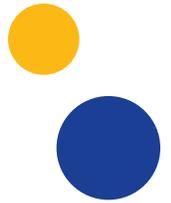
These challenges, like those authorizers have experienced around data, also have roots in state policy. Because states by and large have not put in place effective strategies to measure the learning of students with severe disabilities or the performance of non-standard schools, authorizers are left to their own devices in figuring out solutions. While this state policy failure creates challenges for authorizers, it also presents an opportunity for the broader charter and authorizing community to develop accountability measures that can be scaled to provide appropriate accountability in non-charter schools, and to inform state and federal policy.



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Mission-Specific Indicators

Another area of disagreement and challenge within the field is the role of “school specific” or “mission specific” indicators. In theory, complementing standardized performance frameworks with school-specific indicators should round out the picture of a school’s performance and better reflect the unique aspects of charter schools. That is why some authorizers, such as Volunteers of America, require schools to identify school-specific indicators that are incorporated into the academic performance framework.



But in practice, this has proven more complex, due to a lack of assessments that meet adequate criteria of rigor, validity, and reliability for use in high-stakes decisions, as well as limited school capacity to identify or develop appropriate assessments. Because of these challenges, relatively few Indianapolis charter schools have opted to select mission-specific indicators, although the Mayor's Office allows them to do so. Central Michigan University has moved away from mission-specific goals in charter contracts, although it does encourage schools to include them in school improvement plans, which do not have the same high stakes. Mission-specific indicators have also been a challenge in the District of Columbia Public Charter School Board's efforts to develop a new performance management framework—which will be implemented this year without planned mission-specific indicators—due to challenges in defining and identifying appropriate metrics. There are also philosophical questions in the field about the role mission-specific indicators should play: Should success on school- and mission-specific indicators compensate for poor performance on other academic metrics? Or are school- and mission-specific indicators only another indicator on which schools can fall short? Would authorizers close an otherwise successful school that fell short of school-specific indicators? The inability to reach satisfactory answers to these questions has led some authorizers—such as SUNY—to dispense altogether with such indicators.

Looking Ahead

Authorizers have developed effective strategies for evaluating schools' academic performance in a context that is often constrained by the limits of state standards, assessments, and accountability systems. But this state policy context is evolving: Most states are preparing to implement new Common Core standards and aligned assessments in mathematics and English language arts. States are also building out their data systems to better track longitudinal student data over time, and many have developed growth measures of student learning gains. All of these changes have implications for authorizers' efforts to hold schools accountable for academic performance. Many of the changes that states are making should provide authorizers with better information and tools, but they will also require changes in authorizer practice and may in some cases create conflicts with existing measures. Increasing academic standards may also increase the number of schools that fall short of authorizers' requirements.

Financial, Governance, and Operational Performance

In addition to academic performance, authorizers must also hold charter schools accountable for their financial, governance, and operational performance. There is greater variation among authorizers in these areas than there is around academics, and some authorizers have less well-developed frameworks.

Of these three non-academic performance areas, authorizers have developed the most robust performance frameworks around finance—where clear, objective, quantitative measures are available. Both SUNY and Chicago have developed financial performance frameworks that provide a clear and comprehensive picture of schools' financial well-being. Other authorizers, such as Denver, are only now developing uniform financial performance frameworks for schools. One potential area for improvement is in the development of more forward-looking financial indicators. Most metrics that authorizers currently use are backward-looking or process-oriented; they can tell authorizers how schools are performing now and whether they are meeting basic financial stewardship obligations, but they do not necessarily provide a strong forward-looking indicator of whether a school may be headed for financial challenges in the future.

Governance and operations have proven more challenging for authorizers, in large part because the relevant indicators are more subjective or process-oriented than academic or financial metrics, creating



challenges in balancing the need for accountability with respect for school autonomy. Most authorizers—with the exception of district authorizers, who are less advanced—have some type of framework in place for assessing governance. For example, most authorizers have policies designed to ensure that the board is truly independent from the school’s leadership and/or education service provider and require charter school board members to submit signed conflict-of-interest forms. Authorizers also typically require schools to submit documentation that regular board meetings are occurring, including board meeting minutes. Some authorizers offer or require school board members to participate in formal training regarding their roles and responsibilities as board members. But some authorizers express uncertainty that their frameworks are really looking at the indicators that matter most. There are also outstanding concerns about how information about school governance and operations should be integrated into high-stakes decisions. When a school’s academic performance is poor, information about weaknesses in governance and operations can help to make the case for closure. It is harder to know what to do when a school that is not academically failing has operational and governance problems, and state law may not provide the authorizer authority to take effective action.

Collecting and Using Qualitative Information About School Performance

All authorizers integrate some degree of subjective, qualitative monitoring of school operations and capacity into their approach to performance management. This is meant to supplement the more objective and quantitative indicators included in academic and finance frameworks, and to provide a more comprehensive picture of how a school is doing. There are common themes in how authorizers do this. Most of the model authorizers—including Volunteers of America, Indianapolis Mayor’s Office, SUNY, CMU, and DCPCSB—conduct some type of formalized qualitative reviews of schools, roughly annually, or annually with certain exceptions, and not just when charters come up for renewal. These qualitative reviews typically include a formal site visit and conversations with the school’s board, and may be conducted by authorizer staff, external consultants, or a mix. CMU also does a separate review, using external consultants, for struggling schools. But there is significant variation in authorizers’ strategies. Both CMU and the Indianapolis Mayor’s Office invest substantial time and resources in more-frequent interaction with schools. At the other end of the spectrum, CPS conducts formal site visits and qualitative reviews of schools only during the five-year review, although more frequently in the case of schools experiencing particular challenges.

Site visits and qualitative reviews can provide a valuable source of information for authorizers about school performance and offer context for analyzing and understanding a school’s objective, qualitative, academic, and financial data. But they also raise challenges for authorizers.

One issue is how authorizers use information from qualitative reviews. Information from qualitative reviews can inform high-stakes decisions about schools—particularly in a school’s earliest years in operation, when quantitative academic data may be more limited, for schools that have recently undergone management changes, and those that serve unique populations. But there is a danger in allowing qualitative information to override quantitative academic data. In some cases, authorizers have allowed academically underperforming schools to receive multiple “second chances” or short-term charter extensions based on qualitative findings of school capacity and efforts to improve—but these schools have not improved achievement, requiring their authorizers to eventually shut them down. Qualitative reviews also create a risk of authorizers’ overstepping their bounds, passing judgment on operational and instructional issues where schools should have autonomy.

