

THIRD ANNUAL REPORT  
ON NACSA'S AUTHORIZER SURVEY

# THE STATE OF CHARTER SCHOOL AUTHORIZING

# 2010



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NATIONAL ASSOCIATION OF  
CHARTER SCHOOL AUTHORIZERS



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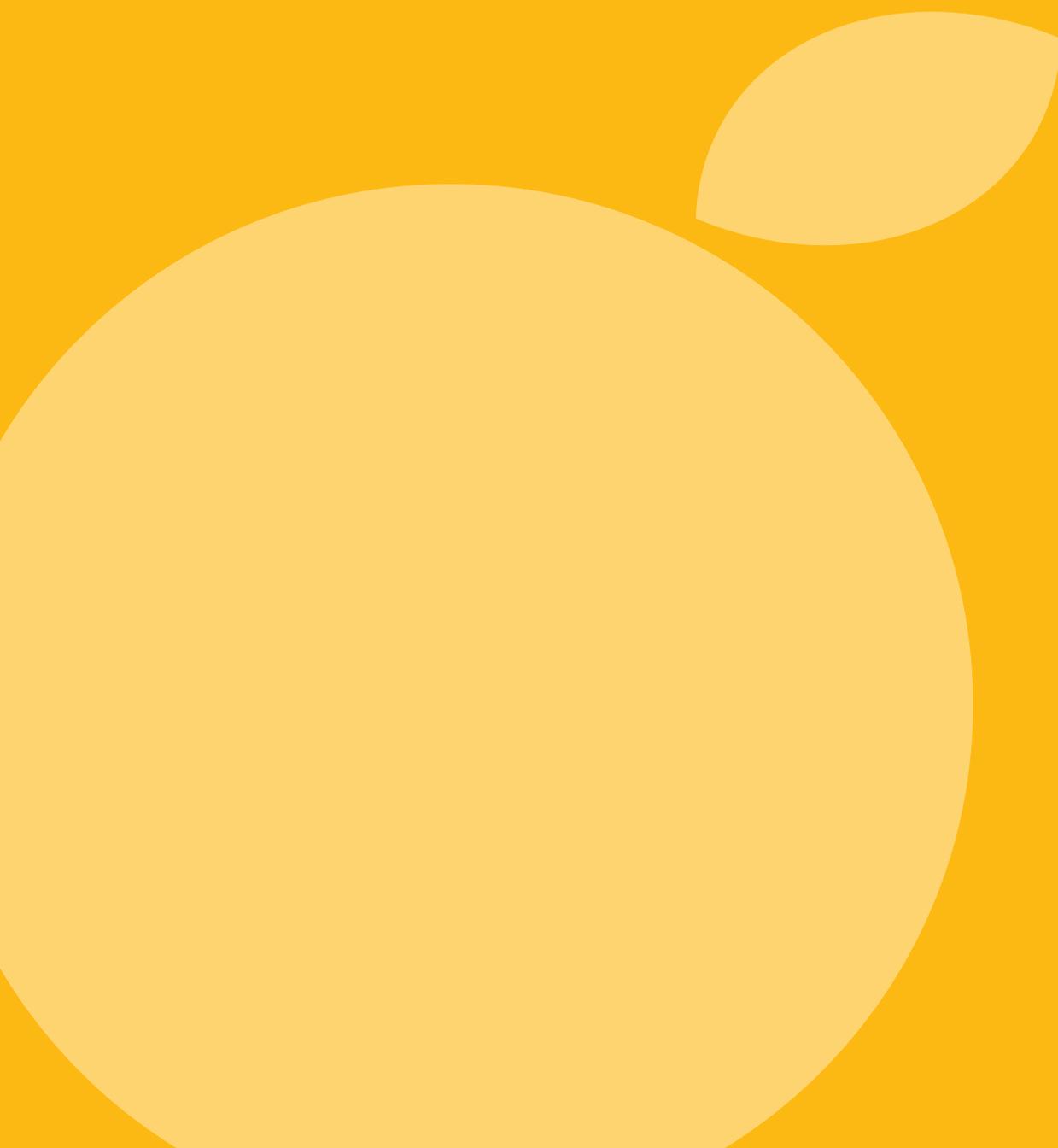
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**THE STATE OF CHARTER SCHOOL AUTHORIZING  
THIRD ANNUAL REPORT ON NACSA'S AUTHORIZER SURVEY**



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NATIONAL ASSOCIATION OF  
CHARTER SCHOOL AUTHORIZERS

*NACSA develops quality authorizing environments that lead to a greater number of quality charter schools.*





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Visit NACSA's website to download *The State of Charter School Authorizing, Third Annual Report on NACSA's Authorizer Survey Appendices*:  
[www.qualitycharters.org](http://www.qualitycharters.org)

# Acknowledgements

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This report is only possible thanks to the contributions of time and effort by staff members of charter school authorizers around the country. NACSA extends its gratitude for their responses to its annual survey, and for their overall commitment to quality charter school authorizing.

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## ***The State of Charter School Authorizing 2010: Third Annual Report on NACSA's Authorizer Survey***

provides an overview of the policies, practices, and characteristics of the nation's largest charter school authorizers as well as a sampling of smaller authorizing entities. It also builds upon the data presented in the first two reports on NACSA's authorizer survey and is organized around the NACSA's *Principles & Standards for Quality Charter School Authorizing*.

The National Association of Charter School Authorizers (NACSA) is a 501(c)(3) not-for-profit membership organization dedicated to the establishment and operation of quality charter schools through responsible oversight in the public interest.



*The State of Charter School Authorizing 2010:  
Third Annual Report on NACSA's Authorizer Survey*  
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Dear Colleagues:

Outside of the charter school sector, there is little understanding about the practice of charter school authorizing, and the impact it can have on the education of thousands of children. It is not leading nightly news stories or garnering attention at local movie theaters. It's behind the scenes, nuanced, detailed, and done in a wide range of ways by a large array of entities.

In our corner of the education universe, though, we get it. We know how under-funded or poorly conceived authorizing can wreak havoc on schools and the students they seek to serve. We also understand the complexities of authorizing, and the amount of energy, creativity, and resources it takes to do it well.

This, then, is our job at NACSA: to document best-practice authorizing, to tell the story of what it takes to those both in and beyond our own sector, to assist those authorizers ready to improve their practice, and to advocate for the policies and dollars that can make quality authorizing a reality.

This third annual report of NACSA's authorizer survey—*The State of Charter School Authorizing 2010*—is one crucial piece of our job. It provides a first round of analysis and highlights some compelling findings. It contains a wealth of data, some of which we'll continue to analyze as the year progresses. As our understanding of this data deepens, it will inform our policy and advocacy work, as it has in years past. This report also gives others the chance to explore, analyze, interpret, and hypothesize as well.

Look within these pages for what is most pertinent to you, and turn to it as a reference. I hope you'll glean some new information that makes you rethink how you run your own authorizing shop, or how you support authorizing at the policy or funding level.

We constantly remind ourselves (and our friends and acquaintances) why all this matters: quality authorizing ensures that critical balance of school autonomy and accountability, while serving students and public interest. This combination enables brilliant public charter schools to open and flourish. Brilliant schools create bright futures for our nation's children, who deserve nothing less.

Sincerely,



Greg Richmond  
President and CEO

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# Executive Summary

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## CURRENT DATA FOR A GROWING EDUCATION SECTOR

Charter school authorizers often work behind the scenes, creating value that those outside their purview cannot readily observe. How authorizers do their work can make a big difference for schools and students. For the third year, to continue building knowledge of this education sector, the National Association of Charter School Authorizers (NACSA) surveyed authorizers on their practices.

Using NACSA's *Principles & Standards* as benchmarks, NACSA has created this annual portrait of authorizer successes and struggles. The charter school authorizers who responded to the survey contributed vital information on their practices. Their responses contribute to NACSA's ability to tell the authorizers' story and strengthen the effort to improve authorizing practices.

## MAJOR 2010 FINDINGS

**The number of District Authorizers has grown rapidly.** The number of District Authorizers increased by 233 between the 2007–2008 and 2010–2011 school years. This represents a 37 percent increase in District Authorizers over three years and introduced an average of approximately 78 new authorizers per year. During the same period, the total of all other types of authorizers increased from 88 to 98. The number of new District Authorizers added each year is equal to all other existing authorizers that are not Districts or State Departments of Education combined. Local school districts are referred to throughout this report as Districts, District Authorizers, and Local Education Agencies (LEAs).

- **Why this matters:** This trend raises questions about the traditional public education system's acceptance of charter schools. Are more school districts approving charter schools because they accept them as a valuable innovation in public education or are approvals being driven by other factors? If this trend continues, how will it shape the future of the charter school sector? This trend also raises questions about the autonomy of schools and the quality of authorizer practices. At this point, it is unknown what the schools overseen by these new authorizers look like, or how well these new authorizers are implementing recommended authorizing practices. Some charter schools approved by new LEAs may not receive necessary autonomies. The vast majority of these new authorizers oversee a small number of charter schools, complicating their ability to implement best practices in charter school authorizing. These districts are also new to their role as an authorizer and may be unfamiliar with the work of quality authorizing.
- **Where to read more:** Section 1, page 10; Section 4, pages 84-106.
- **What is needed next:** The emerging authorizers and the schools they oversee need to be studied more closely. Research should examine the autonomy and accountability in place for these new schools, and the ability and willingness of the new authorizers to implement best practices.

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**School district authorizers act like school districts, for better and for worse.** School districts are more likely than other types of authorizers to provide facility support to charter schools, but also more likely to inappropriately intervene in the operation of a school. In general, school districts need to work at maintaining the positives that they provide to charter schools while eliminating the negatives.

- **Why this matters:** One of the most daunting challenges a charter school faces is finding and paying for a quality facility. The value of District Authorizers' assistance with facilities is offset by oversight strategies that undermine the autonomy of schools. This hands-on involvement, particularly in struggling schools, undermines subsequent efforts to close schools and decreases autonomy.
- **Where to read more:** Section 4, pages 96-97.
- **What is needed next:** Lawmakers should consider strategies to allow charter schools access to facilities and facilities financing regardless of their authorizer type. District Authorizers should examine their strategies for intervening in struggling schools, and in other chartering practices, find ways to enhance school autonomy while ensuring attention to rigor and results.

**High-stakes accountability is working for some authorizers.** Large Authorizers close about nine percent of schools that come up for renewal. Outside of renewal, only one percent of schools close. Thus, the length of charter terms determines how often a school is reviewed and has an impact on how likely it is that a school will be closed. Longer charter terms are more likely than shorter terms to allow weak schools to stay open.

- **Why this matters:** Without a periodic examination of academic performance, students enrolled in struggling schools will suffer.
- **Where to read more:** Section 2, pages 35-36 and 44-49; Section 3, pages 74-75; Section 4, pages 98-99; Section 5, page 123.
- **What is needed next:** Lawmakers should support policies that ensure all charter schools come up for a truly high-stakes review every five years. That review should prioritize the school's academic record.

**Authorizers' oversight of schools that work with management companies needs to be strengthened.** Roughly one-third of authorizers do not implement NACSA's recommended authorizing practices regarding the oversight of schools that are run by management organizations (referred to as Education Service Providers, or ESPs, in this report, encompassing

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both for-profits and not-for-profits). This finding addresses the actions of authorizers and is not based on data about the actions of ESPs, nor is it intended as a description of the performance of the schools or ESPs themselves.

- **Why this matters:** The governing boards of charter schools should have the success of students enrolled in the school or schools as their primary goal. Relationships with third-parties should be managed to ensure the primacy of student success.
- **Where to read more:** Section 2, pages 24 and 41-43.
- **What is needed next:** More study of authorizers' oversight of schools operated by ESPs is necessary. Lawmakers and authorizers should work to strengthen the independence and capacity of the governing boards that contract with service providers, and put in place policies and practices to ensure public funds are being used well.

**Authorizers are making progress on audits.** In 2009, 13 percent of Large Authorizers reported that they did not require their schools to submit an annual, independent audit, or did not examine audits required by others. In 2010, 100 percent reported that they did require or examine such audits. NACSA has stressed the importance of audits through a variety of activities and has made strong progress on this front.

- **Why this matters:** Charter schools are complex public entities that manage millions of dollars of taxpayer funding. Appropriate administration of funds is necessary. Failure to oversee such funds adequately can allow inappropriate actions, and even a few cases of abuse undermine public support for the sector in general.
- **Where to read more:** Section 2, pages 20 and 38-39.
- **What is needed next:** This is an issue that should continue to be studied, but recent progress is a testament to the ability of public attention, technical assistance, and changes in policy to influence authorizer behavior.

**Scale matters.** Authorizers that oversee a greater number of schools (10 or more) are more likely to use professional authorizing practices, and have adequate staff and budgets. It appears that authorizers with larger numbers of charter schools are more likely than authorizers with only one or two schools in their portfolios to implement best practices. In addition, scale affects all types of authorizers, but not always in the same way. For example, large districts are more likely than small districts to approve charter applications. In contrast, large higher education institutions are less likely than small higher education institutions to approve charter applications.

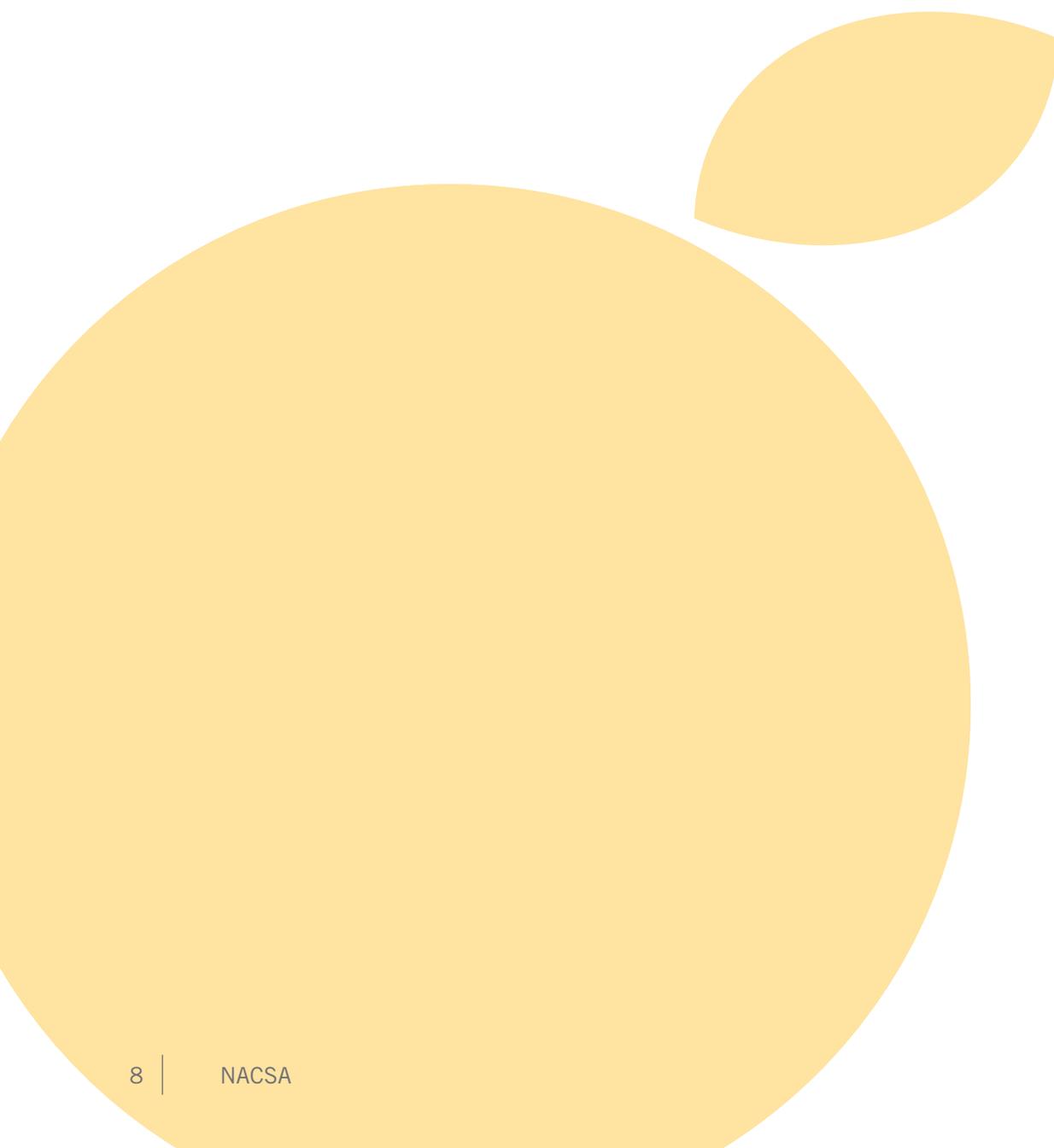
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- **Why this matters:** When authorizers do not implement best practices, charter schools that are unlikely to succeed are more likely to be approved. Students enrolled in these schools will suffer educationally. A small scale for authorizers is one of the factors that are associated with failure to implement key practices.
  - **Where to read more:** Section 2, pages 25-26, 32, and 33; Section 3, pages 60, 64-67, and 70; Section 4, pages 94 and 102-106; Section 5, pages 109 and 116.
  - **What is needed next:** Lawmakers should support policies that enable authorizers to achieve a large enough scale to implement best practices. Every potential charter school applicant should have access to an authorizer that is implementing key practices that reflect NACSA's *Principles & Standards*.

## SURVEY RESPONDENTS AUTHORIZE MORE THAN ONE-HALF OF THE NATION'S CHARTER SCHOOLS

This is the largest, most comprehensive survey of authorizers to date. The 162 respondents from 33 states served as authorizers for 2,588 schools in 2009–2010, which represented 52 percent of the nation's charter schools. These schools educated 987,195 students—59 percent of the nation's charter school students—in 2009–2010.

The respondents include 54 Large Authorizers (portfolios of 10 or more schools) and more than 100 Small Authorizers (portfolios of fewer than 10 schools). This report pays special attention to the story told by these Large Authorizers, as they collectively oversaw more than half of the nation's charter school students and 46 percent of all charter schools in 2009–2010. Large Authorizers who responded to this survey represented 73 percent of charter school authorizers with 10 or more schools in 2009–2010.

In addition, this year, for the first time, a significant number of survey responses from Small Authorizers enabled a series of analyses of their practices. This report includes findings of variation among Small Authorizers across different authorizer types. These analyses suggest that when examining authorizers by type, size must also be considered.





# A Profile of Charter School Authorizers

*Currently, 40 states and the District of Columbia have charter school laws. These laws empower a variety of entities to authorize charter schools, creating an amalgam of authorizer types, characteristics, and powers in each state.*

## **NACSA has identified six types of authorizers:**

- Higher Education Institutions (HEIs);
- Independent Chartering Boards (ICBs)—mission-specific boards created or authorized by their state for the purpose of granting and overseeing charters; and
- School Districts, or Local Education Agencies (LEAs);
- Mayors/Municipalities (MUNs).
- Not-For-Profit organizations (NFPs);
- State Education Agencies (SEAs)—these can include commissioners, state boards of education, or offices within SEAs that report to commissioners or state boards of education;

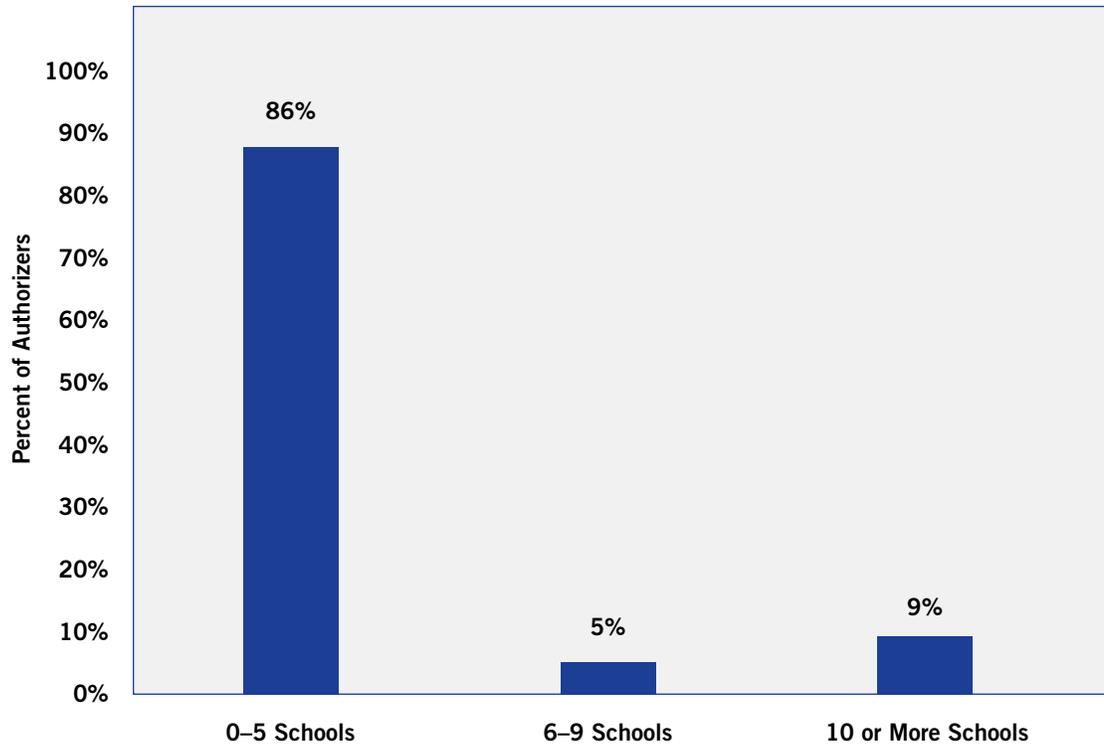
As of fall 2010, there were an estimated 955 authorizers across the country, up from 872 the year before. Collectively, these authorizers oversee and hold accountable 5,268 charter schools<sup>1</sup> serving more than 1.6 million students.

**TABLE 1.1:** *Number of Charter School Authorizers, by Type*

	2007–2008	2008–2009	2009–2010	2010–2011
HEI	38	42	47	49
ICB	5	7	7	8
LEA	624	726	776	857
MUN	2	2	2	2
NFP	20	21	20	20
SEA	23	21	20	19
<b>Total</b>	<b>712</b>	<b>819</b>	<b>872</b>	<b>955</b>

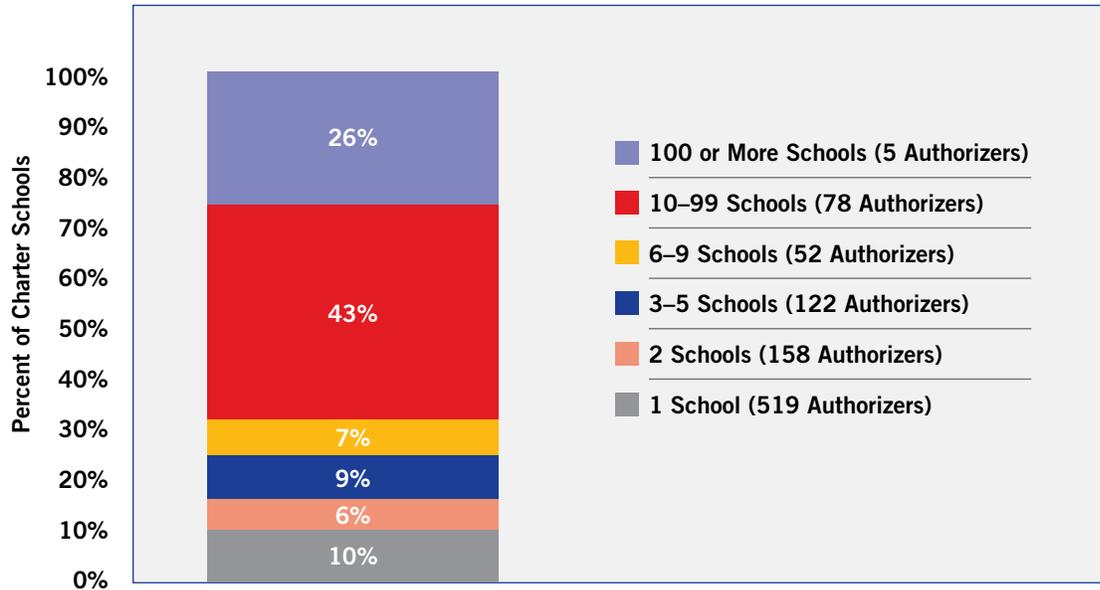
- As the table above shows, the vast majority of authorizers are LEAs, followed by HEIs, NFPs, SEAs, ICBs, and MUNs.
- The number of LEAs is increasing rapidly. The total increased by 233 between the 2007–2008 and 2010–2011 school years. This represents a 37 percent increase in LEAs over three years and introduced an average of approximately 78 new authorizers per year. During the same period, the total of all other types of authorizers increased from 88 to 98. Almost all of the growth in Non-LEAs was among HEIs. The number of new LEAs added each year is roughly equal to the total number of all HEI, NFP, ICB, and MUN authorizers.
- Historically, LEAs have approved charters with limited autonomy and faced the challenges experienced by many Small Authorizers when attempting to implement best practices. This history, combined with the increase in LEAs, is problematic. Previously, some Districts have granted charters to programs that they operated directly, creating schools described as “charters in name only.” Some of the increase in LEAs may be due to a new round of similar quasi-chartering activity. There is no data to estimate the proportion of these new authorizers engaged in this practice. Authorizers that oversee only one or two charter schools are unlikely to develop a systematic approach to charter school approval, oversight, and renewal decision making.
- Beyond this growth, the other measured change is a slight decrease in the number of SEA authorizers. In a small number of cases, SEAs shifted away from authorizing, leaving the work to other statewide entities. Finally, a small part of authorizer growth is due to data improvements, which capture existing authorizers that were not in earlier datasets, primarily LEAs that are overseeing one or two schools.

**FIGURE 1.1:** *Percent of Charter School Authorizers, by Portfolio Size*



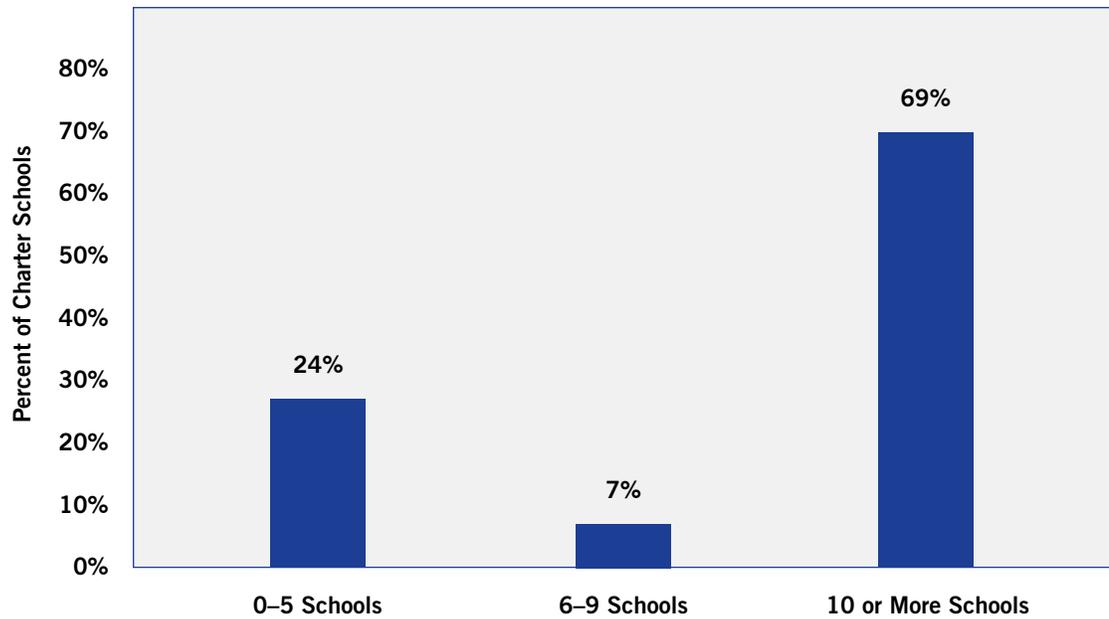
- Authorizers vary radically in the size of their school portfolios. As the figure above shows, 86 percent of authorizers oversee five schools or fewer, while just nine percent of authorizers oversee 10 or more schools.

**FIGURE 1.2:** *Percent of Charter Schools, by Authorizer Portfolio Size<sup>2</sup>*



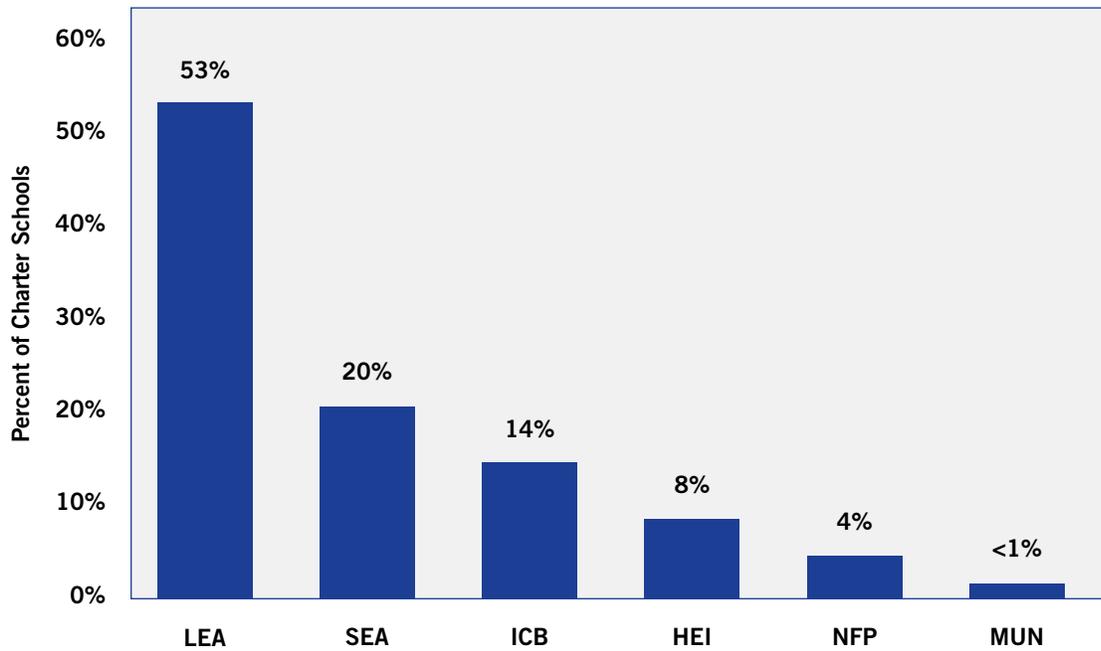
- A wide range of authorizer portfolio size is reflected in Figure 1.2. This includes a few extremely Large Authorizers and many more extremely Small Authorizers. The largest five authorizers in the nation (Texas Education Agency, Arizona State Board for Charter Schools, Los Angeles Unified School District, Chicago Public Schools, and North Carolina Department of Education) oversee 26 percent of all charter schools. In contrast, more than 530 authorizers<sup>2</sup> oversee only one school each, or approximately 10 percent of the total number of schools; and nearly 160 authorizers oversee only two schools each, for six percent of the total.

**FIGURE 1.3:** *Percent of Charter Schools, by Authorizer Portfolio Size*



- The Large Authorizers that oversee 10 or more schools have 69 percent of all charter schools nationwide in their portfolios. Nearly one-quarter of all charter schools are authorized by authorizers that have five or fewer charter schools in their portfolios.

**FIGURE 1.4:** *Percent of Charter Schools, by Authorizer Type*



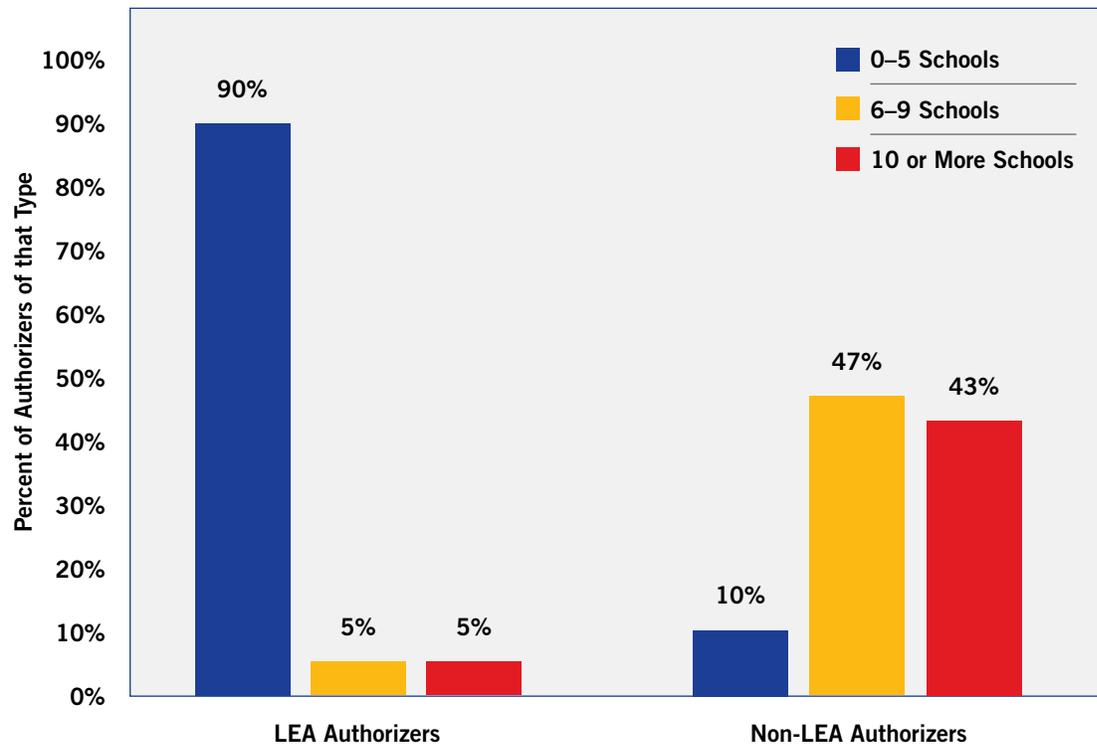
- As illustrated in the figure above, LEAs oversee the majority (53 percent) of charter schools in the nation. The next largest group of charter schools (20 percent) is overseen by SEAs, while 14 percent of all charters are overseen by ICBs.

**TABLE 1.2:** *Portfolio Size, by Authorizer Type*

TYPE	0-5 SCHOOLS	6-9 SCHOOLS	10 OR MORE SCHOOLS	TOTAL
HEI	33	6	10	49
ICB	0	1	7	8
LEA	774	42	41	857
MUN	1	0	1	2
NFP	9	3	8	20
SEA	3	0	16	19
<b>Total</b>	<b>820</b>	<b>52</b>	<b>83</b>	<b>955</b>

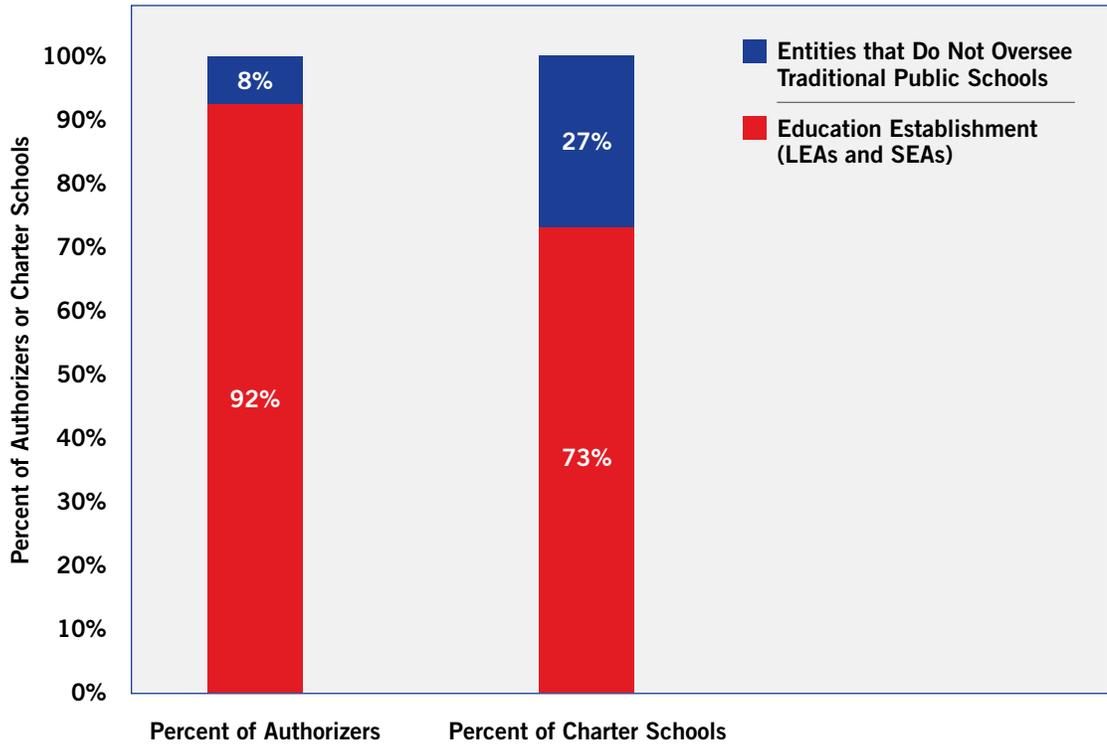
- This figure explores the types of authorizers and the sizes of their portfolios. LEAs dominate the 0-5 schools category, but decrease in number as portfolio size increases. HEIs and NFPs are divided, with a significant majority of both having smaller portfolios.
- Many NFPs and HEIs oversee only one school.

**FIGURE 1.5:** *Portfolio Size, LEA v. Non-LEA Authorizers*

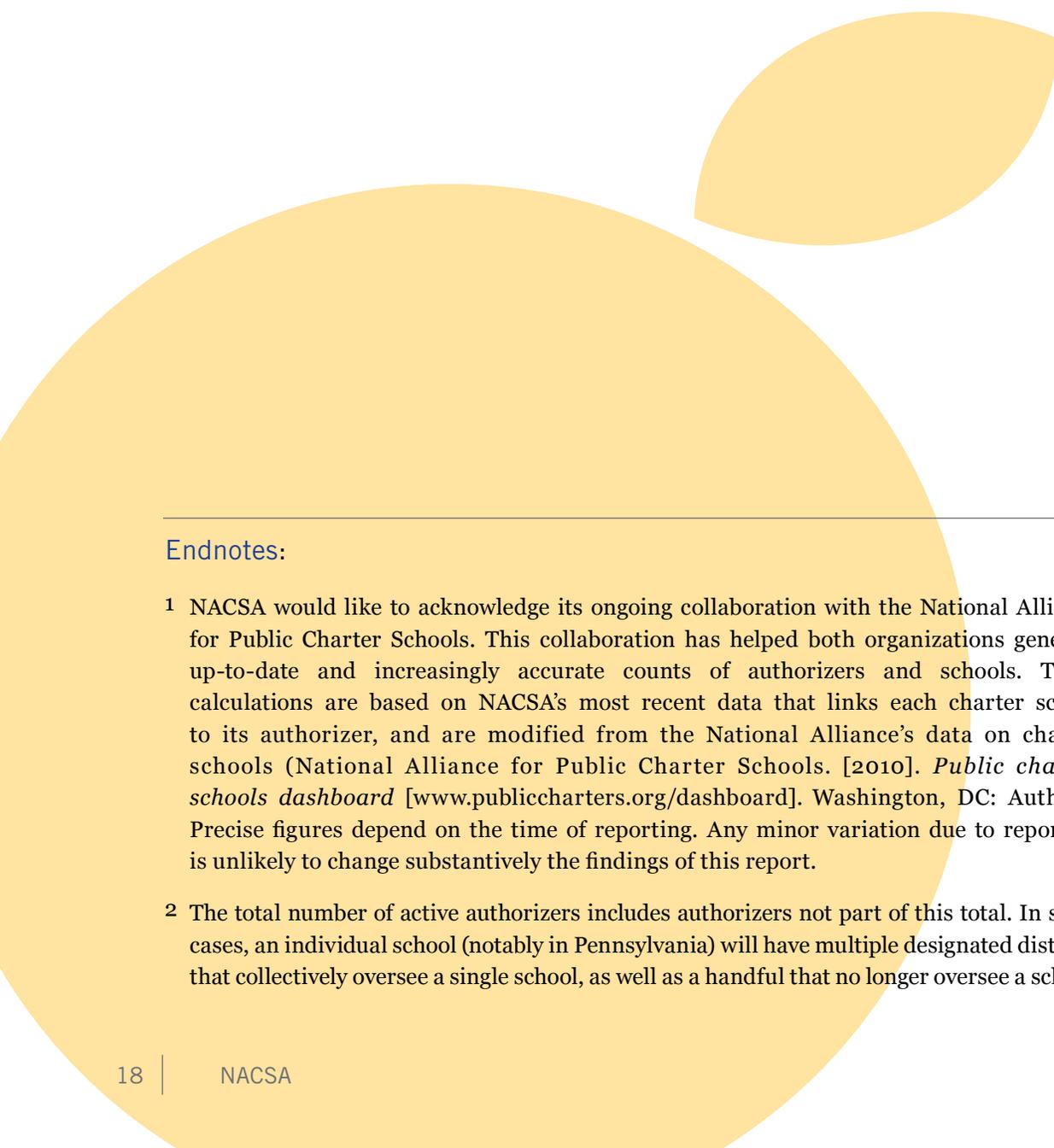


- As illustrated in the figure above, 90 percent of all LEA Authorizers have portfolios of fewer than six charter schools, while the portfolio sizes of Non-LEA Authorizers are more varied. However, LEA status does not determine portfolio size. There are both Large LEA Authorizers and many Small Authorizers that are not LEAs. Given the large number of LEA Authorizers compared to Non-LEA Authorizers, when compared directly, Large Authorizers are evenly divided between LEAs and all other types.

