Improving the Regulatory Environment for Online Charter Schools

Rosa Pazhouh, Robin Lake, Larry Miller

Context

Online charters create opportunities for innovation, but also pose unique challenges for oversight and regulation

- Unbound by traditional building or classroom configurations
  - Parent support expected
  - Teachers take on dramatically new roles

- Significant for-profit governance, lobbying, and opportunity for financial gain

Research Questions and Approach

How do policy and regulatory contexts shape the online charter schools landscape? How can the regulatory environment be improved?

Reviewed state charter laws and online school regulations for all states with existing online charters (or soon to be)
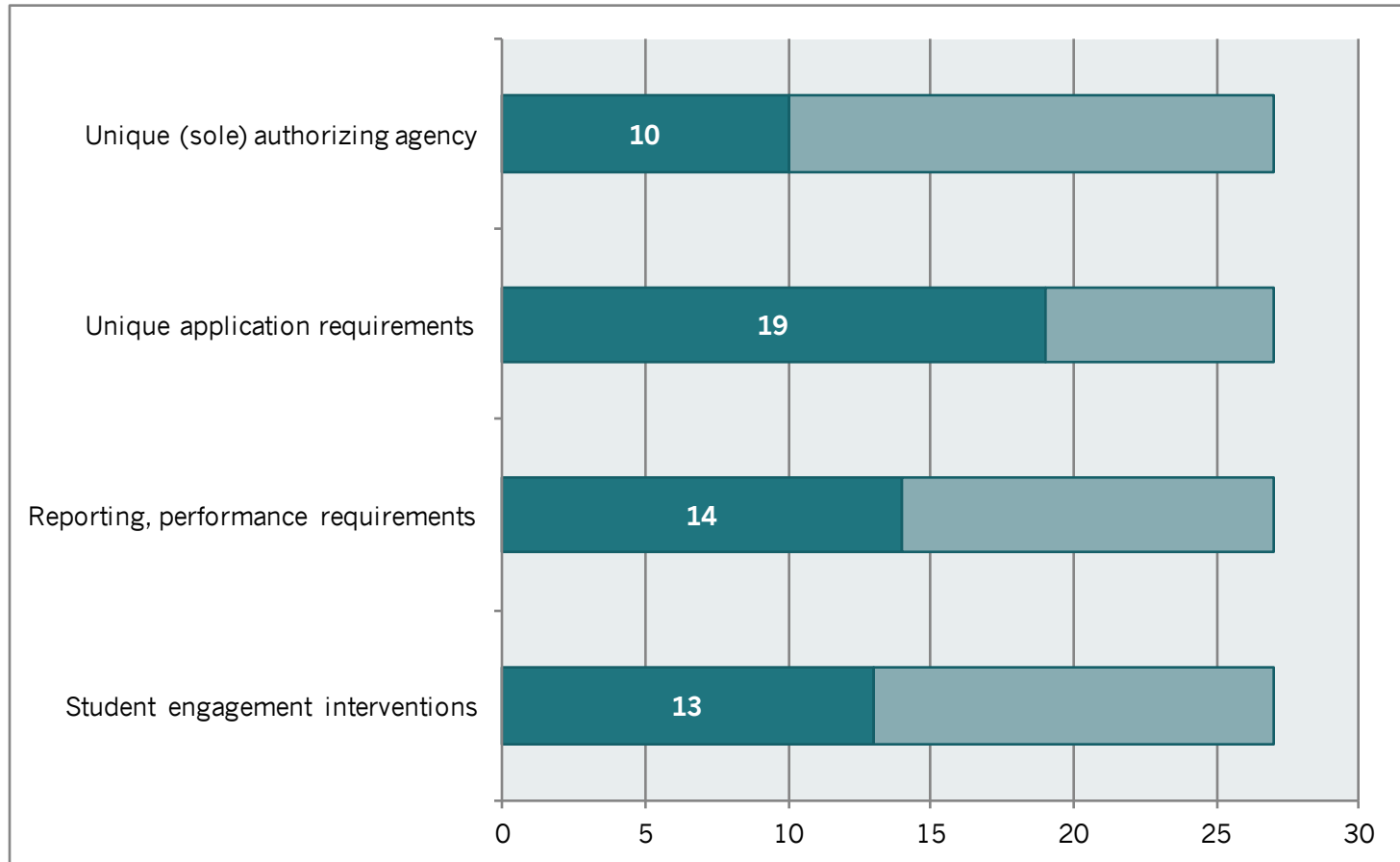
Examined 5 main categories of laws and regulation
- General operating environment, growth and enrollment
- Authorization and accountability
- Curriculum and instruction
- Finance
- Policy trends
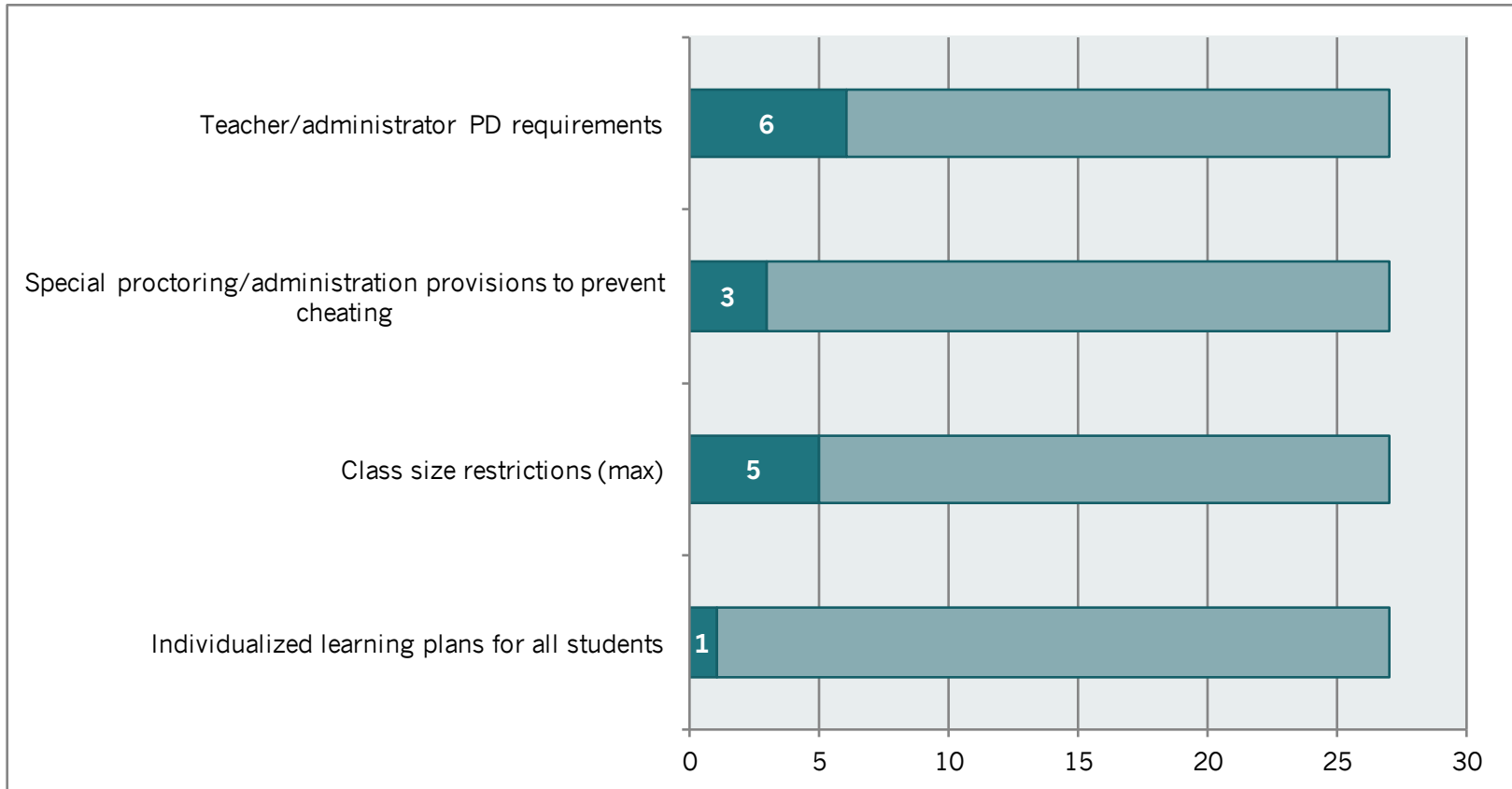
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Overarching Findings