Another concern is around authorizer capacity. Qualitative monitoring is intensive and costly, creating challenges for authorizers to sustain their qualitative monitoring practices in the face of both growing portfolios and shrinking public resources. Authorizers are looking at ways to reduce this burden without undermining accountability. DCPCSB recently adopted a policy that would require annual qualitative reviews, known as Program Development Reviews (PDR), only for schools in the bottom tier of school performance and campuses in their first year of operation. This approach will reduce the burden on both DCPCSB and charter schools, and allow the board to focus its resources on the highest-need schools. SUNY has also worked out a balanced model, in which they conduct in-depth qualitative site visits during the first, second, and third year of a school's operation—when performance data is often sparse—and prior to its fifth year renewal, but conduct fourth-year visits only for struggling schools in clear danger of non-renewal. Once a school is renewed, SUNY conducts subsequent site visits much less frequently—once in the subsequent renewals term and then only if there are indications of problems in the school. Denver is an outlier in that the district is actually seeking to increase its collection of and use of qualitative information in its charter renewal process—although it is also starting from a lower baseline than some authorizers.

Authorizers generally indicate that compliance history and documents can be useful in providing a record when problems arise with a school, but most are not using compliance information to identify and prevent potential problems.

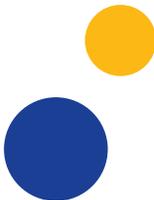


Monitoring and Compliance

In addition to monitoring schools' academic, financial, governance, and operational performance, authorizers must ensure that the schools they charter are meeting their obligations as public schools—such as guaranteeing open enrollment and serving students with disabilities—and complying with all applicable laws.

Compliance monitoring is critical to quality authorizing, but it is often an area of frustration for both authorizers and schools. Authorizers are not always strategic in terms of the compliance information they collect. Authorizers and schools may invest considerable effort collecting and providing compliance information in areas that are not very important. At the same time, authorizers may not be collecting enough information, or the right information, to ensure schools are truly complying with their obligations to serve children with disabilities and English language learners, to ensure truly fair and open enrollment, and to monitor charter school disciplinary policies and practices. In light of recent high-profile cheating scandals in some large urban districts, one stakeholder also indicated that authorizers may need to revisit their strategies for enforcing school compliance with high-stakes testing. Guidance in defining what information to collect or what monitoring strategies to use—at a deeper level than existing practices currently provide—could help improve authorizers' confidence in these areas.

Many authorizers also lack capacity to really analyze or use documents and information that schools provide for compliance reporting purposes. Authorizers generally indicate that compliance history and documents can be useful in providing a record when problems arise with a school, but most are not using compliance information to identify and prevent potential problems. Some authorizers have also added compliance requirements in response to issues that have arisen in the past, creating a risk of bureaucratic creep that places increased burdens on all schools (and the authorizer) in response to the errors of a few.



Complicating matters, schools typically deal with reporting and compliance requirements from not only their authorizer but also from the state, federal funding programs, and in many cases other parts of the school district or other local government agencies. Model authorizers have worked with state and other agencies to reduce duplicative reporting requirements—but have not always been successful in doing so.

A few authorizers have taken promising steps to reign in the compliance beast. As part of the development of its new Performance Management Framework, the District of Columbia Public Charter School Board pared down the list of compliance-related documents that it asks of schools to fewer than 15 items, all tied to requirements defined in the district's charter law and the schools' charters. Rather than requiring schools to submit compliance reports and documents to the authorizer at set times, as most authorizers do, the Indianapolis Mayor's Office asks schools to create a compliance binder that contains all key compliance information and documents in one place. The binder is available for the schools and authorizer to review when necessary, but reduces the amount of paper going back and forth between the two and avoids creating an expectation that the authorizer will review all compliance documents. CMU has developed a technology platform, AOIS, that enables schools and authorizers to more efficiently submit and review compliance documents. Multiple authorizers, overseeing more than 200 schools in seven states, now use AOIS to streamline compliance.

Using Information from Performance Management Frameworks

Just as important as what information authorizers collect in their performance management frameworks is how they use it. In general, model authorizers tie all key authorizing decisions—including charter renewal, expansion, replication, and closure—to schools' performance as measured by the authorizers' frameworks, and do so in a way that is consistent and transparent to schools and other stakeholders. Subsequent sections of this paper further discuss how authorizers use performance management frameworks to make replication and closure decisions.

Model authorizers establish processes, such as annual reports and site visits, to communicate with schools and provide ongoing feedback about their performance relative to frameworks, so that there are no surprises when it comes time for key decisions. Transparent and ongoing communications about authorizer expectations and school performance are a critical component of effective performance management; schools cannot raise performance to meet authorizer expectations unless they fully understand what those expectations are and where they fall short.

Some authorizers are more effective than others in communicating with schools about expectations and performance. Both CMU and the Indianapolis Mayor's Office invest considerable staff time and resources in building relationships and maintaining ongoing communications with schools, through CMU's leads program, which assigns each school a designated "lead," who serves as the point of contact between CMU and the school, and through monthly face-to-face visits in Indianapolis. But these strategies are resource intensive. Regardless of how an authorizer chooses to provide for ongoing communication with schools, it is critical to ensure consistency of message across authorizer staff and contractors, so that schools do not get mixed signals.

Transparent communication with parents and the public about school performance is also critical. Indianapolis's experience shows that effectively publicizing information about schools' performance can be a powerful tool for authorizers to stimulate schools to do better—and also provide a valuable service for parents and other community stakeholders. Such communication becomes all the more important as authorizers grapple with the challenges of struggling schools (see Case Study 1).

Case Study 1: Using Communication to Improve School Performance in Indianapolis

Charter school authorizers have a relatively limited toolkit, and the primary tool they have to drive improvement in school performance—closure—is an extremely blunt one. Thus, it is somewhat surprising that authorizers frequently underutilize or fail to recognize the value of another tool in their kits: public communication with schools, families, and other public stakeholders.

The Indianapolis Mayor's Office provides a good example of how authorizers can use communications more proactively to hold schools accountable and drive improvement. From the beginning of its role as a charter school authorizer, the Mayor's Office has committed to making school performance information highly public—a reflection of former Mayor Bart Peterson's belief that the heightened public profile and accountability that accompanies an elected official is one of the primary values of having a mayor authorize charter schools.