**FIGURE 1.6:** *Percent of Authorizers and Charter Schools within Education Establishment*



- The charter movement is often characterized as “outside” the education establishment. A close look at distribution of authorizers and charter schools in the nation challenges this notion. The majority of the authorizers in the nation are from the educational establishment (e.g., the entities that oversee traditional public schools; 92 percent of authorizers are LEAs and SEAs). The large role of LEAs and SEAs extends to the number of schools, with 73 percent of all charter schools overseen by these entities during the 2010–2011 school year.



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## Endnotes:

- <sup>1</sup> NACSA would like to acknowledge its ongoing collaboration with the National Alliance for Public Charter Schools. This collaboration has helped both organizations generate up-to-date and increasingly accurate counts of authorizers and schools. These calculations are based on NACSA's most recent data that links each charter school to its authorizer, and are modified from the National Alliance's data on charter schools (National Alliance for Public Charter Schools. [2010]. *Public charter schools dashboard* [[www.publiccharters.org/dashboard](http://www.publiccharters.org/dashboard)]. Washington, DC: Author.). Precise figures depend on the time of reporting. Any minor variation due to reporting is unlikely to change substantively the findings of this report.
- <sup>2</sup> The total number of active authorizers includes authorizers not part of this total. In some cases, an individual school (notably in Pennsylvania) will have multiple designated districts that collectively oversee a single school, as well as a handful that no longer oversee a school.



# Examining Large Authorizers

**NOTE:** *While the previous section described the current distribution of all authorizers (as of fall 2010), the remainder of the report is about the results of the 2010 survey, which asked authorizers about their policies and practices during the 2009–2010 school year. A series of appendices, available on NACSA’s website, describes the survey, methodology, and data results.*

This section describes data and trends reported by the Large Authorizers that responded to NACSA’s 2010 survey. Large Authorizers are those whose portfolios contain 10 or more schools; this group includes representatives from all types of authorizers.

Large Authorizers hold particular importance in the charter school sector, as well as in broader education reform efforts. While representing only nine percent of all charter school authorizers in the nation as of fall 2010, Large Authorizers collectively oversee 69 percent of all charter schools.

This report places a special focus on Large Authorizers because:

- Large Authorizers collectively oversaw more than two-thirds of the nation’s charter schools;
- Large Authorizers work with a high enough volume of charter school applicants and existing charter schools that they are likely to have the resources and experience that lead to the implementation of professional authorizing practices; and
- Survey data is based on a high response rate of 74 percent of all Large Authorizers in the nation in 2009–2010; 54 of 73 Large Authorizers surveyed responded, which allows NACSA to speak about their practices with great confidence.

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This section on Large Authorizers, and those sections that follow, are organized around NACSA’s *Principles & Standards for Quality Charter School Authorizing*, 2010 edition, which reflects best practices in authorizing across five key areas:

1. Application Process and Decision Making
2. Performance Contracting
3. Ongoing Oversight and Evaluation
4. Revocation and Renewal Decision Making
5. Agency Commitment and Capacity

# Major 2010 Findings

## On Large Authorizers

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### Practices/Approvals and Contracting

**Some Large Authorizers do not implement key recommended practices, and these same authorizers are more likely to approve new applicants.** These practices include interviewing applicants, having panels that include external experts review applications, and entering into a performance contract with each school that is separate from the charter application. Authorizers that implement recommended practices have lower initial approval rates of charter applications. This suggests that if authorizers want only the strongest applicants to be approved, they are well served by aligning their practices with NACSA's *Principles & Standards*.

### Audits

**Large Authorizers have improved their practices in requiring and examining financial audits of charter schools.** All schools should be required to conduct an annual financial audit and provide it to their authorizer. Last year, authorizers' use of these audits was problematic; this year, practices appear to have improved, but not completely. The change is explained by a number of shifts, including improved measurement, as well as policy and procedural changes by authorizers. But there is still the potential that a few authorizers with problematic practices did not respond to the survey and that some implement weaker practices than they report.

### Education Service Providers

**When working with charter schools that contract with Education Service Providers (ESPs), many Large Authorizers are not implementing recommended oversight practices.** These shortcomings in authorizers' practices undermine the strength and independence of governance in these schools. Most Large Authorizers (85 percent) have ESP-managed schools in their portfolios.

### Staffing/Size

**Minimum staffing patterns and requirements do not appear to change proportionately with the size of an authorizer's portfolio.** This may mean that current methods of funding authorizer activities, and the lack of startup funding for new authorizers, are problematic for authorizers trying to implement best practices with medium-sized portfolios, or in their first few years of operations.

- As authorizers grow, they appear to have basic staffing requirements that arise early and do not vary much until they oversee about 30 schools. Even with relatively large portfolios, some staffing requirements for non-authorizer functions do not change much as their portfolios grow. This is less true for functions specific to authorizing, such as reviewing applications and reviewing performance for renewal decisions, which appear to be more directly affected by portfolio size.
- Among the authorizers with 40–60 schools, some have larger staffs than would be predicted by their portfolio size.
- Some Large Authorizers have very little to no staff, which brings into question their ability to perform many of the practices NACSA recommends.

# *Additional 2010 Findings*

## *On Large Authorizers*

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- **Proactive Behaviors:** Most Large Authorizers release Requests For Proposals (RFPs), thus becoming proactive agents of their portfolios. For many Large Authorizers, however, the proactive behavior stops there, as only about 40 percent actively recruit potential charter operators.
- **Replications:** Most Large Authorizers (about two-thirds) oversee charter schools that are replications of existing schools. The role of replications in the charter sector is significant and growing. Almost all Large Authorizers will have to figure out how to respond.
- **Approval Rates:** The approval rate of new charter applications by Large Authorizers continues to decline, and is slightly lower than last year. This year's data serves as further evidence of a long-term trend.
- **Denial/Approval Factors:** The factors Large Authorizers find most important during application denials and approvals include the educational program, applicant capacity, and quality of the financial/business plan.
- **Term Length:** About one-quarter of Large Authorizers use terms that are longer than five years, and about 19 percent have terms of 10 years or more. Term length takes on added significance given the difference between closure rates outside renewal and in renewal. Authorizers that use five-year terms close 3.6 percent of their schools annually, whereas authorizers that use terms of 10 years or longer close 1.5 percent of their schools annually.
- **Interventions:** Most Large Authorizers (87–93 percent) implement recommended interventions that focus on identifying and communicating the problems to schools. However, 40–55 percent of Large Authorizers also continue to apply interventions that prescribe how charter schools should change, which may complicate later closure efforts or unduly limit the autonomy of the schools they oversee.
- **Closure Rates/Timing:** As was the case last year, Large Authorizers closed schools more often during renewal, and only rarely outside the formal renewal process.
- **Closure Reasons/Timing:** Also similar to last year, when schools are up for renewal, academic problems are the primary reason why Large Authorizers close schools. Outside renewal, however, non-academic issues become more important, with fiscal issues and academic issues equally cited as the key problem. This signals that a high-stakes renewal process is key to academic focus; authorizers must be able to respond to financial and operational meltdowns when necessary throughout the term of a charter.
- **Funding Sources:** Most Large Authorizers (19 out of 20) raise very little, if any, money from foundations and non-governmental sources. This is up slightly from last year, likely due to NACSA's philanthropic efforts through The Fund for Authorizing Excellence<sup>1</sup>, but the percent of authorizers receiving such support is still small. Large Authorizers are generally dependent on the proportion of funding they get from local and state sources.
- **Student Equity Perceptions:** When asked whether their procedures and those their schools adopt are addressing the needs of both Special Education (SPED) and English Language Learner (ELL) students, the average Large Authorizer indicates a high degree of comfort with the status quo for the design of such programs.

# Large Authorizers

## AREA 1 APPLICATION PROCESS AND DECISION MAKING

### FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer implements a comprehensive application process that includes clear application questions and guidance; follows fair, transparent procedures and rigorous criteria; and grants charters only to applicants who demonstrate a strong capacity to establish and operate a quality charter school.”

### 2010 HIGHLIGHTED FINDINGS

Large Authorizers were surveyed on multiple aspects of the application and decision-making process. Rigorous and transparent application processes help authorizers identify which applicants are likely to succeed and which may struggle. For authorizers whose decisions are subject to appeal, greater transparency will allow them to better defend their decisions during potential appeals.

**Proactive RFPs:** Most Large Authorizers release RFPs, thus becoming proactive agents of their portfolios. Through this process they are able to outline their application review process and how they will evaluate charter applicants.

**Proactive Applicant Recruitment:** For many Large Authorizers, however, the proactive behavior stops there, as only about 40 percent actively recruit potential operators. Playing a proactive role as an authorizer creates an opportunity to direct the energies of this sector directly at communities that need attention. Authorizers are able to signal their interest in new schools serving the greatest needs. This may help to reduce the role of politics in the charter application decision-making process.

**School Replication:** Most Large Authorizers (approximately two-thirds) oversee charters that are replications of existing schools. The role of replications in the charter sector is increasingly an issue, and almost all Large Authorizers will have to figure out how to respond.

**Application Approval Rates:** The approval rate of new charter applications by Large Authorizers continues to decline, and is slightly lower than last year. This year's data serves as further evidence of a long-term trend.

**Application Denial/Approval Factors:** The factors Large Authorizers find most important during application denials/approvals involve educational program, applicant capacity, and quality of the financial/business plan.

## 1. PROACTIVE STRATEGIES TO REACH POTENTIAL APPLICANTS

### *How do Large Authorizers communicate with potential applicants to solicit applications?*

**FROM NACSA'S PRINCIPLES & STANDARDS:**

“A quality authorizer issues a charter application information packet or RFP....”

A quality authorizer broadly invites and solicits charter applications while publicizing the authorizer's strategic vision and chartering priorities, without restricting or refusing to review applications that propose to fulfill other goals.”

**TABLE 2.1:** *Proactive Strategies to Reach Potential Applicants*

STRATEGY	LARGE AUTHORIZERS (%)
Authorizer releases an annual request for applications	61
Authorizer proactively recruits qualified applicants	42

- More than 60 percent of Large Authorizers are now proactively releasing an annual request for applications.
- The majority of Large Authorizers (58 percent) do not yet see it as their role to proactively recruit specific, qualified applicants.

### *How are Large Authorizers responding to the increased interest in replication of successful charter schools?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

**“Applicants who are existing school operators or replicators should:**

- Provide clear evidence of their capacity to operate new schools successfully while maintaining quality in existing schools;
- Document their educational, organizational, and financial performance record based on all existing schools;
- Explain any never-opened, terminated, or non-renewed schools (including terminated or non-renewed third-party contracts to operate schools);
- Present their growth plan, business plan, and most recent financial audits; and
- Meet high standards of academic, organizational, and financial success to earn approval for replication.”

**TABLE 2.2:** *Replication of Charter Schools*

REPLICATION ISSUE	LARGE AUTHORIZERS (%)
Authorizer currently oversees charter schools that are replications of successful charter schools	71
Authorizer grants charters in which one charter school board is allowed to oversee multiple charters (or multiple schools opened under the same charter)	62
Authorizer has an established policy to promote the replication of successful schools	48

- More than three out of five Large Authorizers (62 percent) allow or oversee schools that share a common board. This is one mechanism by which authorizers allow replications, but it can also be used to govern a series of independent schools that are not necessarily replications.
- Nearly one-half (48 percent) of Large Authorizers have a policy that encourages replication.
- Nearly three-fourths of Large Authorizers (71 percent) are currently overseeing schools that are in the process of replicating. Those who are not yet facing this likely will in the near future.

### 3. APPLICATION PROCESSES

## How are Large Authorizers managing and communicating about their application processes?

FROM NACSA'S *PRINCIPLES & STANDARDS*:

**“A quality authorizer issues a charter application information packet or RFP that:**

- States any chartering priorities the authorizer may have established;
- Articulates comprehensive application questions to elicit the information needed for rigorous evaluation of applicants' plans and capacities; and
- Provides clear guidance and requirements regarding application content and format, while explaining evaluation criteria.”

**TABLE 2.3:** *Characteristics of the Charter Application Process*

CHARACTERISTIC	LARGE AUTHORIZERS (%)
Authorizer uses the same core set of criteria when evaluating all applications	98
Authorizer has established, documented criteria for evaluating charter school applications	96
Authorizer publishes timelines and materials for application submission, review, and approval	95
Authorizer makes application evaluation criteria available to applicants	91
Authorizer establishes preferred areas of focus for charter applications	46

- The practices described in Table 2.3 generate transparency. Large Authorizers show nearly universal acceptance of the best practices in this section.
- Nearly all Large Authorizers establish a process, timeline, and evaluation criteria, and use those criteria to evaluate all applicants.
- Far fewer Large Authorizers, less than one-half (46 percent), establish preferred areas of focus for charter applications.

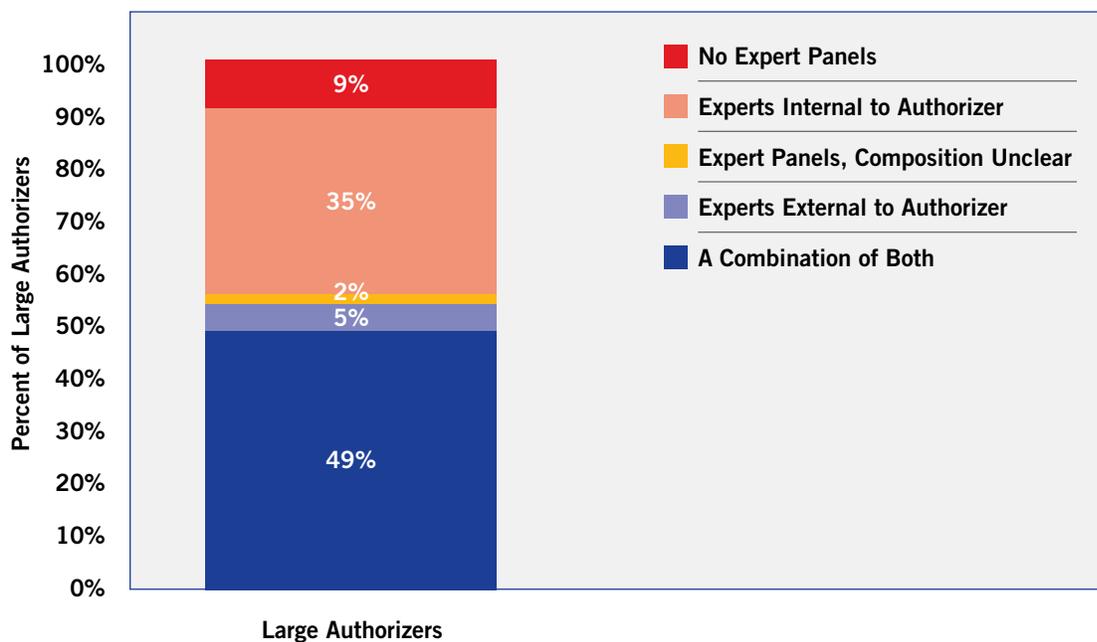
## 4. EXPERT PANELS FOR APPLICATION REVIEW

### *How do Large Authorizers utilize panels of experts to review applications?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer engages, for both written application reviews and applicant interviews, highly competent teams of internal and external evaluators with relevant educational, organizational (governance and management), financial, and legal expertise, as well as a thorough understanding of the essential principles of charter school autonomy and accountability.”

**FIGURE 2.1:** *Use of Expert Panels to Review New Charter Applications*



- Nearly one-half (49 percent) of Large Authorizers use panels composed of both internal and external experts to review applications.
- While there has been improvement from last year, nine percent still do not use panels.
- Both authorizer experience and research document the advantages of expert panels in reviewing applications, and external members ensure greater independence in decision making.

## 5. INTERVIEWS OF APPLICANTS

### *Do Large Authorizers interview their charter applicants?*

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer rigorously evaluates each application through thorough review of the written proposal, a substantive in-person interview with the applicant group, and other due diligence to examine the applicant’s experience and capacity, conducted by knowledgeable and competent evaluators.”

88%

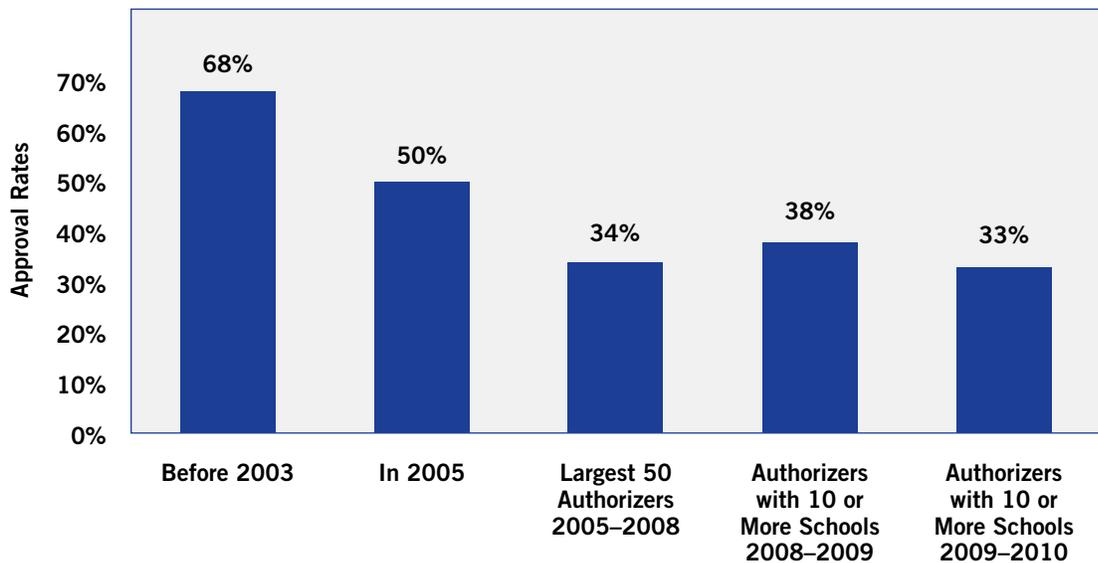
Of Large Authorizers  
Interview Charter  
Applicants

- In NACSA’s 2009 survey, 13 percent of Large Authorizers did not interview applicants. This year, 12 percent of Large Authorizers responded that they do not interview applicants, showing that the overall distribution has not changed.
- Properly structured and conducted interviews are a key indicator on board competence and ability to implement what is laid out in the application.

## 6. TRENDS IN APPLICATION APPROVAL RATES

*How is the rate at which Large Authorizers approve charter school applications changing over time?*

**FIGURE 2.2:** *Trends in Application Approval Rates*



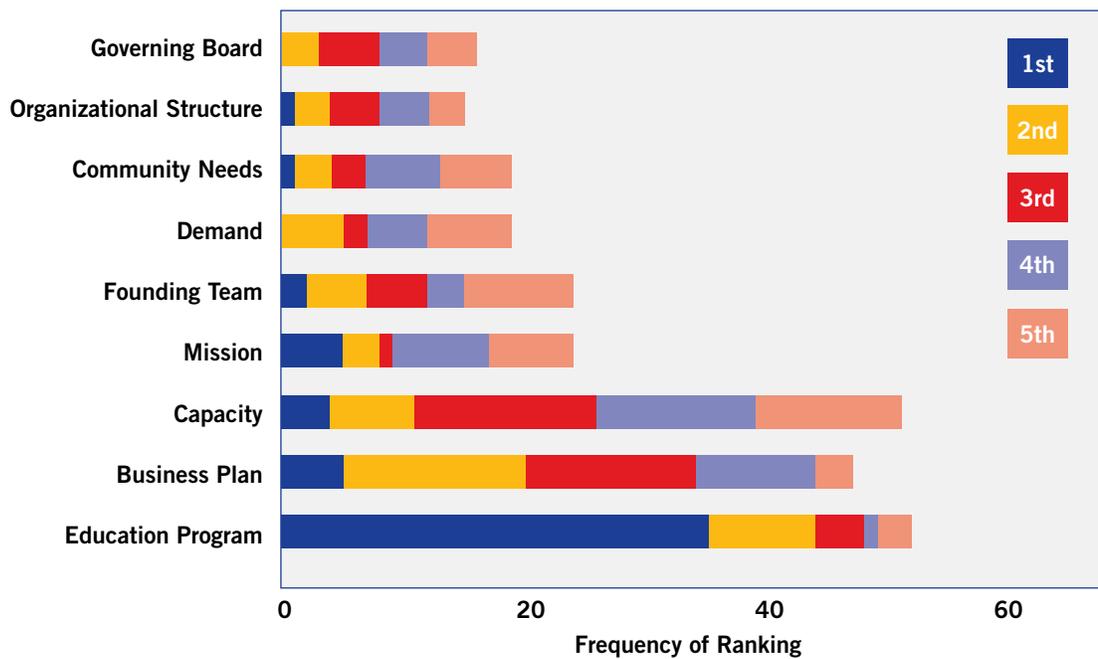
- Large Authorizers had an average charter application approval rate of 33 percent during the 2009–2010 school year.<sup>2</sup>
- The approval rate of new charter applications by Large Authorizers continues to decline and is slightly lower than last year. This year’s data serves as further evidence of a long-term trend.

## 7. APPLICATION DENIAL/APPROVAL FACTORS

### *What application topics are most important to Large Authorizers in their evaluation of applicants?*

During the application process, authorizers examine applications to determine whether the proposal is strong in all required areas. Survey respondents were asked to rank both the issues they considered most important, as well as the topics that were most often problematic in applicants they rejected.

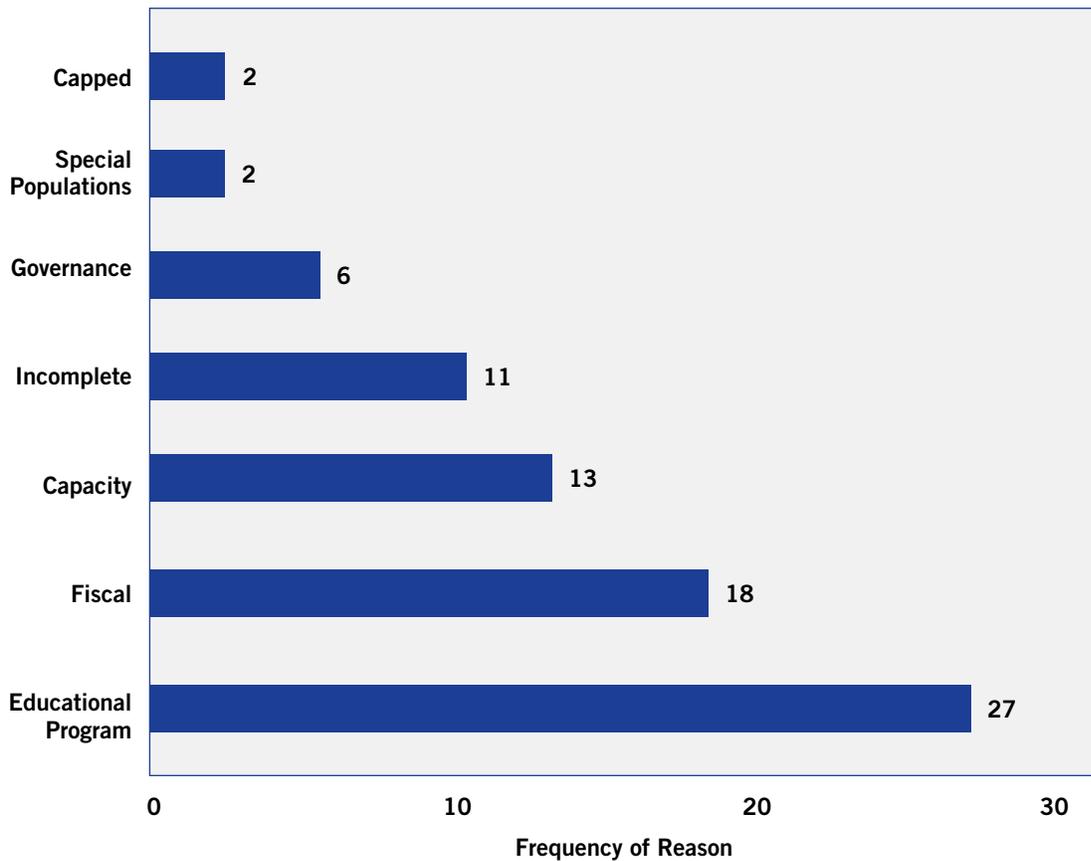
**FIGURE 2.3:** *Topics in Applications Large Authorizers Rank as Most Important*



- Large Authorizers most frequently report the importance of three areas: Educational Program, Business Plan, and Capacity. While these are each reported with a similarly high frequency, the Educational Program has the highest number of top rankings, followed by the Business Plan, and then Capacity.
- The other six factors are cited less often. Strikingly, the governing board is the topic deemed the least important application area, and ranked lower than the school's founding team.
- These responses roughly reflect the weaknesses in charter applications that often lead to rejection of applicants.

*How do these same issues rank as contributing to the rejection of applicants?*

**FIGURE 2.4:** *Reasons Large Authorizers Reject Charter Applications*



- When asked for the most frequent reason that charter applications are rejected, Large Authorizers most frequently cite concerns with the educational program, followed by fiscal concerns and capacity concerns.

# Large Authorizers

## AREA 2 PERFORMANCE CONTRACTING

### FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer executes contracts with charter schools that articulate the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms. The contract is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate.”

### 2010 HIGHLIGHTED FINDINGS

Large Authorizers were surveyed on a number of mechanisms used to hold charters accountable for their performance.

**Signing Contracts:** One primary and basic mechanism is a contract between authorizer and school. While most Large Authorizers use contracts, 12 percent of Large Authorizers do not sign contracts with their schools, and 14 percent use the application itself as a contract, which can infringe on a school's autonomy and create conflict and confusion later.

**Term Length:** About one-quarter of Large Authorizers use terms of longer than five years, and about 19 percent have terms of 10 years or more. These statistics are similar to last years findings, but measured more precisely. Term length takes on added significance given the difference between closure rates inside and outside renewal (see pages 34-36).

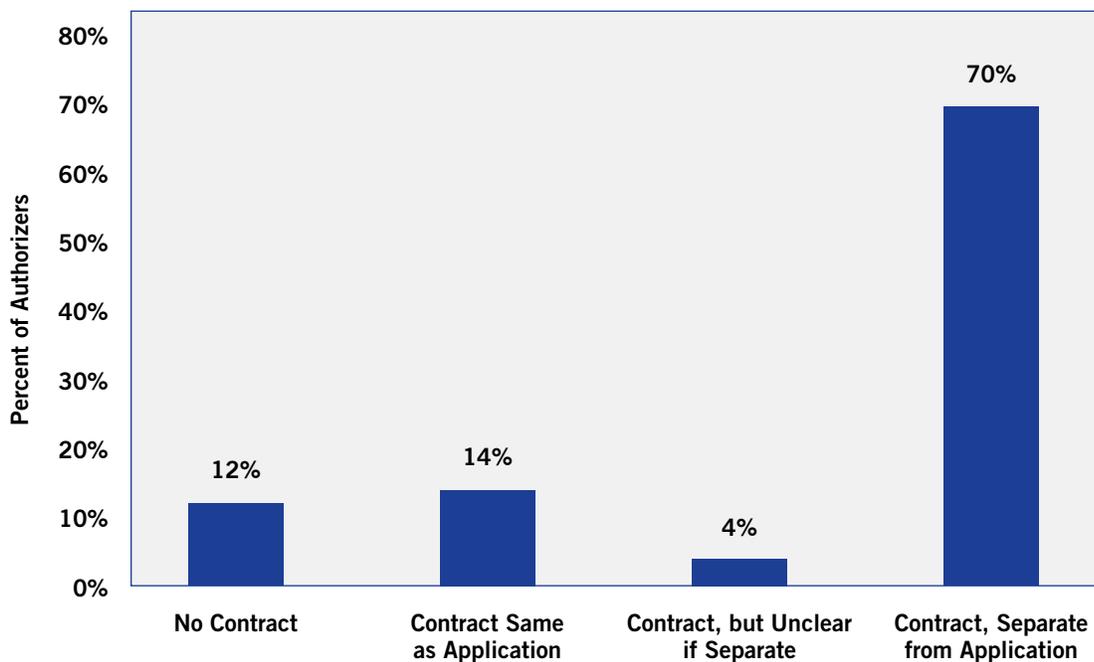
## 1. SIGNING CONTRACTS

### *How many Large Authorizers sign contracts with the schools they oversee?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer executes contracts with charter schools that articulate the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms.”

**FIGURE 2.5:** *Signing Contracts with Charter Schools*



- Of all Large Authorizers, 88 percent sign contracts with each charter school they oversee.
- The 12 percent of Large Authorizers that do not enter into a contract with their charter schools come from six different states, as well as a variety of different types of authorizers.

## 2. CONTRACT SEPARATE FROM CHARTER APPLICATION

### *Do Large Authorizers that sign contracts with their schools sign one that is separate from the charter application itself?*

#### FROM NACSA'S PRINCIPLES & STANDARDS:

“The contract is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate.”

- While most Large Authorizers (70 percent) sign a contract that is distinct from the charter application, 14 percent sign a contract that is the application.
- Signing a contract that is the application is of concern for a number of reasons:
  - Charter applications contain a great deal of information about what school founders intend to do, but plans often change during implementation. If a school is held accountable for everything it originally describes in its charter application, it can be difficult for the school to later make appropriate adjustments to its operation.
  - Charter applications often include goals that are difficult to measure or unrealistic. A separate contract allows both parties to negotiate measurable and reasonable performance expectations to which the school can be held accountable. By clarifying what elements of the application are included in the contract, both the authorizer and the school know what elements of the application are material performance expectations that, if changed, require the informing or the consent of the authorizer.
  - Treating the application as a contract allows the authorizer to treat every change from the operation described in the application as a violation of the charter. This may subject a school to unnecessary intervention into its operation or closure.
  - Many elements of the authorizer/school relationship are important to the future operations of a school. These elements may not be familiar to the applicant during the application process. Negotiating and executing a contract after a charter application is approved allows both parties to discuss important elements of their relationship and helps to clarify roles and responsibilities that may not have been anticipated or articulated appropriately during the application.

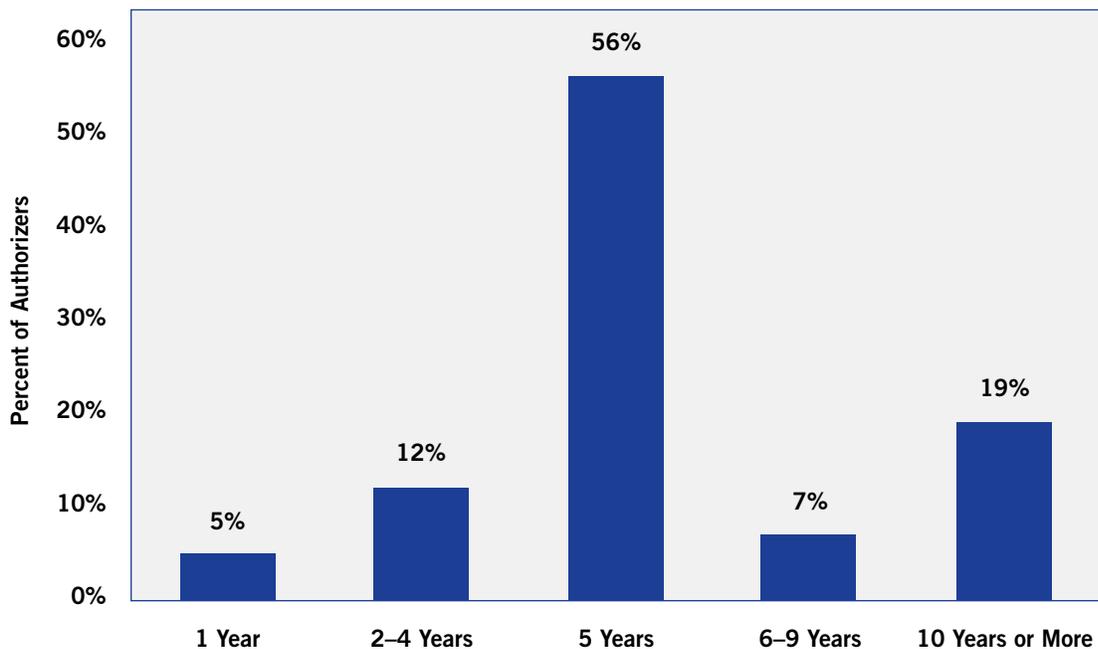
### 3. TERM LENGTH

## What charter term lengths are granted by Large Authorizers?

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer grants charter contracts for a term of five operating years, or longer only with periodic high-stakes reviews every five years.”

**FIGURE 2.6:** Maximum Charter Term Lengths Granted by Large Authorizers



- Among Large Authorizers, 56 percent have a maximum charter length of five years.<sup>3</sup>
- Only five percent of Large Authorizers use a “rolling” one-year charter term, in which the charter is reviewed each year, but are expected to stand indefinitely, notwithstanding annual reviews.
- About 19 percent have terms of 10 years or more.

## Survey Findings in 3D—Delving Deeper into Data:

### Term Length

Many in the charter school sector believe that inattentive authorizers have allowed too many low-performing charter schools to stay open. To strengthen quality in the charter school sector, a higher proportion of charter schools will need to close if we are to ensure that failing charter schools do not stay open indefinitely—and negatively impact the education of more children for more years. Extremely long charter terms may undermine efforts to close low-performing schools by delaying the eventual closure of unacceptable schools. But accurately measuring the length of the average charter school’s term is complicated by a mix of policies and practices. Various mechanisms are used to create differing charter term lengths.

Many authorizers, through their own policies or as dictated by state law, will grant an initial charter term of one length, such as five years. Then at renewal, authorizers have the option or can be mandated to award a new charter of a longer term, such as 10 years. Of Large Authorizers, 30 percent have such a difference in term length between the initial charter and the renewal. Some authorizers use a shorter charter term when they have doubts about a school’s performance but their concerns do not rise to the level that would lead to immediate closure.

Many authorizers also have the option to grant charters of various lengths. About 46 percent of Large Authorizers exercise discretion on a case-by-case basis to grant charters of varying terms.

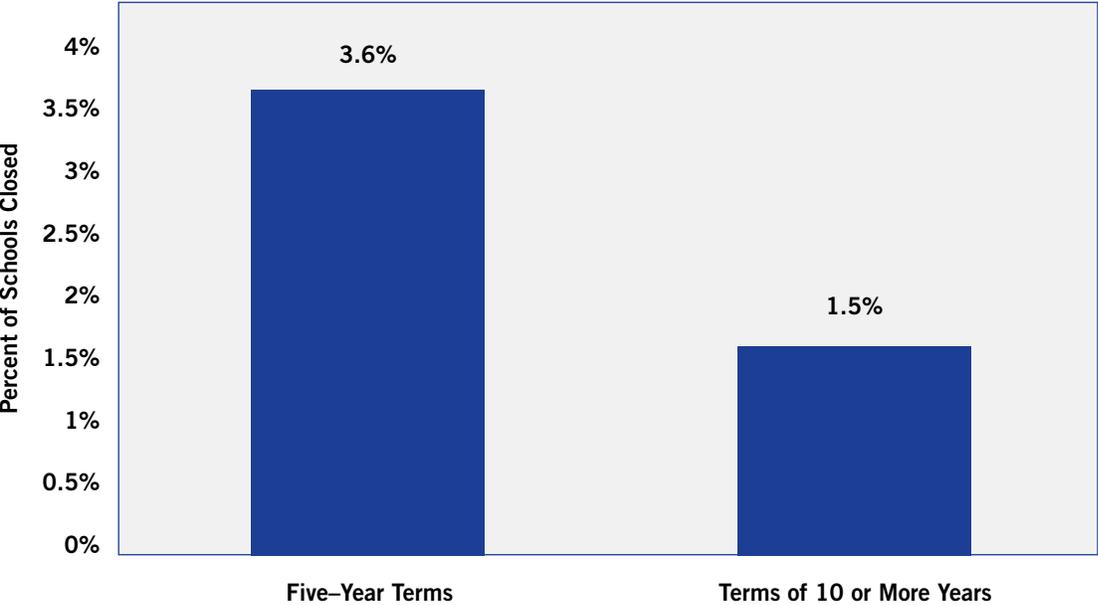
Of the Large Authorizers with charter terms of longer than five years, 86 percent report a high-stakes review of those schools that happens periodically before the end of the charter term. These periodic reviews take place annually in a few cases, but tend to be conducted every three to five years. It is difficult to determine the rigor of these preliminary reviews. Some may be similar to the reviews that occur at the end of a charter term in their level of rigor and in the likelihood of closure. Others are much less rigorous.

Determining the number of schools that are expected to be reviewed for renewal is difficult given variation in the length of charter terms between states; the practice of conducting high-stakes reviews prior to the end of a charter term; variation in the rigor of those high-stakes reviews; as well as authorizers that use a range of charter terms for the schools they oversee, or who use different charter term lengths depending on whether a charter is approved for the first time or renewed.

Survey Findings in 3D—Delving Deeper into Data:  
Term Length (continued)

Charter term length presents an important public policy issue for those who argue that a higher percentage of the nation’s charter schools should be closed than is currently the case. Large Authorizers with schools that have terms of 10 years or more have an annual aggregate overall closure rate of 1.5 percent, whereas Large Authorizers whose schools have terms of five years close 3.6 percent of their schools. The review process at the end of a charter term appears to produce closure rates that are much higher than closure mechanisms used when schools are not up for review. Thus the length of the review cycle seems to affect the rate at which schools close. To put the difference in these rates in perspective, if two authorizers had portfolios of 100 schools and maintained these closure rates over a decade, the authorizer with five-year terms would have closed a total of 36 schools in that time; whereas the authorizer with 10-year terms would have kept 20 more schools open during that time while closing 16 schools.

**FIGURE 2.7:** Closure Rates of Large Authorizers that Grant Maximum Charter Terms of Different Lengths



Insisting on terms of no longer than five years may be unnecessary. High-stakes reviews, if they are conducted regularly, and if they lead to the closure of failing schools, could complement longer terms. Longer terms with periodic high-stakes reviews may be especially appropriate for authorizers that grant longer charter terms when renewing schools that have demonstrated strong success.