- Online charter schools exist in a number of different policy environments due to variation in state charter law and administrative regulation.

- Most existing regulation is reactive to controversy (restrictions on growth and autonomy), rather than proactive policies to guide the unique opportunities and challenges of online charters.

- "Forced fits" and missed opportunities
  – Open admission requirements prevent schools from screening for fit
  – Authorizers without expertise in online oversight
  – Funding mechanisms preclude outcomes-based funding
  – Data transparency and accountability

- We recommend policy makers craft unique provisions via model statute specific to online charters and consider moving online schools out of the charter context.
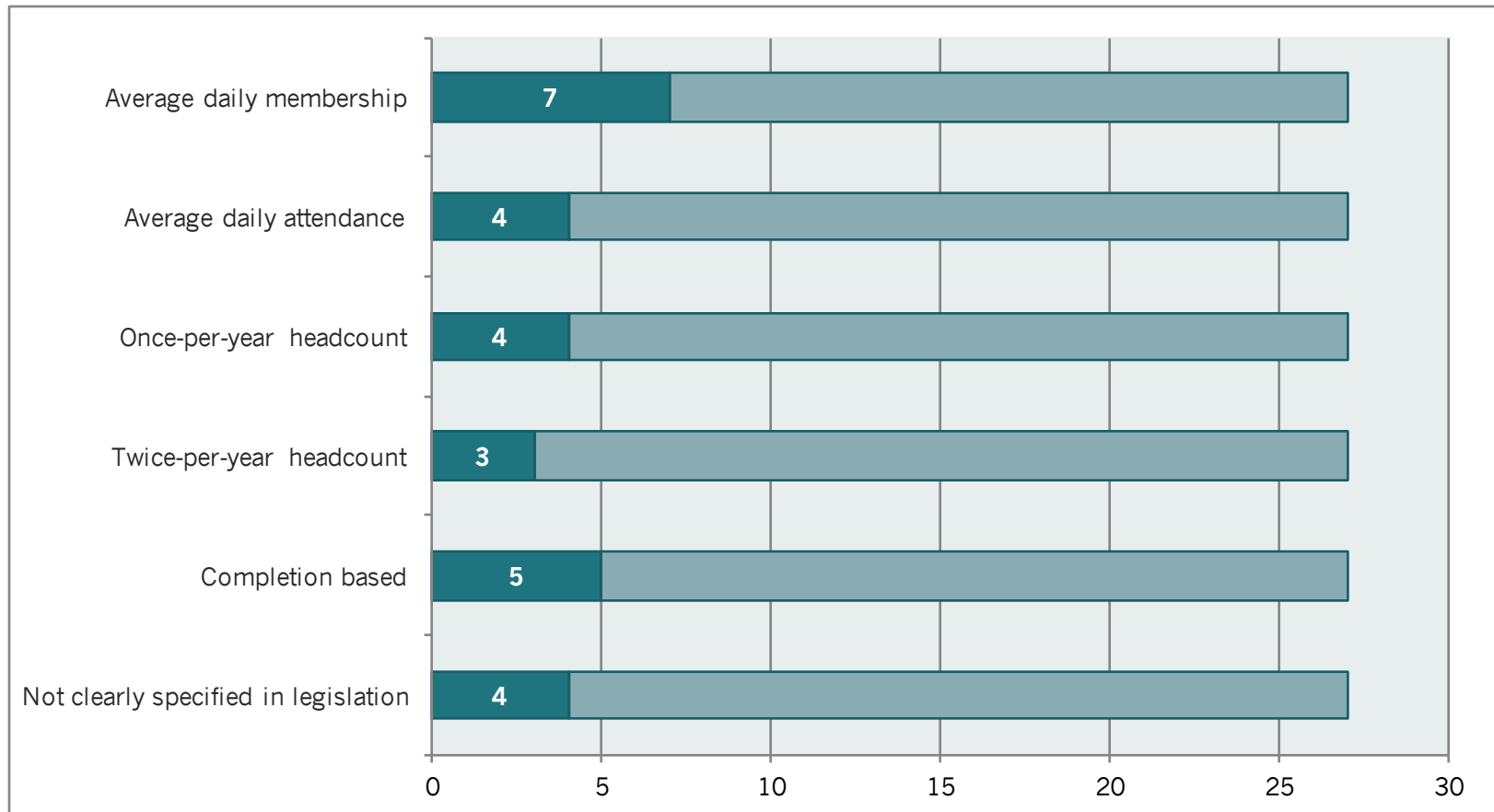
Accountability provisions tend to be vague, partial measures

Very little to define the terms of instructional quality

Few innovative ways to fund OCS

Funding method	Value
Average daily membership	7
Average daily attendance	4
Once-per-year headcount	4
Twice-per-year headcount	3
Completion based	5
Not clearly specified in legislation	4

Policy Trends: Further Restrictions on Growth and Autonomy

- **Restrictions on growth and enrollment**
  - **In past few years alone, five states proposed or passed moratoria on online expansion**
- **Pressure for more oversight, studies**
- **Restrictions on for-profit providers (e.g., Pennsylvania)**
- **Pushback on credit acceptance (NCAA)**
- **Much need for more sensible policies that address legitimate concerns without needlessly restricting growth**

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Some states (e.g., AZ, CO, FL, NC, OK) provide oversight provisions designed with online charter schools in mind

- **Specialized authorizing agencies, application process**
- **Specialized reporting, performance requirements, exam proctoring**
- **Student engagement interventions: e.g., parent notified if student not participating**
- **Special provisions for instructor qualifications, class size restrictions**
- **Innovative funding models**