The primary tool that the Mayor's Office uses to communicate information on school performance is its annual report, a lay-reader-friendly document that provides honest and detailed information on both the mayor's performance standards and schools' performance against them—warts and all. While most authorizers produce some type of annual reporting on the performance of schools they charter, the Indianapolis Mayor's Office report is distinguished by its thoroughness, frankness about school performance shortcomings, and production values, as well as the efforts that the Mayor's Office makes to ensure that the report is widely circulated and read. The authorizer uses the profile of the Mayor's Office to generate real publicity around the annual report, for example, by reaching out to local media outlets and sitting down with editorial boards in advance of its publication—generating front page stories and editorials about charter school performance.

This high level of publicity acts as an additional accountability tool: Because the report gets substantial

coverage in the local media, schools that perform poorly are publicly embarrassed—and that creates added incentive for them to improve. When a charter school supported by local community leaders performed poorly in its first year, its poor performance was reflected in the mayor's annual report, which publicly embarrassed those community leaders, who then worked hard to ensure that their school did not receive similarly poor evaluations the next year. When schools continue to underperform, the reports also create a very public track record of how they have fallen short, as well as the authorizer's communication to schools about these shortcomings, both of which are useful in closure proceedings. And the report ensures that parents have access to good information about school quality so that they can make informed choices for their children.

Beyond the annual report, the Mayor's Office uses public communication in a variety of ways to ensure that its authorizing practices and policies are highly transparent. Transparent information about each school's performance data is available on the mayor's website. And hearings on charter applicants, as well as closure hearings, are broadcast on public access television.

Mayors inherently have a higher profile than many independent or nonprofit authorizers, which enhances the Indianapolis Mayor's Office's ability to use publicity as an authorizing tool. But many authorizers could do a better job of engaging media and the public around charter school performance. Some authorizers have made a choice to “fly under the radar,” in an effort to protect themselves and their schools from public scrutiny or criticism, or to try to avoid becoming a political target. But the experience of the Mayor's Office suggests that keeping a low profile may not always be the best strategy; authorizers who are publicity savvy can actually turn public scrutiny into a valuable performance management tool.

The Struggling Schools Challenge

Authorizers are increasingly grappling with a question that falls at the nexus of performance management and closure: What should authorizers do when faced with a school that is struggling academically but not failing? From its earliest days, a fundamental promise of the charter school movement has been that, unlike in the traditional public school system, charters that consistently fail to demonstrate high academic performance will be closed. But today, most of the larger authorizers' portfolios contain schools that fall in a gray area between successful performance and performance that is poor enough to justify closure. A persistent struggle for authorizers is how to respond to schools that fall short of authorizers' academic performance expectations but still outperform other schools in the school district or geographic area they serve. There are other schools in this gray area as well, such as those that consistently hover right on the border of meeting expectations, but never improve, and those that are successful in some areas but not others. Authorizers are understandably reluctant to close these schools—particularly in communities with few quality alternatives—but they also know that the schools' performance is not acceptable.

Unfortunately, authorizers have few resources besides closure with which to address such schools. Many authorizers have created tiers of intervention designations—such as notices of concern, notices of warning, notices of probation, and charter warnings—designed to notify schools of deficiencies in their performance and to create a record that can be referenced in future closure proceedings. These tiered interventions seem to be effective in driving schools to address issues related to compliance, governance, and finance (and when they are not, schools often end up facing closure). But tiered interventions have been much less effective as a response to poor academic performance, in part, because poorly performing schools often don't know how to improve. Many of these schools are unlikely to get much better without significant support and increased capacity. The general consensus in the field is that it is far beyond an authorizer's appropriate role to provide such support—although there is disagreement about exactly where the line should be drawn. The track record of efforts to improve performance in underperforming schools, whether in district or charter settings, is also decidedly mixed, with few clear examples of success. If detailing a school's failures and warning that it is at risk for closure prove insufficient to spur improvement, authorizers have little choice but to close the school.

Alternatives to Closure

A few authorizers have experimented with alternatives to closure for low-performing schools. SUNY recently put out a request for proposals for a proven provider to take over the operations of Harlem Day Charter School, a low-performing charter school whose poor academic record meant SUNY would not renew its charter at the end of its five-year term. Democracy Prep, which already operated several high-performing charter schools in Harlem, submitted a successful bid to run the school (see Case Study 2). The District of Columbia Public Charter School Board approved an existing operator to take over the building and enrollment of a school that closed mid-year due to financing mismanagement, avoiding mid-year displacement of that school's students, but the new operator has struggled academically. Central Michigan University has also reconstituted the boards of low-performing schools as an alternative to closure; these new boards typically bring in fresh management in an effort to improve performance.

The results from these efforts are mixed and not an option for most authorizers who do not officially appoint charter school boards, as is the law in Michigan. The Indianapolis Mayor's Office recently chose to delay by a year the closure of a low-performing school, Fountain Square Academy, in hopes of identify-

ing another operator who might be able to operate a new school in the same facility. There are real risks when an authorizer tries to reconstitute a low-performing school rather than closing it—not the least of which is the possibility that taking over a low-performing school could undermine the performance of previously strong operators. The jury is still out on the advisability of such efforts. But authorizers’ willingness to take on these risks illustrates the difficulty they face in balancing the need to hold schools accountable against the needs of children who might not have better alternatives.

Case Study 2: “Restructuring Renewal” in New York

As Harlem Day Charter School approached its 2011 charter renewal, both its authorizer, the Charter Schools Institute at SUNY, and the school’s board knew it was in trouble. Ten years into its existence, Harlem Day was clearly struggling. Less than 20 percent of the school’s fourth- and fifth-grade students were proficient in English language arts and math. SUNY’s 2009 review of the school, conducted by a team of independent experts, found that the school had no clearly defined curriculum and lacked both effective teaching and strong instructional leadership. Given this track record, Harlem Day was a clear candidate for charter closure.

Harlem Day Board Chair Ben Lambert, who founded the school, admitted its failure but was deeply concerned about what would happen to students if the school closed. Higher-performing Harlem charter schools had very long waitlists, meaning that students would most likely wind up in neighborhood schools that were also performing poorly. Wasn’t there some way, Lambert asked then-CSI executive director Jonas Chartock, to remove the adults who had failed to make the school a success, without further failing children by closing the school?

Recognizing both the school’s failure and the poor alternatives facing many of the children it served, SUNY embarked on a novel—and potentially risky—experiment, which they now describe as “restructuring renewal.” Under this option, all the adults in the failed Harlem Day school would be removed; the school’s board would step down, and the school’s leadership and teachers would lose their positions at the end of the 2010–11 school year. To replace them, SUNY issued a request for

proposals (RFP) for a group willing to take over operation of the school, with the same building and students. Given the challenges involved in taking over a low-performing school, SUNY specifically sought organizations that had a track record of operating successful schools serving populations similar to Harlem Day’s.