# Large Authorizers

## AREA 3

## ONGOING OVERSIGHT AND EVALUATION

### FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer conducts contract oversight that competently evaluates performance and monitors compliance; ensures schools’ legally entitled autonomy; protects student rights; informs intervention, revocation, and renewal decisions; and provides annual public reports on school performance.”

### 2010 HIGHLIGHTED FINDINGS

**Annual Audit:** Large Authorizers have improved their practices in requiring and examining financial audits of charter schools. All schools should be required to conduct an annual financial audit and provide it to their authorizer. Last year, authorizers’ use of these audits was problematic; this year, practices appear to have improved, but not completely. The change is explained by a number of shifts, including improved measurement, as well as policy and procedural changes by authorizers. But there is still the potential that a few authorizers with problematic practices did not respond to the survey and that some implement weaker practices than they report.

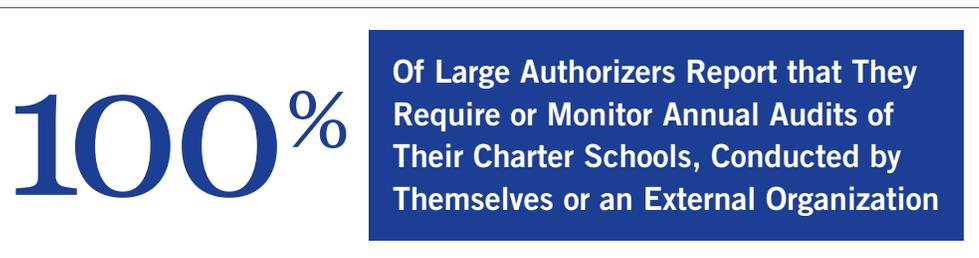
**Intervention Strategies:** Most Large Authorizers (87–93 percent) implement recommended interventions that focus on identifying and communicating the problems to schools. However, 40–55 percent of Large Authorizers also continue to apply interventions that prescribe how charter schools should change, which may complicate later closure efforts or unduly limit the autonomy of the schools they oversee.

**Education Service Providers:** When working with charter schools that contract with ESPs, many Large Authorizers are not implementing recommended oversight practices. These shortcomings in authorizer practices undermine the strength and independence of governance in these schools. Most Large Authorizers (85 percent) have ESP-managed schools in their portfolios.

## *Do Large Authorizers require or monitor annual audits?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer requires and reviews annual financial audits of schools, conducted by a qualified independent auditor.”



- Showing improvement from last year, 100 percent of Large Authorizers responding to the survey now require and examine financial audits of charter schools. This requirement for all schools to conduct an annual financial audit, and authorizers' use of these audits, were problematic last year, prompting NACSA to focus technical assistance, policy, and advocacy efforts on this issue.

## Survey Findings in 3D—Delving Deeper into Data: Annual Audits

In NACSA's 2009 survey, 87 percent of Large Authorizers reported requiring their schools to submit annual financial audits. Seven out of 53 Large Authorizers reported they did not require audits or did not examine audits required by other state entities. Follow-up surveys this year found 100 percent of Large Authorizers reported either requiring audits themselves or requiring that all their schools submit copies of the audits to the authorizer when those audits are conducted at the request of other state agencies.

The change is explained by a number of shifts, including improved measurement and policy changes by authorizers. In general, the situation appears to have improved. But it has not been addressed completely. Of the seven authorizers who last year responded that they did not require audits or did not examine results of financial audits required of other state entities:

- **Two cases:** Authorizers neither required audits, nor examined audits required by another state agency; this year, both have changed their policies and now require audits and examine them;
- **Two cases:** Authorizers did not examine audits, but audits were required by another state agency; this year, these authorizers changed their policy and now examine the audits that are still required by the state;
- **One case:** The authorizer is considering closing its authorizing activities; its future as an authorizer is unclear;
- **One case:** In last year's survey they reported that they do not require or examine audits, but in follow-up interviews they reported that they examine audits when they are conducted by a state agency; this year this authorizer reports that they examine audits conducted by a state agency, but the nature of those audits and whether all schools are subject to annual financial audits are not clear; and
- **One case:** The authorizer reported last year that they did not require or examine audits; this year that authorizer did not respond to the survey.

A combination of reporting, transparency, and public policy advocacy led by NACSA has improved practice on audits. There is more work needed to ensure truly universal compliance. The much higher proportion of respondents saying they do require or receive audits required by others reflects an improved measurement, as well as concrete changes in policy among a small number of authorizers. There may still be a small number of Large Authorizers that do not require or do not receive audits, but this number is smaller than reported in last year's survey.

Further study of this topic is in order to determine the extent of any continuing problems in this area.

## 2. INTERVENTION STRATEGIES

### *What kinds of intervention strategies do Large Authorizers use to address concerns in the schools they oversee?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer, where intervention is needed, engages in intervention strategies that clearly preserve school autonomy and responsibility (identifying what the school must remedy without prescribing solutions).”

**TABLE 2.4:** *Intervention Strategies*

		LARGE AUTHORIZERS (%)
Recommended	Provide the school, in writing, a description of the unsatisfactory performance	93
	Require the school to submit a plan for improvement designed by the school and approved by the authorizer	87
Effect Depends on Implementation	Connect the school with trusted organizations or individuals to help it address the area(s) of concern	58
	Deliver support services to the school in the area(s) of concern	57
	Connect the school with other schools that perform well in the area(s) of concern	39
	Require changes to the school's board of trustees	38
Not Recommended	Provide the school, in writing, suggestions on how to improve	55
	Create a plan for improvement in partnership with the school	40
	Require the school to attend workshops held by the authorizer	34

- Most Large Authorizers use one or two recommended intervention strategies that are constructive while preserving school autonomy. For example, more than 90 percent provide the school, in writing, a description of the unsatisfactory performance.
- In contrast, some intervention strategies are not recommended, because they can erode school autonomy. A significant number of Large Authorizers employ one of these problematic strategies; 55 percent provide the school, in writing, suggestions on how to improve.
- Some interventions are recommended depending on the context. For example, there could be a real need to make an intervention to protect students, even if that action erodes school autonomy. Conversely, there could be an unreasonable intervention that is brokering assistance in a way that infringes on a school's ability to design and implement its chosen program.

## Survey Findings in 3D—Delving Deeper into Data: Education Service Providers

An emerging issue for authorizers of all sizes is the governance and independence of schools operated by ESPs. The vast majority of Large Authorizers have ESPs managing some of their charter schools. ESPs, and the analysis in this section, include both not-for-profit Charter Management Organizations (CMOs) and for-profit Education Management Organizations (EMOs).

NACSA recommends that schools managed by ESPs:

- Include strong, independent governance by a governing board for the school or schools;
- Have their board receive a charter from the authorizer; and
- Have their governing board enter into a service contract with the ESP that outlines the relationships and the roles and responsibilities of the two parties in the service contract.

NACSA's policy recommendations examine:

- Issues associated with how the charter contract addresses the school service contract, and requirements the authorizer places on that service contract as part of their own charter contract with the school; and
- Requirements that authorizers place on the governing boards of the schools that require the governing board to adopt policies about a range of specific issues.

The survey asked authorizers whether they had these provisions in their contracts or otherwise required them of the schools' governing boards.

Key findings include:

- About 85 percent of Large Authorizers have ESP-managed schools.
- Most Large Authorizers do what NACSA recommends, but a number of Large Authorizers that currently oversee ESP-managed schools do not implement recommended practices.
- There is little variation among different types of Large Authorizers on the extent to which they use these practices. A few exceptions include slightly lower rates of use of best practices by Not-For-Profit (NFP) authorizers, Independent Chartering Boards (ICBs), and State Education Agencies (SEAs), compared to slightly higher rates among Higher Education Institutions (HEIs), Local Education Agencies (LEAs), and Mayors/Municipalities (MUNs) authorizers.

This is a topic that requires further study, with various methods.

Survey Findings in 3D—Delving Deeper into Data:  
**Education Service Providers (continued)**

**TABLE 2.5:** *Contracts with Education Service Providers*

<b>DOES THE AUTHORIZING ORGANIZATION’S CONTRACT WITH A CHARTER SCHOOL REQUIRE ANY SCHOOL THAT ENGAGES AN EDUCATION SERVICE PROVIDER TO HAVE A SERVICES CONTRACT THAT CONTAINS PROVISIONS THAT:</b>	<b>LARGE AUTHORIZERS (%)</b>
Define the specific services provided by the management organization?	81
Define each party's rights and responsibilities?	79
Include assurances that the school governing board will at all times maintain fiduciary oversight and authority over the school budget, and ultimate responsibility for the school's performance?	77
Clearly subordinate the third-party contract to the charter contract?	70
Define the fees for the specific services provided by the management organization?	70
Allow for the board to terminate the management organization under defined circumstances and without “poison pill” penalties?	68
Specify financial reporting requirements and provisions for the school governing board’s financial oversight?	66
Specify all other financial terms of the contract, including disclosure and documentation of all loans or investments by the provider to the school?	64
Specify the compensation to be paid to the provider, including all fees, bonuses, and what they include or require?	61
Condition charter approval on authorizer review and approval of the third-party contract?	55
Include the performance measures, consequences, and mechanisms by which the school governing board will hold the provider accountable for performance?	49

Survey Findings in 3D—Delving Deeper into Data:  
**Education Service Providers (continued)**

**TABLE 2.6:** *Education Service Provider Policies*

DOES THE AUTHORIZING ORGANIZATION REQUIRE GOVERNING BOARDS OF CHARTER SCHOOLS WORKING WITH EDUCATION SERVICE PROVIDERS TO ENACT THE FOLLOWING POLICIES?	LARGE AUTHORIZERS (%)
Members of charter school governing boards cannot be employees of the management organization running their school	79
Members of charter school governing boards cannot be compensated for their service	74
Charter school governing boards must have an audit firm that works for them, not for the management organization	73
Members of charter school governing boards cannot be selected or approved by the management organization	73
All public funds paid to the charter school must be paid to and controlled by the governing board, which, in turn, pays the management organization for successful provision of services	67
All equipment and furnishings that are purchased with public funds must remain the property of the school, not the management organization	67
All loans from the management organization to the school, such as facility loans or for cash flow, must be appropriately documented and at market rates	63
Charter school governing boards must have an independent accountant	56
Charter school governing boards must have an independent attorney	52

- Only 68 percent of Large Authorizers insist that service contracts do not contain “poison pills,” meaning that more than 30 percent of Large Authorizers allow ESP contracts that create significant obstacles to governing boards that wish to terminate service contracts.
- More than one-half of Large Authorizers (55 percent) condition initial charter approval on the review and approval of the ESP service contract.
- Nearly one-half of Large Authorizers (49 percent) insist that the service contract includes performance measures by which the board will hold the ESP accountable.

# Large Authorizers

## AREA 4 REVOCATION AND RENEWAL DECISION MAKING

### FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer designs and implements a transparent and rigorous process that uses comprehensive academic, financial, and operational performance data to make merit-based renewal decisions, and revokes charters when necessary to protect student and public interests.”

### 2010 HIGHLIGHTED FINDINGS

Revocation and renewal decision making are two of the most important authorizing responsibilities. During the 2009–2010 school year, of the 2,229 schools overseen by Large Authorizer survey respondents, 373 charter schools were reviewed for renewal. Of these, 28 declined to renew, five surrendered during renewal, eight surrendered outside of renewal, and 19 school contracts were revoked. These 60 schools represent three percent of schools overseen by Large Authorizers in our sample during the 2009–2010 school year.

**Closure Rates/Timing:** As was the case last year, Large Authorizers closed schools more often during renewal, and only rarely outside the formal renewal process.

**Closure Reasons/Timing:** Also similar to last year, when schools are up for renewal, academic problems are the primary reason why Large Authorizers close schools. Outside renewal, however, non-academic issues become more important, with fiscal issues and academic issues cited with equal frequency as the key problem. This signals that a high-stakes renewal process is key to academic focus, whereas authorizers must be able to respond to financial and operational meltdowns when necessary.

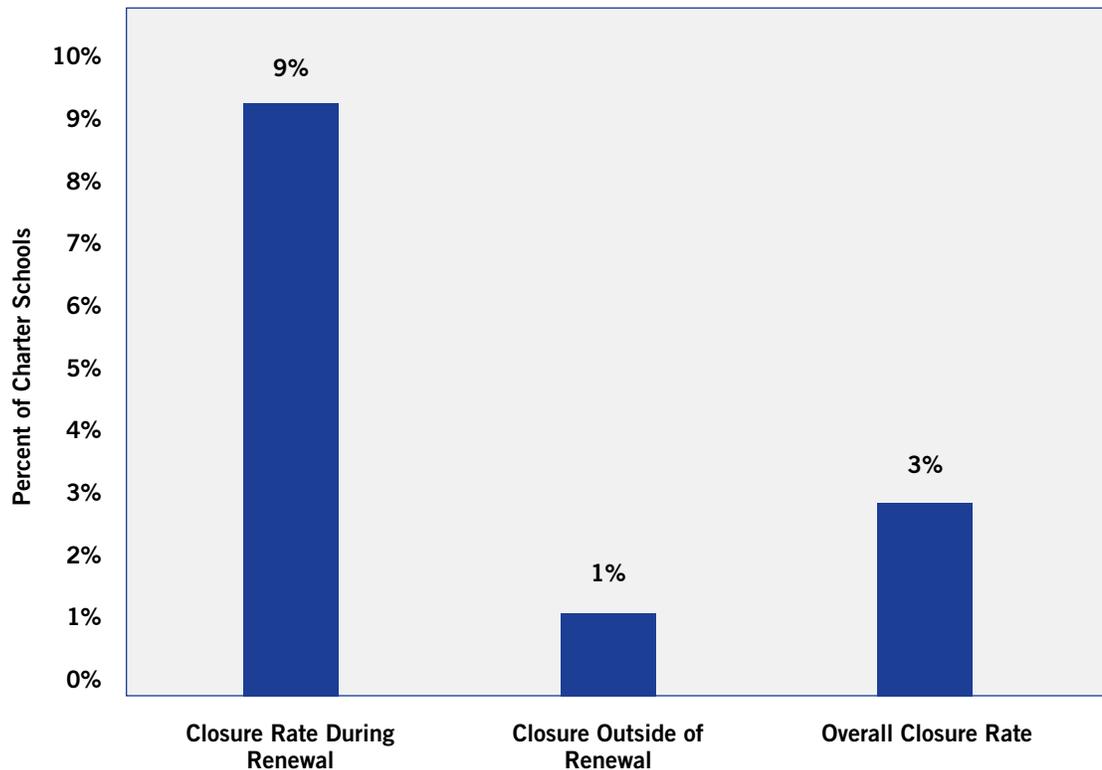
## 1. CLOSURE RATES INSIDE AND OUTSIDE RENEWAL

### *How often do Large Authorizers close charter schools, and when does closure happen?*

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer revokes a charter during the charter term if there is clear evidence of extreme underperformance, or violation of law or the public trust that imperils students or public funds.”

**FIGURE 2.8:** *Aggregate Closure Rates Inside and Outside Renewal*



- Large Authorizers continue to close about one of 11 schools, or nine percent, when they come up for renewal; one percent are closed outside the renewal process.
- This type of ratio, nine to one, is indicative of a high-stakes review, but it also provides evidence that authorizers are willing to close some schools outside of renewal when necessary.
- The low closure rate outside renewal means that authorizers using long charter terms could be allowing low-performing schools to stay open too long, unless they suffer from severe problems that are readily apparent.

## 2. REASONS FOR CLOSURE DURING RENEWAL/REASONS FOR CLOSURE IN REVOCATION

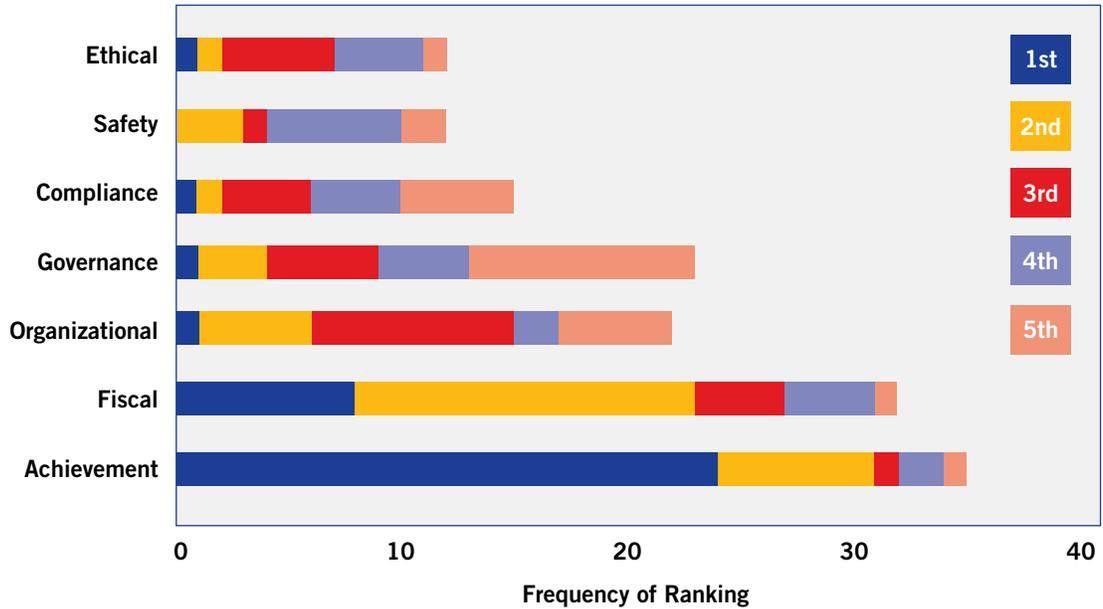
*What are the reasons Large Authorizers cite for closing schools, whether during renewal or in revocation?*

**FROM NACSA'S PRINCIPLES & STANDARDS:**

*“A quality authorizer clearly communicates to schools the criteria for charter revocation, renewal, and non-renewal decisions, consistent with the charter contract.”*

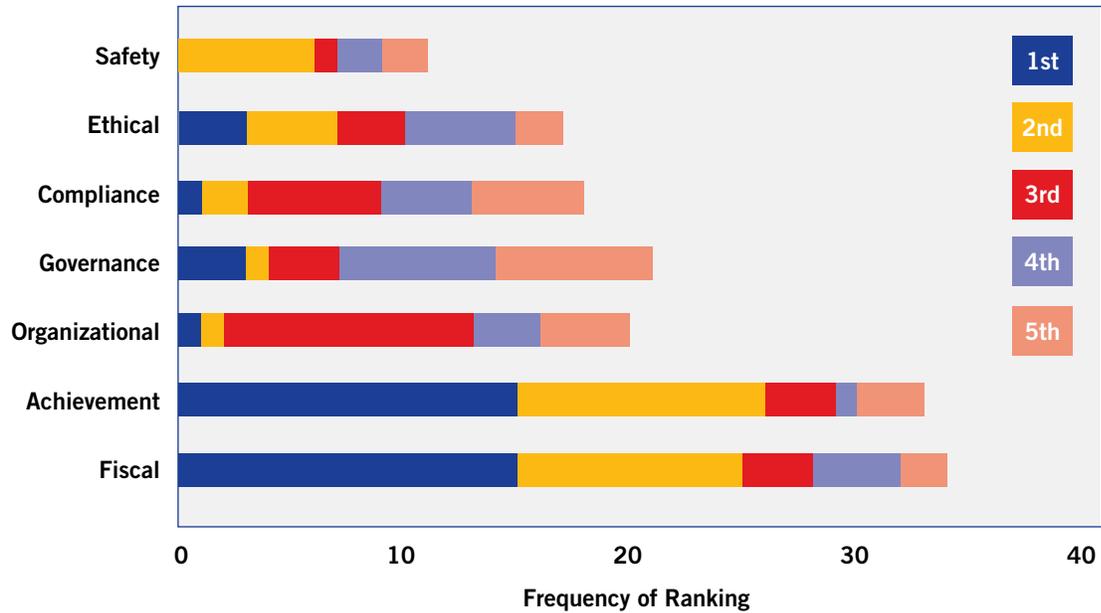
Charter schools can be closed during a formal review process for renewal at the end, or near the end, of their charter term. Authorizers can also close schools prior to that review process. The review process is the culmination of the term of the charter contract and provides an opportunity for the school to present a case for how well it is achieving the goals set out in its charter. Closure outside the renewal process is due likely to additional issues that are severe and that cannot be tolerated for the years that may pass before the review takes place.

**FIGURE 2.9:** *Reasons Large Authorizers Close or Decline to Renew a School During the Renewal Process*



- Achievement is the most-frequently cited and highest-ranked reason for declining to renew a charter.
- Fiscal issues are a close second in frequency, but generally more likely to be rated No. 2 than achievement and less likely to be rated No. 1.
- Governance and organizational issues have similar rates of being reported, with governance coming up slightly more often, but organizational issues receive slightly higher rankings.

**FIGURE 2.10:** *Reasons Large Authorizers Revoke Charters Outside the Renewal Process*



- Fiscal issues and achievement are again at the top of the reasons authorizers revoke charters outside of renewal, but fiscal issues are reported with a slightly higher frequency.
- Other than these shifts among the highest-ranking reasons for closure, the only other notable difference is a slight increase in the urgency of ethical issues, which overtake safety as a reason to revoke a charter outside the renewal process.

## Survey Findings in 3D—Delving Deeper into Data:

### Reasons for Closure During Renewal/Reasons for Closure in Revocation

Survey findings indicate that a formal review of the charter for renewal is more likely to be focused on whether the school is serving the academic needs of its students.

Outside the renewal process, while academic achievement is still highly important, a host of other issues are more likely to lead to the closure of the school prior to the end of its charter term. This could indicate that if a school is not doing well academically, but is otherwise on relatively sound governance, operations, and fiscal grounds, authorizers are willing to see if it can improve academically. If a school is in desperate shape in terms of finances or other organizational issues, it may not be able to function long enough to reach the end of its charter term and will have to be closed more quickly.

Other researchers have noted that fiscal and operational issues are more likely to come to a head even when the root cause is academic failure. If a school is struggling academically, most likely its enrollment will decrease, in some cases significantly. If enrollment falls, the revenue from the state is likely to decrease; in some states, that decrease happens relatively quickly. At that point, staffing becomes untenable, and as staff are unpaid or laid off, a “death spiral” can occur, hastening the school’s closure.

Determining the exact nature of the failure that led to a school’s closure is difficult. Authorizers that decline to list all the things wrong with a school can exacerbate this. Since charter school closures may be litigated, transparency and candor can become compromised in deference to legal counsel. Even if various school aspects were problematic, some authorizers may only focus formally on the problems that are least subject to argument, such as budget problems, thus obscuring the real and nuanced nature of the failure. Nevertheless, survey answers, such as these reported here, are not attributed to a particular school, and survey respondents have likely been able to report accurately in this context.

# Large Authorizers

## AREA 5 AGENCY COMMITMENT AND CAPACITY

### FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer recognizes that chartering is a means to foster excellent schools that meet identified needs; clearly prioritizes a commitment to excellence in education and in authorizing practices; and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.”

### 2010 HIGHLIGHTED FINDINGS

Authorizers do a complex and crucial job with a wide range of funds, staffing, and other capacities. As this education sector matures, NACSA is more closely analyzing this range of resources and how that impacts the ability of authorizers to function most effectively and responsibly.

**Funding:** Most Large Authorizers (19 out of 20) raise very little, if any, money from foundations and non-governmental sources. This is up slightly from last year, likely due to NACSA's philanthropy efforts through The Fund for Authorizing Excellence efforts in this sector; but the percent of authorizers receiving such support is still small. Large Authorizers are generally dependent on the proportion of funding they get from local and state sources.

**Staffing:** There appear to be minimum staffing patterns and requirements that do not change proportionately with the size of an authorizer's portfolio. This may mean that current methods of funding authorizer activities, and the lack of startup funding for new authorizers, are problematic for authorizers trying to implement best practices with medium portfolios, or in their first few years of operations.

- As authorizers grow, they appear to have basic staffing requirements that kick in early and do not vary much until they oversee approximately 30 schools. Even with authorizers that have relatively large portfolios, some staffing requirements for non-authorizer functions do not change much as their portfolios grow. This is less true for functions specific to authorizing, such as reviewing applications and reviewing performance for renewal decisions, which appear slightly more linear.
- Among the authorizers with 40–60 schools, some have larger staffs than would be predicted by their portfolio size.
- Some Large Authorizers have very little to no staff, which brings into question their ability to perform many of the practices NACSA recommends.

**Student Equity Perceptions:** When asked whether their procedures and those their schools adopt are addressing the needs of SPED and ELL students, the average Large Authorizer indicates a high degree of comfort with the status quo for the design of such programs.

## 1. FUNDING

### FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer determines the financial needs of the authorizing office and devotes sufficient financial resources to fulfill its authorizing responsibilities in accordance with national standards and commensurate with the scale of the charter school portfolio.”

### Average, Median, Minimum, and Maximum Oversight Fees:

Of Large Authorizers that deduct oversight fees, the average fee is 2.4 percent of the charter school's per pupil funding, and the median fee is 2.3 percent. The minimum fees reported were 0.1 percent and the maximum were five percent.

### Agreement with Resource Sufficiency:

The survey questioned to what extent authorizing offices agree or disagree with the following statement: “Our organization allocates enough resources to fulfill all of our authorizing responsibilities.” The average Large Authorizer agreed with this statement. Authorizers could respond using the 5 Point Scale [Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)]. The average response for Large Authorizers was 3.2.

56%

Of Large Authorizers  
Have a Budget  
Dedicated to Authorizing

- A low percentage of all Large Authorizers (56 percent) have a budget dedicated to their authorizing work.

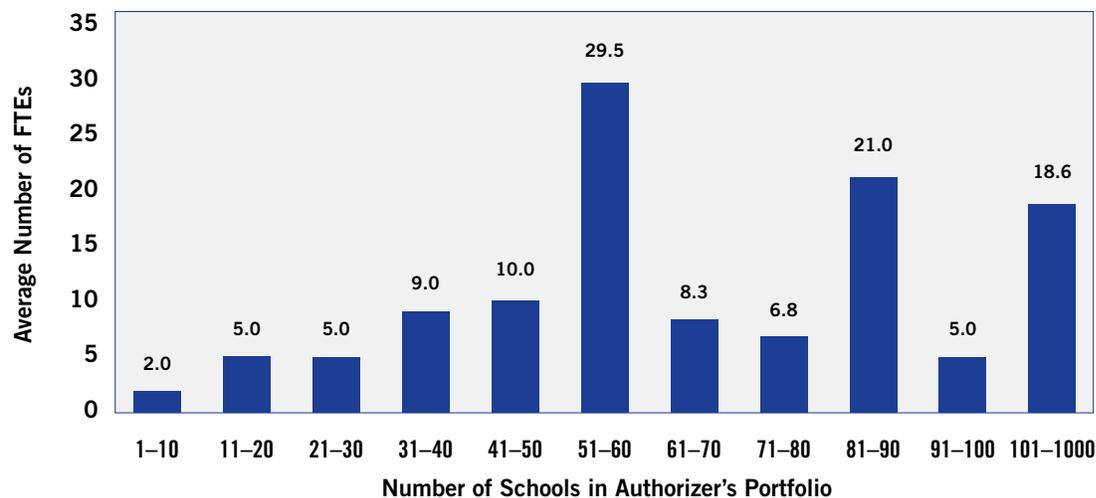
## 2. STAFFING

*What can be learned from the staffing patterns in Large Authorizer offices?*

### FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer employs competent personnel at a staffing level appropriate and sufficient to carry out all authorizing responsibilities in accordance with national standards, and commensurate with the scale of the charter school portfolio.”

**FIGURE 2.11:** *Authorizer Portfolio Size and Staffing*



Note: The horizontal axis is a measure of the number of schools in an authorizer's portfolio. The vertical axis is the number of Full-Time Equivalent (FTE) employees (both employees and contracted workers) that work on "authorizing functions," which were defined to include application review and approval process, oversight and monitoring, and performance review and renewal.

**Findings:**

- Authorizers with 5–10 schools in their portfolio tend to have between two and three employees (unless they have only one or two schools). They gradually—and unevenly—grow until around four or five employees serve up to 25–30 schools.
- The relationship between the number of schools and number of employees then changes dramatically after a portfolio has more than 25–30 schools. The growth curve gets much steeper, but also becomes more erratic.
- Authorizers report similar levels of basic staff in the first two to six hires. There appear to be basic functions that small- to medium-sized authorizers consider necessary to perform, whether a shop has five schools or 20 schools in its portfolio.
- As authorizers become bigger, they appear to develop more complicated and sophisticated staffing.
- While there is relative uniformity among small- to medium-sized authorizers, among Large Authorizers (30–500 schools), there is extreme variation in staffing patterns. Some with very large portfolios have almost no staff, or very few. For example, one state's SEA has zero staff and 100 schools, while another state's charter school board has about 500 schools and seven staff. Other medium-sized authorizers have a considerable number of staff.

The findings above illustrate interesting relationships between the number of FTEs in an authorizing office and the size of their charter school portfolio. Follow-up interviews with authorizers suggested the methods used to count the number of FTEs in an authorizing office may differ depending on the responding authorizer. More study with more diverse methods may provide a clearer picture of authorizer staffing patterns.

### Survey Findings in 3D—Delving Deeper into Data:

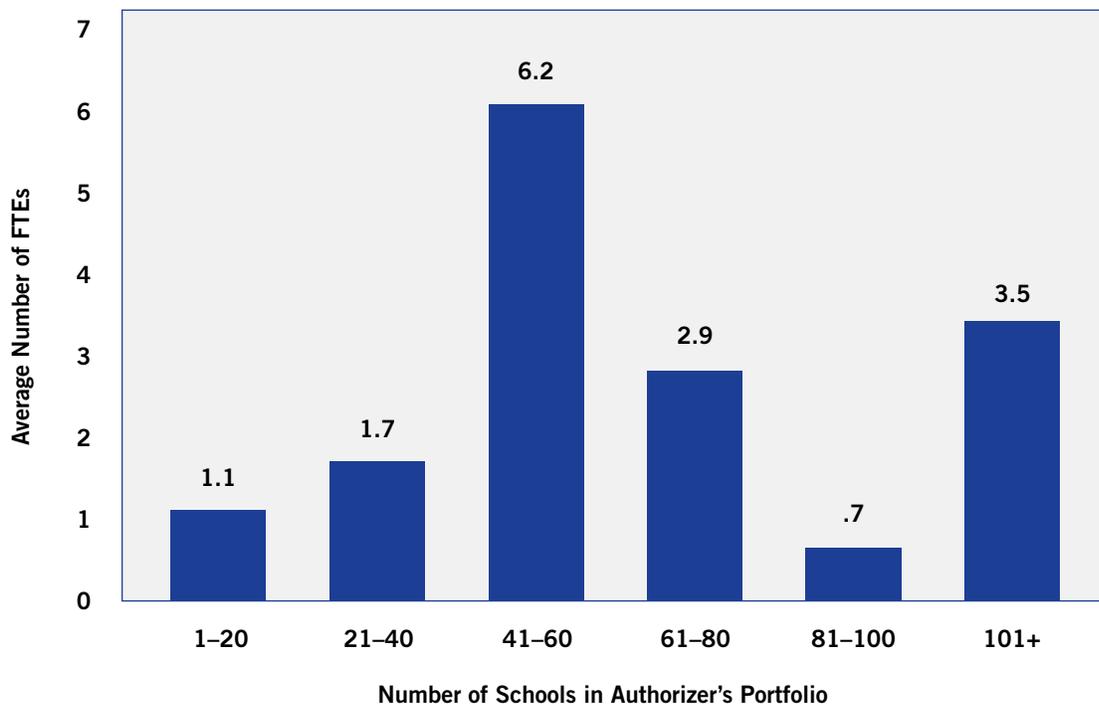
#### Educational and Administrative Functions (Outside the Basic Authorizing Function Area)

The survey also asked respondents to report the amount of staff time dedicated to various educational and administrative functions that are outside the charter approval and review process. These included functions associated with administering public education in general, such as special education, federal programs, education leadership, and curriculum. It also included areas of professional expertise that authorizers call on, such as legal, financial, and not-for-profit governance expertise.

Generally, the amount of staffing reported for these functions does not increase proportionately as the portfolio of the authorizer increases until authorizers have quite large portfolios. While the authorizer functions also report relatively stable staffing patterns until they oversee a large portfolio, the stability of the non-authorizer functions are considerably less responsive to portfolio size than is the case for the authorizer-specific functions. For example, whether an authorizer reports a portfolio of five schools or 45 schools, it reports a similar amount of FTE working on legal, special education, and financial issues. In several of these functions, appreciable increases in staffing do eventually occur with larger size, but only for authorizers with portfolios of more than 30–50 schools. For some functions, including the administration of federal programs, not-for-profit governance, and legal services, there is no real change except with the largest authorizers with more than 100 schools. In Figure 2.12, the FTE associated with performance management is listed. Similar patterns occur for most non-authorizer functions.

Survey Findings in 3D—Delving Deeper into Data:  
Educational and Administrative Functions  
(Outside the Basic Authorizing Function Area) (continued)

**FIGURE 2.12:** *FTEs Associated with Performance Management by Authorizers' Portfolio Size*



The measurement of authorizer staffing clearly needs further refinement and additional study to determine the actual use of professional services and the amount of resources and time it takes to perform various functions. This preliminary data indicates that authorizers have similar needs for access to a set of professional services, and that the array of functions and staffing required for those services does not correspond to an authorizer's portfolio size until the authorizer reaches a relatively large size (with more than 30–50 schools).

Additional study is particularly needed on this topic because, if staffing needs are extensive for Small Authorizers and remain relatively constant across this range of services regardless of portfolio size through the first 40 schools, then current methods of funding Small Authorizers or funding all authorizers through the first years of authorizing are inadequate. Funding based on a proportion of the student enrollment in operating schools is unlikely to allow small and new authorizers access to all the services they need unless they can access those services outside their own offices. This could be particularly complicated for Independent Chartering Boards that may not have larger organizations to call on for in-kind contributions of professional services.

### 3. MISSION

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer states a clear mission for quality authorizing.”

56%

Of Large Authorizers have a  
Published and Available Mission  
for Quality Charter Authorizing

- Of all Large Authorizers, 56 percent have a mission statement. Among authorizing shops that are dedicated to authorizing, this would be a relatively low percentage. But given the number of entities that have primary responsibility for duties other than overseeing charters (including SEAs and LEAs), it may make sense to explore whether and when authorizers establish a statement that is not an organizational mission and instead is a mission relative to the authorizing functions.

## 4. STRATEGIC PLAN

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer articulates and implements an intentional strategic vision and plan for chartering, including clear priorities, goals, and timeframes for achievement.”

39%

Of Large Authorizers have a Strategic Plan

- A relatively low percentage of Large Authorizers (39 percent) have a strategic plan for authorizing. Given the complexity of authorizing activities, a strategic plan can help an authorizer move forward, leveraging the strengths they have while planning to address gaps in their programs and procedures. Without using a strategic plan, authorizers can become driven by individual events and lose the ability to build systems that help in the long term, such as creating a performance framework or renewal criteria before schools come to the end of their charter term.

## 5. STUDENT EQUITY PERCEPTIONS

### Survey Findings in 3D—Delving Deeper into Data: Student Equity Perceptions

This year’s survey asked authorizers for their perceptions of how well the charter schools they oversee are serving students with disabilities, or students in SPED, as well as ELL. Further study of the role of authorizers in affecting these issues is necessary. Authorizers review plans for serving such students, and district authorizers often implement programs to serve them, and can affect the relative ability of families to exercise choice from among various possibilities.

This year’s survey included questions designed to gauge the authorizers’ sense that the overall procedures they implement and that their schools adopt are addressing the needs of SPED and ELL students. The averages reported indicate a high degree of comfort with the status quo for the design of such programs.

Given the variation in representation of students, and anecdotal coverage, more study is required to determine what role authorizers could play, whether their relative optimism is warranted, or, if there are problems, whether part of the challenge is to educate authorizers about their options and responsibilities.

**TABLE 2.7:** *Equity Perception: Students with Special Needs*

#### STUDENTS WITH SPECIAL NEEDS

TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?	LARGE AUTHORIZERS (AVERAGE)
“Students with special needs have full access to the charter schools we oversee.”	4.2
“Students with special needs receive appropriate services in the charters we oversee.”	4.1
“Charter schools authorized by our organization receive comparable funding to traditional public schools in this state for the special-education students they serve.”	4.0

Response: 5 Point Scale: Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)

Survey Findings in 3D—Delving Deeper into Data:  
 Student Equity Perceptions (continued)

**TABLE 2.8:** *Equity Perception: English Language Learners*

**ENGLISH LANGUAGE LEARNERS**

TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?	LARGE AUTHORIZERS (AVERAGE)
“English Language Learner (ELL) students have full access to the charters we oversee.”	4.3
“ELL students receive appropriate services in the charters we oversee.”	4.1

Response: 5 Point Scale: Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)

Endnotes:

- 1 NACSA’s The Fund for Authorizing Excellence was established as the organization’s grant-making initiative to provide direct support to NACSA members and qualified candidates working to create and sustain authorizing environments that foster high-quality charter schools. The Fund is made possible through the generous contributions of the Walton Family Foundation and the Robertson Family Foundation.
- 2 If NACSA does not average each authorizer’s approval rate and instead calculates a rate for Large Authorizers as a group, Large Authorizers approved 27 percent of all applications received during the 2009–2010 school year. While these approval rates may appear lower than rates last year, some of the difference may be due to increased precision of measurement in NACSA’s 2010 survey.
- 3 Survey respondents often indicated a variety of charter terms or ranges in term length. This analysis is based on the maximum reported charter length by each authorizer.



## Comparing Large and Small Authorizers

**NOTE:** *Using the previous section's analysis of Large Authorizers as a point of comparison, this section explores Small Authorizers.*

As discussed in Section 2, only nine percent of charter school authorizers have 10 or more schools in their portfolios. Despite their small numbers, Large Authorizers oversaw 69 percent of charter schools in the nation in fall 2010. The remaining 91 percent of charter school authorizers oversaw charter school portfolios of fewer than 10 schools each. These 872 Small Authorizers oversaw 31 percent of charter schools.

NACSA identified 259 Small Authorizers to survey in 2010. This sample included the entire population of charter school authorizers with five to nine schools and a sample of charter school authorizers with fewer than five schools.<sup>1</sup> Of the Small Authorizers that NACSA contacted, 31 percent responded to the 2010 survey.

Small Authorizers operate without the benefits that Large Authorizers experience—the scale to affect many students and schools, the expertise that develops from doing this work with frequency, and the economies of scale inherent in larger authorizing shops. In contrast to Large Authorizers, many Small Authorizers are dealing with these issues and needs so rarely that they are neither fiscally nor logistically likely to introduce or implement well the NACSA-recommended practices.

While Large Authorizers have a much larger average portfolio size of 43 schools, Small Authorizers have an average portfolio size of 1.9 schools. Though their reach is smaller, these Small Authorizers and the quality of their work greatly impact the schools they oversee. NACSA seeks to understand their work and to explore solutions that may improve their ability to implement authorizing best practices.

# Major 2010 Findings

## On Large v. Small Authorizers

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### Application Process Practices

**Large Authorizers are better at implementing rigorous standards in the application process, while Small Authorizers are less likely to put these practices into place.** The pattern is consistent across many application practices, and the wide failure underscores the challenges for Small Authorizers doing this work. Among Large Authorizers, more than nine out of 10 adopt best practices, whereas among Small Authorizers, between six and seven out of 10 adopt these best practices.

### Application Process Transparency

**Small Authorizers trail Large Authorizers in the transparency of their application processes, such as establishing applications procedures and criteria, and communicating them.** This may be because Small Authorizers' procedures are more ad hoc.

### Approvals

**Small Authorizers have higher approval rates of charter applications, likely as a result of less-frequent implementation of key procedures.** The aggregate approval rate for Small Authorizers is 39 percent, compared to 27 percent for Large Authorizers.

# *Additional 2010 Findings*

## *On Large v. Small Authorizers*

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- **Applications Received:** Small Authorizers receive very few applications. More than one-half of Small Authorizers received no applications during the 2009–2010 school year. This is likely to reduce the need for or ability to establish systems to address authorizing functions.
- **Proactive Behaviors:** Small Authorizers are unlikely (11 percent) to proactively publish Requests For Proposals (RFPs), suggesting that they are passive recipients of charter applications. In contrast, most Large Authorizers (61 percent) establish and actively articulate how they will handle charter applicants or what they are looking for in applicants. Only four percent of Small Authorizers actively recruit applicants, compared to about 40 percent of their larger counterparts.
- **Expert Panels:** Only 27 percent of Small Authorizers use panels that are composed of or include external experts to review charter applications. More than one-half (54 percent) of Large Authorizers do so. When Small Authorizers use panels, their panels are more likely to be composed entirely of members internal to their own offices; 28 percent of Small Authorizers do not use panels at all.
- **Interviews:** Almost one-quarter of Small Authorizers do not interview charter applicants; this is twice the rate of Large Authorizers. Interviews are important for judging whether applicants fully understand what they have proposed and the ability of applicants to implement their proposed plans. They are also very helpful in judging the strength and independence of proposed governing boards. These are issues that are extremely difficult to determine through other mechanisms.
- **Interventions:** In general, Small Authorizers engage slightly more often in intervention strategies that tend to erode school autonomy than Large Authorizers.
- **Closure Rates/Timing:** Large Authorizers are much more likely to close schools during the renewal review than outside the review process. Small Authorizers are also likely to close schools more often during renewal, but the ratio is not as high. Overall, their aggregate closure rates are similar.
- **Funding Sources:** Both Large and Small Authorizers receive funding at similar rates from both oversight fees and regular parent-organization operating budgets. A bigger difference is seen in state appropriations, with Small Authorizers receiving such funds 10 percent less often than Large Authorizers; in state and federal grants, Small Authorizers receive such funds about 20 percent less often than Large Authorizers.

# Large v. Small Authorizers

**AREA 1** APPLICATION PROCESS AND DECISION MAKING

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer implements a comprehensive application process that includes clear application questions and guidance; follows fair, transparent procedures and rigorous criteria; and grants charters only to applicants who demonstrate a strong capacity to establish and operate a quality charter school.”

1. APPLICATIONS

*Compared to Large Authorizers, how many applications do Small Authorizers receive?*

**TABLE 3.1:** Average, Minimum, Maximum, and Median Number of Applications Received

	AVERAGE	MINIMUM	MAXIMUM	MEDIAN
Large Authorizers	16.7	0	79	10
Small Authorizers	1.9	0	35	0

- Given their small scale, it is not surprising that Small Authorizers receive a lower average number of applications, roughly one-eighth the average that Large Authorizers receive.
- More than one-half of Small Authorizers received no applications in 2009–2010, and most of the remainder received fewer than four. Two Small Authorizers in this sample received extremely large numbers of applications for their size: 35 and 25 applications, respectively.
- As authorizers process more applications, they gain experience and expertise. They are also more likely to establish formal procedures and processes or supporting documents, such as rubrics. These formal practices and materials create opportunities for authorizers to consider the implementation of best practices and the chance to incorporate practices from other authorizers. With less experience and without such systems—when Small Authorizer staffs face particular circumstances only very rarely—they are less likely to create substantive and merit-based procedures that are buffered from political pressures. In addition, they are less likely to identify substantive problems in applications when applications are large and comprehensive, and their resources for review are limited and ad hoc.

## 2. PROACTIVE STRATEGIES TO REACH POTENTIAL APPLICANTS

### *Compared to Large Authorizers, how do Small Authorizers communicate with their potential applicants to solicit applications?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer issues a charter application information packet or RFP....”

A quality authorizer broadly invites and solicits charter applications while publicizing the authorizer's strategic vision and chartering priorities, without restricting or refusing to review applications that propose to fulfill other goals.”

**TABLE 3.2:** *Proactive Strategies to Reach Potential Applicants*

STRATEGY	LARGE AUTHORIZERS (%)	SMALL AUTHORIZERS (%)
Authorizer releases an annual request for applications	61	11
Authorizer proactively recruits qualified applicants	42	4

- Only 11 percent of Small Authorizers proactively release an annual request for applications, compared to more than 60 percent of Large Authorizers.
- A mere four percent of Small Authorizers proactively recruit qualified applicants, compared to 42 percent of Large Authorizers.

### 3. APPLICATION PROCESSES

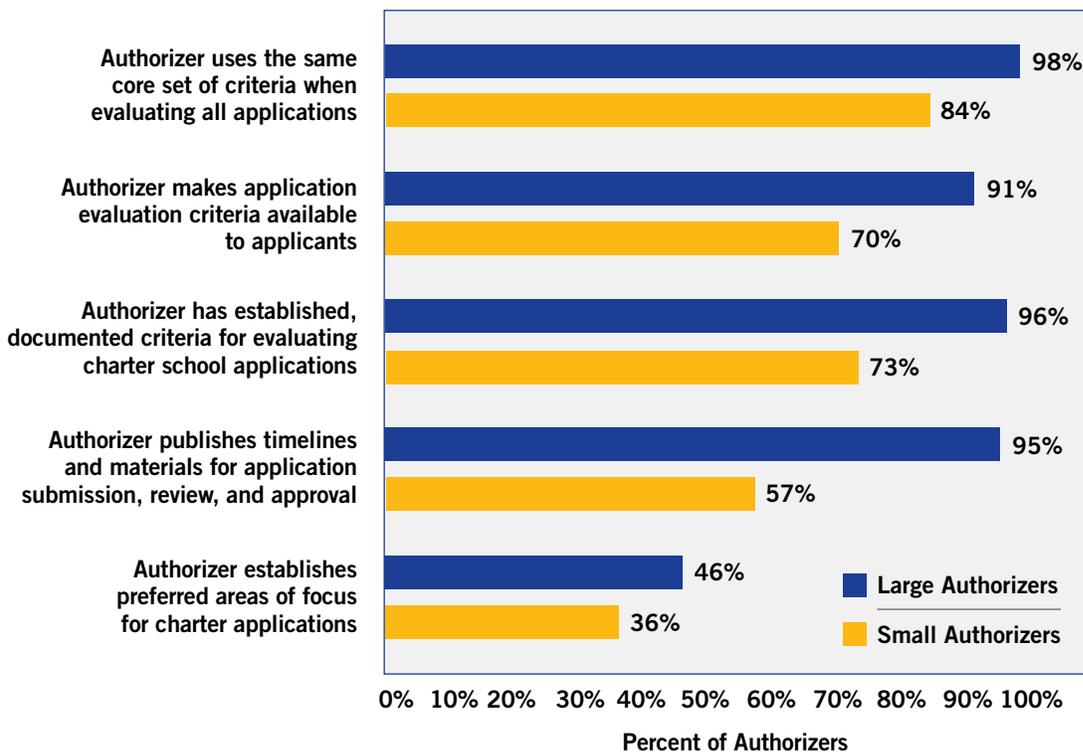
## Compared to Large Authorizers, how are Small Authorizers managing and communicating about their application processes?

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer issues a charter application information packet or RFP that:

- States any chartering priorities the authorizer may have established;
- Articulates comprehensive application questions to elicit the information needed for rigorous evaluation of applicants' plans and capacities; and
- Provides clear guidance and requirements regarding application content and format, while explaining evaluation criteria.”

FIGURE 3.1: Characteristics of the Charter Application Process



- Small Authorizers trail Large Authorizers in the transparency of application processes, such as establishing applications procedures and criteria, and communicating them. This may be because Small Authorizers' procedures are more ad hoc.
- Compared to Large Authorizers' nearly universal acceptance of the best practices in this section, Small Authorizers meet these marks less frequently.
- More than one-half of Small Authorizers (57 percent) publish timelines and materials for applications.
- Fewer than three-quarters of Small Authorizers establish evaluation criteria that are made available to applicants.
- A higher percentage (84 percent) of Small Authorizers report using the same set of criteria for evaluating all applications.
- Far fewer Small Authorizers, like Large Authorizers, establish preferred areas of focus for charter applications.

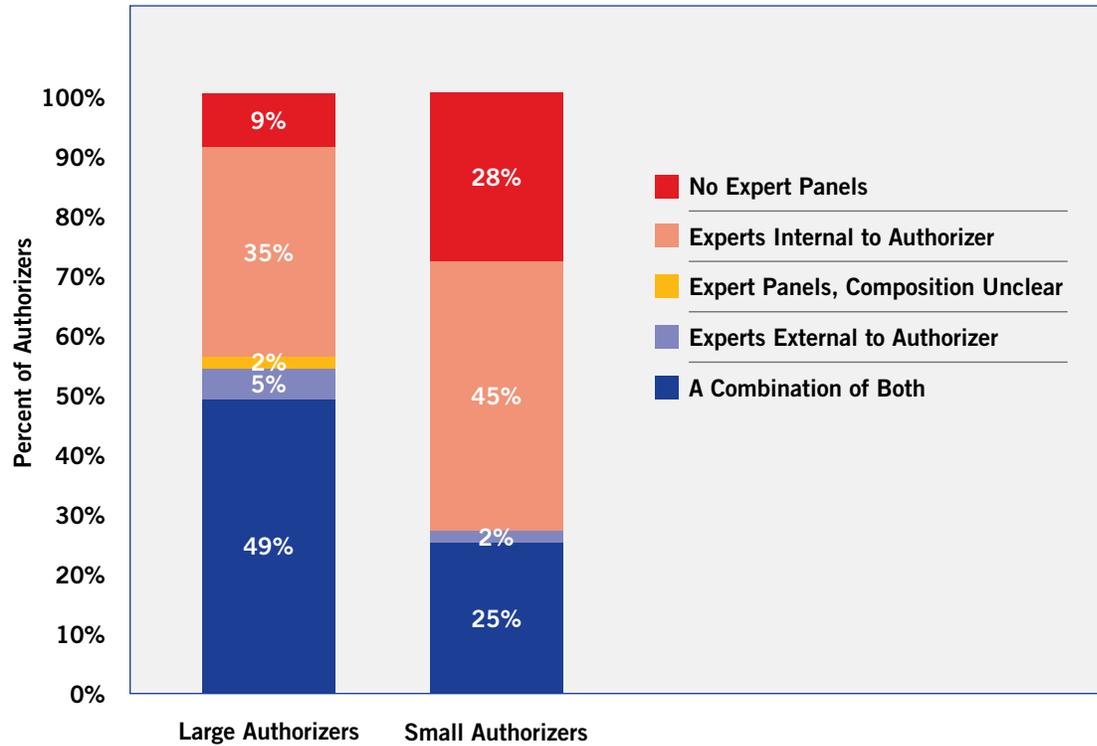
#### 4. EXPERT PANELS FOR APPLICATION REVIEW

*Compared to Large Authorizers, how do Small Authorizers utilize panels of experts to review applications?*

**FROM NACSA'S PRINCIPLES & STANDARDS:**

*“A quality authorizer engages, for both written application reviews and applicant interviews, highly competent teams of internal and external evaluators with relevant educational, organizational (governance and management), financial, and legal expertise, as well as a thorough understanding of the essential principles of charter school autonomy and accountability.”*

**FIGURE 3.2:** *Use of Expert Panels to Review New Charter Applications*



- More than one-quarter (28 percent) of Small Authorizers do not use expert panels.
- While nearly one-half (49 percent) of Large Authorizers use panels composed of internal and external experts, only one-quarter (25 percent) of Small Authorizers do.
- When Small Authorizers use panels, their panels are more likely to be composed entirely of members internal to their own offices.
- Panels are necessary to incorporate a range of technical expertise that touches on all the areas a school and a charter application must address. Individual reviewers are unlikely to have the expertise needed to evaluate all the different areas. External members on expert panels bring diverse perspectives and are less likely to present conflicts with proposals based on a preference for how things are currently done or how central resources are used. External members are less likely to be tied to procedures and processes that the authorizing entity uses, meaning they may be more likely to support schools using a range of approaches to various challenges, which provides schools more autonomy to propose to solve old problems with new methods.

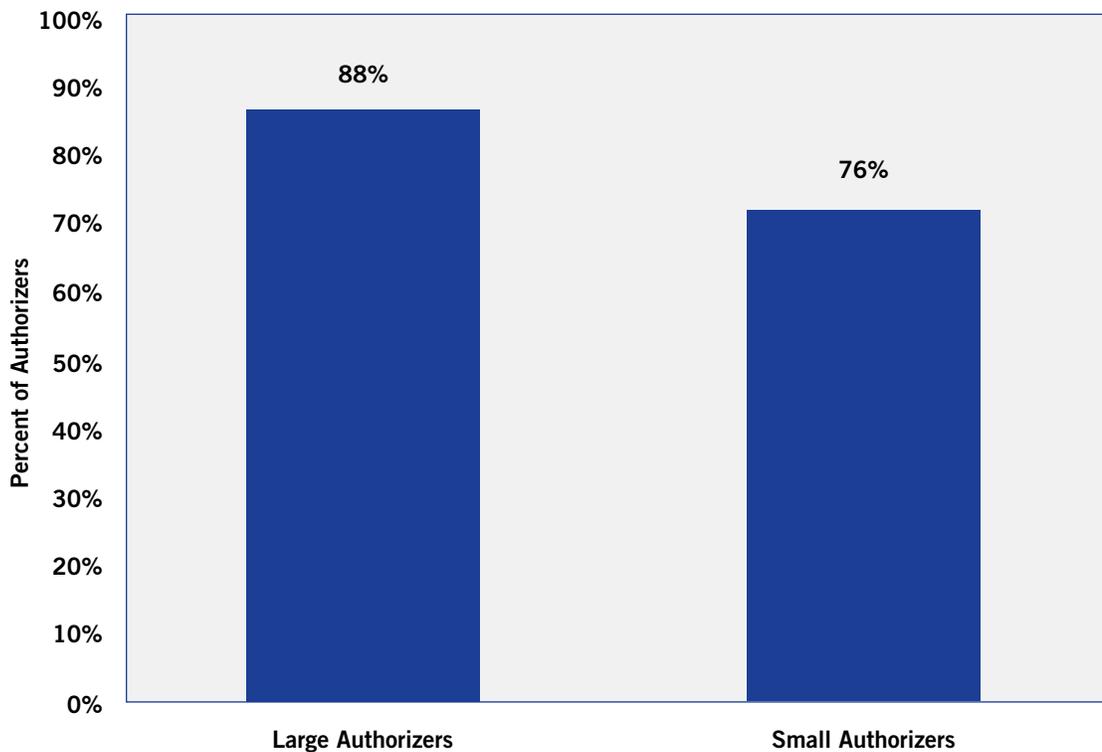
## 5. INTERVIEWS OF APPLICANTS

### *Compared to Large Authorizers, what percent of Small Authorizers interview their charter applicants?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer rigorously evaluates each application through thorough review of the written proposal, a substantive in-person interview with the applicant group, and other due diligence to examine the applicant’s experience and capacity, conducted by knowledgeable and competent evaluators.”

**FIGURE 3.3:** *Interviews of Applicants*



- Almost one-quarter of Small Authorizers do not interview charter applicants, compared to 12 percent of Large Authorizers.
- Interviews are important for judging whether applicants fully understand what they have proposed and the ability of applicants to implement their proposed plans. They are also very helpful in judging the strength and independence of proposed governing boards. These issues are difficult to determine through other mechanisms.

## 6. APPROVAL RATES

### *How do the approval rates of charter school applicants differ between Large and Small Authorizers?*

**TABLE 3.3:** *Application Approval Rates*

	AGGREGATE APPROVAL RATE (%)
Large Authorizers	27
Small Authorizers <sup>2</sup>	39

- The approval rate for Small Authorizers (39 percent) is 12 percent greater than the average rate for Large Authorizers (27 percent).
- While some Large Authorizers had higher approval rates in the early years of the charter movement, more recently Large Authorizers have adopted lower approval rates. Conversely, it may be easier to obtain a charter from a Small Authorizer. As the rest of the data on application processes shows, this is not a coincidence. As a group, Large Authorizers use better practices that help them to identify charters that are likely to be successful. These same practices also help Large Authorizers defend decisions to deny applicants. This can be useful for authorizers concerned about an applicant's ability to succeed, if the school operates in a state where an unsuccessful application can appeal to another body.
- Among the Small Authorizers are two outliers with much higher numbers of reported applications than all other Small Authorizers. These received 35 and 25 applications, respectively. One other Small Authorizer received 11, while no other Small Authorizer received more than six. These authorizers are likely to become Large Authorizers quickly. The two largest outliers were excluded from the analysis above. If the analysis were to include the two outliers, the Small Authorizers' aggregate approval rate would drop to approximately 29 percent.

# Large v. Small Authorizers

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## AREA 2

## PERFORMANCE CONTRACTING

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer executes contracts with charter schools that articulate the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms. The contract is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate.”



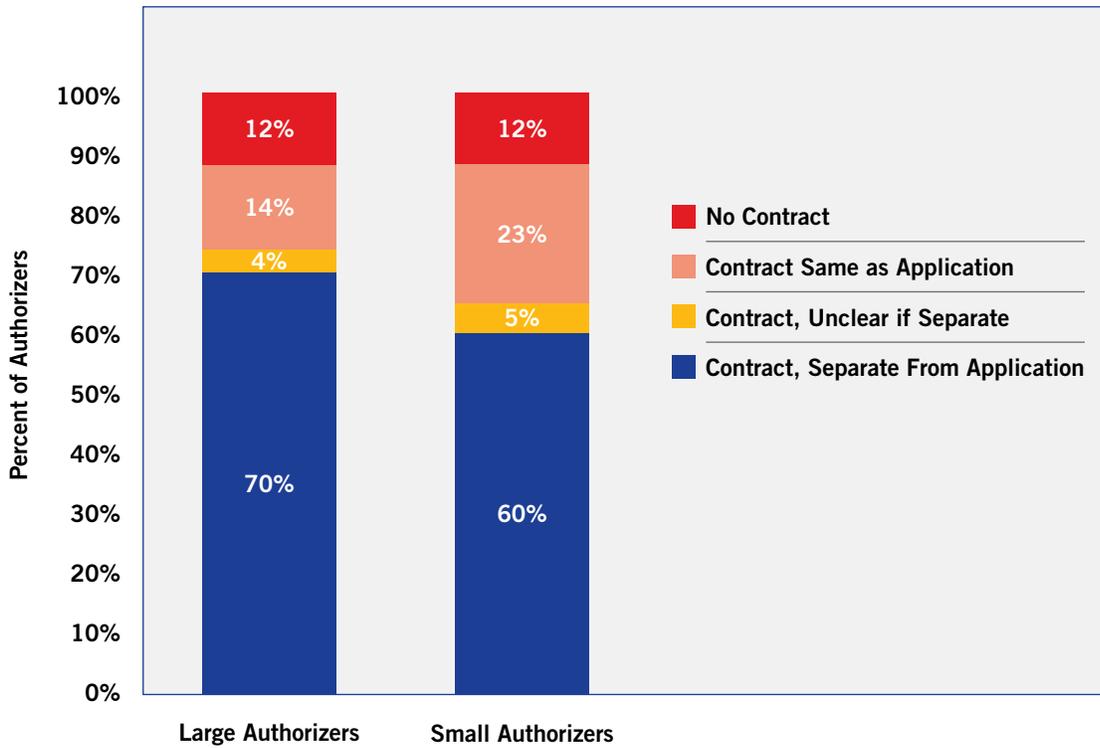
### 1. SIGNING CONTRACTS

*Compared to Large Authorizers, how many Small Authorizers sign contracts with the schools they oversee?*

FROM NACSA'S PRINCIPLES & STANDARDS:

“The contract is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate.”

**FIGURE 3.4:** *Signing Contracts with Charter Schools*



- Twelve percent of both Large and Small Authorizers do not sign contracts with each charter school they oversee.
- Small Authorizers (60 percent) are less likely than Large Authorizers (70 percent) to sign a contract that is distinct from the charter application.
- Nearly one-quarter of all Small Authorizers sign a contract that is the application. For an explanation of why this is problematic, see Section 2 on Large Authorizers, pages 31-33.

# Large v. Small Authorizers

## AREA 3 ONGOING OVERSIGHT AND EVALUATION

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer conducts contract oversight that competently evaluates performance and monitors compliance; ensures schools’ legally entitled autonomy; protects student rights; informs intervention, revocation, and renewal decisions; and provides annual public reports on school performance.”

### 1. ANNUAL AUDIT<sup>3</sup>

Compared to Large Authorizers, how many Small Authorizers require or monitor annual audits?

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer requires and reviews annual financial audits of schools, conducted by a qualified independent auditor.”

TABLE 3.4: Annual Audits

	LARGE AUTHORIZERS (%)	SMALL AUTHORIZERS (%)
Authorizer requires or monitors annual audits of their charter schools, conducted by themselves or an external organization	100	98

- Small Authorizers improved on this front, as did Large Authorizers, compared to last year. All but a few are requiring or monitoring annual audits of schools.

## 2. INTERVENTION STRATEGIES

*Compared to Large Authorizers, what kinds of intervention strategies do Small Authorizers use to address concerns in the schools they oversee?*

**FROM NACSA'S PRINCIPLES & STANDARDS:**

“A quality authorizer, where intervention is needed, engages in intervention strategies that clearly preserve school autonomy and responsibility (identifying what the school must remedy without prescribing solutions).”

**TABLE 3.5:** *Intervention Strategies*

	STRATEGIES	LARGE AUTHORIZERS (%)	SMALL AUTHORIZERS (%)
Recommended	Provide the school, in writing, a description of the unsatisfactory performance	93	90
	Require the school to submit a plan for improvement designed by the school and approved by the authorizer	87	85
Effect Depends on Implementation	Require changes to the school's board of trustees	38	12
	Connect the school with other schools that perform well in the area(s) of concern	39	50
	Connect the school with trusted organizations or individuals to help it address the area(s) of concern	58	60
	Require the school to attend workshops held by the authorizer	34	33
	Deliver support services to the school in the area(s) of concern	57	64
Not Recommended	Create a plan for improvement in partnership with the school	40	65
	Provide the school, in writing, suggestions on how to improve	55	68

- In general, Small Authorizers engage slightly more often in intervention strategies that tend to erode school autonomy.
- Approximately 10 percent of Small Authorizers have not yet faced a school that they consider to be lower performing and have not yet considered what interventions they would choose to use.

# Large v. Small Authorizers

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## AREA 4

## REVOCAION AND RENEWAL DECISION MAKING

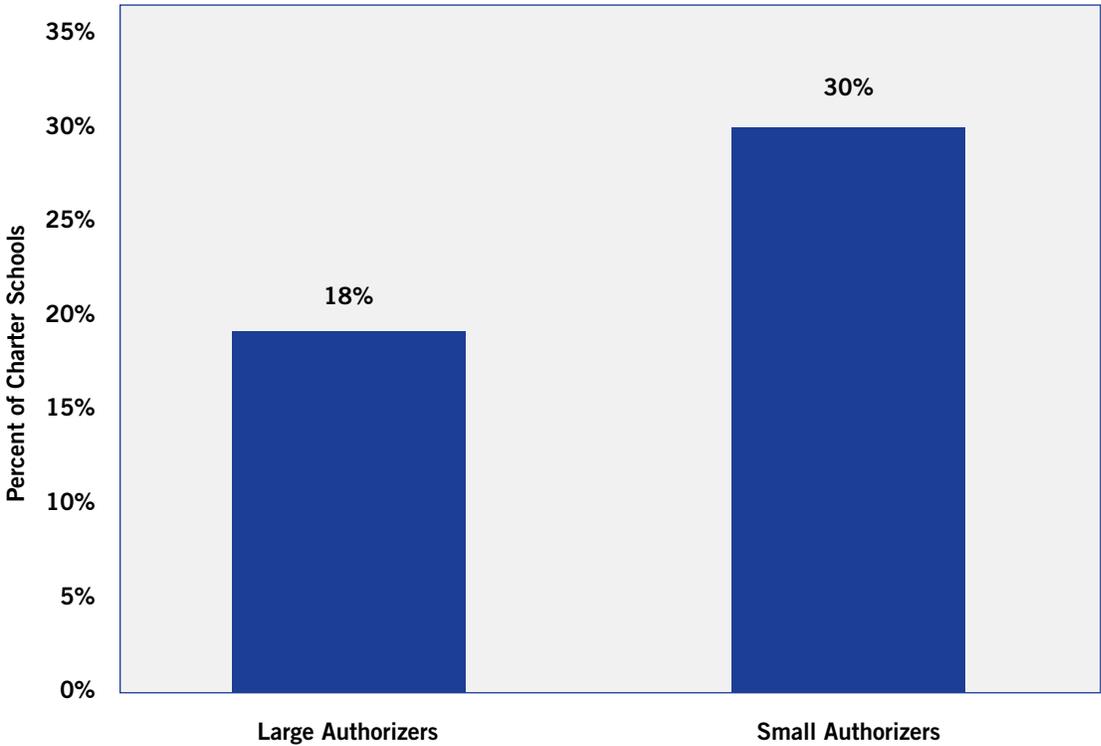
FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer designs and implements a transparent and rigorous process that uses comprehensive academic, financial, and operational performance data to make merit-based renewal decisions, and revokes charters when necessary to protect student and public interests.”

### 1. PERCENT OF PORTFOLIO UP FOR RENEWAL

*During 2009–2010, what percent of Large v. Small Authorizers' school portfolios were reviewed for renewal?*

**FIGURE 3.5:** *Percent of Portfolio Reviewed for Renewal*<sup>4</sup>



- Small Authorizers review a higher proportion of their schools each year than does the average Large Authorizer. Some of this may be due to various states’ policies dictating the length of charter terms, and the percent of authorizers in these states that are smaller.

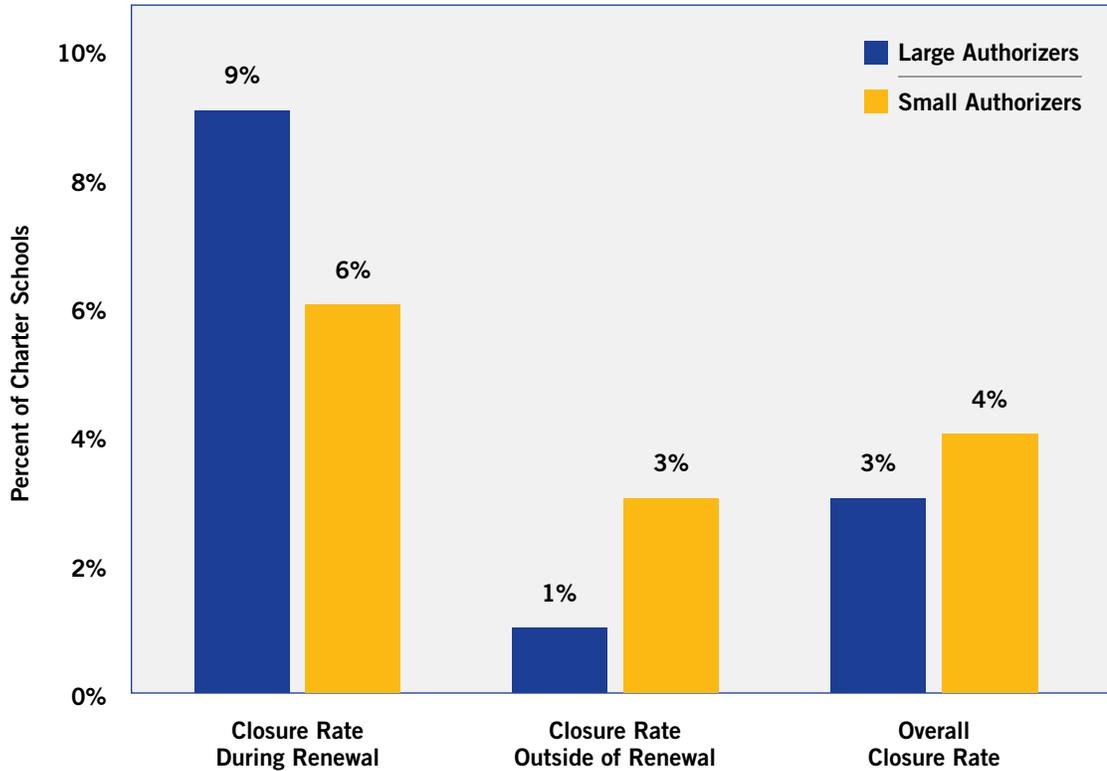
2. CLOSURE RATES INSIDE AND OUTSIDE RENEWAL

*Compared to Large Authorizers, how often do Small Authorizers close charter schools, and when does closure happen?*

**FROM NACSA'S PRINCIPLES & STANDARDS:**

*“A quality authorizer revokes a charter during the charter term if there is clear evidence of extreme underperformance, or violation of law or the public trust that imperils students or public funds.”*

**FIGURE 3.6:** *Aggregate Closure Rates Inside and Outside Renewal*



- Large Authorizers are much more likely to close schools during renewal. Small Authorizers are also likely to close schools more often during renewal, but the ratio is not as high. Overall, their aggregate closure rates are similar.<sup>5</sup>
- The overall closure rates between Large and Small Authorizers are similar, as the Large Authorizers close a higher percentage of those under review, but review a lower percentage. Small Authorizers review more schools but there is less of a distinction in closure rates between those that are reviewed and those that are not.
- The differences between closure during and outside the renewal process are important because they indicate the importance of each charter term's length. They are also important because of the qualitative changes in the issues that are emphasized during review. For more on this, see Section 2. Charters that face review less often face a lower risk of closure.

# Large v. Small Authorizers

## AREA 5 AGENCY COMMITMENT AND CAPACITY

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer recognizes that chartering is a means to foster excellent schools that meet identified needs; clearly prioritizes a commitment to excellence in education and in authorizing practices; and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.”

### 1. DEDICATED BUDGET

*Compared to Large Authorizers, what percent of Small Authorizers have a budget dedicated to authorizing?*

**TABLE 3.6:** *Dedicated Budget*

	LARGE AUTHORIZERS (%)	SMALL AUTHORIZERS (%)
Authorizer has a budget dedicated to authorizing	56	28

- While 56 percent of Large Authorizers have a budget dedicated to authorizing, only one-half of that, 28 percent, of Small Authorizers have a dedicated budget. This could mean that Small Authorizers are trying to conduct their authorizer activities with support from funds that are part of a larger organization’s general mission or that are intended for different or more broadly defined functions.

*What can be learned from the staffing patterns in Small Authorizer offices, compared to Large Authorizer offices?*

FROM NACSA'S PRINCIPLES & STANDARDS:

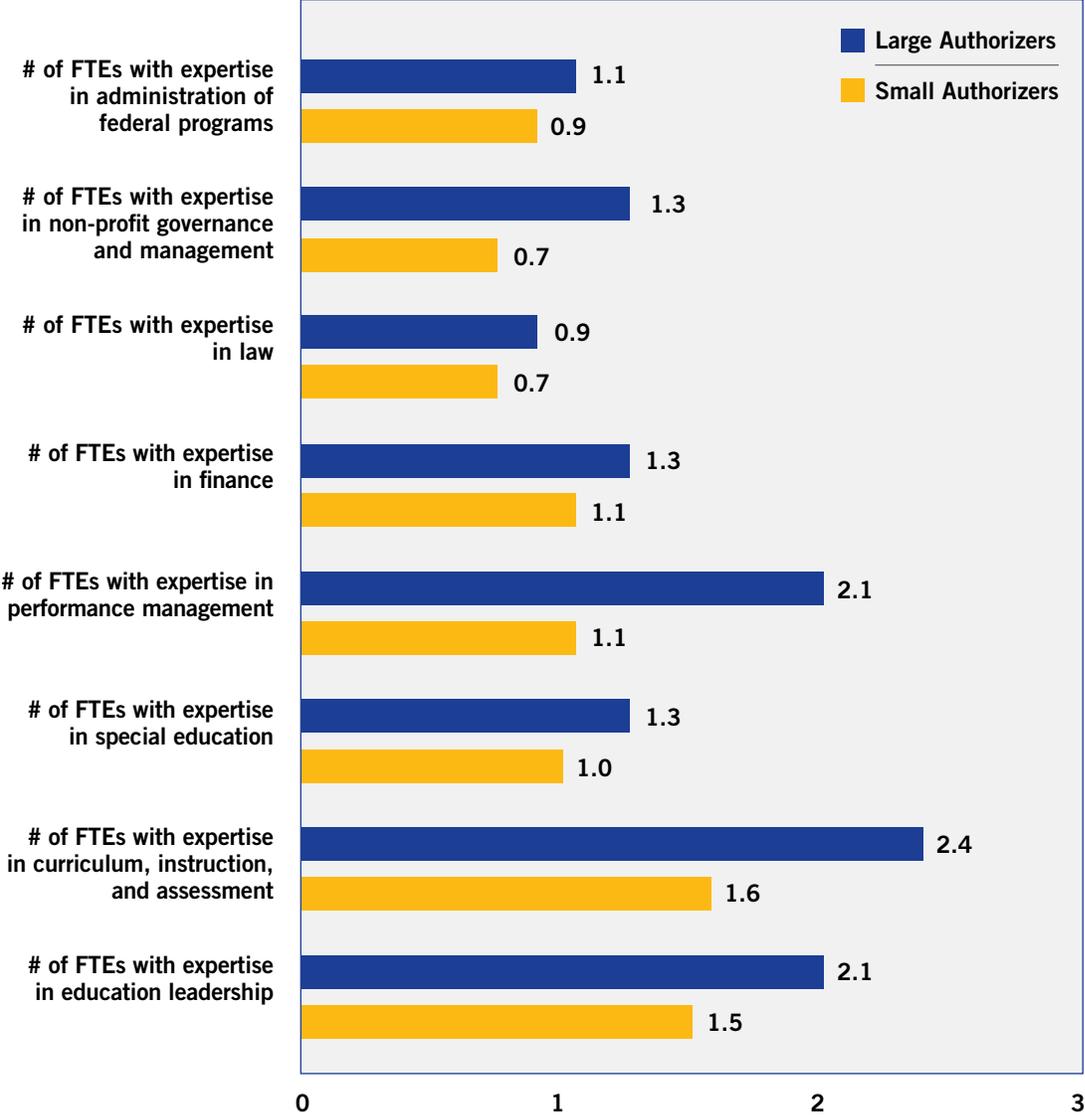
“A quality authorizer employs competent personnel at a staffing level appropriate and sufficient to carry out all authorizing responsibilities in accordance with national standards, and commensurate with the scale of the charter school portfolio.”

**TABLE 3.7:** Full-Time Equivalent (FTE) Employees Assigned to Authorizing Work

	AVERAGE NUMBER <sup>6</sup> OF FTES	AVERAGE NUMBER <sup>7</sup> OF SCHOOLS PER FTE
Large Authorizers	7.5	8.0
Small Authorizers	1.9	3.6

- Small Authorizers still have very few staff to complete their authorizing responsibilities. There may be basic staff functions that Small Authorizers cannot access as easily.

**FIGURE 3.7:** Average Number of FTE Employees with Expertise Across Education/School Management Issues



- When the staffing patterns for functions outside the authorizing tasks are examined, Small Authorizers have fewer numbers of FTEs assigned to all functions, but they still require professional work in all areas, at levels similar to those of Large Authorizers. The difference in staffing required for non-authorizing functions is not in proportion to differences in the size of their respective portfolios. Authorizers appear to require a variety of services, independent of the size of their portfolio.

### 3. SOURCES OF FUNDING

## *What are the sources of funding for Small Authorizers, compared to Large Authorizers?*

**TABLE 3.8:** *Funding Sources*

	LARGE AUTHORIZERS (%)	SMALL AUTHORIZERS (%)
Authorizer receives funding from oversight fees deducted from charter school revenues	67	70
Authorizer receives funding from the regular operating budget of its parent organization	47	49
Authorizer receives funding from state appropriations for authorizer functions	35	24
Authorizer receives funding from state or federal grants	35	13
Authorizer receives funding from foundation grants	5	7

- Both Large and Small Authorizers receive funding at similar rates from both oversight fees and regular parent-organization operating budgets.
- A bigger difference is seen in state appropriations, with Small Authorizers receiving such funds 10 percent less often than Large Authorizers; in state and federal grants, Small Authorizers receive such funds about 20 percent less often than Large Authorizers.
- Both Large and Small Authorizers receive small amounts from foundation grants, five percent and seven percent, respectively. This represents only one in 20 authorizers.

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## Endnotes:

- 1 Authorizers with fewer than five schools were selected for the sample on the basis of location in states with associated student performance data available for later analysis.
- 2 The aggregate approval rate here excludes the two cases with extremely high numbers of applications. These two received 35 and 25 applications, respectively. They are perhaps better characterized as Large Authorizers in the making. If these two cases were included, the aggregate approval rate of Small Authorizers would be 29 percent.
- 3 For more information on the topic of audits, see the “Survey Findings in 3D” box in Section 2 on Large Authorizers, page 39.
- 4 This review rate is calculated by summing the total number of schools overseen by these authorizers in 2009 and dividing that into the total number of charters who had their performance reviewed for a renewal decision. An “average,” determined by calculating the mean authorizer’s review percent, is complicated by those with small portfolios, in which case even one application can produce a very high review rate.
- 5 The average closure rate is determined by calculating the average, or mean, of each authorizer’s individual rate. The aggregate closure rate sums all the schools risking closure and the total number of closures by that group of schools. In general, the aggregate closure rates are lower than the average closure rate of each individual charter authorizer, but the ratios between those closed inside or outside renewal remain similar.
- 6 This is the average number of FTEs for that authorizer type.
- 7 This is the average number of schools per authorizing FTE for Large and Small Authorizers.



# Comparing District and Non-District Authorizers

**NOTE:** *This section compares District Authorizers and Non-District Authorizers<sup>1</sup> of charter schools.*

Of all charter school authorizers in the nation, 90 percent are District Authorizers—local school districts or regional school districts (referred to collectively as Local Education Agencies [LEAs] and District or District Authorizers in this document). In fall 2010, District Authorizers oversaw 53 percent of charter schools.

Non-District Authorizers, who comprise only 10 percent of the active charter school authorizers, oversaw the remaining 47 percent of charter schools in fall 2010. For the purposes of this discussion, Non-District Authorizers include Independent Chartering Boards (ICBs), Higher Education Institutions (HEIs), State Education Agencies (SEAs), Not-For-Profit organizations (NFPs), and Mayors/Municipalities (MUNs).

For the 2010 survey, NACSA surveyed 240 District Authorizers and 92 Non-District Authorizers. Of those, 91 District Authorizers responded (response rate: 38 percent) and 70 Non-District Authorizers responded (response rate: 76 percent).

While most Small Authorizers described in the previous section are LEAs, many District Authorizers oversee large portfolios. There are also many Non-District Authorizers that oversee small portfolios.

School District Authorizers operate in a different context than other types of authorizers. Unlike many other types of authorizers, their charter schools are contained in a distinct geographic location and are typically a small component of their school portfolios. These factors may generate specific conflicts and challenges that lead to the implementation of different authorizing practices. Despite these factors, District and Non-District Authorizers are similar in many respects.

Some charter advocates have argued for years that districts cannot and will not do this work—that their instincts and incentives for self-preservation make them incapable of doing this. NACSA, using sound data and years of experience in the field, instead finds a range of quality. Some districts are hostages to conflict and self-defense; many others are following the benchmarks set by NACSA's *Principles & Standards*. NACSA research finds that these District Authorizers look more like Non-District Authorizers than some charter observers may have expected.

Districts are the bulk of the institutions charged with this task. Therefore, NACSA asks, how do districts do this work, is it different, and, if so, why? What can be done to ensure District and Non-District Authorizers alike have NACSA-type, merit-based, professional authorizing shops?