SUNY received one response to its RFP, from Democracy Prep Public Schools, a charter management organization that then operated two successful middle schools and a high school in Harlem. SUNY reviewed Democracy Prep’s proposal much as it would any application to open a new school, reviewing the provider’s past performance, proposed board, and academic, operational, and financial plans against the same standards and frameworks used to evaluate new school applications.

In March 2011, the SUNY Board of Trustees voted to approve the restructuring of Harlem Day Charter School as Harlem Prep Charter School, and in August the school reopened for the 2011–12 school year as Harlem Prep. Under the restructuring arrangement, SUNY will treat Harlem Day as it would any other newly authorized first-year charter school, conducting site visits in the school’s first three years in operation and holding it to the same renewal standards as any other school in its first charter term.

The board and leadership of the restructured Harlem Prep face considerable challenges in turning around a previously low-performing school. And SUNY’s efforts have garnered criticism from some in the charter school movement who believe that closure is the only appropriate option when a school has consistently failed. Critics also fear that restructuring a failed charter school, rather

Case Study 2 *continued*

than closing it outright, may make it more difficult for SUNY to close low-performing schools in the future.

It is still too early to judge the results of SUNY's experiment in restructuring renewal, but the experience of the past year does provide clear lessons about the factors that need to be in place for this option to even be considered. SUNY was able to undertake the restructuring renewal of Harlem Day to Harlem Prep only because of a unique combination of factors that do not exist in many low-performing charter schools—meaning that restructuring renewal is not a feasible option for most of these schools. These factors included:

Adequate financial resources. Although Harlem Day was failing academically, it was in solid financial shape and had access to a pool of resources that could be used to cover additional costs and expenses incurred in the restructuring renewal. (Because Harlem Prep is not a “new” charter school, it is not eligible for federal or philanthropic charter school startup funds to cover the costs of planning and transition.) Many low-performing charter schools, though, are not in similarly sound financial circumstances, and are running operating deficits or have considerable debt. Schools that are not in good financial condition should not be considered candidates for restructuring renewal.

Supportive board and leadership. The restructuring renewal of Harlem Day to Harlem Prep was instigated by the board of the failed school and was undertaken with their full cooperation. The willingness of the Harlem Day board's members to voluntarily step down and not apply for a renewal of their original charter was, in fact, a condition of SUNY's willingness to undertake the restructuring renewal effort. Similarly, the principal of Harlem Day, who also lost his job at the end of the 2010–11 school year, played a key role in facilitating the restructuring renewal by working collaboratively with the Democracy

Prep staff between March and the end of the 2010–11 school year, and by facilitating communication to parents and staff about what was going on in the school. But this is not the case in many school closures, where school boards and leadership often fail to recognize their failure and actively fight the authorizer's closure efforts. SUNY's experience suggests that restructuring renewal should be an option only when the board and leadership of the failing school are thoroughly on board.

Start As Soon As Possible. One of the challenges with the restructuring renewal option is the abbreviated timeline that new operators must work on, even as they undertake a task even more difficult than starting a school from scratch. The SUNY trustees did not vote on the restructuring renewal until March, giving Democracy Prep only a few months to prepare for the fall 2011 reopening of the school under new management. The earlier an authorizer can make a decision—and the more planning time they can provide a restructuring operator—the better. Equally important, because of the collaborative involvement of the previous board and leadership, Democracy Prep was able to begin working in the school right away, providing professional development and support to teachers (most of whom would not be returning in the fall) during the remaining months of the 2010–11 school year, rather than waiting until after the school year ended. This work during the 2010–11 school year helped to smooth the path for transition and to improve the skills and knowledge of children in the school, even before the new operator took over. Such early engagement requires both adequate resources and cooperation from the previous school management—underscoring the importance of both prerequisites for restructuring renewal. The availability of state testing data may dictate the earliest an authorizer can consider such an option.

Need for Solutions

No authorizer has yet reached a satisfactory answer for how to deal with marginally performing schools. Given the constraints on what is an appropriate level of authorizer intervention—the general consensus is that authorizers’ roles should be limited to diagnosing shortcomings, not providing advice and support to help schools improve—there may be a need for new types of third-party and intermediary organizations to provide support and assistance to charter schools that have sound governance and operations, but need to improve academically. Authorizers, along with charter advocates, policymakers, and funders, have an interest in identifying stronger solutions, because improving the aggregate performance of charter schools will be very difficult without a broader set of tools to support improvement in marginally performing schools. Ultimately, the answer may be that authorizers cannot actually drive improvement in marginal schools but must instead ease the path to closing them by growing the number of higher-performing alternatives through replication.

Closure

In recent years significant policy attention has focused on the need for authorizers and the broader charter school community to get tough about closing low-performing schools. Several model authorizers have demonstrated their toughness by making difficult closure decisions. SUNY has closed nine percent of the schools it has chartered, including some high-profile and politically connected schools; DCPCSB has closed nine schools in the past two years alone (including several that surrendered their charters rather than go through formal closure proceedings), several for poor academic performance; and CMU has closed 10 schools—representing one-sixth of its portfolio—since 2004–05, six of those in the past two years.

Other authorizers have had a harder time closing low-performing schools, in part because of political obstacles (particularly when the decision makers are public officials who are elected or appointed by an elected official), weaknesses in state laws and the threat of litigation, and sometimes just a lack of will. But effective closure of low-performing schools is not just a matter of toughness. Rather, solid closure decisions require a performance framework that provides clear, reliable, objective, and comparable information about school performance, as well as public policies that enable authorizers to get the data they need to close low-performing schools and protect them from unmerited litigation.

Denver provides a compelling case in point. Prior to the creation of the district’s “scorecard” system of school performance ratings, closure decisions were highly contentious (see Case Study 3). The scorecard has simplified the process of school closure by providing transparent, objective data that can be used to justify closure decisions, and by doing so in a way that makes both expectations and performance very clear to schools and the public—so that schools can never say they were surprised by closure decisions. It also helps that the Denver district acts to close both low-performing charters and traditional schools, using the same scorecard and criteria to make decisions in both cases. This enhances the legitimacy and reduces controversy around closures. Denver’s experience illustrates the value of having clearly defined, objective criteria that trigger a school’s consideration for closure or nonrenewal based on the authorizer’s performance management framework.

Case Study 3: Denver's School Performance Scorecard

The limitations of state assessments and data systems can sometimes make it difficult for authorizers to get the information they need to evaluate schools' performance, and this has sometimes forced authorizers to take matters into their own hands, developing their own academic measures and frameworks that are stronger and more nuanced than what the state accountability system uses.

Denver Public Schools provides an example of how model authorizers are defining the cutting edge of school performance measurement and accountability—and how forward-thinking authorizers can actually drive progress across entire district and statewide accountability systems.

In 2004, a group of organizations—the National Association of Charter School Authorizers (NACSA), the National Alliance for Public Charter Schools (NAPCS), the Center for Research on Educational Outcomes (CREDO), and the Colorado League of Charter Schools—received a federal grant (known as Building Charter School Quality, or BCSQ) to do work to improve authorizer performance management as a key strategy for improving charter school quality.

At that time, many charter school leaders had realized that the predominant strategy of measuring school performance—the Adequate Yearly Progress measure enshrined in the No Child Left Behind Act (NCLB)—was inadequate because it looked only at a snapshot of student performance at one point in time and did not take into account student learning gains or growth.

As part of the BCSQ work, the Colorado League of Charter Schools convened a group that began to work on growth measures for Colorado public schools. A year into the BCSQ grant, then-Denver Superintendent Michael Bennet asked Richard Wenning, who led the growth measures work with the league, to help Denver Public Schools develop a new performance management framework, integrating growth and other measures, that could provide a “balanced score card” evaluation of the performance of DPS's charter schools. This performance framework was piloted, field tested, and refined with Denver's charter schools. In 2008, Denver expanded the framework district-wide, creating one common set of performance measures to provide consistent and

transparent information to families and the public about all schools in Denver.

At the same time, Wenning and the league worked with state policymakers—including Senate Majority Leader Keith King, former Commissioner of Education Dwight Jones, and former Governor Bill Ritter—to drive changes in state policy and improve the state's data system to support growth measures and a more nuanced approach to measuring school performance in Colorado. Over multiple years, various bills made improvements in the state's data system, and Wenning eventually moved to the state Department of Education, to help lead the creation of a statewide growth model and performance framework. In 2008, the U.S. Department of Education approved Colorado to participate in the Growth Model Pilot Program, which allows approved states to incorporate student growth into their definition of Adequate Yearly Progress under NCLB. And in 2009, the legislature passed the Education Accountability Act of 2009, which overhauled the accountability system for Colorado districts and schools, creating a new performance framework that incorporates information on student achievement, growth, growth gaps, and postsecondary readiness. The growth models that are a part of this framework will also be used to evaluate teacher performance as part of Colorado's groundbreaking teacher evaluation law, passed in 2010.

Each of these changes—a consistent performance framework using student growth for all Denver Public Schools, the adoption of a statewide model to measure student growth, the creation of new state performance frameworks that incorporate that growth model, and teacher evaluations informed by student learning gains—all trace their roots to the original efforts of charter advocates, and to Denver, as an authorizer, to develop a better model for measuring charter school quality and evaluating student learning gains in charter schools.

This experience in Colorado illustrates how authorizers working on the cutting edge of accountability can develop tools that not only meet their own needs to hold schools accountable, but also inform and reshape district- and statewide policies, leading to improvements in accountability for all public schools.

Even as authorizers establish objective triggers for school nonrenewal and closure, they also maintain an element of discretion in renewal and closure decisions. There will always be cases in which schools fail to meet standards by a very narrow margin—and in these cases authorizers need to be able to apply additional scrutiny and discretion to ensure the public legitimacy of their decisions to the public. Because schools have been open for a short period of time at their first renewal, the amount of performance data on key indicators is often limited, requiring authorizers to exercise even greater judgment. In some cases, authorizers need the flexibility to decide that specific factors in a school—such as a uniquely high-need student population or an external or community event that affected the school’s performance—justify making an exception.

Solid closure decisions require a performance framework that provides clear, reliable, objective, and comparable information about school performance, as well as public policies that enable authorizers to get the data they need to close low-performing schools and protect them from unmerited litigation.



Recognizing the value of discretion also calls for imposing some limits on that power, so that authorizers cannot indefinitely extend the life of a school that keeps promising to “do better next year” and never does. SUNY offers an example of self-imposed limits on authorizer discretion. During a school’s first charter renewal, after five years in operation, the SUNY board considers both qualitative and quantitative information and has the discretion to offer a shorter-term renewal to schools whose academic performance falls short of the requirements for full renewal. This is not typically an option in subsequent renewal decisions. When SUNY chose to violate this policy by offering a one-year renewal to New Covenant, a 10-year-old school that had failed to meet academic targets, the SUNY board “bound itself to the mast,” by limiting options at the end of the one-year continuance to full five-year renewal or closure. At the end of the year, New Covenant still failed to meet performance targets and was closed. If authorizers do not impose such limits on their own discretion to close low-performing schools, they may find that others will do so for them. Several states have passed legislation that requires authorizers to close schools that fall below certain academic performance thresholds—and more may do so if authorizers continue to allow chronically failing schools to remain in operation.

Closures for academic—as opposed to financial or health/safety—reasons most commonly occur through nonrenewal of a school’s charter, rather than revocation, and some state laws allow authorizers to close schools for academic reasons only through nonrenewal. One exception here is DCPCSB, which has undertaken many closures, including closures for academic reasons, outside its five-year charter review and 15-year charter renewal processes. Chicago is also creating a revocation process through which the authorizer would identify and close the three lowest-performing charter schools every year, whether or not they are due for renewal. But in general, authorizers make academic closure decisions through nonrenewal—for good reasons. Renewal processes provide a structure for the thorough review of a school’s performance, against both the authorizer’s performance framework and the entirety of its contract, over the course of its charter. And because schools’ contracts come up for renewal at set dates, they have advance notice that they are going to come under scrutiny. Most model authorizers have renewal policies or rubrics that define specific academic, financial, and operational criteria that schools must meet in order to qualify for renewal; schools that do not meet these criteria are candidates for closure.

Model authorizers also lay the groundwork for strong closure decisions by preparing for closure even before a school is authorized, most importantly, by building strong academic performance expectations into the charter school contract so that schools that fail to meet these expectations are clearly in violation of their contracts. Some, including Volunteers of America, also spell out a closure process in the charters. This helps with communication—because it makes clear to an authorizer’s schools, from the beginning, that closure is a real possibility.