# Major 2010 Findings

## On District v. Non-District Authorizers

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### Approvals

**A charter applicant has a better chance of getting approved by a District than a Non-District. District Authorizers approve about 37 percent of their applicants, compared to approximately 22 percent for Non-District Authorizers.** The approval rate correlates with the use of rigorous application practices. The implementation of key practices decreases the approval rate.

### Interventions

**When intervening in a struggling school, District Authorizers are more likely to implement practices that reduce school autonomy.** Non-District Authorizers are more likely to identify problems but let the school decide how to solve them. This enables intervention without decreasing school autonomy or undermining subsequent accountability actions, such as revoking the charter.

### Authorizer Key Practices, by Type and Size

**Large District Authorizers look like Large Non-District Authorizers in the rates at which they implement key recommended authorizing practices.** Small District Authorizers and Small Non-District Authorizers adopt recommended practices less often.

### Approvals, by Type and Size

**Large District Authorizers' approval rate of new applicants is considerably higher than Small Districts' rate, and 18 percent higher than Large Non-Districts' approval rate.** While Large Districts' approval rate is nearly twice as high as Large Non-Districts' rate, Small Non-Districts have the highest approval rate.

# *Additional 2010 Findings*

## *On District v. Non-District Authorizers*

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- **Proactive Strategies:** District Authorizers are less likely to release Requests For Proposals (RFPs) or recruit competition. Many appear unwilling or less willing to generate competition using these strategies.
- **Application Processes:** District Authorizers, especially Large District Authorizers, implement application procedures that result in both due process and a transparent process.
- **Application Criteria and Communication:** District Authorizers do a better job, compared to Non-District Authorizers, of documenting and releasing their metrics and processes (both identifying and releasing criteria, and applying similar criteria).
- **Expert Panels:** District Authorizers use expert panels in application reviews more often, but they are more likely to use internal experts rather than external ones. In some circumstances, this may introduce conflicts and narrow the range of acceptable approaches to various activities the Districts handle.
- **Interviews:** District and Non-District Authorizers have a similar rate of interviewing applicants.
- **Approvals:** Given the higher approval rates of District Authorizers, despite their more rigorous practices, a reasonable topic for follow-up study would be the nature and quality of implementation and the quality of the applications they receive.
- **Facilities:** Many District Authorizers provide assistance with facilities, while Non-District Authorizers are much less likely to do so.
- **Closure Rates:** Closure rates are similar to approval rates—higher for District Authorizers than for Non-District Authorizers. Non-District Authorizers close more schools during the renewal process, whereas District Authorizers report closing more schools mid-term.
- **Funding:** District Authorizers have fewer dedicated budgets, receive less state money, and take significantly more dollars from their parent organizations to pay for their authorizing functions than Non-District Authorizers.
- **Replications:** Large District Authorizers oversee a much higher proportion of replications of existing schools, almost twice as high a proportion than others oversee. Replications are still only 19 percent of their schools, but, because these replications are based on operating schools that were presumably successful enough to warrant replication, the proportion of replications can serve as a simple measure of the quality of the schools in an authorizer's portfolio. This measure of quality is higher among the Larger District Authorizers than in all other settings.

# District v. Non-District Authorizers

## AREA 1 APPLICATION PROCESS AND DECISION MAKING

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer implements a comprehensive application process that includes clear application questions and guidance; follows fair, transparent procedures and rigorous criteria; and grants charters only to applicants who demonstrate a strong capacity to establish and operate a quality charter school.”

### 1. PROACTIVE STRATEGIES TO REACH POTENTIAL APPLICANTS

*How do District and Non-District Authorizers communicate with their potential applicants to solicit applications?*

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer issues a charter application information packet or request RFP....  
A quality authorizer broadly invites and solicits charter applications while publicizing the authorizer’s strategic vision and chartering priorities, without restricting or refusing to review applications that propose to fulfill other goals.”

**TABLE 4.1:** *Proactive Strategies to Reach Potential Applicants*

STRATEGY	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)
Authorizer releases an annual request for applications	19	43
Authorizer proactively recruits qualified applicants	11	27

- Only 19 percent of District Authorizers release an annual request for applications, compared to more than 40 percent of Non-District Authorizers.
- A mere 11 percent of District Authorizers proactively recruit qualified applicants, compared to 27 percent of Non-District Authorizers.

## 2. APPLICATION PROCESSES

*How are District and Non-District Authorizers managing and communicating about their application processes?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

**“A quality authorizer issues a charter application information packet or RFP that:**

- States any chartering priorities the authorizer may have established;
- Articulates comprehensive application questions to elicit the information needed for rigorous evaluation of applicants' plans and capacities; and
- Provides clear guidance and requirements regarding application content and format, while explaining evaluation criteria.

**”**

**TABLE 4.2:** *Characteristics of the Charter Application Process*

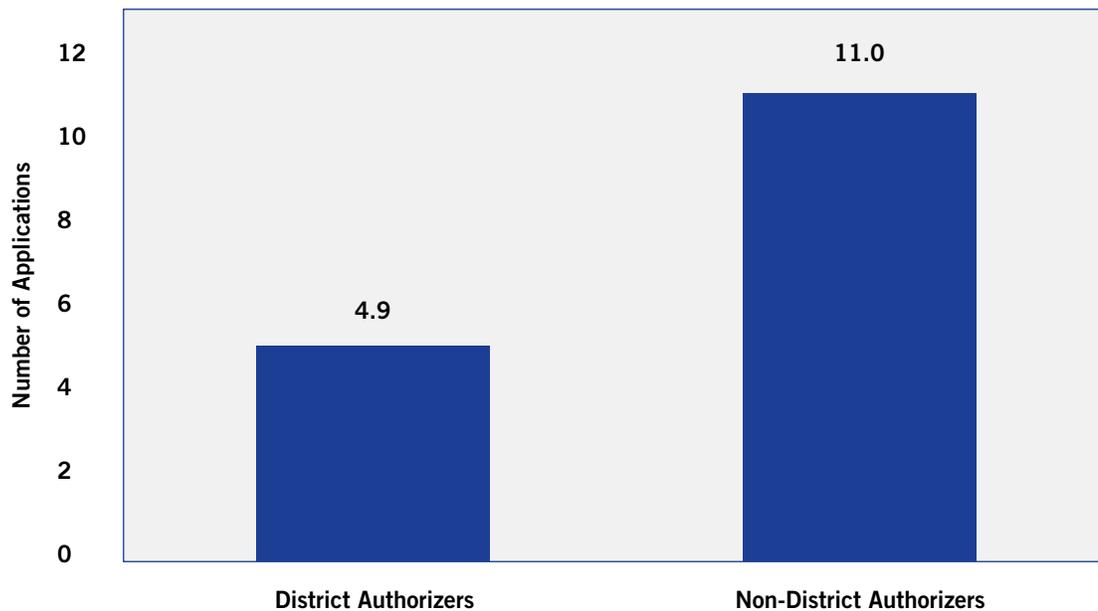
CHARACTERISTIC	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)
Authorizer releases an annual request for applications	19	43
Authorizer proactively recruits qualified applicants	11	27
Authorizer establishes preferred areas of focus for charter applications	33	50
Authorizer publishes timelines and materials for application submission, review, and approval	75	68
Authorizer has established, documented criteria for evaluating charter school applications	87	77
Authorizer makes application evaluation criteria available to applicants	85	70
Authorizer uses the same core set of criteria when evaluating all applications	93	85

- District Authorizers are less likely than Non-District Authorizers to be proactive in their chartering work, perhaps as one way to discourage what some may perceive as “competition.”
- Districts Authorizers have high rates, and slightly higher rates than Non-Districts, of implementing due process in other aspects of the application process, such as published timelines, documented criteria for evaluation, and using the same core set of criteria to evaluate all applicants.
- More study is needed to figure out how and why approval rates are higher for District Authorizers (see next page), despite the use of application procedures that should help them identify and deny weak applicants.

### 3. APPLICATIONS RECEIVED

*How many applications do District and Non-District Authorizers receive?*

**FIGURE 4.1:** Average Number of Applications Received



- District Authorizers receive one-half the average number of applications that Non-District Authorizers receive. A greater number of applications is likely to force authorizers to create systems for processing, which can help produce standard criteria and a dedication of resources to the work. However, even District Authorizers average around five applications a year, at which point they, too, are likely to require systems for processing applications.
- The number of LEA Authorizers is growing rapidly, as described in Section 1. Many of the new authorizers are likely to receive very few charter applications.

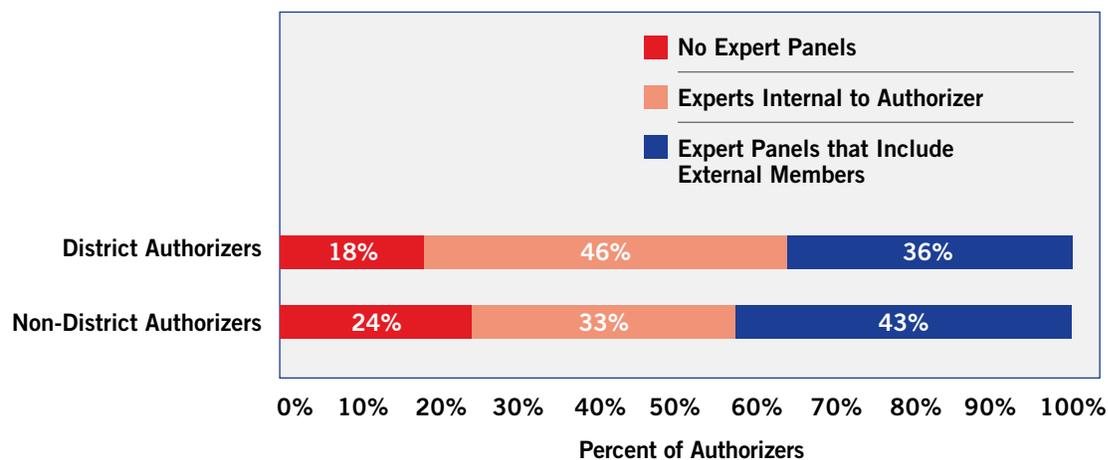
## 4. EXPERT PANEL FOR APPLICATION REVIEW

### *How do District and Non-District Authorizers utilize panels of experts to review applications?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer engages, for both written application reviews and applicant interviews, highly competent teams of internal and external evaluators with relevant educational, organizational (governance and management), financial, and legal expertise, as well as a thorough understanding of the essential principles of charter school autonomy and accountability.”

**FIGURE 4.2:** *Use of Expert Panels to Review New Charter Applications*



- External members on expert panels bring diverse perspectives to the review of charter applications. They may be more likely than internal experts to challenge how an authorizer typically reviews an application and less likely to allow the resource concerns of the authorizing office to influence their review. These individuals will also provide more autonomy to schools by solving old problems with new methods.
- District Authorizers use expert panels more often, but they are 13 percent more likely than Non-District Authorizers to use internal experts rather than external ones. This is likely to introduce conflicts and narrow the range of acceptable approaches to various activities the district handles.

## 5. INTERVIEWS OF APPLICANTS

### *What percent of District and Non-District Authorizers interview their charter applicants?*

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer rigorously evaluates each application through thorough review of the written proposal, a substantive in-person interview with the applicant group, and other due diligence to examine the applicant’s experience and capacity, conducted by knowledgeable and competent evaluators.”

**TABLE 4.3:** *Interviews of Applicants*

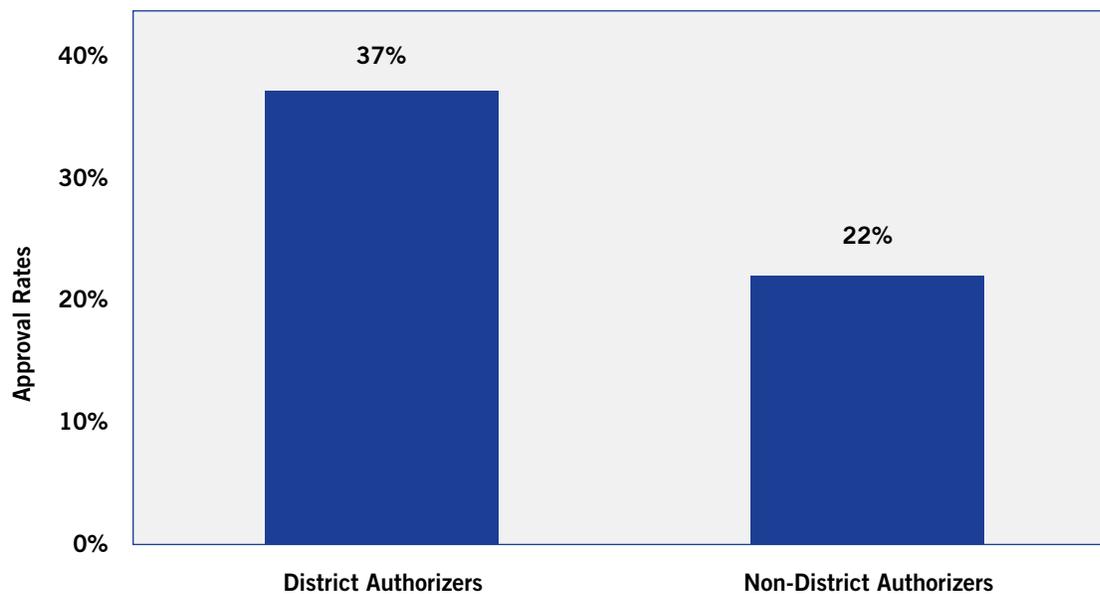
STRATEGY	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)
Authorizer interviews charter applicants	80	83

- While many might assume from the history of the charter school movement that District Authorizers would be too opposed to charters to do good practice, survey data says otherwise. District and Non-District Authorizers do not appear to be very different in basic chartering practices, such as interviewing charter applicants.

## 6. APPROVAL RATES

*How do District and Non-District Authorizers' approval rates of charter school applicants differ?*

**FIGURE 4.3:** *Application Approval Rates*



- District Authorizers approved a greater percentage of charter school applications than Non-District Authorizers approved.
- The differences in approval rates between Districts and other authorizers are influenced by the size of their portfolios. For more on these interactions, see pages 102-106.

Survey Findings in 3D—Delving Deeper into Data:  
District Authorizer Approval Rates

Charter applications submitted to District Authorizers are much more likely to be approved than those submitted to Non-District Authorizers.

In the early years of the 18-year-old charter school movement, charter advocates suggested that Districts would do everything in their power to stop charters from getting approved. Many factors likely motivated Districts to control chartering. In some cases, avoiding charters, if at all possible, was the motivation for some Districts.

Now it appears that many Districts do authorize, and one-half of these District Authorizers are working to implement rigorous practices.

For those that are trying to avoid new charter schools that have weak applications and may be more likely to fail, there are two strategies that appear to have impact: either adopt the best practices of strong authorizers, or let some other entity do the authorizing and ensure that the entity is adopting rigorous processes.

# District v. Non-District Authorizers

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## AREA 2 PERFORMANCE CONTRACTING

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer executes contracts with charter schools that articulate the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms. The contract is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate.”

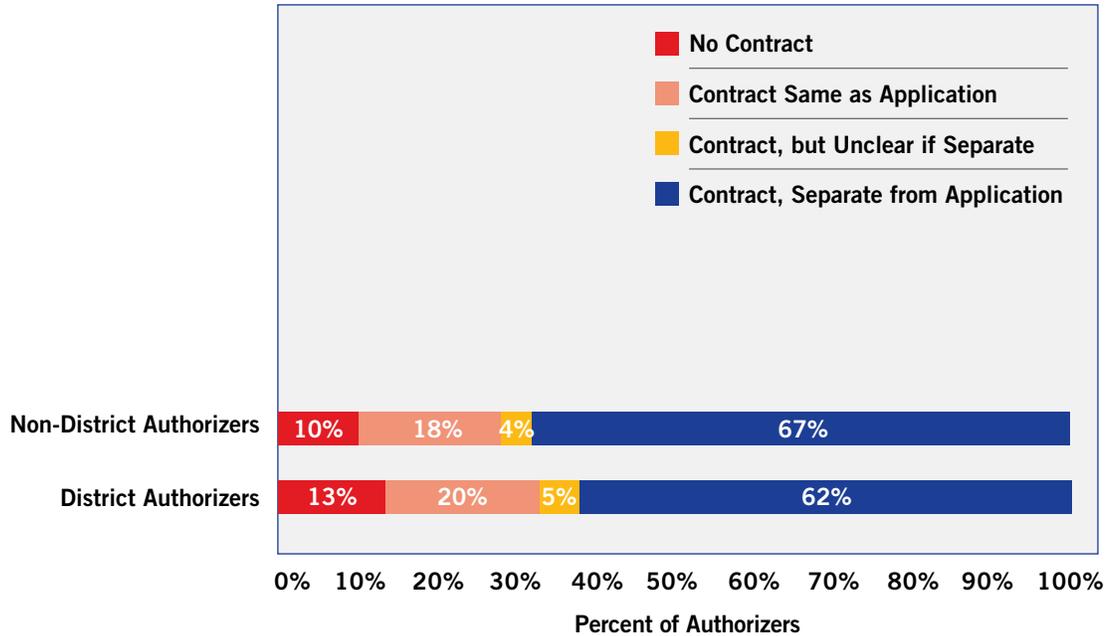
### 1. SIGNING CONTRACTS

*How many District and Non-District Authorizers sign contracts with the schools they oversee?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“The contract is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate.”

**FIGURE 4.4:** *Signing Contracts with Charter Schools*



- District and Non-District Authorizers employ similar contracting practices, with only slight differences.
- Much like both Large and Small Authorizers, 13 percent of District Authorizers and 10 percent of Non-District Authorizers do not sign contracts with each charter school they oversee. This practice remains a problem for a minority of both types of authorizers.
- Two-thirds (67 percent) of Non-District Authorizers and slightly fewer (62 percent) District Authorizers sign a contract that is distinct from the charter application.
- About one-fifth of both District and Non-District Authorizers sign a contract that is the application. For an explanation of why this is problematic, see Section 2 on Large Authorizers, pages 31-33.

*How many District and Non-District Authorizers, examining both Large and Small Authorizers as well, sign contracts with the schools they oversee?*

**TABLE 4.4:** *Signing Contracts with Charter Schools, by Authorizer Type and Size*

	LARGE AUTHORIZERS (%)	SMALL AUTHORIZERS (%)
District Authorizers	92	85
Non-District Authorizers	85	94

- When comparing District Authorizers to Non-District Authorizers, the Districts appear less likely to sign contracts. But when controlling for both size and District entities, Large District Authorizers are actually more likely to enter into contracts than Large Non-District Authorizers; the failure to enter into contracts is primarily among Districts with small portfolios.

# District v. Non-District Authorizers

## AREA 3

## ONGOING OVERSIGHT AND EVALUATION

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer conducts contract oversight that competently evaluates performance and monitors compliance; ensures schools’ legally entitled autonomy; protects student rights; informs intervention, revocation, and renewal decisions; and provides annual public reports on school performance.”

### 1. ANNUAL AUDIT

*How many District and Non-District Authorizers require or monitor annual audits?*

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer requires and reviews annual financial audits of schools, conducted by a qualified independent auditor.”

TABLE 4.5: Annual Audits

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)
Authorizer requires or monitors annual audits of their charter schools conducted by themselves or an external organization	98	100

- While 100 percent of Non-District Authorizers require or monitor annual audits of their charter schools, 98 percent of Districts Authorizers do the same.
- Given the high rate of compliance among District Authorizers (98 percent) and potential for error in measurement, it is reasonable to conclude that there is no substantive difference in this practice between the two types of authorizers.

## 2. INTERVENTION STRATEGIES

### *What kinds of intervention strategies do District and Non-District Authorizers use to address concerns in the schools they oversee?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer, where intervention is needed, engages in intervention strategies that clearly preserve school autonomy and responsibility (identifying what the school must remedy without prescribing solutions).”

**TABLE 4.6:** *Intervention Strategies*

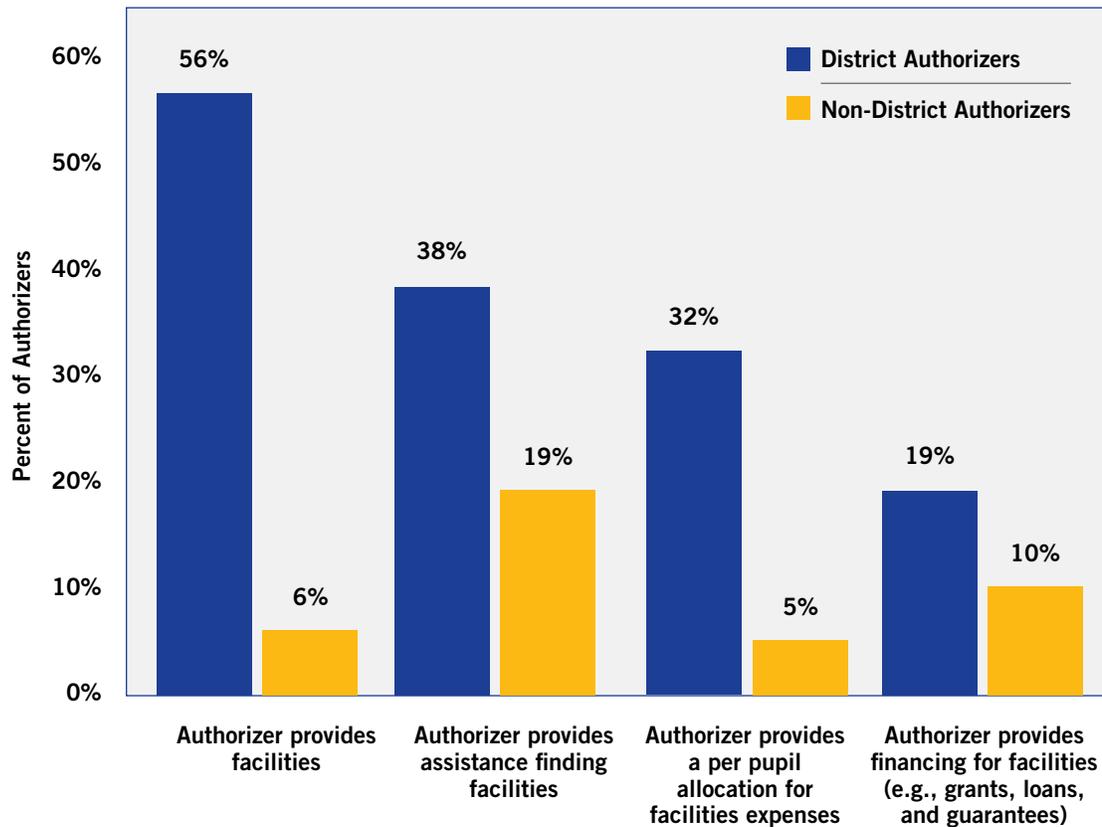
	STRATEGIES	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)
Recommended	Provide the school, in writing, a description of the unsatisfactory performance	90	95
	Require the school to submit a plan for improvement designed by the school and approved by the authorizer	88	83
Effect Depends on Implementation	Require changes to the school's board of trustees	13	36
	Connect the school with other schools that perform well in the area(s) of concern	49	40
	Connect the school with trusted organizations or individuals to help it address the area(s) of concern	51	68
	Require the school to attend workshops held by the authorizer	39	28
	Deliver support services to the school in the area(s) of concern	69	51
Not Recommended	Create a plan for improvement in partnership with the school	59	46
	Provide the school, in writing, suggestions for how to improve	67	57

- District Authorizers have slightly higher rates of using intervention strategies that erode school autonomy. Non-District Authorizers have a slightly higher use of intervention strategies that focus on identifying problems and letting schools solve them.
- Removing or changing a school's governing board members or enacting other major changes are profound interventions that are sometimes necessary and can be done without micromanaging the school. Districts rarely intervene this way.
- There are differences in the way District and Non-District Authorizers handle the brokering and the delivery of services. In general, District Authorizers are slightly more involved, whereas Non-District Authorizers either intervene in the school's governance, or they identify problems and broker more. The Non-District strategy may be better at addressing problems without infringing on the charter concept.

### 3. FACILITIES

*What types of assistance with facilities do District and Non-District Authorizers provide to schools?*

**FIGURE 4.5:** Assistance with Facilities



- District Authorizers provide multiple kinds of support for facilities more often than do Non-District Authorizers. For example, 56 percent of District Authorizers provide actual facilities, compared to just six percent of Non-District Authorizers. Even assistance with finding facilities happens more frequently with Districts (38 percent) than Non-Districts (19 percent).
- With regard to financial support for facilities, Districts again provide more support, with 32 percent providing per pupil allocations, compared to just five percent of Non-Districts.

# District v. Non-District Authorizers

## AREA 4 REVOCATION AND RENEWAL DECISION MAKING

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer designs and implements a transparent and rigorous process that uses comprehensive academic, financial, and operational performance data to make merit-based renewal decisions, and revokes charters when necessary to protect student and public interests.”

### 1. PERCENT OF PORTFOLIO REVIEWED FOR RENEWAL

*During 2009–2010, what percent of District and Non-District Authorizers’ charter school portfolios were reviewed for renewal?*

TABLE 4.7: Percent of Portfolio Reviewed for Renewal

	REVIEWED FOR RENEWAL (%)
District Authorizers	17
Non-District Authorizers	19

- District Authorizers reviewed 17 percent of their charter schools during 2009–2010, while Non-District Authorizers reviewed 19 percent of their portfolio.

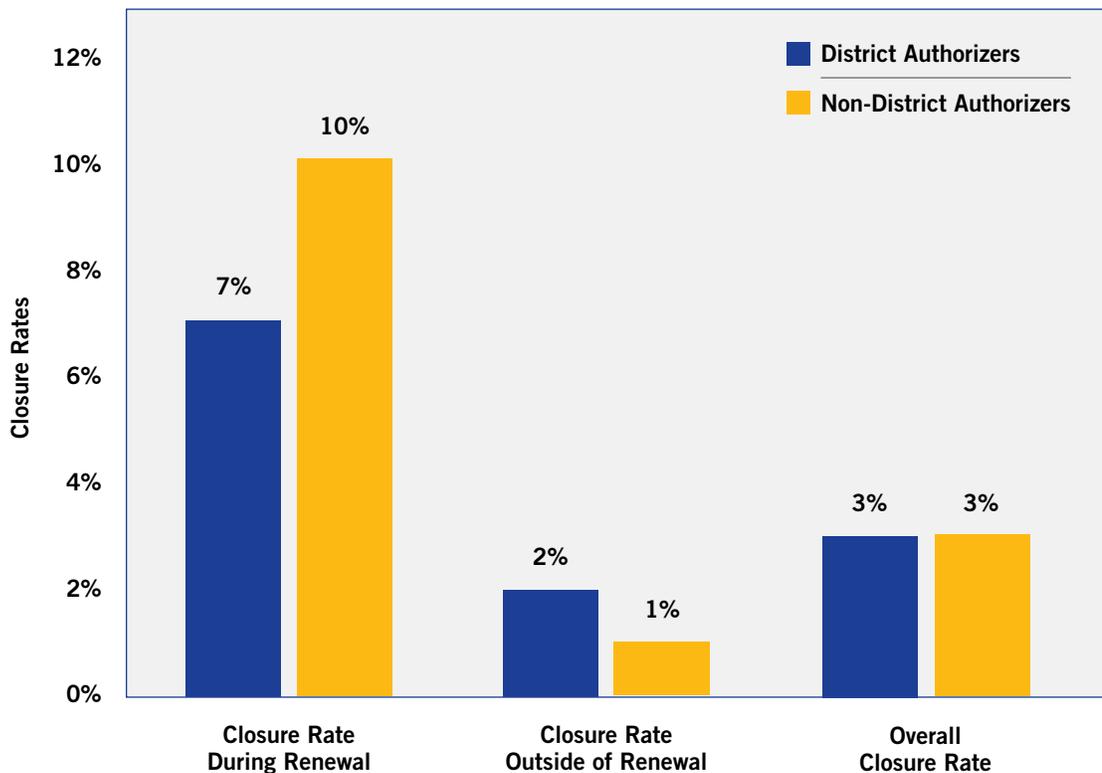
## 2. CLOSURE RATES INSIDE AND OUTSIDE RENEWAL

### *How often do District and Non-District Authorizers close charter schools, and when does closure happen?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer revokes a charter during the charter term if there is clear evidence of extreme underperformance or violation of law or the public trust that imperils students or public funds.”

**FIGURE 4.6:** Aggregate Closure Rates Inside and Outside Renewal



- There is a notable difference in the closure rates during renewal between District Authorizers (significantly lower, at 10 percent average; seven percent aggregate) and Non-District Authorizers (17 percent average; 10 percent aggregate). These findings are parallel to the difference in approval rates.
- The Non-District Authorizers close more schools during the renewal process, whereas District Authorizers may close more schools mid-term.

# District v. Non-District Authorizers

## AREA 5 AGENCY COMMITMENT AND CAPACITY

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer recognizes that chartering is a means to foster excellent schools that meet identified needs; clearly prioritizes a commitment to excellence in education and in authorizing practices; and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.”

### 1. DEDICATED BUDGET

*What percent of District and Non-District Authorizers have a budget dedicated to authorizing?*

TABLE 4.8: Dedicated Budget

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)
Authorizer has budget dedicated to authorizing	24	57

- Only one-quarter (24 percent) of District Authorizers have a dedicated budget, compared with more than one-half (57 percent) of Non-District Authorizers. This could be a key factor in Districts’ ability to implement quality authorizing measures.
- While this finding does not necessarily signal that Districts do not have resources, it does convey that these District Authorizers are using resources from other areas in their budgets to cover authorizing functions.

## 2. SOURCES OF FUNDING

### *What are the sources of funding for District and Non-District Authorizers?*

**TABLE 4.9:** *Funding Sources*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)
Authorizer receives funding from oversight fees deducted from charter school revenues	74	62
Authorizer receives funding from the regular operating budget of its parent organization	15	43
Authorizer receives funding from state appropriations for authorizer functions	60	35
Authorizer receives funding from state or federal grants	21	24
Authorizer receives funding from foundation grants	5	7

- District Authorizers receive significantly less in state appropriations but take nearly twice as much as Non-District Authorizers from their parent organizations.

## 3. OVERSIGHT FEE AMOUNT

### *What percent oversight fee do District and Non-District Authorizers require from the charter schools they oversee?*

**TABLE 4.10:** *Average Oversight Fee*

	OVERSIGHT FEE (%)
District Authorizers	3.1
Non-District Authorizers	2.1

- While at a glance the difference between 3.1 percent oversight fees for Districts and 2.1 percent for Non-Districts seems small, this represents a difference in funding of about one-third between the two.

*Do District Authorizers differ according to the size of their portfolios?*

*Are Large District Authorizers more like Non-District Authorizers than Small District Authorizers?*

This analysis contrasts authorizers by both their size and whether they were Districts (e.g., Large Districts were compared to Small Districts, Large Non-Districts, and Small Non-Districts.) Large District Authorizers are generally big districts with huge scale, which often means they are located in urban areas.

Analysis was conducted to explore whether:

1. Large District Authorizers behave more like Non-District Authorizers in their authorizing; and
2. Small District Authorizers are likely different from Non-District Authorizers both in what they do and what they achieve.

Analysis included three areas:

1. **Practices:** the use of interviews, expert panels, and the types of contracting;
2. **Approval and Closure Rates/Rigor of Outcomes:** measured by aggregate approval and closure rates; and
3. **Quality of Applicants:** judged crudely by the simple proportion of schools that are replications of existing schools.

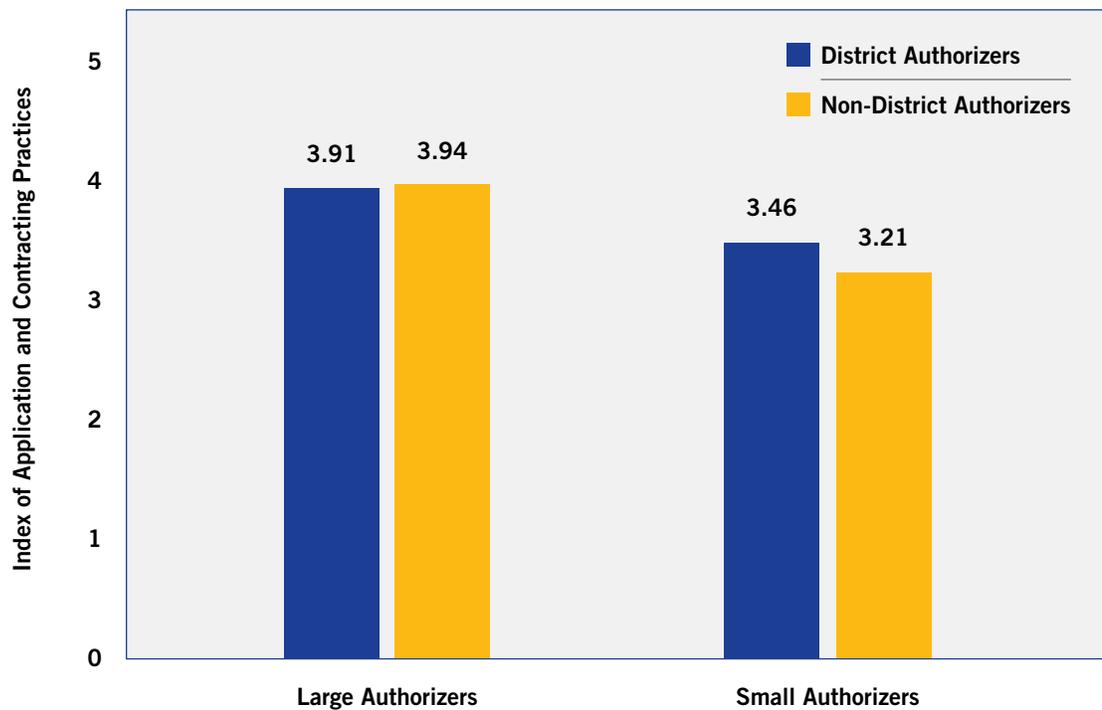
## 1. PRACTICES

### Survey Findings in 3D—Delving Deeper into Data:

#### Large and Small District Authorizers v. Large and Small Non-District Authorizers (continued)

An index was created that awarded points for use of NACSA-recommended practices in the use of interviews, expert panels, and charter contracts. The scale awarded one point for interviewing applicants and zero for not using interviews; zero points for no expert panels, one point for panels of internal experts, and two points for panels that included external experts; zero points for having no charter contract, one point for a contract based on the charter application, and two points for a separate charter contract. Scores were then summed, generating a scale of zero to five points and applied to each authorizer and examined across various types.

**FIGURE 4.7:** *Index of Basic Practices in Applications and Contracting*

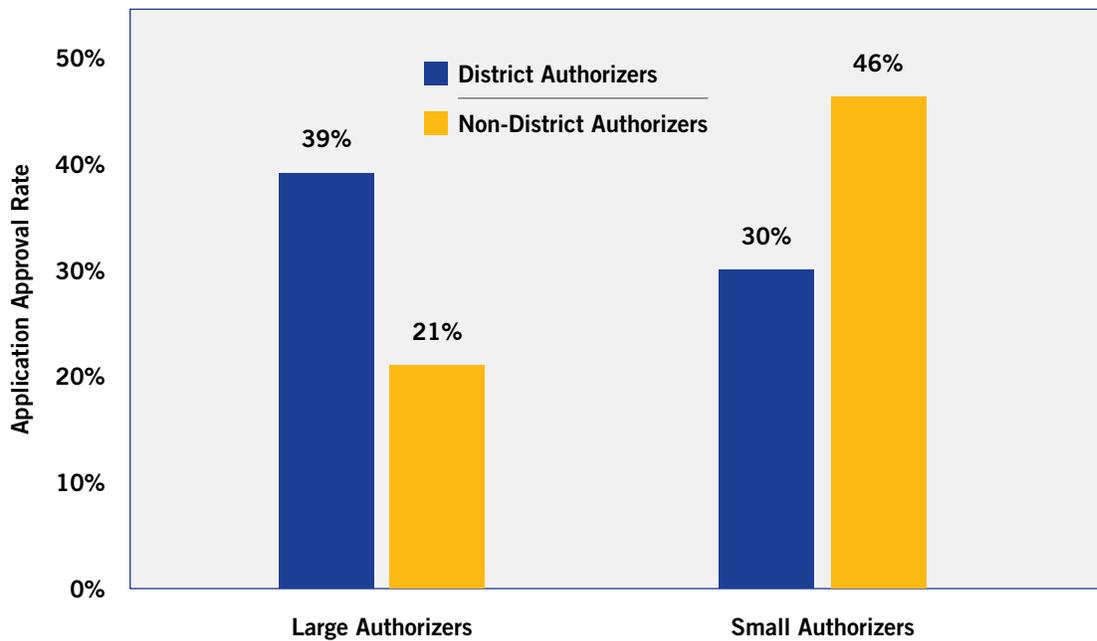


- On this index of basic authorizing practices, Large District Authorizers look more like Large Non-District Authorizers, with scores of 3.91 and 3.94, respectively. Small District Authorizers and Small Non-District Authorizers score lower, with roughly similar rates of adopting basic levels of good practice.
- Based on this analysis, size appears more important than whether an authorizer is a school district in the implementation of basic authorizing practices.

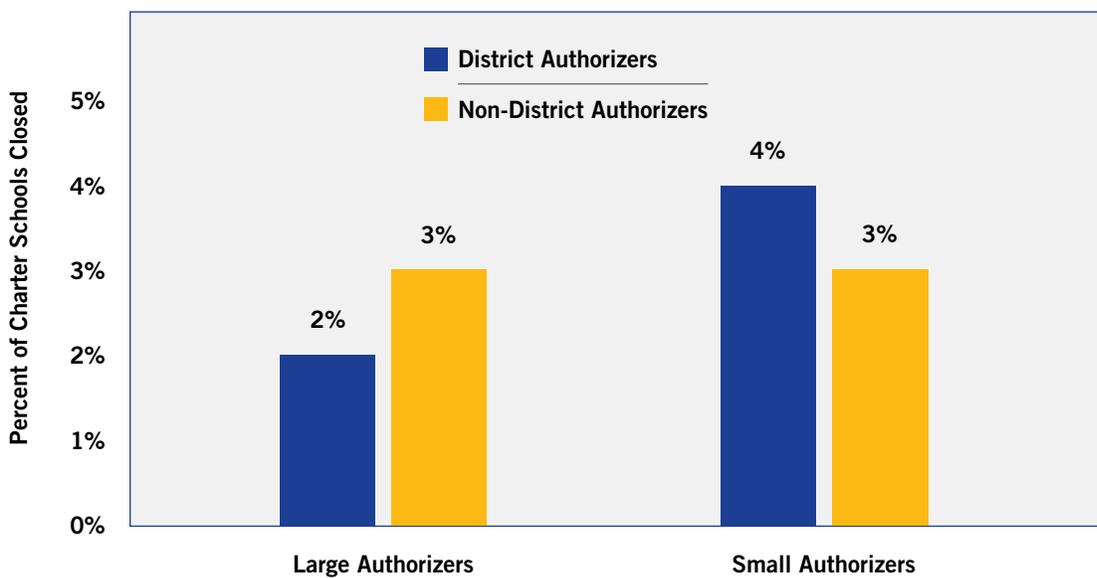
## 2. APPROVAL AND CLOSURE RATES/RIGOR OF OUTCOMES

Survey Findings in 3D—Delving Deeper into Data:  
Large and Small District Authorizers v. Large and Small  
Non-District Authorizers (continued)

**FIGURE 4.8:** *Applicant Aggregate Approval Rate<sup>3</sup>*



**FIGURE 4.9** *Overall Aggregate Closure Rate*



### 3. QUALITY OF APPLICANTS

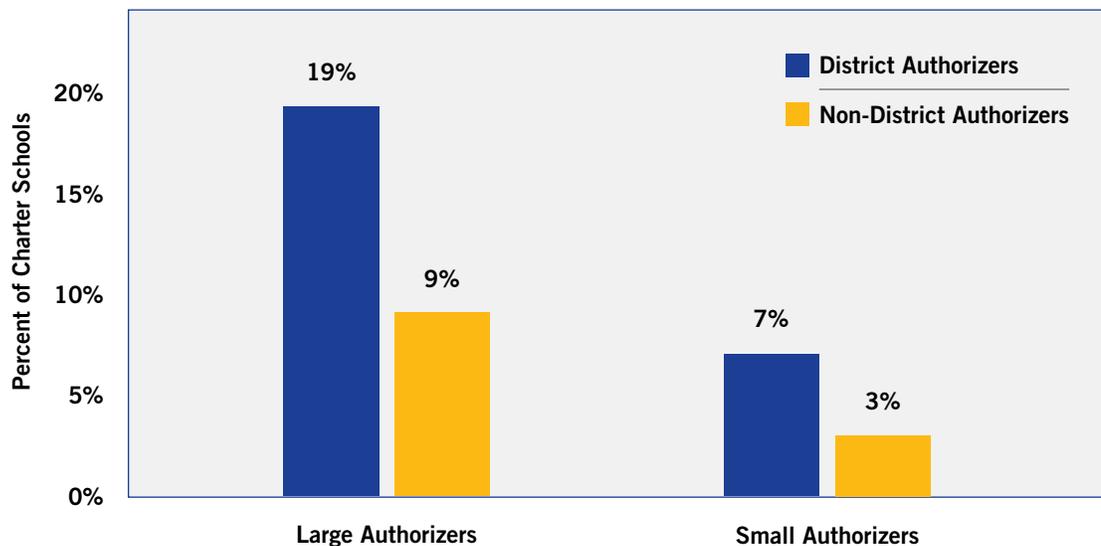
#### Survey Findings in 3D—Delving Deeper into Data:

#### Large and Small District Authorizers v. Large and Small Non-District Authorizers (continued)

- Despite similar basic practices for application processes and contracting, Large District Authorizers' approval rate of new applicants is considerably higher than Small Districts' rate, and 18 percent higher than Large Non-Districts' approval rate.
- While Large Districts have a higher approval rate than Large Non-Districts, Small Non-Districts have the highest approval rate.

One reason an authorizer might approve more applicants or close fewer schools than other authorizers could be because it receives higher-quality applicants. It is impossible to measure the quality of current applicants with current instruments, but one proxy of authorizer quality could be the percentage of applicants that are already operating successful schools. For this analysis, the groups were compared to see what percent of replications they had in their current portfolio.

**FIGURE 4.10:** *Percent of Schools that Are Replications*



- Large District Authorizers have more than twice as high a proportion of replications of existing schools as do other authorizers. These are still only 19 percent of their schools, but they do show one measure of quality in applicants/schools that is higher among the Large Districts than in all other settings.

## Survey Findings in 3D—Delving Deeper into Data: Quality of Applicants

Other measures of the quality of applicants coming to different authorizers will require further study. This preliminary analysis indicates that further study is warranted. This data reveals a pattern in which Large District Authorizers adopt strong basic practices, but have resulting rates of approval and closure that would indicate a more forgiving oversight approach. Authorizers with a higher index score on basic practices have lower approval rates, and after controlling for practices, Large Authorizers still have higher approval rates. The presence of a higher proportion of replicating schools may indicate that the quality of the schools and applicants could affect some of the higher approval rates and lower closure rates.

Generally, if one accepts the assumption that application quality is distributed normally throughout all types of authorizers, then an applicant has a better chance of being approved by either a Large District Authorizer or a Small Non-District Authorizer than through other types. Small District Authorizers are similar to Large Non-District Authorizers in their approval rate, while Small Non-District Authorizers have lower scores on the index of recommended practices and the highest approval rate of all types and sizes.

Given the rapid increase in LEA Authorizers, many are likely to oversee only one or two charter schools, increasing the impact of any systematic shortcomings identified in the practices of District Authorizers with small portfolios.

More study is needed. Ideally, a measure of application quality and existing school quality that is comparable across authorizers and jurisdictions could be created to determine if similar applicants and schools were being accepted or rejected by different types. Other measures of application quality and of school quality would also help to see if their renewal/revocation/approval decisions were warranted, or if they were the result of more lax standards. Case studies could also explore the extent to which external factors (such as political support) affect the decisions of different types of authorizers.

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### Endnotes:

- <sup>1</sup> This report uses the terms Local Education Agency, LEA, Districts, and School District interchangeably. Technically, a handful of authorizers that are treated as LEAs for legal purposes are not school districts.
- <sup>2</sup> Rates can be calculated by totaling the actions by the authorizer type and presenting an aggregate rate, or by averaging the rates for each authorizer type. Unless otherwise stated, rates in this report are reported as aggregate rates.
- <sup>3</sup> The approval rates for Small Non-District Authorizers excluded two authorizers that were extreme outliers because of the number of applicants they received. These two outliers have disproportionate leverage over the result of the remaining Small Non-District Authorizers.



# Analysis by Types of Authorizers

**NOTE:** This section compares and contrasts responses received from the various types of entities empowered to authorize charter schools.

**The types of authorizers include:**

- Higher Education Institutions (HEIs);
- Independent Chartering Boards (ICBs);
- School Districts, or Local Education Agencies (LEAs);
- Mayors/Municipalities (MUNs).
- Not-For-Profit organizations (NFPs); and
- State Education Agencies (SEAs);

**TABLE 5.1:** 2010–2011 Authorizers by Type and Number of Schools they Oversee

TYPE	HEI	ICB	LEA	MUN	NFP	SEA	TOTAL
Number of Authorizers, 2010–2011	49	8	857	2	20	19	955
Number of charter schools; 2010–2011 <sup>1</sup>	438	695	2,804	27	213	1,091	5,268
Percentage of charter schools Overseen, by Authorizer Type, 2010–2011	8%	13%	53%	<1%	4%	21%	100%

- As discussed in Section 1, LEAs oversee the majority of charter schools in the nation (53 percent). SEAs oversee the next-largest group of charter schools (21 percent). From there, the proportions drop steadily, with ICBs overseeing 13 percent, HEIs overseeing eight percent, NFPs overseeing four percent, and MUNs overseeing less than one percent of charter schools.

**TABLE 5.2:** *NACSA Survey of Authorizers by Type*

TYPE	HEI	ICB	LEA	MUN	NFP	SEA	OVERALL
Number of Authorizers Responding to Survey	31	8	91	2	15	14	162
Number of Authorizers Surveyed	44	8	240	2	19	19	332
Response Rate (%)	70	100	38	100	79	74	49

- NACSA identified 332 authorizers of various types to survey in 2010. Of those contacted, 162 responded to the survey questions, for a response rate of 49 percent. One respondent included in this report completed almost all areas of the survey but declined to indicate its authorizer type. The respondent was included in analysis where appropriate.
- NACSA received a 100 percent response rate from ICBs and MUNs, and response rates in the 70 percentiles from HEIs, NFPs, and SEAs; the response rate fell sharply for LEAs, to 38 percent. Since LEAs oversee the majority of charter schools, and 240 were surveyed, the response rate of 38 percent represents a significant sample size of 91 authorizers.

**TABLE 5.3:** *Number and Percent of Authorizers*

TYPE	HEI	ICB	LEA	MUN	NFP	SEA	TOTAL
Number	49	7	857	2	20	20	<b>955</b>
Percent (%)	5	1	90	<1	2	2	<b>100</b>

- LEAs constitute 90 percent of all authorizers nationally.
- HEIs represent five percent of all authorizers.
- The remaining authorizer types (NFPs, SEAs, ICBs, and MUNs) represent two percent or less of all authorizers in the nation.

# Major 2010 Findings

## On Types of Authorizers

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### Local Education Agencies

Despite the historical argument that built-in conflicts of interest encourage anti-charter behavior, evidence is more mixed. Of all authorizer types, LEAs are most likely to provide facilities to charter schools. Compared to other authorizers, they close similar proportions of schools overall, but are more likely to do so outside the charter renewal process than other types of authorizers.

NACSA survey findings show that size matters in the largest group of authorizers. Large LEAs are more likely than Small LEAs to approve charter applications. When contrasted with other Large Authorizers, Large LEAs have lower approval rates than NFPs, and have higher approval rates than HEIs and Large SEAs.

### State Education Agencies

This authorizer type may treat charter schools like other school improvement programs. SEAs as a group are not following some recommended practices; for example, they are the least likely of all authorizer types to sign contracts with their charters. This may result in problems during the charter term. SEAs are also the most likely to tell an underperforming school what it should do to fix problems.

### Higher Education Institutions

While this type exhibits some strong practices, HEIs' actions are also subject to significant change related to both portfolio size and context. Large HEIs are by far the least likely to grant charters compared to other types. This may be affected by the presence of both a large number of HEI authorizers, as in Michigan, and long-established caps on authorizing. Small HEI authorizers, generally outside Michigan, are at the other extreme, with the highest charter-approval rates.

### Not-For-Profit organizations

While NFPs proactively articulate what they are looking for in charter applicants, this authorizer type has a high proportion of authorizers that do not follow recommended best practices. NFPs are the least likely of all authorizer types to conduct interviews with charter applicants. Some of this may be due to their small size and limited experience. For other NFPs, their focused missions as organizations may mean they do not solicit the full range of applications. Perhaps as a result of these practices, they are the type most likely to approve applicants.

### Independent Chartering Boards

Some ICBs use recommended authorizing practices, but in some cases, may have inadequate resources to do the work.

### Mayors/Municipalities

These are two MUN authorizers in the country and both responded to NACSA's survey. These MUNs appear to respect schools' autonomy and have been closing schools recently, perhaps in an effort to implement quality control retroactively.

# *Additional 2010 Findings*

## *On Types of Authorizers*

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- **Applications:** Like LEAs, most NFPs receive a low number of charter applications each year. The limited scale of their chartering activities may affect their need or ability to implement application evaluation processes that reflect best practices.
- **Proactive Strategies:** NFPs identify preferred areas of focus for applications more frequently than other types of authorizers. This proactive approach may be part of NFPs' larger efforts to fulfill an established mission.
- **Application Procedures:** Outside of identifying preferred areas of focus for charter applications, NFPs are the least likely authorizer type to have established and transparent applications procedures.
- **External Panels:** Of all of the authorizer types, ICBs are most likely to employ panels that include external experts to evaluate charter applications, with only 26 percent of ICBs not employing best practices. LEAs, HEIs, and NFPs are the least likely to follow best practices on panels.
- **Interviews:** The authorizers most likely to use interviews are HEIs, ICBs, and MUNs. NFPs, however, have extremely low rates of interviewing applicants.
- **Approval Rates:** Charter school authorizers vary widely in their approval rates across type. NFPs and LEAs have similar high approval rates. In the aggregate, HEIs are the most likely to reject applicants, but this is highly related to portfolio size.
- **Signing Contracts:** SEAs are the least likely to sign contracts with charter schools. ICBs are second-least likely to follow recommended contracting practices.
- **Audits:** Requiring or monitoring audits has become standard practice in nearly all authorizing shops, regardless of type, with the exception of some LEAs.
- **Intervention Strategies:** SEAs are the authorizer type most likely to implement prescriptive school intervention strategies that may threaten school autonomy. MUN authorizers are most likely to intervene without prescribing solutions, focusing instead on identifying problems.
- **Facilities:** Districts (LEAs) are more likely to provide facilities assistance than any other authorizer type. NFPs are the next likely to provide various forms of help with facilities.
- **Resources:** Among authorizer types, there is a wide range in the average number of Full-Time Equivalent (FTE) employees per authorizer and in schools per FTE. The staffing of these offices needs further study.

# Types of Authorizers

## AREA 1

## APPLICATION PROCESS AND DECISION MAKING

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer implements a comprehensive application process that includes clear application questions and guidance; follows fair, transparent procedures and rigorous criteria; and grants charters only to applicants who demonstrate a strong capacity to establish and operate a quality charter school.”

### 1. APPLICATIONS

*How many applications do different types of authorizers receive?*

**TABLE 5.4:** Average Number of Applications Received, 2009–2010

AUTHORIZER TYPE	NUMBER OF APPLICATIONS
HEI	11.2
ICB	14.9
LEA	4.9
MUN	15.0
NFP	4.6
SEA	13.9
Overall	7.5

- Like LEAs, most NFPs operate on a smaller scale in terms of the numbers of applicants they receive each year. Issues of experience and their relative need, or ability, to create systems may be in question based on the limited scale of these authorizers.

## 2. APPLICATION PROCESSES

*How are various types of authorizers managing and communicating about their application processes?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

**“A quality authorizer issues a charter application information packet or RFP that:**

- States any chartering priorities the authorizer may have established;
- Articulates comprehensive application questions to elicit the information needed for rigorous evaluation of applicants’ plans and capacities; and
- Provides clear guidance and requirements regarding application content and format, while explaining evaluation criteria.

”

**TABLE 5.5:** *Application Procedures*

PROCEDURE	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer releases an annual request for applications	27	88	19	100	36	50	30
Authorizer proactively recruits qualified applicants	13	25	11	50	36	50	18
Authorizer establishes preferred areas of focus for charter applications	56	38	33	0	62	42	40
Authorizer publishes timelines and materials for application submission, review, and approval	57	100	75	100	50	85	72
Authorizer has established, documented criteria for evaluating charter school applications	75	100	87	100	57	83	82
Authorizer makes application evaluation criteria available to applicants	68	88	85	100	50	83	78
Authorizer uses the same core set of criteria when evaluating all applications	82	100	93	100	69	100	90

- On many of these measures, LEAs, which are discussed in Section 4, are less likely than other types of authorizers to have adopted recommended practices related to proactive authorizing but are more comparable to other authorizer types in their adoption of transparent practices.
- NFPs are less likely than other types to implement practices that promote transparency. For example, they are the least likely to publish timelines and materials for application submission, review, and approval; the least likely to have established, documented criteria for evaluating charter school applications; and the least likely to make evaluation criteria available to applicants.

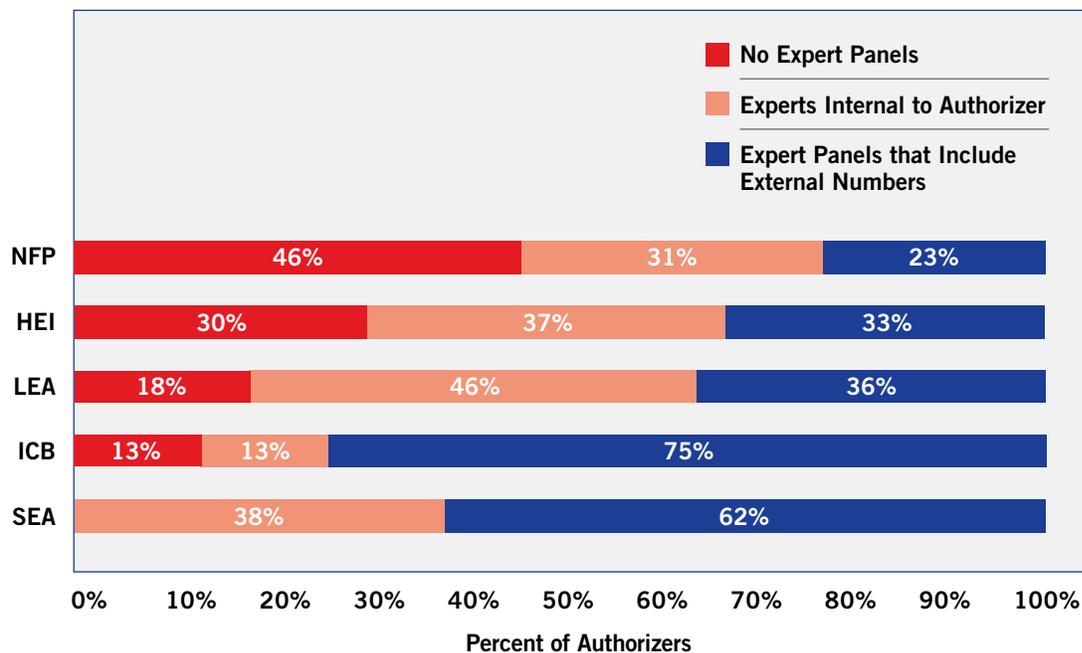
### 3. EXPERT PANEL FOR APPLICATION REVIEW

*How do various types of authorizers utilize panels of experts to review applications?*

**FROM NACSA'S PRINCIPLES & STANDARDS:**

*“A quality authorizer engages, for both written application reviews and applicant interviews, highly competent teams of internal and external evaluators with relevant educational, organizational (governance and management), financial, and legal expertise, as well as a thorough understanding of the essential principles of charter school autonomy and accountability.”*

**FIGURE 5.1:** *Use of Expert Panels to Review New Charter Applications*



- ICBs are the most likely to follow best practices on panels, with only 26 percent not following NACSA’s recommended practices. LEAs, HEIs, and NFPs are the least likely to follow best practices on panels.
- Due to their small numbers, MUN authorizers are not included in this analysis.

#### 4. INTERVIEWS OF APPLICANTS

*What percent of various types of authorizers interview their charter applicants?*

**FROM NACSA’S PRINCIPLES & STANDARDS:**

“A quality authorizer rigorously evaluates each application through thorough review of the written proposal, a substantive in-person interview with the applicant group, and other due diligence to examine the applicant’s experience and capacity, conducted by knowledgeable and competent evaluators.”

**TABLE 5.6:** *Interviews of Applicants*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer Interviews Charter Applicants	89	88	80	100	62	85	81

- The authorizers most likely to use interviews are HEIs, ICBs, and MUNs. NFPs, however, have an extremely low rate of interviewing applicants.

## 5. APPROVAL RATES

*How do the approval rates of charter school applicants differ between various types of authorizers?*

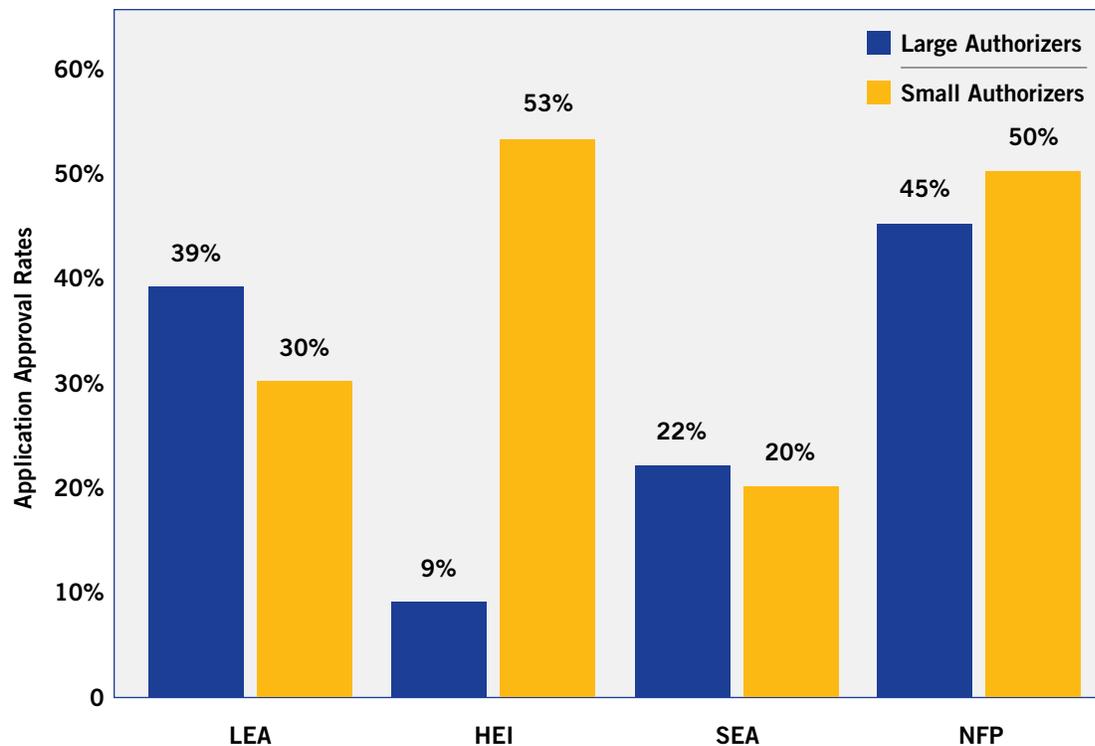
**TABLE 5.7:** *Application Approval Rates*

	AGGREGATE <sup>2</sup> APPROVAL RATE (%)
HEI	12
ICB	32
LEA	37
MUN	31
NFP	46
SEA	22
<b>Total</b>	<b>28</b>

- Charter school authorizers vary widely in their approval rates across types. NFPs and LEAs have similar high approval rates. In the aggregate, HEIs are the most likely to reject applicants, but this is highly related to portfolio size, as reflected in Figure 5.2.

Survey Findings in 3D—Delving Deeper into Data:  
Approval Rates

**FIGURE 5.2:** *Aggregate Approval Rates*



The approval rates of authorizers vary by type of authorizer and portfolio size<sup>3</sup>. When authorizers are examined by both size and type, significant variation takes place among authorizers of the same type of different sizes. The differences between LEAs are discussed in more detail on pages 102-106.

The most profound difference in approval rates within authorizer types occurs in HEIs. Small HEIs approved more than one-half of the applications they reviewed during the 2009-2010 school year, giving them the highest approval rate of any subgroup. Large HEIs, in the other extreme, were the most selective authorizers, approving fewer than one in 10 applicants. The relatively high approval rates of NFPs, meanwhile, were similar regardless of the authorizer's size. SEAs also have similar approval rates regardless of their portfolio size.

# Types of Authorizers

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## AREA 2

## PERFORMANCE CONTRACTING

### FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer executes contracts with charter schools that articulate the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms. The contract is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate.”

### 1. SIGNING CONTRACTS

*How many authorizers of each type sign contracts with the schools they oversee?*

### FROM NACSA'S PRINCIPLES & STANDARDS:

“The contract is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate.”

**TABLE 5.8:** *Signing Contracts with Charter Schools*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Signs a contract that <i>is</i> the application	17	25	20	0	23	14	20
Signs a contract that is distinct from the charter application	70	50	62	100	69	64	64
Signs a contract, but it is unclear whether or not it is distinct from the application	7	13	5	0	0	0	5
Does not sign a contract with each charter school overseen	7	13	13	0	8	21	12

- SEAs are the least likely to sign contracts with charter schools. ICBs are second-least likely to follow recommended contracting practices.

# Types of Authorizers

## AREA 3 ONGOING OVERSIGHT AND EVALUATION

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer conducts contract oversight that competently evaluates performance and monitors compliance; ensures schools’ legally entitled autonomy; protects student rights; informs intervention, revocation, and renewal decisions; and provides annual public reports on school performance.”

### 1. ANNUAL AUDIT

*How many authorizers of each type require or monitor annual audits?*

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer requires and reviews annual financial audits of schools, conducted by a qualified independent auditor.”

**TABLE 5.9:** Annual Audits

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer requires or monitors annual audits of their charter schools, conducted by themselves or an external organization	100	100	98	100	100	100	99

- Requiring or monitoring audits has become standard practice in nearly all authorizing shops, regardless of type, with the exception of a small percentage of LEAs.

## 2. INTERVENTION STRATEGIES

### *What kinds of intervention strategies do various types of authorizers use to address concerns in the schools they oversee?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer, where intervention is needed, engages in intervention strategies that clearly preserve school autonomy and responsibility (identifying what the school must remedy without prescribing solutions).”

**TABLE 5.10:** *Intervention Strategies*

	STRATEGIES	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Recommended	Provide the school, in writing, a description of the unsatisfactory performance	92	100	90	100	92	100	91
	Require the school to submit a plan for improvement designed by the school and approved by the authorizer	71	100	88	100	100	82	86
Effect Depends on Implementation	Require changes to the school's board of trustees	39	29	13	0	40	36	24
	Connect the school with other schools that perform well in the area(s) of concern	39	33	49	0	64	27	45
	Connect the school with trusted organizations or individuals to help them address the area(s) of concern	63	57	51	0	100	64	59
	Require the school to attend workshops held by the authorizer	26	14	39	0	30	45	33
	Deliver support services to the school in the area(s) of concern	46	29	69	0	55	82	61
Not Recommended	Create a plan for improvement in partnership with the school	39	57	59	0	69	36	54
	Provide the school, in writing, suggestions for how to improve	46	43	67	0	75	82	62

- SEAs are the authorizer type most likely to tell charter schools how to improve in ways that may infringe upon these schools' autonomy. Other authorizer types are more likely to work to partner with the schools they oversee to develop plans for improvement. The small MUN authorizers group is more likely to intervene without prescribing a solution, by focusing on identifying problem areas, thus respecting schools' autonomy.

### 3. FACILITIES

## *What kinds of assistance with facilities do various types of authorizers provide to schools?*

**TABLE 5.11:** *Kinds of Assistance with Facilities, by Type of Authorizer*

FACILITIES	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer provides facilities	3	0	56	0	8	17	34
Authorizer provides assistance with finding facilities	4	13	38	0	62	18	30
Authorizer provides per pupil allocation for facilities expenses	0	38	32	0	0	0	19
Authorizer provides financing for facilities (e.g., grants, loans, and guarantees)	0	13	19	50	17	17	15

- LEAs are more likely to provide facilities assistance than any other authorizer type. NFPs are the second-most likely to provide various forms of help with facilities.
- Notably, only LEAs and ICBs provide per pupil allocations for facilities expenses. This may be a function of a state law that provides a funding formula adjustment outside the control of the authorizer. Consequently, the provision of a per pupil allocation for facilities expenses may be a state policy issue rather than an issue of authorizer practice. Further study on the topic is necessary.
- How Non-District Authorizers provide facilities to their charter schools requires further investigation.
- Many LEAs are willing to provide facilities to their charter schools, but some are not. It is not surprising that LEAs with buildings are able to provide facilities for their charter schools. However, why some LEAs provide facilities and others do not requires further study.
- Other than MUNs, HEIs are the least likely to provide facilities assistance to the schools they oversee. It is unclear what is responsible for this finding. Perhaps HEIs have too much demand for their facilities from within their institutions to provide facilities for their charter schools. It may also be that HEI facilities are geographically limited to their campuses.
- Since there are only two MUN authorizers in the nation, it may be inappropriate to characterize them a group.

# Types of Authorizers

## AREA 4 REVOCATION AND RENEWAL DECISION MAKING

FROM NACSA'S PRINCIPLES & STANDARDS:

“A quality authorizer designs and implements a transparent and rigorous process that uses comprehensive academic, financial, and operational performance data to make merit-based renewal decisions, and revokes charters when necessary to protect student and public interests.”

### 1. PERCENT OF PORTFOLIO REVIEWED FOR RENEWAL

*During 2009–2010, what percent of various types of authorizers’ charter school portfolios were reviewed for renewal?*

TABLE 5.12: Percent of Portfolio Reviewed for Renewal

	REVIEWED FOR RENEWAL (%)
HEI	45
ICB	4
LEA	17
MUN	4
NFP	56
SEA	13
<b>Overall</b>	<b>18</b>

- There is clear variation across authorizer types in the rates with which authorizers review their charter schools for renewal.
- This variation in review rate relates to variations in the rates of closure discussed below. To understand how often and why schools are closed, one needs to understand how often and why schools are reviewed. This topic merits further investigation.

## 2. CLOSURE RATES INSIDE AND OUTSIDE RENEWAL

*How often do various types of authorizers close charter schools, and when does closure happen?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer revokes a charter during the charter term if there is clear evidence of extreme underperformance or violation of law or the public trust that imperils students or public funds.”

**TABLE 5.13:** *Aggregate Closure Rates Inside and Outside Renewal*

TYPE <sup>4</sup>	CLOSURE RATE DURING RENEWAL (%)	CLOSURE RATE OUTSIDE OF RENEWAL (%)	OVERALL CLOSURE RATE (%)
HEI	11	0	4
ICB	5	1	2
LEA	7	2	3
NFP	14	3	9
SEA	6	1	2
<b>Total</b>	<b>9</b>	<b>2</b>	<b>3</b>

- Across the board, schools are closed between three to 10 times more often during the renewal process than outside of it. This ratio is not surprising; authorizers are likely to close schools outside of renewal only in extreme circumstances, while renewal closures involve a more complete evaluation of school performance.
- NFPs are the most likely to close schools both inside and outside of renewal.
- Few authorizers other than NFPs are closing schools outside of the renewal process. HEIs are particularly unlikely to close schools outside of renewal.

# Types of Authorizers

## AREA 5 AGENCY COMMITMENT AND CAPACITY

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer recognizes that chartering is a means to foster excellent schools that meet identified needs; clearly prioritizes a commitment to excellence in education and in authorizing practices; and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.”

### 1. DEDICATED BUDGET

*What percent of authorizer types have a budget dedicated to authorizing?*

**TABLE 5.14:** *Dedicated Budget by Type of Authorizer*

AUTHORIZER HAS BUDGET DEDICATED TO AUTHORIZING	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Percentage of surveyed authorizers	70	63	24	100	46	20	39

- LEAs and SEAs are the least likely to have budgets dedicated to authorizing, perhaps because their work as authorizers is budgeted as part of their work with all district public schools.
- Since these entities also have responsibility for other public schools that are not charters, the lack of dedicated funding for authorizing work raises questions about how these agencies are able to treat charters differently than they do traditional public schools.

## 2. STAFFING

### *What are the staffing patterns in the offices of various types of authorizers?*

FROM NACSA'S *PRINCIPLES & STANDARDS*:

“A quality authorizer employs competent personnel at a staffing level appropriate and sufficient to carry out all authorizing responsibilities in accordance with national standards, and commensurate with the scale of the charter school portfolio.”

**TABLE 5.15:** *Full-Time Equivalent (FTE) Employees Assigned to Authorizing Work*

TYPE	AVERAGE NUMBER OF FTES <sup>5</sup>	AVERAGE NUMBER OF SCHOOLS PER FTE <sup>6</sup>
HEI	6.5	3.5
ICB	6.3	13.8
LEA	3.3	5.5
MUN	7.5	1.6
NFP	3.0	3.1
SEA	3.7	8.3
<b>Overall</b>	<b>4.1</b>	<b>5.6</b>

- Among authorizer types, there is a wide range in the number of average FTE employees per authorizer and schools per FTE. The staffing of these offices needs further study.
- As indicated in Section 2, the staffing patterns for authorizing functions are erratic among authorizers with more than 30 schools.

### 3. SOURCES OF FUNDING

*What are the sources of funding for various authorizer types?*

**TABLE 5.16:** *Funding Sources*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer receives funding from oversight fees deducted from charter school revenues	72	43	74	100	67	38	69
Authorizer receives funding from state appropriations for authorizer functions	43	75	15	100	0	70	28
Authorizer receives funding from the regular operating budget of its parent organization	22	14	60	100	46	63	48
Authorizer receives funding from state or federal grants	10	29	21	0	0	73	22
Authorizer receives funding from foundation grants	5	17	5	0	9	0	6

- SEAs are the most likely to receive funding from state or federal grants.
- Authorizing offices reported even less foundation funding in last year’s survey. Other than the ICBs, the vast majority of all authorizers are not accessing foundation funds.

#### 4. OVERSIGHT FEE AMOUNT

*What percent oversight fee do various authorizer types require from the charter schools they oversee?*

**TABLE 5.17:** Average Oversight Fee

	OVERSIGHT FEE (%)
HEI	2.3
ICB	2.0
LEA	3.1
MUN	2.0
NFP	2.1
SEA	1.5
<b>Overall</b>	<b>2.6</b>

- The highest percentage of oversight fees that come from school per pupil funding are from LEAs, at 3.1 percent. SEAs' percentage is the lowest of all authorizer types.
- While, at a glance, the difference between 3.1 percent oversight fees for LEAs and 2.1 percent for Non-District Authorizers seems small, this represents a difference in funding of about one-third between the two.

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## Endnotes:

- 1 NACSA would like to acknowledge its ongoing collaboration with the National Alliance for Public Charter Schools. This collaboration has helped both organizations generate up-to-date and increasingly accurate counts of authorizers and schools. These calculations are based on NACSA's most recent data that links each charter school to its authorizer, and are modified from the National Alliance's data on charter schools (National Alliance for Public Charter Schools. [2010]. *Public charter schools dashboard* [[www.publiccharters.org/dashboard](http://www.publiccharters.org/dashboard)]. Washington, DC: Author.). Precise figures depend on the time of reporting. Any minor variation due to reporting is unlikely to change substantively the findings in this report.
- 2 Rates can be calculated by totaling the actions by the authorizer type and presenting an aggregate rate, or by averaging the rates for each authorizer of a given type. Unless otherwise stated, rates in this report are reported as aggregate rates. This table presents both calculations.
- 3 This analysis omits MUNs and ICBs because there is only one small ICB and only one MUN of either size.
- 4 MUNs were not included due to a low number of reviewed schools between the two MUNs.
- 5 This is the average number of FTE employees assigned to authorizing work within the organization or by contract for each type of authorizer.
- 6 This is the average number of charter schools per FTE employee assigned to authorizing work for each type of authorizer.

# Conclusion

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## Why survey?

Charter school authorizers play an important role in the charter school movement. When their work is done well, authorizers are a powerful force in expanding high-quality public school options for children. But that requires a careful effort to balance school autonomy with strong accountability, while still protecting students and the public interest.

As the charter school sector expands in scope and influence, there is an increasing need for current data on the work of authorizing. That is why NACSA gathers information and regularly analyzes the state of the science—and art—of authorizing.

In 2010 NACSA surveyed authorizers of all types and sizes, across the country, and gathered a wealth of data. Using NACSA's *Principles & Standards* as benchmarks, NACSA created this portrait of authorizer successes and struggles. NACSA expects, as in the past, for this report to serve as an informative reference guide for those who do this work, are considering becoming an authorizer, set policies that affect authorizers, or fund improvements.

## Who responded?

This is the largest, most comprehensive survey of authorizers to date. The 162 respondents oversaw charter schools that, in 2009–2010, educated 59 percent of the nation's charter school students. This report pays special attention to the story told by the 54 Large Authorizers (portfolios of 10 schools or more) who responded, as they collectively oversaw more than half of the nation's charter school students in 2009–2010. In addition, for the first time, a significant number of Small Authorizers (portfolios of fewer than 10 schools) were surveyed, enabling a series of analyses on their practices.

## What were the major findings and implications?

- 1. The number of LEAs increased rapidly.** The total of LEAs grew by 233 between the 2007–2008 and 2010–2011 school years. This represents a 37 percent increase in LEAs over three years and introduced an average of approximately 78 new authorizers per year. During the same period, the total of all other types of authorizers increased from 88 to 98.
  - Both the authorizers and schools they oversee require further examination. There may be new schools being approved that are “charters in name only,” as well as many new authorizers that are operating on an extremely small scale and are new to the work of authorizing.
- 2. School district authorizers act like school districts, for better and for worse.** Districts are more likely than other types of authorizers to provide facility support to charter schools, but also more likely to inappropriately intervene in the operation of a school.

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- Lawmakers should consider strategies to allow charter schools access to facilities and facilities financing regardless of their authorizer type. District Authorizers should find ways to enhance school autonomy while ensuring attention to rigor and results.
3. **High-stakes accountability is working for some authorizers.** Renewal rates and length of charter terms matter. Longer charter terms are more likely to allow weak schools to stay open longer.
    - Lawmakers should support policies that ensure all charter schools come up for a truly high-stakes review every five years. That review should prioritize the school's academic record.
  4. **Authorizers' oversight of schools that work with management companies needs to be strengthened.** Roughly one-third of authorizers do not implement NACSA's recommended authorizing practices regarding the oversight of schools that are run by management organizations (Education Service Providers, or ESPs).
    - More study of the oversight of schools operated by ESPs is necessary. Lawmakers and authorizers should work to strengthen the independence and capacity of governing boards that contract with service providers.
  5. **Authorizers are making progress on audits.** In 2009, 13 percent of Large Authorizers reported that they did not require their schools to submit an annual, independent audit, or did not examine audits required by others. In 2010, 100 percent reported that they did require or examine such audits.
    - Continued study is needed, but recent progress is a testament to the ability of public attention, technical assistance, and changes in policy to influence authorizer behavior.
  6. **Scale matters.** Authorizers that oversee a greater number of schools (10 or more) are more likely to use professional authorizing practices.
    - Lawmakers should support policies that enable authorizers to achieve a large enough scale to implement best practices.

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### What impacts the likelihood that authorizers will use best practices?

This year's data reveals a number of factors that impact the likelihood that authorizers will use best practices—authorizer size and authorizer type chief among them. Some authorizers are so small, overseeing only one or two schools, that the likelihood they will have the opportunity to implement best practices also is small. Authorizers operating at a larger scale have both an increased obligation to create quality systems, and often the experience and resources to do so.

### What issues demand further study?

High-quality charter school authorizing is an evolving practice. With the continued growth of the charter sector, authorizers are facing new challenges that require new solutions. Several of the challenges that demand further study include:

- **ESPs:** The charter movement sees an increasing role for third-party providers that operate schools. This is a trend likely to generate many new, high-quality schools. Meanwhile, the range of ESPs creates challenges in the governance of these institutions. There are likely to be many possible approaches that can produce strong independent governance while simultaneously promoting the replication of successful schools.
- **Term lengths/closure rates:** The length of a charter term affects how often a school faces a high-stakes review. Whether a school is reviewed or not, and how often, affects the likelihood that it will be closed. More information is needed on both the methods and quality of high-stakes reviews, the procedures that lead to the closure of failing schools, and if these reviews protect the autonomy of and do not unduly burden schools that are succeeding.
- **Extremely Small Authorizers:** How the size of an authorizer's school portfolio affects the quality of its practices needs more study in general. In particular, with about 700 authorizers overseeing only one or two schools each, questions about the threshold of viable scale for authorizing activities need to be considered. While most of these extremely Small Authorizers are Districts, some are HEIs and NFPs. Methods that help authorizers of all types to implement best practices must be considered along with strategies that provide schools and communities with access to Large Authorizers implementing best practices.
- **Staffing:** The number and composition of staff members that authorizers need to do their jobs well are unclear. There are patterns in the number of staff members that authorizers have relative to the size of their portfolios. With smaller portfolios, there appear to be staffing patterns that may be hard to fund, while those with larger portfolios have extreme ranges in staffing.

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### What is leading to improvements in authorizing?

Good information means little if it does not lead to improvements in practice. NACSA is committed to taking these findings and using them as a basis to further authorizer education, technical assistance, training, and policy advocacy. In one example described above, last year's survey results revealed concerns about audits. Now, after work by many on this issue, this survey documents progress. Identifying this problem, based on sound survey data, helped NACSA and others to promote better practices.

This year's report documents concerns with authorizer oversight of ESPs. NACSA seeks to improve authorizer practices related to the oversight of schools that contract with ESPs. Doing so will both facilitate the growth of schools that replicate successful models and enhance the credibility of the charter movement by demonstrating a commitment to protecting public interests. It is important to note that the data presented in this report points directly to authorizer oversight of ESPs, and does not address and should not be interpreted as reflecting upon the practices of ESPs themselves. Further study, as well as improvements in practice and policy, is needed.

### What resources are available for authorizers who want to improve practices?

Authorizers committed to improving their practices have a rich array of NACSA resources from which to draw. On NACSA's website, authorizers can access a resource library containing scores of issue briefs, policy briefs, and related studies and materials. Training, technical assistance, and consultation also provide targeted education and support to authorizers ready to strengthen their practices.

Finally, NACSA is keenly aware of the growing breadth of this sector of education administration. Today, 950 institutions serve as authorizers. Governing boards of appointed and elected leaders oversee the vast majority of these authorizing entities. Education leaders, some of whom oversee very large education systems, direct these boards. As the survey results indicate, authorizers also represent an estimated community of more than 1,500 professionals working directly on authorizing functions, and another 8,500 worth of FTEs providing professional services.

All of these organizations and people are tasked with ensuring quality education for the students attending charter schools. This authorizing community represents a wellspring of expertise and experience. NACSA draws many of these professionals together at its annual conference and looks for additional ways to encourage networking among them.

These institutions, their leaders, and the professionals working with them can make the difference in creating and sustaining quality public charter schools. NACSA is grateful to this community for their responses to this year's survey, which have enabled the organization to present this portrait of authorizing.