Authorizers that have closed multiple schools have learned the importance of communicating clearly and transparently about performance problems, and of documenting both problems and communication over time. Schools should never be surprised by closure or nonrenewal decisions; transparent performance frameworks should enable them to see exactly how they are falling short, and authorizers should communicate clear warnings to schools that are not performing well. Annual reports, tiered warnings and interventions, and meetings with the boards of schools identified as at risk for closure are among the communication strategies that model authorizers use to ensure “no surprises.” A record of both problems that have occurred in a school and the authorizer’s communication with the school regarding these problems provides important evidence and documentation for closure proceedings—and is particularly useful for authorizers whose decisions are subject to appeal, litigation, or high levels of public scrutiny. Because some authorizers experience high levels of staff turnover, it is important to ensure clear protocols for preserving and organizing documentation so that future staff can access records of past issues and interactions with schools.

What Happens Once an Authorizer Decides to Close a School?

The closure process does not end with the decision to close a school—closures also require careful oversight to ensure that the public and students’ interests are protected. Model authorizers have adopted detailed closure protocols to manage this process so that key tasks are carried out, such as maintaining and transferring student records. Many schools also have both significant assets and significant debts,

Common elements in closure protocols include:

- Establishing a transition team
- Developing a transition plan
- Notifying students, families, and other stakeholders
- Transferring student records
- Closing out finances
- Maintaining records

which need to be discharged in a way that ensures appropriate use of public funds. Closure protocols are generally highly similar across model authorizers, in part because the core authorizer responsibilities in closing a school are the same, and in part because authorizers have shared and replicated one another’s protocols.

Model authorizers suggest that the people responsible for managing school wind-down should not be the same individuals who were most directly involved in closure decisions,

because school leaders and board members may have negative feelings towards those individuals. CMU finds it valuable if schools going through closure seek independent, court-appointed receivers, which can reduce the burden of closure on the authorizer and ensure that the school is closed properly and funds are protected. Overseeing a school’s wind-down and closure requires considerable time and resources, and the costs involved in school closure are emerging as a growing challenge for authorizers—particularly those that have been the most aggressive in closing down low-performing schools. DCPCSB estimates its costs to close a school at more than \$78,000. If policymakers are committed to chartering as a long-term

school reform strategy, and to improving quality by closing low-performing schools, they will need to ensure that authorizers have the resources to properly oversee school closures. One potential option, which some model authorizers have begun to implement, is to require all charter schools to place funds in escrow that can be used to cover costs in the event of closure.

Another key question that authorizers, policymakers, and the overall charter school movement must address is: What level of responsibility do authorizers have to children who are displaced when a low-performing school is closed? Some authorizers, such as CPS, have committed that when the authorizer closes a school, children in that school are guaranteed to attend another school that is performing better. District authorizers are much better positioned to make such a promise—and arguably also have a greater responsibility to do so—than are independent or statewide authorizers. Other authorizers view it as their responsibility to provide parents and students with information about school options and assistance enrolling in other schools, but do not view it as their responsibility that children enroll in a higher-performing school. DCPCSB, for example, holds enrollment fairs at closing schools and engages consultants to help families find a new school, but does not make any guarantees. Others, particularly statewide authorizers who oversee far-flung schools, see their responsibility as primarily one of communicating with school districts in which a closed school is located, and overseeing the preservation and transfer of student records.

In communities where there are few high-quality options and most charter schools have waiting lists, students leaving a closed charter school may not have any better—or may even have only worse—options. This is a particular concern when authorizers must close alternative schools or those serving high-need student populations because there may, in fact, be no other appropriate settings available for those students, or any that are willing to take them. Closure of high schools is generally more problematic than closure of elementary or middle schools; some high school students are above the age of compulsory school attendance and may simply decide to drop out, rather than find another school.

The closure process does not end with the decision to close a school—closures also require careful oversight to ensure that the public and students' interests are protected.

As authorizers come under increasing pressure to close low-performing campuses, it will be important to develop strategies to ensure that students from these schools have opportunities to transition to more effective schools. This is a particular challenge in urban areas with many low-performing schools, as well as rural areas with few school options. An obvious strategy is to grow the supply of high-quality charter schools, creating more options for students. Other strategies could also help improve the options for children leaving closed schools. First, authorizers should, to the furthest extent possible, seek to ensure that closure decisions are made before the deadline for charter and out-of-boundary lotteries, or applications to magnet and other specialized district programs. This would ensure that children from these schools have access to as many alternative opportunities as possible, but requires closure decisions to be made earlier than many currently are.

Other policies could also help increase the space available in better schools for students leaving closed schools. One option would be to give a lottery preference or additional weight to students leaving closed

schools, who are arguably a higher-risk population because they have been enrolled in a failed school. Another option for authorizers to consider is to work with expanding or replicating schools to build into their expansion plans a small number of added seats in each grade every year, for the purpose of providing space for students leaving closed schools.

A variety of policy trends are pointing toward a public education marketplace with increased turnover among providers. Not only are more students enrolled in charter schools—and the demands to close low-performing charters strong—but policymakers also increasingly recognize a need to close low-performing or under-enrolled traditional district schools. A more fluid marketplace, in which new providers are entering and failed providers go out of business, has the potential to drive improved quality and options for children and families, but also demands more robust strategies to help families navigate transitions. We do not have smooth systems to support families whose schools close, or to recruit high-quality providers into the facilities of closed schools. And there is a particular need for better solutions for children in rural areas who may not have access to alternative options when a school closes. Creating these systems will require broader policy changes beyond the scope of authorizers, as well as potential third-party intermediaries. But authorizers can—and must—play a role in shaping a policy agenda to support good transitions for students when schools close.

Replication

Over the past decade, the charter school movement has shifted to focus increasingly on quality. That shift has been accompanied by an increased emphasis on replicating effective models and growing them to scale, through charter school management organizations (CMOs), education management organizations (EMOs), and other networks that operate multiple charter schools using a common academic approach and model (herein referred to as education service providers, ESPs).

The growth of ESPs and focus on scale have not been reflected in authorizer policies and practices, which—along with state charter school laws—were designed around the idea of individual, standalone charter schools, not ESPs. As a result, authorizer policy and practices (as well as state laws) can create obstacles for high-performing operators seeking to grow, and authorizers may feel ill equipped when faced with applications from a multi-site charter operator seeking to replicate.

Model authorizers want to increase the number of high-performing schools in their portfolios and see both the replication of successful schools currently in their portfolios and the recruitment of high-quality providers from elsewhere as promising strategies for doing so. But both types of replication pose challenges for authorizers, who must ask questions in evaluating an existing operator that are different from those they ask brand new applicants. Two types of information are particularly important:

Information about past performance: Authorizers must permit only academically successful schools to replicate. Strong performance frameworks can ensure that authorizers have the information they need to assess the academic performance of schools within their portfolio (both Denver and Chicago, for example, permit replication only by schools that meet certain bars for academic performance). But authorizers may face greater difficulties in assessing performance of schools or operators from outside their portfolio—particularly given differences in state assessment and data systems, as well as limits on authorizer capacity. The move towards common core standards and aligned assessments may help here, but there may also be a role for third-party organizations in collecting information on ESP performance and awarding “good housekeeping” seals of approval that could help authorizers evaluate the academic performance of operators from other jurisdictions.

“Replication” can mean a number of different things, including:

- A single school in an authorizer’s portfolio wants to create a second campus that delivers the same academic program and serves the same grade levels;
- A single school in an authorizer’s portfolio wants to expand to serve students in another grade range (i.e., a middle school wants to add a high school); or a multi-campus school or network in an authorizer’s portfolio wants to add an additional campus;
- A school or network from another jurisdiction wishes to open a school in the authorizer’s jurisdiction;
- A local founding group wishes to open a new school, working with an education service provider (ESP) that operates schools in other jurisdictions; and
- An ESP, whether from the authorizer’s jurisdiction or elsewhere, seeks approval to open multiple additional campuses in an authorizer’s jurisdiction.

Each of these circumstances raises different questions that authorizers need to ask about a school operator’s academic performance and organizational capacity to operate additional schools, but most model authorizers do not currently have distinct application or replication processes defined for these different circumstances.

For more on this, see *NACSA Charter School Replication Guide: The Spectrum of Replication Options*.

Information about capacity: It’s not enough, however, for an authorizer to know that an operator’s current schools are high-performing. Authorizers also need to know that the operator has sufficient capacity to operate additional schools—without undermining its performance or sacrificing conditions that have led to success in its current schools. This is a particular challenge with organizations that currently operate only a single campus and are seeking to replicate for the first time, because they have no past track record of successful replication and may not fully grasp the complexities and challenges involved. But authorizers also need to evaluate the capacity of existing multi-campus authorizers to sustain their success across additional campuses, to prevent these organizations from growing too fast and undermining their quality. Evaluating organizational capacity for expansion requires authorizers to ask questions about the organization’s financial well-being, human capital pipeline, governance and leadership sustainability, as well as its overall ability to evolve as an organization over time. Although some authorizers are farther along than others in identifying the questions to ask of operators here, there is still a lack of consensus in the field on clearly defined metrics of operator capacity to replicate.

Most authorizers do not have formal replication processes that are distinct from their new schools application processes. Chicago is an exception. Because schools chartered prior to 2003 have long been able to open multiple campuses under the same charter, Chicago has been a national hotbed of replication activity and is now home to several multiple-campus networks, some with as many as 15 campuses. To oversee this replication, Chicago created two separate charter application processes—one for charters that are new starts, and one for schools already in its portfolio that seek to add additional campuses. CPS asks different questions of charter applicants, depending on which of the processes they are going through. (Operators who already operate charters, but not in Chicago, go through the same process as new starts.) Other authorizers are only now beginning to face replication requests and seeking to develop new policies and practices to consider these cases.

Case Study 4: Chicago's Replication Process

Chicago Public Schools authorizes several multi-campus charter school networks, due in part to a state law that allows charter schools authorized prior to 2003 to operate multiple campuses under the same charter. CPS has also awarded multiple charters to allow operators who received their initial charters after 2003 to operate multiple schools.

In recognition that growth of existing operators is a major driver of charter growth, and that many existing operators want to expand, CPS has, for several years, had a distinct process to handle replication requests from existing operators that is separate from its regular application process for brand new charter schools.

When CPS first established a separate replication process, in 2006, it evaluated applicants' track records, school models, and business plans to "pre-qualify" operators to open multiple schools over the next four years. Pre-qualified operators with good track records, strong models, and well-thought-out growth plans would then have a streamlined process to earn final approval for pre-qualified schools. This process was designed to ensure that only operators with a strong track record and solid plans for growth were permitted to replicate. Over time, however, CPS realized that simply evaluating potential replicators based on past performance and planning at a single point in time was not enough to ensure the quality of additional campuses—the authorizer also needed to review operators' updated business plans and capacity for quality growth prior to approving schools.

In 2010, CPS established a Request for Qualifications (RFQ) process that pre-screens potential applicants based on their performance track records and a brief narrative. The RFQ acts as an initial stage of review, to ensure that potential applicants are delivering sufficient student achievement results to justify allowing them to submit an application to replicate. Once applicants pass the RFQ screen, they are asked to respond to a full Request for Proposals (RFP) that is customized for

existing operators and requires a business plan, detailed campus-by-campus information on finances and school performance, general plans for the new campus(es), and additional information on the operator's track record.

This process streamlines the application process somewhat for replication applicants because it does not require them to complete the same full application addressing all areas of curriculum and instructional design required for new applicants. But it does not necessarily ask replicators for significantly less information than new applicants must provide. More importantly, it asks replicators for different—and in some areas more—information, reflecting the reality that what an authorizer can and should ask to evaluate the ability of an existing operator to run new, high-quality schools is different than what it needs to know from a brand new applicant.

Although CPS is further along than many other authorizers in developing distinct processes to review replication requests, separate from new starts, it continues to grapple with thorny questions related to replication. To begin, CPS's current existing operator RFP process is limited only to operators who currently have charters authorized by CPS; operators from other jurisdictions must go through the same process as brand new schools. In addition, CPS continues to grapple with the question of how to streamline the replication application process while also collecting sufficient information to be confident in the ability of operators to run additional schools at a high level of quality.

Finally, CPS has struggled with the question of whether and how to approve operators to open multiple schools over multiple years. The original replication process was designed to pre-qualify operators to open up to four campuses over four years—although operators still had to obtain authorizer and community approval before opening individual campuses. The idea was to provide operators with a degree of confidence to develop multi-year growth plans, and to enable them to attract commit-

Case Study 4 *continued*

ments of private and philanthropic funding for growth. But in practice, CPS found that some operators did not actually have the capacity to operate the additional schools for which they had been pre-qualified, requiring CPS to deny approval for those campuses and causing funders to doubt the strength of the pre-qualification status. CPS currently approves operators for campuses no more than two years in the future, though it continues to grapple with how to approve schools further out.

As more authorizers seek to attract high-performing national charter networks, or to respond to requests from national operators, they will face these same questions. Many national operators are willing to enter new communities only if they can establish a critical mass

of schools, and also want to be able to confidently plan future growth. As a result, these operators often want assurances that they will be granted a minimum number of schools over multiple years, but authorizers may be hesitant or unable to grant such guarantees. Similarly, as more communities seek to attract high-performing national operators, authorizers will need to develop new processes to better assess the past performance and organizational capacity of these operators, in ways that existing application processes designed for startup schools do not. Authorizers seeking to respond to these challenges can gain lessons from CPS's experience—but ultimately, the field as a whole still struggles to answer these questions.