Visit NACSA's website to download  
***THE STATE OF CHARTER SCHOOL AUTHORIZING:***  
***Third Annual Report on NACSA's Authorizer Survey Appendices***

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THIRD ANNUAL REPORT  
ON NACSA'S AUTHORIZER SURVEY

THE STATE OF CHARTER  
SCHOOL AUTHORIZING

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APPENDICES



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# Appendix A

## Methods

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### PARTICIPANTS IN THE 2010 SURVEY

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

Drawing on these sources of information, NACSA identified 145 charter school authorizers in the country with five or more schools in their portfolios and an additional 187 authorizers with fewer than five schools in their portfolios during the 2009–2010 school year<sup>1</sup>. The sample of authorizers with less than five schools was constructed to include all remaining non-LEA (Local Education Agency) authorizers and a convenience sample of LEA authorizers with less than five schools that could be linked to existing available student performance data sets. NACSA contacted all surveyed authorizers via mail and e-mail to solicit their participation in the survey.

Of the 332 charter school authorizers contacted, 54 of 73 authorizers with 10 or more schools (response rate: 74 percent) and 108 of 259 authorizers with fewer than 10 schools (response rate: 42 percent) completed and returned an online version of the survey or a hard copy version via mail. The composition of the respondents that formed the basis of this report is described in the following table.

**TABLE A1:** *Survey Respondents by Authorizer Type and Portfolio Size*

TYPE	SMALL AUTHORIZERS	LARGE AUTHORIZERS	TOTAL
HEI	24	7	31
ICB	2	6	8
LEA	69	22	91
MUN	1	1	2
NFP	9	6	15
SEA	2	12	14
Unidentified	1	0	1
<b>Total</b>	<b>108</b>	<b>54</b>	<b>162</b>

- HEI** Higher Education Institution
- ICB** Independent Chartering Board
- LEA** Local Education Agency
- MUN** Mayors/Municipalities
- NFP** Not-For-Profit organization
- SEA** State Education Agency

**Large Authorizers**

Collectively, the 54 responding authorizers with large portfolios (10 or more schools) oversaw a total of 2,232 schools, representing 68 percent of all schools overseen by Large Authorizers and 46 percent of all charter schools in the nation during the 2009–2010 school year<sup>2</sup>. A total of 827,685 students attended the schools overseen by the responding Large Authorizers during that period, representing 52 percent of all charter school students in the nation.

**Small Authorizers**

Collectively, the 108 responding authorizers with small portfolios (less than 10 schools) oversaw a total of 352 schools, representing 23 percent of all schools overseen by Small Authorizers and seven percent of all charter schools in the nation during the 2009–2010 school year. A total of 159,510 students attended the schools overseen by the responding Small Authorizers during that period, representing 10 percent of all charter school students in the nation.

## PROCEDURE

NACSA used a modified form of the Tailored Design Method to administer the survey (Dillman, 2000). All authorizers received the following: an e-mail notice that a survey request was forthcoming, a survey request by e-mail, a mailed survey request with printed survey, and a thank you/reminder e-mail.

All non-responding authorizers received phone calls soliciting survey participation results, with an offer to administer the survey using a phone interview.

Both the mailed letter and e-mail survey solicitations included a link to an online version of the survey hosted by SurveyMonkey.com. All surveyed authorizers received a token incentive of \$5 included with each mailed survey solicitation. (Many respondents returned the incentive along with their completed survey.)

## MATERIALS

All surveyed authorizers were asked to complete a 20-page, 194-item questionnaire of authorizer practices, designed by NACSA. Participants were asked to answer questions across a range of topics related to charter school authorizing.

Many of the items included in the questionnaire required respondents to examine their office's records. NACSA included both a paper-and-pencil survey and an online survey option in its research protocol. The paper-and-pencil option was designed to give respondents a document to record their answers while they researched them. An online survey was hosted at SurveyMonkey.com in order to offer a quick and convenient response method. A copy of this survey is included in Appendix B.

Further questions regarding survey design and implementation should be directed to Sean Conlan, director of research and evaluation at NACSA. E-mail [seanc@qualitycharters.org](mailto:seanc@qualitycharters.org) or phone 312.350.9514.

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### Endnotes:

<sup>1</sup> As of May 2010

<sup>2</sup> Based on NACSA's most recent data linking each charter school during the 2009–2010 school year to its authorizer. Methodological complications may lead to different totals for school and authorizer counts (e.g., whether a program within a school is considered a charter, whether charters or campuses are counted, or whether schools within several states' "charter" districts are considered charter schools).

**Works Cited:** Dillman, D. A. (2000). *Mail and Internet Surveys: The Tailored Design Method*. 2nd ed. New York, NY: John Wiley & Sons.

# Appendix B

## 2010 Authorizer Survey

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### 1. Introduction



Welcome to the 2010 NACSA Authorizer survey. Your responses are very important and we thank you for taking the time to contribute to building knowledge about authorizing. Your input via this survey will contribute greatly to NACSA's ability to advocate for charter school authorizers and improve authorizing practices nationally.

This survey requires approximately 25 minutes to complete.

*Confidentiality Statement:* To strengthen our ability to conduct and share analyses, this year's version of the survey may be used to produce reports that identify specific authorizers.

If by some chance we made a mistake and you feel that you have received this survey in error, please forward this survey to the appropriate individual in your authorizing office. If you have any questions or comments about this study, please call Dr. Sean Conlan at the National Association of Charter School Authorizers at (312) 350-9514 or e-mail [seanc@qualitycharters.org](mailto:seanc@qualitycharters.org).

## 2. Basic Information

**\* 1. What is the name of your authorizing organization?**

**2. Choose the term below that best describes the decision making body in your organization that grants charters and makes renewal decisions. (Please choose only one).**

- Local school district
- Public university or college board of trustees / regents
- Private university or college board of trustees / regents
- State education office/State department of Education/ State board of education
- State superintendent/Commissioner
- Non-profit governing board (other than higher education institutions)
- Independent charter school board or commission
- Mayor
- City Council
- Other (please specify):

**3. In what year did your organization's first charter school open?**

**4. What was the total number of operating charters your organization authorized that were open on October 1st, 2009?**

**5. Of the total number of operating charters open on October 1st, 2009 (reported in *Question 4*), how many of the charters were online or virtual charters?**

**6. For the 2009-2010 school year (generally July 1, 2009 - June 30 2010), what was the total student enrollment in the charter schools your organization authorizes?**

**7. What is the total number of operating charters your authorizing organization foresees overseeing on *October 1st, 2010*?**

### 3. Charter School Applications

**8. Does your organization release a request for new charter applications annually?**

- Yes
- No
- Don't know

**9. Does your authorizing organization proactively recruit qualified applicants to submit new charter applications?**

- Yes
- No
- Don't know

**10. Does your authorizing organization grant charters in which one charter school board is allowed to oversee multiple charters (or multiple schools opened under the same charter)?**

- Yes
- No
- Don't know

**11. Is it an established policy of your authorizing organization to promote the replication of successful schools?**

- Yes
- No
- Don't know

#### 4. Encouraging Replication of Successful Schools

**12. What does your organization do to act on its policy to promote the replication of successful schools?**

## 5. Replication of Successful Schools

**13. Does your authorizing organization currently oversee any charter schools that are replications of successful charter schools?**

- Yes
- No
- Don't know

## 6. Replication Follow-Up

**14. How many charter schools in your portfolio are replications of successful schools?**

## 7. Charter School Applications II

### 15. In the charter application and approval process, does your authorizing organization:

	Yes	No	Don't know
Establish preferred areas of focus for charter applications?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Publish timelines and materials for application submission, review and approval?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Have established, documented criteria for evaluating charter school applications?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make application evaluation criteria available to applicants?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use the same core set of criteria when evaluating all applications?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### 16. Please rank the top five most important topics that your authorizing organization considers when evaluating a charter application:

	1	2	3	4	5
Charter school mission	<input type="radio"/>				
The likelihood that the proposed educational program will lead to student academic success.	<input type="radio"/>				
The composition of the proposed governing board	<input type="radio"/>				
The organizational structure of the proposed school (reporting structure, administrative structure, staffing structure, etc.)	<input type="radio"/>				
The skills and abilities of the founding team members	<input type="radio"/>				
The financial viability of the charter school's business plan	<input type="radio"/>				
Evidence of demand (parent interest) for the proposed school	<input type="radio"/>				
Clear evidence of the applicant's capacity to execute its plan successfully	<input type="radio"/>				
Alignment with district/community-wide student needs (i.e., aimed at specific populations)	<input type="radio"/>				

Other (please specify topic and rank):

## 8. Charter School Applications III

**17. What is the total number of applications for new charter schools that your authorizing office received between July 1, 2009 and June 30, 2010?**

**18. Out of those applications received (*reported in Question 17*), how many charter applications**

Were withdrawn by the applicant after submission?

Did your organization approve?

Did your organization deny?

Are pending evaluation or still in the evaluation process?

**19. If the above the number of withdrawals, approvals, denials, and number pending do not add up to the number of applications received (*reported in Question 17*), please explain why not.**

**20. Out of those charter applications approved (*reported in Question 18*), how many charters:**

Transferred from another authorizing organization?

Were "conversion schools" (e.g., schools that were district-operated public schools before converting to charter status)?

Were online or virtual schools?

Had previously been a school subject to school turn-around conditions?

## 9. Charter Applications III

**21. What is the most frequent reason your authorizing organization has rejected charter applications?**

**22. Does your organization interview charter applicants?**

- Yes
- No
- Don't Know

**23. Does your organization use a panel of experts to review new charter applications?**

- Yes
- No
- Don't Know

## 10. Expert Panel Follow Up

**24. If your organization uses a panel of experts to review new charter applications, is the panel comprised of:**

- Experts internal to your organization
- Experts external to your organization
- A combination of both
- Other (please specify):

## 11. Performance Contracting

**25. Does your authorizing office sign a contract / legal agreement with each charter school it oversees?**

- Yes
- No
- Don't Know

## 12. Nature of the Contract

**26. Is the contract / legal agreement separate from the charter application?**

- Yes
- No
- Don't know

### 13. Contract Term

**27. What is the term length of the charters granted by your authorizing organization? *If a range of terms granted, please indicate the typical length as well as the range.***

**28. If your charter term is longer than five years, does your organization conduct periodic high stakes reviews of its charter school(s) during the term of a charter?**

- Yes
- No
- Don't Know
- Not Applicable

## 14. High Stakes Reviews

**29. If your organization conducts periodic high stakes reviews of its charter school(s) during the term of a charter, please explain the frequency and nature of the high-stakes review.**

## 15. Education Service Providers

**30. Does your authorizing organization allow its charter schools to contract with external providers for operation or management?**

- Yes
- No
- Don't Know

## 16. Education Service Providers II

**31. Do any of the charter schools that your organization currently authorizes contract with education service providers?**

- Yes  
 No  
 Don't Know

**32. Does your authorizing organization's contract with a charter school require any school that engages an education service provider to have a services contract that contains provisions that:**

	Yes	No	Don't Know
Clearly subordinate the third-party contract to the charter contract?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Condition charter approval on authorizer review and approval of the third-party contract?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**33. In cases of education services provided by a third-party, does your organization require the governing board of the charter school and the education services organization to enter into a contract that:**

	Yes	No	Don't know
Defines each party's rights and responsibilities?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Defines the specific services provided by the management organization?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Defines the fees for the specific services provided by the management organization?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Allows for the board to terminate the management organization under defined circumstances and without "poison pill" penalties?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Includes the performance measures, consequences and mechanisms by which the school governing board will hold the provider accountable for performance?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specifies the compensation to be paid to the provider, including all fees, bonuses and what they include or require?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specifies financial reporting requirements and provisions for the school governing board's financial oversight?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specifies all other financial terms of the contract, including disclosure and documentation of all loans or investments by the provider to the school?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Includes assurances that the school governing board will at all times maintain fiduciary oversight and authority over the school budget and ultimate responsibility for the school's performance?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 17. Education Service Providers III

### 34. Does your authorizing organization require governing boards of the charter school working with education service providers to enact the following policies?

	Yes	No	Don't know
All public funds paid to the charter must be paid to and controlled by the governing board that, in turn, pays the management organization for successful provision of services.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
All equipment and furnishings that are purchased with public funds must be the property of the school, not the management organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
All loans from the management organization to the school, such as facility loans or for cash flow, must be appropriately documented and at market rates.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Charter school governing boards must have an independent attorney.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Charter school governing boards must have an independent accountant.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Charter school governing boards must have an audit firm that works for them, not the management organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Members of charter school governing boards cannot be employees of the management organization running their school.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Members of charter school governing boards cannot be compensated for their service.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Members of charter school governing boards cannot be selected or approved by the management organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 18. Oversight and Monitoring

**35. Does your authorizing organization require or monitor annual audits of its charter schools performed by an independent, qualified auditor?**

- Yes
- No
- Don't Know

## 19. Annual Audit Follow-Up

**36. Does your organization review an annual audit required by an external organization?**

- Yes
- No
- Don't Know

## 20. Oversight & Monitoring II

**37. Does your organization require its charter schools to submit an annual report that outlines their progress on the performance expectations set out in their contracts?**

- Yes
- No
- Don't Know

**38. Does your organization provide an annual written report to each school, summarizing its performance and compliance to date and identifying areas needing improvement?**

- Yes
- No
- Don't know

**39. What do you use as the primary measure to hold charter schools accountable for student performance?**

- The same measures used for federal accountability purposes
- State accountability systems
- A combination of both of the above
- Other (please specify)

## 21. Oversight & Monitoring III

### 40. Which of the following charter school monitoring strategies does your organization use?

	Yes	No	Don't know
Reviews of academic performance reports, financial audits, and other paper based reports submitted by schools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information from an electronic student data system your organization requires its schools to use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information from an electronic and/or web based system schools are required to use to provide compliance, fiscal and other operational reports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
School site visits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compliance reviews	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify):

### 41. Does your organization publish an annual report or report cards that review(s) the performance of each of the schools it authorizes?

- Yes
- No
- Don't Know

### 42. When your organization identifies a charter school that is performing unsatisfactorily in an area, what actions does your organization take?

	Yes	No	Don't know
Provide the school, in writing, a description of the unsatisfactory performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide the school, in writing, suggestions for how to improve	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Create a plan for improvement in partnership with the school	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Require the school to submit a plan for improvement designed by the school and approved by your organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Connect the school with schools that perform well in the area(s) of concern	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Connect the school with trusted organizations or individuals to help them address the area(s) of concern	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Require the school to attend workshops held by our organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Deliver support services to the school in the area of concern	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Require changes to the school's board of trustees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify):

## 22. Revocation, Renewal, & Non-renewal

*Note: The questions below ask you to report on the high-stakes decisions your organization made during the 2009-2010 school year (July 1, 2009-June 30, 2010). For our purposes, a charter school revocation is distinct from a non-renewal:*

*A revocation leads to the closure of a school and the end of a charter before the term of a charter expires.*

*Non-renewal also leads to the closure of a school and the end of a charter, but it takes place at the end of a charter contract during a review of the school's performance.*

*A school may also close by the voluntary surrender of its charter, if a school chooses to close its doors. Surrenders may happen during a renewal process or at times outside of the renewal process.*

### 43. Does your authorizing office:

	Yes	No	Don't know
Have established, documented criteria for evaluating charter schools for revocation?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Have a documented process and timeline for revocation based on school performance?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make revocation evaluation criteria available to charter schools?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use the same revocation criteria when evaluating the performance of all charter schools?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### 44. For your organization, please rank the top five most frequent reasons you have revoked a charter?

	1	2	3	4	5
Student academic performance	<input type="radio"/>				
Performance toward fiscal goals	<input type="radio"/>				
Performance toward organizational goals (governance goals, etc.)	<input type="radio"/>				
Performance toward reporting and compliance requirements	<input type="radio"/>				
Ethical conduct	<input type="radio"/>				
Student safety	<input type="radio"/>				
Governance	<input type="radio"/>				

Other (please specify reason and rank):

## 23. Reported Revocations

**45. During the 2009-2010 school year (July 1, 2009-June 30, 2010), how many charter contracts did your organization revoke prior to the contract renewal period?**

## 24. Renewal

### 46. Does your authorizing office:

	Yes	No	Don't know
Publish timelines and materials for renewal submission, review and approval?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Have established, documented criteria for evaluating charter school renewals?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Base renewal decisions of the renewal criteria, standards, and expectations stated in the charter contract?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make renewal evaluation criteria available to applicants?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use the same core set of renewal criteria when evaluating all applications?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### 47. In advance of any renewal decision, does your authorizing organization provide to each school a cumulative performance report that summarizes the school's performance record over the charter term?

- Yes
- No
- Don't know

### 48. Do your organization's published renewal decisions include written explanation of the reasons for renewal or non-renewal?

- Yes
- No
- Don't know

## 25. Renewal II

### 49. During the 2009-2010 school year (July 1, 2009-June 30, 2010), how many charter contracts has your organization:

Reviewed for a renewal decision?	<input type="text"/>
Renewed?	<input type="text"/>
Declined to renew?	<input type="text"/>
Still have pending?	<input type="text"/>
Had surrender voluntarily by the school during the renewal process?	<input type="text"/>
Had surrender by the school outside of the renewal process?	<input type="text"/>

*(If your organization does not use charter contracts please explain the results for analogous high stakes accountability arrangements).*

## 26. Renewal III

**50. For your organization, please rank the top five most frequent reasons you have *declined to renew a charter*?**

	1	2	3	4	5
Student academic performance	<input type="radio"/>				
Performance toward fiscal goals	<input type="radio"/>				
Performance toward organizational goals (governance goals, etc.)	<input type="radio"/>				
Performance toward reporting and compliance requirements	<input type="radio"/>				
Ethical conduct	<input type="radio"/>				
Student safety	<input type="radio"/>				
Governance	<input type="radio"/>				

Other (please specify reason and rank):

## 27. Surrenders

**51. For your organization, please rank the top five most frequent reasons charter schools have surrendered their charter *during the renewal period*?**

	1	2	3	4	5
Student academic performance	<input type="radio"/>				
Performance toward fiscal goals	<input type="radio"/>				
Performance toward organizational goals (governance goals, etc.)	<input type="radio"/>				
Performance toward reporting and compliance requirements	<input type="radio"/>				
Ethical conduct	<input type="radio"/>				
Student safety	<input type="radio"/>				
Governance	<input type="radio"/>				

Other (please specify reason and rank):

**52. For your organization, please rank the top five most frequent reasons charter schools have surrendered their charter *outside of the renewal period*?**

	1	2	3	4	5
Student academic performance	<input type="radio"/>				
Performance toward fiscal goals	<input type="radio"/>				
Performance toward organizational goals (governance goals, etc.)	<input type="radio"/>				
Performance toward reporting and compliance requirements	<input type="radio"/>				
Ethical conduct	<input type="radio"/>				
Student safety	<input type="radio"/>				
Governance	<input type="radio"/>				

Other (please specify reason and rank):

## 28. Students & Facilities

**53. To what extent would your organization agree or disagree with the following statement?**

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Students with special needs have full access to the charter schools we oversee.	<input type="radio"/>				
Students with special needs receive appropriate services in the charters we oversee.	<input type="radio"/>				
Charter schools authorized by our organization receive comparable funding to traditional public schools in this state for the special education students they serve.	<input type="radio"/>				

**54. To what extent would your organization agree or disagree with the following statement?**

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
English Language Learner (ELL) students have full access to the charters we oversee.	<input type="radio"/>				
ELL students receive appropriate services in the charters we oversee.	<input type="radio"/>				

**55. Does your organization provide the following resources to your charter schools?**

	Yes	No	Don't know
Facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assistance in finding facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Per pupil allocation for facility expenses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financing for facilities (e.g. grants, loans, and guarantees).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 29. Authorizing Mission & Strategic Plan

**56. Has your authorizing organization been evaluated by a third party?**

- Yes
- No
- Don't know

**57. Does your organization have a published and available mission for quality authorizing?**

- Yes
- No
- Don't know

**58. Does your organization have a documented strategic plan for authorizing?**

- Yes
- No
- Don't know

### 30. Strategic Plan Follow-Up

**59. Does the plan include clear chartering priorities and goals?**

- Yes
- No
- Don't know

**60. Does the plan include timeframes for achievement of those goals?**

- Yes
- No
- Don't know

## 31. Resources

**61. How many Full Time Equivalent (FTE) employees in your organization are assigned to authorizing work?**

**62. How many Full Time Equivalent (FTE) employees perform authorizing work for your organization by contract?**

**63. Please estimate the number of FTEs (within your authorizing organization or by contract) assigned to each of the following authorizer functions that occur throughout the lifecycle of charter schools.**

	FTEs within your organization	FTEs by contract
Application Evaluation	<input type="text"/>	<input type="text"/>
Ongoing Oversight and Monitoring	<input type="text"/>	<input type="text"/>
Performance Evaluation / Renewal	<input type="text"/>	<input type="text"/>

*Note: The total number of FTEs should not exceed the numbers reported above.*

**64. Please estimate the number of FTEs (within your authorizing organization or by contract) with expertise across the following educational/school management issues.**

	FTEs within your organization	FTEs by contract
Education leadership	<input type="text"/>	<input type="text"/>
Curriculum, instruction, & assessment	<input type="text"/>	<input type="text"/>
Special education	<input type="text"/>	<input type="text"/>
Performance management	<input type="text"/>	<input type="text"/>
Finance	<input type="text"/>	<input type="text"/>
Law	<input type="text"/>	<input type="text"/>
Non-profit governance & management	<input type="text"/>	<input type="text"/>
Administration of federal programs	<input type="text"/>	<input type="text"/>

*The same FTE may be reported across multiple areas.*

## 32. Resources II

**65. Does your authorizing organization require your board and staff to agree to uphold a conflict of interest policy?**

- Yes  
 No  
 Don't know

**66. From where does your organization receive the funding to perform its authorizing duties? Check all that apply.**

	Yes	No	Don't know
Oversight fees deducted from charter school revenues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
State appropriations for authorizer functions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The regular operating budget of our authorizing office's parent organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
State or federal grants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foundation grants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other (please specify):

**67. If yes to "Oversight Fees", what percentage does your organization deduct? If the percentage varies, please provide a range.**

**68. Does your authorizing organization have a budget dedicated to authorizing?**

- Yes  
 No  
 Don't know

**69. If your organization has a budget dedicated to authorizing activities, what is it?**

*If your organization doesn't have a budget dedicated to authorizing activities, please give us an estimate of your organization's direct costs for authorizing.*

**70. To what extent would your organization agree or disagree with the following statement?**

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Our organization allocates enough resources to fulfill all of our authorizer responsibilities.	<input type="checkbox"/>				

**71. How frequently does your organization's decision-making body (the entity that votes on granting new charters and renewal decisions) vote to affirm your office's recommendations?**

- 0-25% of the time
- 26-49% of the time
- 50% of the time
- 51-75% of the time
- 76-99% of the time
- 100% of the time

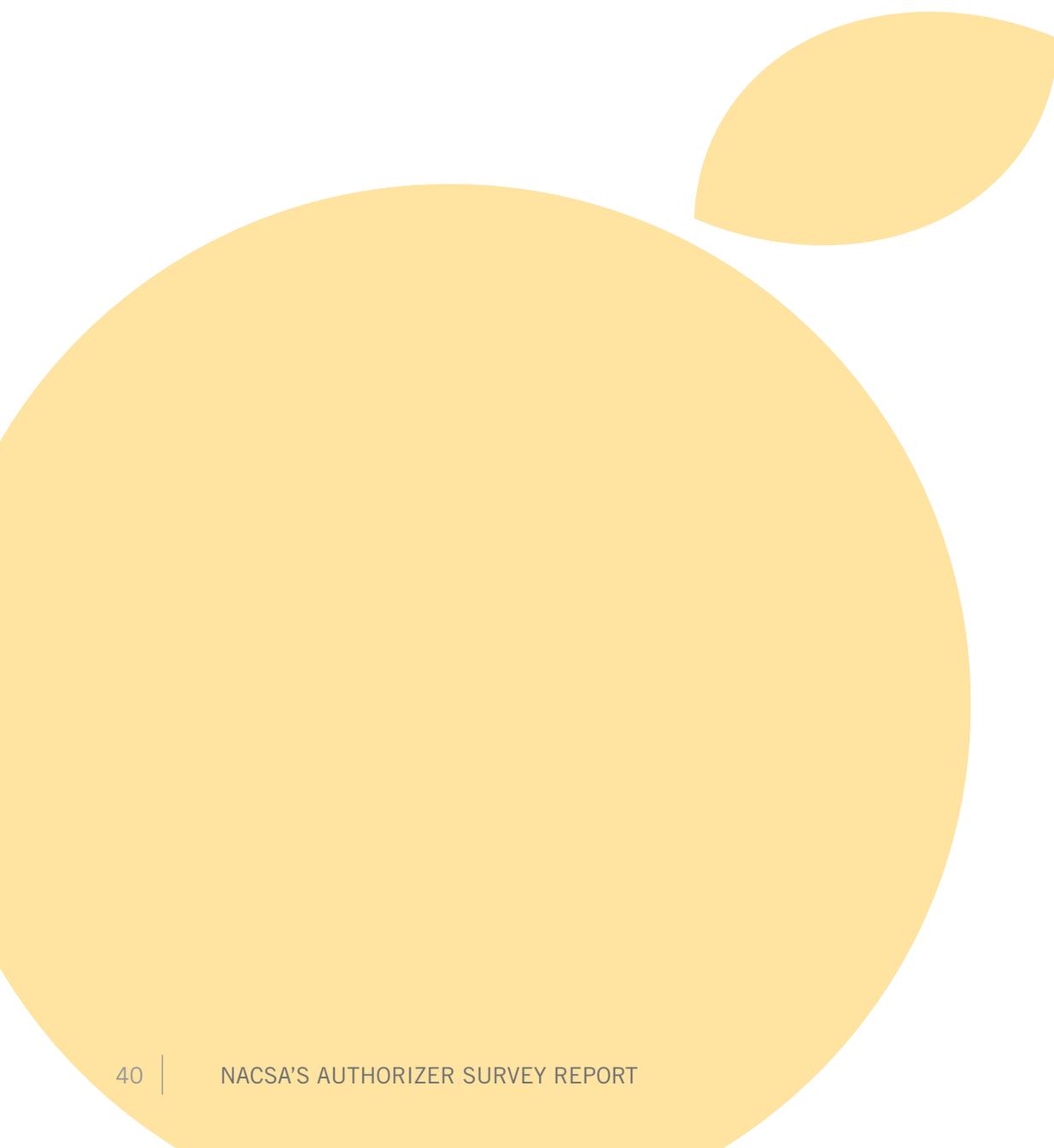
### 33. Conclusion

**72. What is your name?**

**73. We value your input regarding the obstacles and challenges authorizers face in conducting their work. If there is any additional information that you would like to provide to NACSA, please feel free to do so in the box below.**

## 34. Thank You

Thank you again for your cooperation and the valuable information you have provided. If you have any questions or comments about this study, please call Dr. Sean Conlan at the National Association of Charter School Authorizers at (312) 350-9514 or e-mail [seanc@qualitycharters.org](mailto:seanc@qualitycharters.org).



# Appendix C

## Data Tables: Comparing Large and Small Authorizers

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### SAMPLE CHARACTERISTICS

The 2010 authorizer survey collected data from 108 authorizers with fewer than 10 schools in their portfolios and 54 authorizers with 10 or more schools in their portfolios during the 2009–2010 school year.

In the tables below, authorizers with fewer than 10 schools are referred to as “Small Authorizers” and authorizers with 10 or more charter schools in their portfolios are referred to as “Large Authorizers.” Unless otherwise noted, the percentage values reported in the tables below represent the percentage of authorizers surveyed in that category. Percentages are rounded to the nearest full percentage point. In most cases, this does not affect the tables presented; however, the values reported in some tables may not add up to 100 percent as a consequence of the rounding.

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**TABLE C1:** *Annual Requests for Applications*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Authorizer releases an annual request for applications	11	61	30

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**TABLE C2: *Replication Issues***

	<b>SMALL AUTHORIZERS (%)</b>	<b>LARGE AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Authorizer grants charters in which one charter school board is allowed to oversee multiple charters (or multiple schools opened under the same charter)	23	62	38
Authorizer has an established policy to promote the replication of successful schools	29	48	37
Authorizer currently oversees charter schools that are replications of successful charter schools	16	71	36

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**TABLE C3: *Average Number of Replications***

	<b>SMALL AUTHORIZERS</b>	<b>LARGE AUTHORIZERS</b>	<b>OVERALL</b>
Average Number of Replications	1.2	7.9	6.0

**TABLE C4:** *Characteristics of the Charter Application Process*

	<b>SMALL AUTHORIZERS (%)</b>	<b>LARGE AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Authorizer proactively recruits qualified applicants	4	42	18
Authorizer establishes preferred areas of focus for charter applications	36	46	40
Authorizer publishes timelines and materials for application submission, review, and approval	57	95	72
Authorizer has established, documented criteria for evaluating charter school applications	73	96	82
Authorizer makes application evaluation criteria available to applicants	70	91	78
Authorizer uses the same core set of criteria when evaluating all applications	84	98	90
Authorizer interviews charter applicants	76	88	81

**TABLE C5:** *Use of Expert Panels to Review Charter Applications*

	<b>SMALL AUTHORIZERS (%)</b>	<b>LARGE AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Authorizer uses a panel of experts external to its organization	2	5	3
Authorizer uses a panel of experts internal to its organization	45	35	41
Authorizer uses a panel of experts both internal and external to its organization	25	49	35
Authorizer uses an expert panel, but the composition is unclear	0	2	1
Authorizer does not use an expert panel	28	9	20
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

**TABLE C6:** *Ranked Importance of Areas in Evaluating Charter Applications*

	SMALL AUTHORIZERS	LARGE AUTHORIZERS	OVERALL
Charter School Mission	4	4	4
Proposed Educational Program	1	1	1
Governing Board Composition	9	9	9
Organizational Structure	8	8	8
Founding Team Members	7	5	7
Business Plan	2	2	2
Evidence of Demand	5	7	5
Evidence of Applicant's Capacity	3	3	3
Alignment with District/ Community-Wide Student Needs	6	6	6

**Note:** Composite rankings for each group and area were created by combining the ranking awarded to each area by authorizers and the frequency of those rankings.

**TABLE C7:** *Average Number of Applications Received (2009–2010 School Year)*

	SMALL AUTHORIZERS	LARGE AUTHORIZERS	OVERALL
Average Number of Applications Per Authorizer	1.9	16.7	7.5

**TABLE C8:** *Application Approval Rate (2009–2010 School Year)*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Average Application Approval Rate	41	33	37
Aggregate Application Approval Rate	29	27	28

**TABLE C9:** *Use of Contract with Each Charter School*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Authorizer signs a contract that is distinct from the charter application	60	70	63
Authorizer signs a contract that is the application	23	14	20
Authorizer signs a contract, but it is unclear whether it is distinct from the application	5	4	5
Authorizer does not sign a contract with each charter school overseen	12	12	12
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

**TABLE C10:** *Reported Charter Term Lengths*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
One Year	4	5	5
Two to Four Years	21	12	18
Five Years	62	56	59
Six to Nine Years	1	7	3
10 or More Years	12	19	15

**TABLE C11:** *Monitoring Strategies Employed*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Annual audits of its charter schools conducted by the authorizer or an external organization	98	100	99
Annual report from schools	79	75	78
Reviews of academic performance reports, financial audits, and other paper-based reports submitted by schools	100	96	99
Information from an electronic student data system the authorizer requires its schools to use	58	66	61
Information from an electronic and/or web-based system schools are required to use to provide compliance, fiscal, and other operational reports	61	59	60
School site visits	92	98	95
Compliance reviews	86	91	88

**TABLE C12:** *Reporting from the Authorizer*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Authorizer provides an annual report to schools that summarizes performance and compliance, and identifies areas needing improvement	44	70	54
Authorizer publishes an annual report or report cards that review(s) the performance of each school	46	70	55

**TABLE C13:** *School Interventions*

ACTIONS TAKEN WHEN SCHOOLS PERFORM UNSATISFACTORILY IN AN AREA	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Provide the school, in writing, a description of the unsatisfactory performance	90	93	91
Provide the school, in writing, suggestions on how to improve	68	55	62
Create a plan for improvement in partnership with the school	65	40	54
Require the school to submit a plan for improvement designed by the school and approved the authorizer	85	87	86
Connect the school with other schools that perform well in the area(s) of concern	50	39	45
Connect the school with trusted organizations or individuals to help address the area(s) of concern	60	58	59
Require the school to attend workshops held by the authorizer	33	34	33
Deliver support services to the school in the area(s) of concern	64	57	61
Require changes to the school's board of trustees	12	38	24

**TABLE C14:** *Closure Rates (2009–2010 School Year)*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Average Closure Rate During Renewal	11	16	13
Aggregate Closure Rate During Renewal	6	9	9
Average Closure Rate Outside of Renewal	4	2	3
Aggregate Closure Rate Outside of Renewal	3	1	2
Average Closure Rate Total	7	4	6
Aggregate Closure Rate Total	4	3	3

**TABLE C15:** *Characteristics of Revocation Process*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Authorizer has established, documented criteria for evaluating charter schools for revocation	66	78	71
Authorizer has a documented process and timeline for revocation based on school performance	53	70	60
Authorizer makes revocation evaluation criteria available to charter schools	70	79	74
Authorizer uses the same revocation criteria when evaluating the performance of all charter schools	76	71	74

**TABLE C16:** *Characteristics of Renewal Process*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Authorizer has established, documented criteria for evaluating charter school renewals	79	91	83
Authorizer publishes timelines and materials for renewal submission, review, and approval	67	94	78
Authorizer bases renewal decisions on the renewal criteria, standards, and expectations stated in the charter contract	89	93	90
Authorizer makes renewal evaluation criteria available to applicants	79	91	84
Authorizer uses the same core set of renewal criteria when evaluating all applications	88	93	90
In advance of any renewal decision, authorizer provides to each school a cumulative performance report that summarizes the school's performance record over the charter term	38	50	43

**TABLE C17:** *Publication of Renewal Decisions*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Authorizer's published renewal decisions include written explanation of the reasons for renewal or non-renewal	65	85	73

**TABLE C18:** *Ranked Frequency of Reasons for Closure During the Renewal Process*

	SMALL AUTHORIZERS	LARGE AUTHORIZERS	OVERALL
Student Academic Performance	2	1	1
Performance Toward Fiscal Goals	1	2	2
Performance Toward Organizational Goals	3	3	3
Performance Toward Reporting and Compliance Requirements	4	5	5
Ethical Conduct	6	6	6
Student Safety	7	7	7
Governance	5	4	4

Note: Composite rankings for each group and area were created by combining the ranking awarded to each area by authorizers and the frequency of those rankings.

**TABLE C19:** *Ranked Frequency of Reasons for Closure Outside of Renewal*

TEN OR MORE 2010	SMALL AUTHORIZERS	LARGE AUTHORIZERS	OVERALL
Student Academic Performance	2	2	2
Performance Toward Fiscal Goals	1	1	1
Performance Toward Organizational Goals	4	3	3
Performance Toward Reporting and Compliance Requirements	7	6	6
Ethical Conduct	6	5	5
Student Safety	5	7	7
Governance	3	4	4

Note: Composite rankings for each group and area were created by combining the ranking awarded to each area by authorizers and the frequency of those rankings.

**TABLE C20:** *Facilities Assistance Provided to Charter Schools*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Facilities	38	27	34
Assistance finding facilities	33	26	30
Per pupil allocation for facilities expenses	21	16	19
Financing for facilities (e.g., grants, loans, and guarantees)	19	9	15

**TABLE C21:** *Students with Special Needs*

TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?	SMALL AUTHORIZERS	LARGE AUTHORIZERS	OVERALL
"Students with special needs have full access to the charter schools we oversee."	4.2	4.2	4.2
"Students with special needs receive appropriate services in the charters we oversee."	4.1	4.1	4.1
"Charter schools authorized by our organization receive comparable funding to traditional public schools in this state for the special education students they serve."	4.2	4.0	4.1

Response: 5 Point Scale Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)

**TABLE C22:** *English Language Learners*

TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?	SMALL AUTHORIZERS	LARGE AUTHORIZERS	OVERALL
"English Language Learner (ELL) students have full access to the charters we oversee."	4.3	4.3	4.3
"ELL students receive appropriate services in the charters we oversee."	4.1	4.1	4.1

Response: 5 Point Scale Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)

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**TABLE C23:** *Evaluation of Authorizing Activities*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Authorizer has been evaluated by a third-party	43	44	43

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**TABLE C24:** *Mission for Quality Authorizing*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Authorizer has a published and available mission for quality authorizing	40	56	46

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**TABLE C25:** *Strategic Plans for Authorizing*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Authorizer has a strategic plan	26	39	31
If the authorizer has a strategic plan, does the plan include clear chartering priorities and goals?	85	85	85
If the authorizer has a strategic plan with chartering goals, does the plan include time frames for achievement of those goals?	74	82	78

**TABLE C26:** *Conflicts of Interest*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Authorizer requires board and staff to agree to uphold a conflict of interest policy	94	96	94

**TABLE C27:** *Sources of Funding for Authorizing*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Oversight fees deducted from charter school revenues	70	67	69
State appropriations for authorizer functions	24	35	28
The regular operating budget of its parent organization	49	47	48
State or federal grants	13	35	22
Foundation grants	7	5	6

**TABLE C28:** *Average Reported Oversight Fee Deducted from Charter School Revenues*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Average Oversight Fee	2.8	2.4	2.6

**TABLE C29:** *Existence of Dedicated Authorizing Budget*

<b>AUTHORIZER HAS A BUDGET DEDICATED TO AUTHORIZING</b>	<b>SMALL AUTHORIZERS (%)</b>	<b>LARGE AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Percentage of Surveyed Authorizers	28	56	39

**TABLE C30:** *Perception of Resource Sufficiency*

<b>TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?</b>	<b>SMALL AUTHORIZERS</b>	<b>LARGE AUTHORIZERS</b>	<b>OVERALL</b>
"Our organization allocates enough resources to fulfill all of our authorizer responsibilities."	3.4	3.2	3.3

Response: 5 Point Scale Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)

**TABLE C31:** *Average Number of Full-Time Equivalent Employees Assigned to Authorizing Work*

	<b>SMALL AUTHORIZERS</b>	<b>LARGE AUTHORIZERS</b>	<b>OVERALL</b>
Number of FTEs within the Organization or by Contract	1.9	7.5	4.1

**TABLE C32:** *Average Number of Full-Time Equivalent Employees Assigned to Different Authorizing Functions*

	SMALL AUTHORIZERS	LARGE AUTHORIZERS	OVERALL
Number of FTEs Oversight and Monitoring	0.9	3.5	1.9
Number of FTEs Performance Evaluation/Renewal	1.2	3.1	1.9
Number of FTEs Application Evaluation	1.1	3.1	1.8

**TABLE C33:** *Average Number of Full-Time Equivalent Employees with Expertise Across Education/School Management Issues*

	SMALL AUTHORIZERS	LARGE AUTHORIZERS	OVERALL
Number of FTEs Education Leadership	1.5	2.1	1.7
Number of FTEs Curriculum, Instruction, and Assessment	1.6	2.4	1.9
Number of FTEs Special Education	1.0	1.3	1.1
Number of FTEs Performance Management	1.1	2.1	1.5
Number of FTEs Finance	1.1	1.3	1.1
Number of FTEs Law	0.7	0.9	0.8
Number of FTEs Not-For-Profit Governance and Management	0.7	1.3	0.9
Number of FTEs Administration of Federal Programs	0.9	1.1	1.0

**TABLE C34:** *Reported Frequency with Which the Authorizer’s Decision-Making Body Voted to Affirm the Offices Recommendations*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
0-25 Percent of the Time	14	8	11
26-49 Percent of the Time	0	2	1
50 Percent of the Time	3	4	3
51-75 Percent of the Time	1	6	3
76-99 Percent of the Time	37	51	42
100 Percent of the Time	46	30	39
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

**TABLE C35:** *Education Service Providers*

	SMALL AUTHORIZERS (%)	LARGE AUTHORIZERS (%)	OVERALL (%)
Authorizer allows its charter schools to contract with external providers for operation of management	66	93	77
Authorizer currently authorizes charter schools that contract with education service providers	63	85	75

**TABLE C36:** *Contracts with Education Service Providers*

<b>AUTHORIZER'S CONTRACT WITH CHARTER SCHOOLS REQUIRES ANY SCHOOL THAT ENGAGES AN EDUCATION SERVICE PROVIDER TO HAVE A SERVICES CONTRACT THAT CONTAINS PROVISIONS THAT:</b>	<b>SMALL AUTHORIZERS (%)</b>	<b>LARGE AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Clearly subordinate the third-party contract to the charter contract	59	70	65
Condition charter approval on authorizer review and approval of the third-party contract	38	55	47
Define each party's rights and responsibilities	83	79	80
Define the specific services provided by the management organization	80	81	80
Define the fees for the specific services provided by the management organization	71	70	71
Allow for the board to terminate the management organization under defined circumstances and without "poison pill" penalties	70	68	69
Include the performance measures, consequences, and mechanisms by which the school governing board will hold the provider accountable for performance	64	49	55
Specify the compensation to be paid to the provider, including all fees, bonuses, and what they include or require	69	61	64
Specify financial reporting requirements and provisions for the school governing board's financial oversight	76	66	71
Specify all other financial terms of the contract, including disclosure and documentation of all loans or investments by the provider to the school	71	64	68
Include assurances that the school governing board will at all times maintain fiduciary oversight and authority over the school budget and ultimate responsibility for the school's performance	89	77	82

**TABLE C37:** *Education Service Provider Policies*

<b>DOES THE AUTHORIZING ORGANIZATION REQUIRE GOVERNING BOARDS OF CHARTER SCHOOLS WORKING WITH EDUCATION SERVICE PROVIDERS TO ENACT THE FOLLOWING POLICIES?</b>	<b>SMALL AUTHORIZERS (%)</b>	<b>LARGE AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
All public funds paid to the charter school must be paid to and controlled by the governing board that, in turn, pays the management organization for successful provision of services	64	67	65
All equipment and furnishings that are purchased with public funds must remain the property of the school, not the management organization	68	67	67
All loans from the management organization to the school, such as facility loans or for cash flow, must be appropriately documented and at market rates	56	63	60
Charter school governing boards must have an independent attorney	62	52	57
Charter school governing boards must have an independent accountant	70	56	63
Charter school governing boards must have an audit firm that works for them, not the management organization	75	73	74
Members of charter school governing boards cannot be employees of the management organization running their school	80	79	79
Members of charter school governing boards cannot be compensated for their service	64	74	69
Members of charter school governing boards cannot be selected or approved by the management organization	74	73	73

## Appendix D

# Data Tables: Comparing District and Non-District Authorizers

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### SAMPLE CHARACTERISTICS

In this 2010 survey, 91 District Authorizers and 70 Non-District Authorizers contributed data. Unless otherwise noted, the percentage values reported in the tables below represent the percentage of authorizers surveyed in that category. Percentages are rounded to the nearest full percentage point. In most cases, this does not affect the tables presented; however, the values reported in some tables may not add up to 100 percent as a consequence of the rounding.

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**TABLE D1:** *Annual Request for Applications*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Authorizer releases an annual request for applications	19	43	30

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**TABLE D2: *Replication Issues***

	<b>DISTRICT AUTHORIZERS (%)</b>	<b>NON-DISTRICT AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Authorizer grants charters in which one charter school board is allowed to oversee multiple charters (or multiple schools opened under the same charter)	43	34	38
Authorizer has an established policy to promote the replication of successful schools	34	41	37
Authorizer currently oversees charter schools that are replications of successful charter schools	36	37	36

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**TABLE D3: *Average Number of Replications***

	<b>DISTRICT AUTHORIZERS</b>	<b>NON-DISTRICT AUTHORIZERS</b>	<b>OVERALL</b>
Average Number of Replications	6.3	5.6	6.0

**TABLE D4:** *Characteristics of the Charter Application Process*

	<b>DISTRICT AUTHORIZERS (%)</b>	<b>NON-DISTRICT AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Authorizer proactively recruits qualified applicants	11	27	18
Authorizer establishes preferred areas of focus for charter applications	33	50	40
Authorizer publishes timelines and materials for application submission, review, and approval	75	68	72
Authorizer has established, documented criteria for evaluating charter school applications	87	77	82
Authorizer makes application evaluation criteria available to applicants	85	70	78
Authorizer uses the same core set of criteria when evaluating all applications	93	85	90
Authorizer interviews charter applicants	80	83	81

**TABLE D5:** *Use of Expert Panels to Review Charter Applications*

	<b>DISTRICT AUTHORIZERS (%)</b>	<b>NON-DISTRICT AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Authorizer uses a panel of experts external to its organization	3	5	3
Authorizer uses a panel of experts internal to its organization	46	33	41
Authorizer uses a panel of experts both internal and external to its organization	34	37	35
Authorizer uses an expert panel, but the composition is unclear	0	2	1
Authorizer does not use an expert panel	18	24	20
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

**TABLE D6:** *Ranked Importance of Areas in Evaluating Charter Applications*

	DISTRICT AUTHORIZERS	NON-DISTRICT AUTHORIZERS	OVERALL
Charter School Mission	5	4	4
Proposed Educational Program	1	1	1
Governing Board Composition	8	8	9
Organizational Structure	7	6	8
Founding Team Members	6	5	7
Business Plan	2	2	2
Evidence of Demand	4	6	5
Evidence of Applicant's Capacity	3	3	3
Alignment with District/ Community-Wide Student Needs	5	7	6

**Note:** Composite rankings for each group and area were created by combining the ranking awarded to each area by authorizers and the frequency of those rankings.

**TABLE D7:** *Average Number of Applications Received (2009–2010 School Year)*

	DISTRICT AUTHORIZERS	NON-DISTRICT AUTHORIZERS	OVERALL
Average Number of Applications Per Authorizer	4.9	11.0	7.5

**TABLE D8:** *Application Approval Rate (2009–2010 School Year)*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Aggregate Approval Rate	37	22	28
Average Approval Rate	43	30	37

**TABLE D9:** *Use of Contract with Each Charter School*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Authorizer signs a contract that is distinct from the charter application	62	67	64
Authorizer signs a contract that is the application	20	18	20
Authorizer signs a contract, but it is unclear whether it is distinct from the application	5	4	5
Authorizer does not sign a contract with each charter school overseen	13	10	12
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

**TABLE D10:** *Reported Term Lengths*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
One Year	4	6	5
Two to Four Years	15	21	18
Five Years	67	50	59
Six to Nine Years	0	8	3
10 or More Years	15	15	15

**TABLE D11:** *Monitoring Strategies Employed*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Annual audits of its charter schools conducted by the authorizer or an external organization	98	100	99
Annual report from schools	78	77	78
Reviews of academic performance reports, financial audits, and other paper-based reports submitted by schools	100	97	99
Information from an electronic student data system the authorizer requires its schools to use	74	47	61
Information from an electronic and/or web-based system schools are required to use to provide compliance, fiscal, and other operational reports	58	64	60
School site visits	91	98	95
Compliance reviews	83	94	88

**TABLE D12: Reporting from the Authorizer**

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Authorizer provides an annual report to schools that summarizes performance and compliance, and identifies areas needing improvement	49	62	54
Authorizer publishes an annual report or report cards that review(s) the performance of each school	52	60	55

**TABLE D13: School Interventions**

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Provide the school, in writing, a description of the unsatisfactory performance	90	95	91
Provide the school, in writing, suggestions on how to improve	67	57	62
Create a plan for improvement in partnership with the school	59	46	54
Require the school to submit a plan for improvement designed by the school and approved the authorizer	88	83	86
Connect the school with other schools that perform well in the area(s) of concern	49	40	45
Connect the school with trusted organizations or individuals to help address the area(s) of concern	51	68	59
Require the school to attend workshops held by the authorizer	39	28	33
Deliver support services to the school in the area(s) of concern	69	51	61
Require changes to the school's board of trustees	13	36	24

**TABLE D14:** *Closure Rates (2009–2010 School Year)*

	<b>DISTRICT AUTHORIZERS (%)</b>	<b>NON-DISTRICT AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Average Closure Rate During Renewal	10	17	13
Aggregate Closure Rate During Renewal	7	10	9
Average Closure Rate Outside of Renewal	3	3	3
Aggregate Closure Rate Outside of Renewal	2	1	2
Average Overall Closure Rate	7	4	6
Aggregate Overall Closure Rate	3	3	3

**TABLE D15:** *Characteristics of Revocation Process*

	<b>DISTRICT AUTHORIZERS (%)</b>	<b>NON-DISTRICT AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Authorizer has established, documented criteria for evaluating charter schools for revocation	70	72	71
Authorizer has a documented process and timeline for revocation based on school performance	58	64	60
Authorizer makes revocation evaluation criteria available to charter schools	72	75	74
Authorizer uses the same revocation criteria when evaluating the performance of all charter schools	73	75	74

**TABLE D16:** *Characteristics of Renewal Process*

	<b>DISTRICT AUTHORIZERS (%)</b>	<b>NON-DISTRICT AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Authorizer has established, documented criteria for evaluating charter school renewal	85	81	83
Authorizer publishes timelines and materials for renewal submission, review, and approval	77	79	78
Authorizer bases renewal decisions on the renewal criteria, standards, and expectations stated in the charter contract	91	90	90
Authorizer makes renewal evaluation criteria available to applicants	84	83	84
Authorizer uses the same core set of renewal criteria when evaluating all applications	92	86	90
In advance of any renewal decision, authorizer provides to each school a cumulative performance report that summarizes the school's performance record over the charter term	36	53	43

**TABLE D17:** *Publication of Renewal Decisions*

	<b>DISTRICT AUTHORIZERS (%)</b>	<b>NON-DISTRICT AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Authorizer's published renewal decisions include written explanation of the reasons for renewal or non-renewal	73	75	73

**TABLE D18:** *Ranked Frequency of Reasons for Closure During the Renewal Process*

	DISTRICT AUTHORIZERS	NON-DISTRICT AUTHORIZERS	OVERALL
Student Academic Performance	2	1	1
Performance Toward Fiscal Goals	1	2	2
Performance Toward Organizational Goals	3	3	3
Performance Toward Reporting and Compliance Requirements	4	5	5
Ethical Conduct	6	6	6
Student Safety	7	7	7
Governance	5	4	4

Note: Composite rankings for each group and area were created by combining the ranking awarded to each area by authorizers and the frequency of those rankings.

**TABLE D19:** *Ranked Frequency of Reasons for Closure Outside of Renewal*

	DISTRICT AUTHORIZERS	NON-DISTRICT AUTHORIZERS	OVERALL
Student Academic Performance	2	2	2
Performance Toward Fiscal Goals	1	1	1
Performance Toward Organizational Goals	5	3	3
Performance Toward Reporting and Compliance Requirements	6	5	6
Ethical Conduct	3	6	5
Student Safety	7	6	7
Governance	4	4	4

Note: Composite rankings for each group and area were created by combining the ranking awarded to each area by authorizers and the frequency of those rankings.

**TABLE D20:** *Facilities Assistance Provided to Charter Schools*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Facilities	56	6	34
Assistance finding facilities	38	19	30
Per pupil allocation for facilities expenses	32	5	19
Financing for facilities (e.g., grants, loans, and guarantees)	19	10	15

**TABLE D21:** *Students with Special Needs*

TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?	DISTRICT AUTHORIZERS	NON-DISTRICT AUTHORIZERS	OVERALL
"Students with special needs have full access to the charter schools we oversee."	4.01	4.53	4.22
"Students with special needs receive appropriate services in the charters we oversee."	3.95	4.36	4.12
"Charter schools authorized by our organization receive comparable funding to traditional public schools in this state for the special education students they serve."	4.23	3.98	4.12

Response: 5 Point Scale Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)

**TABLE D22:** *English Language Learners*

TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?	DISTRICT AUTHORIZERS	NON-DISTRICT AUTHORIZERS	OVERALL
"English Language Learner (ELL) students have full access to the charters we oversee."	4.18	4.45	4.29
"ELL students receive appropriate services in the charters we oversee."	4.00	4.22	4.10

Response: 5 Point Scale Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)

**TABLE D23:** *Evaluation of Authorizing Activities*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Authorizer has been evaluated by a third-party	37	50	43

**TABLE D24:** *Mission for Quality Authorizing*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Authorizer has a published and available mission for quality authorizing	43	51	46

**TABLE D25:** *Strategic Plans for Authorizing*

TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Authorizer has a strategic plan	28	36	31
If the authorizer has a strategic plan, does the plan include clear chartering priorities and goals?	79	90	85
If the authorizer has a strategic plan with chartering goals, does the plan include time frames for achievement of those goals?	83	72	78

**TABLE D26:** *Conflicts of Interest*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Authorizer requires board and staff to agree to uphold a conflict of interest policy	91	98	94

**TABLE D27:** *Sources of Funding for Authorizing*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Oversight fees deducted from charter school revenues	74	62	69
State appropriations for authorizer functions	15	43	28
The regular operating budget of its parent organization	60	35	48
State or federal grants	21	24	22
Foundation grants	5	7	6

**TABLE D28:** *Average Reported Oversight Fee Deducted from Charter School Revenues*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Average Oversight Fee	3.1	2.1	2.6

**TABLE D29:** *Existence of Dedicated Authorizing Budget*

<b>AUTHORIZER HAS A BUDGET DEDICATED TO AUTHORIZING</b>	<b>DISTRICT AUTHORIZERS (%)</b>	<b>NON-DISTRICT AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Percentage of Surveyed Authorizers	24	57	39

**TABLE D30:** *Perception of Resource Sufficiency*

<b>TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?</b>	<b>DISTRICT AUTHORIZERS</b>	<b>NON-DISTRICT AUTHORIZERS</b>	<b>OVERALL</b>
"Our organization allocates enough resources to fulfill all of our authorizer responsibilities."	3.3	3.3	3.3

Response: 5 Point Scale Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)

**TABLE D31:** *Average Number of Full-Time Equivalent Employees Assigned to Authorizing Work*

	<b>DISTRICT AUTHORIZERS</b>	<b>NON-DISTRICT AUTHORIZERS</b>	<b>OVERALL</b>
Number of FTEs within the Organization or by Contract	3.3	5.2	4.1

**TABLE D32:** *Average Number of Full-Time Equivalent Employees Assigned to Different Authorizing Functions*

	DISTRICT AUTHORIZERS	NON-DISTRICT AUTHORIZERS	OVERALL
Number of FTEs Oversight and Monitoring	1.5	2.3	1.9
Number of FTEs Performance Evaluation/Renewal	1.7	2.1	1.9
Number of FTEs Application Evaluation	1.6	2.1	1.8

**TABLE D33:** *Average Number of Full-Time Equivalent Employees with Expertise Across Education/School Management Issues*

	DISTRICT AUTHORIZERS	NON-DISTRICT AUTHORIZERS	OVERALL
Number of FTEs Education Leadership	1.8	1.7	1.7
Number of FTEs Curriculum, Instruction, and Assessment	1.9	1.9	1.9
Number of FTEs Special Education	1.3	0.8	1.1
Number of FTEs Performance Management	1.4	1.6	1.5
Number of FTEs Finance	1.4	0.9	1.1
Number of FTEs Law	0.9	0.6	0.8
Number of FTEs Not-For-Profit Governance and Management	0.7	1.2	0.9
Number of FTEs Administration of Federal Programs	1.2	0.7	1.0

**TABLE D34:** *Reported Frequency with Which the Authorizer’s Decision-Making Body Voted to Affirm the Offices Recommendations*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
0-25 Percent of the Time	10	14	11
26-49 Percent of the Time	0	2	1
50 Percent of the Time	5	0	3
51-75 Percent of the Time	3	3	3
76-99 Percent of the Time	48	36	42
100 Percent of the Time	34	45	39
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

**TABLE D35:** *Education Service Providers*

	DISTRICT AUTHORIZERS (%)	NON-DISTRICT AUTHORIZERS (%)	OVERALL (%)
Authorizer allows its charter schools to contract with external providers for operation of management	70	84	77
Authorizer currently authorizes charter schools that contract with education service providers	63	88	75

**TABLE D36: *Contracts with Education Service Providers***

<b>AUTHORIZER'S CONTRACT WITH CHARTER SCHOOLS REQUIRES ANY SCHOOL THAT ENGAGES AN EDUCATION SERVICE PROVIDER TO HAVE A SERVICES CONTRACT THAT CONTAINS PROVISIONS THAT:</b>	<b>DISTRICT AUTHORIZERS (%)</b>	<b>NON-DISTRICT AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
Clearly subordinate the third-party contract to the charter contract	68	64	65
Condition charter approval on authorizer review and approval of the third-party contract	44	50	47
Define each party's rights and responsibilities	83	78	80
Define the specific services provided by the management organization	81	80	80
Define the fees for the specific services provided by the management organization	75	67	71
Allow for the board to terminate the management organization under defined circumstances and without "poison pill" penalties	63	73	69
Include the performance measures, consequences, and mechanisms by which the school governing board will hold the provider accountable for performance	65	47	55
Specify the compensation to be paid to the provider, including all fees, bonuses, and what they include or require	61	67	64
Specify financial reporting requirements and provisions for the school governing board's financial oversight	74	67	71
Specify all other financial terms of the contract, including disclosure and documentation of all loans or investments by the provider to the school	69	66	68
Include assurances that the school governing board will at all times maintain fiduciary oversight and authority over the school budget and ultimate responsibility for the school's performance	81	83	82

**TABLE D37:** *Education Service Provider Policies*

<b>DOES THE AUTHORIZING ORGANIZATION REQUIRE GOVERNING BOARDS OF CHARTER SCHOOLS WORKING WITH EDUCATION SERVICE PROVIDERS TO ENACT THE FOLLOWING POLICIES?</b>	<b>DISTRICT AUTHORIZERS (%)</b>	<b>NON-DISTRICT AUTHORIZERS (%)</b>	<b>OVERALL (%)</b>
All public funds paid to the charter school must be paid to and controlled by the governing board that, in turn, pays the management organization for successful provision of services	71	61	65
All equipment and furnishings that are purchased with public funds must remain the property of the school, not the management organization	69	64	67
All loans from the management organization to the school, such as facility loans or for cash flow, must be appropriately documented and at market rates	60	60	60
Charter school governing boards must have an independent attorney	54	60	57
Charter school governing boards must have an independent accountant	63	64	63
Charter school governing boards must have an audit firm that works for them, not the management organization	76	74	74
Members of charter school governing boards cannot be employees of the management organization running their school	79	79	79
Members of charter school governing boards cannot be compensated for their service	65	72	69
Members of charter school governing boards cannot be selected or approved by the management organization	72	74	73

# Appendix E

## Data Tables: Analysis by Type of Authorizer

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### SAMPLE CHARACTERISTICS

The 2010 authorizer survey collected from all six types of charter school authorizers: 31 Higher Education Institutions (HEIs), eight Independent Chartering Boards (ICBs), 91 Local Education Agencies (LEAs), two Mayors/Municipalities (MUNs), 15 Not-For-Profit organizations (NFPs), and 14 State Education Agencies (SEAs). Unless otherwise noted, the percentage values reported in the tables below represent the percentage of authorizers surveyed in that category. Percentages are rounded to the nearest full percentage point. In most cases, this does not affect the tables presented; however, the values reported in some tables may not add up to 100 percent as a consequence of the rounding.

**TABLE E1:** *Annual Requests for Applications*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer releases an annual request for applications	27	88	19	100	36	50	30

**TABLE E2: Replication Issues**

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer grants charters in which one charter school board is allowed to oversee multiple charters (or multiple schools opened under the same charter)	27	63	43	50	29	36	38
Authorizer has an established policy to promote the replication of successful schools	28	50	34	100	73	29	37
Authorizer currently oversees charter schools that are replications of successful charter schools	23	43	36	50	38	62	36

**TABLE E3: Average Number of Replications**

	HEI	ICB	LEA	MUN	NFP	SEA	TOTAL
Average Number of Replications	9.4	8.3	6.3	4.0	3.6	2.8	6.0

**TABLE E4:** *Characteristics of the Charter Application Process*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer proactively recruits qualified applicants	13	25	11	50	36	50	18
Authorizer establishes preferred areas of focus for charter applications	56	38	33	0	62	42	40
Authorizer publishes timelines and materials for application submission, review, and approval	57	100	75	100	50	85	72
Authorizer has established, documented criteria for evaluating charter school applications	75	100	87	100	57	83	82
Authorizer makes application evaluation criteria available to applicants	68	88	85	100	50	83	78
Authorizer uses the same core set of criteria when evaluating all applications	82	100	93	100	69	100	90
Authorizer interviews charter applicants	89	88	80	100	62	85	81

**TABLE E5:** *Use of Expert Panels to Review Charter Applications*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer uses a panel of experts external to its organization	0	13	3	0	8	8	3
Authorizer uses a panel of experts internal to its organization	37	13	46	50	31	38	41
Authorizer uses a panel of experts both internal and external to its organization	33	50	34	50	15	54	35
Authorizer uses an expert panel, but the composition is unclear	0	13	0	0	0	0	1
Authorizer does not use an expert panel	30	13	18	0	46	0	20
<b>Total</b>	<b>100</b>						

**TABLE E6:** *Ranked Importance of Areas in Evaluating Charter Applications*

TYPE	HEI	ICB	LEA	MUN	NFP	SEA	OVERALL
Charter School Mission	4	3	5	—	3	5	4
Proposed Educational Program	1	1	1	1	1	1	1
Governing Board Composition	6	7	8	4	7	6	9
Organizational Structure	8	6	7	6	7	3	8
Founding Team Members	7	4	6	2	6	6	7
Business Plan	2	2	2	4	2	2	2
Evidence of Demand	9	4	4	5	5	7	5
Evidence of Applicant's Capacity	3	1	3	3	4	2	3
Alignment with District/ Community-Wide Student Needs	5	5	5	—	8	4	6

**Note:** Composite rankings for each group and area were created by combining the ranking awarded to each area by authorizers and the frequency of those rankings.

**TABLE E7:** *Average Number of Applications Received (2009–2010 School Year)*

	HEI	ICB	LEA	MUN	NFP	SEA	TOTAL
Average Number of Applications Per Authorizer	11.2	14.9	4.9	15.0	4.6	13.9	7.5

**TABLE E8:** *Application Approval Rate (2009–2010 School Year)*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	TOTAL (%)
Aggregate Approval Rate	12	32	37	31	46	22	28
Average Approval Rate	25	37	43	35	46	21	37

**TABLE E9:** *Use of Contract with Each Charter School*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer signs a contract that is distinct from the charter application	70	50	62	100	69	64	64
Authorizer signs a contract that is the application	17	25	20	0	23	14	20
Authorizer signs a contract, but it is unclear whether it is distinct from the application	7	13	5	0	0	0	5
Authorizer does not sign a contract with each charter school overseen	7	13	13	0	8	21	12
<b>Total</b>	<b>100</b>						

**TABLE E10:** *Reported Term Lengths*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
One Year	0	25	4	0	15	0	5
Two to Four Years	21	13	15	0	38	14	18
Five Years	45	38	67	50	46	71	59
Six to Nine Years	10	0	0	50	0	7	3
10 or More Years	24	25	15	0	0	7	15

**TABLE E11:** *Monitoring Strategies Employed*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Annual audits of its charter schools conducted by the authorizer or an external organization	100	100	98	100	100	100	99
Annual report from schools	72	88	78	0	100	69	78
Reviews of academic performance reports, financial audits, and other paper-based reports submitted by schools	97	88	100	100	100	100	99
Information from an electronic student data system the authorizer requires its schools to use	48	38	74	50	27	67	61
Information from an electronic and/or web-based system schools are required to use to provide compliance, fiscal, and other operational reports	70	50	58	50	58	67	60
School site visits	100	100	91	100	100	92	95
Compliance reviews	89	100	83	100	100	92	88

**TABLE E12: Reporting from the Authorizer**

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer provides an annual report to schools that summarizes performance and compliance, and identifies areas needing improvement	55	50	49	100	77	62	54
Authorizer publishes an annual report or report cards that review(s) the performance of each school	37	63	52	100	77	83	55

**TABLE E13: School Interventions**

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Provide the school, in writing, a description of the unsatisfactory performance	92	100	90	100	92	100	91
Provide the school, in writing, suggestions on how to improve	46	43	67	0	75	82	62
Create a plan for improvement in partnership with the school	39	57	59	0	69	36	54
Require the school to submit a plan for improvement designed by the school and approved by the authorizer	71	100	88	100	100	82	86
Connect the school with schools that perform well in the other area(s) of concern	39	33	49	0	64	27	45
Connect the school with trusted organizations or individuals to help address the area(s) of concern	63	57	51	0	100	64	59
Require the school to attend workshops held by the authorizer	26	14	39	0	30	45	33
Deliver support services to the school in the area(s) of concern	46	29	69	0	55	82	61
Require changes to the school's board of trustees	39	29	13	0	40	36	24

**TABLE E14:** *Closure Rates (2009-2010 School Year)*

TYPE	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Average Closure Rate During Renewal	17	17	10	0	19	15	13
Aggregate Closure Rate During Renewal	11	5	7	0	14	6	9
Average Closure Rate Outside of Renewal	0	2	3	13	8	1	3
Aggregate Closure Rate Outside of Renewal	0	1	2	9	3	1	2
Average Overall Closure Rate	5	3	7	13	6	1	6
Aggregate Overall Closure Rate	4	2	3	9	9	2	3

**TABLE E15:** *Characteristics of Revocation Process*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer has established, documented criteria for evaluating charter schools for revocation	81	63	70	100	73	50	71
Authorizer has a documented process and timeline for revocation based on school performance	74	57	58	50	55	58	60
Authorizer makes revocation evaluation criteria available to charter schools	89	63	72	100	73	50	74
Authorizer uses the same revocation criteria when evaluating the performance of all charter schools	88	50	73	100	73	67	74

**TABLE E16: Characteristics of Renewal Process**

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer has established, documented criteria for evaluating charter school renewals	83	86	85	100	85	69	83
Authorizer publishes timelines and materials for renewal submission, review, and approval	81	83	77	100	62	85	78
Authorizer bases renewal decisions on the renewal criteria, standards, and expectations stated in the charter contract	96	86	91	100	91	77	90
Authorizer makes renewal evaluation criteria available to applicants	79	83	84	100	92	77	84
Authorizer uses the same core set of renewal criteria when evaluating all applications	84	83	92	100	92	85	90
In advance of any renewal decision, authorizer provides to each school a cumulative performance report that summarizes the school's performance record over the charter term	58	60	36	100	54	31	43

**TABLE E17: Publication of Renewal Decisions**

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer's published renewal decisions include written explanation of the reasons for renewal or non-renewal	71	80	73	50	67	92	73

**TABLE E18:** *Ranked Frequency of Reasons for Closure During the Renewal Process*

TYPE	HEI	ICB	LEA	MUN	NFP	SEA	OVERALL
Student Academic Performance	1	2	2	1	1	2	1
Performance Toward Fiscal Goals	2	1	1	3	2	1	2
Performance Toward Organizational Goals	3	3	3	—	3	3	3
Performance Toward Reporting and Compliance Requirements	5	4	4	—	4	5	5
Ethical Conduct	6	—	6	—	5	6	6
Student Safety	7	3	7	—	—	7	7
Governance	4	3	5	2	6	4	4

Note: Composite rankings for each group and area were created by combining the ranking awarded to each area by authorizers and the frequency of those rankings.

**TABLE E19:** *Ranked Frequency of Reasons for Closure Outside of Renewal*

TYPE	HEI	ICB	LEA	MUN	NFP	SEA	OVERALL
Student Academic Performance	1	2	2	2	2	2	2
Performance Toward Fiscal Goals	2	1	1	1	1	1	1
Performance Toward Organizational Goals	3	5	5	4	7	4	3
Performance Toward Reporting and Compliance Requirements	5	3	6	5	5	7	6
Ethical Conduct	7	5	3	—	3	5	5
Student Safety	6	4	7	—	4	6	7
Governance	4	4	4	3	6	3	4

Note: Composite rankings for each group and area were created by combining the ranking awarded to each area by authorizers and the frequency of those rankings.

**TABLE E20:** *Facilities Assistance Provided to Charter Schools*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Facilities	3	0	56	0	8	17	34
Assistance finding facilities	4	13	38	0	62	18	30
Per pupil allocation for facilities expenses	0	38	32	0	0	0	19
Financing for facilities (e.g., grants, loans, and guarantees)	0	13	19	50	17	17	15

**TABLE E21:** *Students with Special Needs*

TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?	HEI	ICB	LEA	MUN	NFP	SEA	OVERALL
"Students with special needs have full access to the charter schools we oversee."	4.7	4.1	4.0	4.5	4.5	4.5	4.2
"Students with special needs receive appropriate services in the charters we oversee."	4.4	4.1	4.0	4.0	4.5	4.4	4.1
"Charter schools authorized by our organization receive comparable funding to traditional public schools in this state for the special education students they serve."	4.0	4.1	4.2	2.5	3.9	4.3	4.1

Response: 5 Point Scale Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)

**TABLE E22:** *English Language Learners*

TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?	HEI	ICB	LEA	MUN	NFP	SEA	OVERALL
"English Language Learner (ELL) students have full access to the charters we oversee."	4.5	3.9	4.2	4.5	4.6	4.5	4.3
"ELL students receive appropriate services in the charters we oversee."	4.2	3.6	4.0	4.0	4.4	4.4	4.1

Response: 5 Point Scale Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)

**TABLE E23:** *Evaluation of Authorizing Activities*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer has been evaluated by a third-party	57	63	37	50	50	25	43

**TABLE E24:** *Mission for Quality Authorizing*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer has a published and available mission for quality authorizing	67	50	43	100	33	25	46

**TABLE E25:** *Strategic Plans for Authorizing*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer has a strategic plan	40	38	28	100	33	17	31
If the authorizer has a strategic plan, does the plan include clear chartering priorities and goals?	100	67	79	100	75	100	85
If the authorizer has a strategic plan with chartering goals, does the plan include time frames for achievement of those goals?	50	100	83	100	100	100	78

**TABLE E26:** *Conflicts of Interest*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer requires board and staff to agree to uphold a conflict of interest policy	100	100	91	100	100	90	94

**TABLE E27:** *Sources of Funding for Authorizing*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Oversight fees deducted from charter school revenues	72	43	74	100	67	38	69
State appropriations for authorizer functions	43	75	15	100	0	70	28
The regular operating budget of its parent organization	22	14	60	100	46	63	48
State or federal grants	10	29	21	0	0	73	22
Foundation grants	5	17	5	0	9	0	6

**TABLE E28:** *Average Reported Oversight Fee Deducted from Charter School Revenues*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Average Oversight Fee	2.3	2.0	3.1	2.0	2.1	1.5	2.6

**TABLE E29:** *Existence of Dedicated Authorizing Budget*

AUTHORIZER HAS A BUDGET DEDICATED TO AUTHORIZING	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Percentage of Surveyed Authorizers	70	63	24	100	46	20	39

**TABLE E30:** *Perception of Resource Sufficiency*

TO WHAT EXTENT DO AUTHORIZING OFFICES AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?	HEI	ICB	LEA	MUN	NFP	SEA	OVERALL
"Our organization allocates enough resources to fulfill all of our authorizer responsibilities."	3.3	2.8	3.3	4.0	3.8	2.8	3.3

Response: 5 Point Scale Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), Strongly Agree (5)

**TABLE E31:** *Average Number of Full-Time Equivalent Employees Assigned to Authorizing Work*

	HEI	ICB	LEA	MUN	NFP	SEA	OVERALL
Number of FTEs within the Organization or by Contract	6.5	6.3	3.3	7.5	3.0	3.7	4.1

**TABLE E32:** *Average Number of Full-Time Equivalent Employees Assigned to Different Authorizing Functions*

	HEI	ICB	LEA	MUN	NFP	SEA	OVERALL
Number of FTEs Oversight and Monitoring	2.6	1.0	1.5	5.5	2.2	2.1	1.9
Number of FTEs Performance Evaluation/Renewal	2.3	0.9	1.7	3.5	2.1	2.0	1.9
Number of FTEs Application Evaluation	2.1	1.0	1.6	3.0	2.1	2.4	1.8

**TABLE E33:** *Average Number of Full-Time Equivalent Employees with Expertise Across Education/School Management Issues*

	HEI	ICB	LEA	MUN	NFP	SEA	OVERALL
Number of FTEs Education Leadership	1.9	1.3	1.8	3.0	2.1	1.0	1.7
Number of FTEs Curriculum, Instruction, and Assessment	2.2	1.4	1.9	3.5	2.0	1.2	1.9
Number of FTEs Special Education	0.7	1.0	1.3	2.5	0.8	0.6	1.1
Number of FTEs Performance Management	1.6	1.5	1.4	3.5	1.9	1.0	1.5
Number of FTEs Finance	0.8	0.9	1.4	1.5	1.0	0.7	1.1
Number of FTEs Law	0.7	0.4	0.9	2.0	0.7	0.4	0.8
Number of FTEs Not-For-Profit Governance and Management	1.2	0.5	0.7	4.0	1.7	0.6	0.9
Number of FTEs Administration of Federal Programs	0.6	0.5	1.2	1.0	0.5	1.0	1.0

**TABLE E34:** *Reported Frequency with Which the Authorizer’s Decision-Making Body Voted to Affirm the Offices Recommendations*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
0-25 Percent of the Time	17	0	10	0	23	8	11
26-49 Percent of the Time	4	0	0	0	0	0	1
50 Percent of the Time	0	0	5	0	0	0	3
51-75 Percent of the Time	0	14	3	0	0	8	3
76-99 Percent of the Time	33	71	48	0	8	58	42
100 Percent of the Time	46	14	34	100	69	25	39
<b>Total</b>	<b>100</b>						

**TABLE E35:** *Education Service Providers*

	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
Authorizer allows its charter schools to contract with external providers for operation of management	80	100	70	100	90	79	77
Authorizer currently authorizes charter schools that contract with education service providers	90	100	63	50	67	100	75

**TABLE E36:** *Contracts with Education Service Providers*

<b>AUTHORIZER'S CONTRACT WITH CHARTER SCHOOLS REQUIRES ANY SCHOOL THAT ENGAGES AN EDUCATION SERVICE PROVIDER TO HAVE A SERVICES CONTRACT THAT CONTAINS PROVISIONS THAT:</b>	<b>HEI (%)</b>	<b>ICB (%)</b>	<b>LEA (%)</b>	<b>MUN (%)</b>	<b>NFP (%)</b>	<b>SEA (%)</b>	<b>OVERALL (%)</b>
Clearly subordinate the third-party contract to the charter contract	83	63	68	100	38	44	65
Condition charter approval on authorizer review and approval of the third-party contract	63	29	44	100	33	44	47
Define each party's rights and responsibilities	89	50	83	100	75	75	80
Define the specific services provided by the management organization	89	63	81	100	75	75	80
Define the fees for the specific services provided by the management organization	79	38	75	100	63	63	71
Allow for the board to terminate the management organization under defined circumstances and without "poison pill" penalties	93	38	63	100	67	67	69
Include the performance measures, consequences, and mechanisms by which the school governing board will hold the provider accountable for performance	39	38	65	100	63	43	55
Specify the compensation to be paid to the provider, including all fees, bonuses, and what they include or require	71	25	61	100	88	71	64
Specify financial reporting requirements and provisions for the school governing board's financial oversight	78	38	74	100	67	63	71
Specify all other financial terms of the contract, including disclosure and documentation of all loans or investments by the provider to the school	74	38	69	100	71	63	68
Include assurances that the school governing board will at all times maintain fiduciary oversight and authority over the school budget and ultimate responsibility for the school's performance	100	50	81	100	75	75	82

**TABLE E37:** *Education Service Provider Policies*

DOES THE AUTHORIZING ORGANIZATION REQUIRE GOVERNING BOARDS OF CHARTER SCHOOLS WORKING WITH EDUCATION SERVICE PROVIDERS TO ENACT THE FOLLOWING POLICIES?	HEI (%)	ICB (%)	LEA (%)	MUN (%)	NFP (%)	SEA (%)	OVERALL (%)
All public funds paid to the charter school must be paid to and controlled by the governing board that, in turn, pays the management organization for successful provision of services	62	75	71	100	43	50	65
All equipment and furnishings that are purchased with public funds must remain the property of the school, not the management organization	55	88	69	100	71	50	67
All loans from the management organization to the school, such as facility loans or for cash flow, must be appropriately documented and at market rates	79	43	60	0	75	38	60
Charter school governing boards must have an independent attorney	85	38	54	100	17	43	57
Charter school governing boards must have an independent accountant	85	38	63	100	40	43	63
Charter school governing boards must have an audit firm that works for them, not the management organization	90	50	76	100	60	63	74
Members of charter school governing boards cannot be employees of the management organization running their school	90	63	79	50	100	57	79
Members of charter school governing boards cannot be compensated for their service	89	86	65	50	29	63	69
Members of charter school governing boards cannot be selected or approved by the management organization	89	57	72	100	71	50	73

# Appendix F

## NACSA Resources

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NACSA is committed to developing quality authorizing environments that result in a greater number of quality charter schools. To achieve this mission, NACSA provides authorizers with access to professional development and networking opportunities, advocacy, publications, and other resources, including:

### NACSA PRINCIPLES & STANDARDS

The NACSA *Principles & Standards for Quality Charter School Authorizing* are the foundational resource used to guide authorizing practices across the country and has been referenced in state statutes. It focuses on the ends that authorizers should be aiming to attain in creating and upholding high expectations for the schools they charter while recognizing that there are many means of getting there. Download *Principles & Standards* at [www.qualitycharters.org/principles-standards](http://www.qualitycharters.org/principles-standards).

### NACSA RESOURCE LIBRARY

NACSA's Resource Library provides authorizers with publications on everything from performance contracting and ongoing oversight and evaluation, to renewal decision making and governance. Visit [www.qualitycharters.org](http://www.qualitycharters.org) to download NACSA's Issue Briefs, Policy Guides and previous issues of NACSA's *The State of Charter School Authorizing*.

### ANNUAL NACSA LEADERSHIP CONFERENCE

This annual event brings together hundreds of charter school authorizers and leaders in the education reform movement to learn about the latest trends in authorizing, to explore best practices, and to share insights with colleagues. Visit [www.qualitycharters.org/conference](http://www.qualitycharters.org/conference) for more information.

### NACSA AUTHORIZER DEVELOPMENT

NACSA is committed to the development of quality authorizing environments and provides authorizing entities with direct services to help them improve their practices. Through NACSA's Authorizer Development program, authorizers may receive professional guidance on strategic planning and board development; decision management; contracts, policies, and protocols; templates and model resources; and authorizer evaluations. Learn more about these services at [www.qualitycharters.org/authorizer-development/what-we-do](http://www.qualitycharters.org/authorizer-development/what-we-do).

## THE NACSA COMMUNITY

NACSA provides a professional forum for authorizers to share best practices in order to strengthen the field and their own organizations. Networking opportunities are offered at the NACSA Annual Leadership Conference and through online listserv, special events, and social media websites.

## THE FUND

The Fund for Authorizing Excellence offers NACSA members the opportunity to apply for and receive comprehensive authorizer evaluation, strategic planning, and implementation grants. This grant-making program represents NACSA's ongoing commitment to supporting authorizers in improving their practice while advancing the overall charter school environment. Learn more about The Fund at [www.qualitycharters.org/the-fund/overview](http://www.qualitycharters.org/the-fund/overview).

## WEBINARS

NACSA's sophisticated, practice-oriented webinars on topics such as performance contracts, board governance, and federal initiatives expose authorizers to experts in the field from the comfort of their own offices. Visit [www.qualitycharters.org/events/webinars](http://www.qualitycharters.org/events/webinars) for upcoming webinars.



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