The District of Columbia also has numerous multi-campus charter networks, but these networks have not emerged from formal replication processes. Rather, schools have been able to replicate or add campuses by simply requesting an enrollment increase and permission to operate in a new location (the same permission granted to schools moving from one building to another). This has enabled the growth of numerous multi-school networks in D.C., but a lack of scrutiny has also allowed some schools to expand that were not high-performing or lacked capacity to sustain performance across multiple campuses. The District of Columbia Public Charter School Board is currently considering—but has not adopted—policies that would require schools to meet more clearly defined criteria in order to open a new campus.

As the District of Columbia's example illustrates, replication is not an entirely new frontier for many larger authorizers, but rather a process of taking things that had been implicit or informal and making them more explicit and systematized. Both SUNY and Denver have granted permission for existing schools or ESPs in their portfolios to open additional schools, and CMU authorizes a number of charter schools operated by ESPs that operate large networks of schools. None of these authorizers have formal replication processes per se, but in considering applications from existing providers they take into account information on performance and other issues. For other authorizers who have had little or no ESP presence, this is a newer field. As replication becomes increasingly common, and as multi-campus networks become a larger share in the charter school movement, authorizers will need more formalized approaches to replication requests, distinct from their existing charter application and approval processes. Several authorizers are moving in this direction:

- SUNY is working to develop a replication process to authorize the creation and expansion of multi-campus/school charter networks, in response to a 2010 change in New York State law, which will allow for the operation of multi-campus networks under a single charter.

- The Indianapolis Mayor’s Office is looking at developing a replication process. Only recently have a few schools in the mayor’s portfolio acquired the track record and expertise to replicate, but the Mayor’s Office wants to develop an appropriate process for these schools.
- Although Minnesota’s charter sector is composed primarily of single-site operators, Volunteers of America is working to develop an expansion application for schools seeking to add additional grades or campuses, which would also be used for multi-site replication of successful schools.

The supply of high-quality operators with the capacity and desire to replicate and grow to scale isn’t large enough to meet authorizer and student demand for high-quality options.

Obstacles and Pitfalls

It is important for authorizers to be honest and realistic about the significant obstacles that exist to growing the supply of high-performing providers in their particular communities—as well as some potential pitfalls from pushing too hard or too fast on replication.

Several obstacles constrain the ability of authorizers to use replication to dramatically grow the supply of high-performing schools in their portfolios. Most significantly, the supply of high-quality operators with the capacity and desire to replicate and grow to scale isn’t large enough to meet authorizer and student demand for high-quality options. Virtually every model authorizer mentioned a small handful of high-performing, nationally recognized providers that authorizers would like to recruit to replicate in the communities they serve—but not all authorizers are going to be able to attract these providers, many of which do not want to expand beyond a certain geographic comfort area. Authorizers who want more high-quality charter applicants must consider a broader range of options for growing the share of quality schools in their portfolios. For example, the Indianapolis Mayor’s Office is currently working with a number of strong local community organizations developing charter applications, building on the success of existing community-based charter schools. Authorizers also need to be careful of boundaries in recruiting or working with potential charter operators. There is no consensus in the field on what exactly the appropriate role is for authorizers in recruiting or supporting a supply of charter applicants, and third-party or intermediary organizations may be better suited to this role.

Lack of facilities and inadequate funding are additional obstacles to replication and growing the supply of quality schools in many states and communities. Charter schools continue to receive inequitable funding in many states, and high-quality operators do not want to replicate in places where funding is insufficient to support their models. Difficulty in accessing facilities can also dissuade quality schools from replicating, or slow their rate of growth. State laws also continue to create a variety of barriers to replication. Many states—including Michigan, Illinois, and New York—place caps on the number of charter schools that can be created, although these three states recently changed their laws to create additional opportunities for charter growth. Many states also limit the ability to operate multiple campuses under the same charter. Michigan law prohibits multi-site charters except for in a very narrow set of circumstances. Illinois law previously allowed the operation of multiple campuses under the same charter, but due to changes in the law this option is not available to schools opened after 2003. And in Minnesota, state poli-

cies prohibit new campuses from receiving charter school startup funds unless they are under a separate charter, discouraging replication. Authorizers who view their role as growing the supply of quality charter schools must engage in advocacy and public policy work to change state laws and funding inequities that constrain the supply of high-performing charters.

Potential Pitfalls

Replicating high-performing schools has many benefits, primarily the creation of new high-quality options for underserved children, but there are also potential pitfalls. One is that in the absence of clearly defined metrics for operator performance or capacity, authorizers may rely too much on organizational reputation—and run the risk of mistaking reputation based on past performance for capacity to sustain this performance in the future. Political pressure may also make it difficult for an authorizer to deny a replication request from a well-regarded and politically connected provider, even if there are concerns about its capacity. This is one reason why authorizers need strong, clearly defined, replication-specific protocols that specifically review both a provider's past track record and their future capacity. There is also a danger that the presence of specific, underserved niches in a given community—particularly for high-need students and when a low-performing school closes—may tempt authorizers to overestimate a provider's capacity to meet that need, or even to coax providers to take on challenges outside their comfort zones, which can lead to negative outcomes for both students and operators. Ultimately, authorizers need to be realistic; they cannot create supply just because a need exists.

Conclusion

A few key lessons apply to all three key areas of authorizer practice covered in this paper—performance management, replication, and closure. In each of these areas, it is critical that authorizers have clearly defined and transparent policies and practices, that they apply those policies and practices consistently across different types of decisions and different schools in their portfolio, and that they communicate regularly, clearly, and openly with schools and stakeholders. Without these three C's—clarity, consistency, and communication—authorizers cannot be effective in any of these three areas.

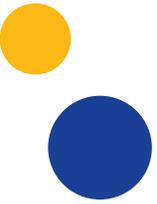
Further, performance management, closure, and replication should not be seen as distinct functions, but instead as part of a cycle of activities that are fundamentally intertwined for high-performing authorizers—with strong performance management practices and frameworks providing a basis for decision making about replication and closure, and replication creating a supply of new school options to replace closed schools. Only by fully and effectively deploying the entire toolkit can authorizers drive improvements in overall charter school performance to ensure that charter schools serve as a source of high-quality options for children.

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About this Monograph's Author

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NACSA develops quality authorizing environments that lead to a greater number of quality charter schools. Learn more about NACSA at www.qualitycharters.org.

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