

SREB

Charter Schools in SREB States:

Critical Questions and Next Steps for States

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Charter Schools in SREB States:

Critical Questions and Next Steps for States

In less than 20 years, charter schools have grown from a novel educational experiment into a high-profile part of the movement to reform education policy. But the disappointing fact is that in locations where charter schools are prominent, education policy-makers still do not have answers to important questions about whether and how statewide policies help or hinder charter school success. These questions recently have taken on greater urgency because most SREB states permit charter schools, the number of schools in the region is growing and now tops 1,500, and the number of students enrolled is quite substantial in some cases. (See the table on Page 2.)

This report recounts some of the general issues surrounding charter schools, presents the latest available data in the SREB region, and then zeroes in on key policy questions and steps state leaders can take to clarify the issues and maximize the opportunities that charter schools present.

Current status

Research on students' academic performance in charter schools is limited and shows mixed outcomes. SREB's earliest look at charter schools, *Charter Schools in the SREB States* (2000), focused on the challenges of starting charter schools and on parental involvement and satisfaction. At that time, some state officials indicated that it was too early to assess effectiveness — that schools needed three to five years before they could be evaluated fairly. Eight years later, SREB's *Charter Schools in SREB States: A Call for Accountability* noted the limited availability of student performance results. What little was available indicated wide variations in performance from school to school — not unlike performance among traditional public schools. (See Appendix A for a definition of charter schools.)

In 2009, a report from Stanford University's Center for Research on Education Outcomes showed that not much had changed. It noted that relatively few charter schools displayed growth in student achievement compared with traditional public schools. Many displayed smaller gains in student achievement, but even more displayed no significant difference in student achievement from traditional public schools.

Today, research on charter school performance is still incomplete on key policy questions, including how charter school students' academic growth in many states compares with that of traditional public school students; how differences among charter school authorizers affect educational outcomes; how differences in funding between charter schools and traditional public schools affect their educational outcomes; and how charter schools affect nearby traditional public schools.

Charter Schools in SREB States, 2010-2011

| | Year of Original Charter Law | Number of Charter Schools | Student Enrollment | Enrollment as Percentage of State Public School Enrollment |
|--------------------------|------------------------------|---------------------------|--------------------|--|
| Arkansas | 1995 | 30 | 10,151 | 2.2 |
| Delaware | 1995 | 19 | 9,525 | 7.4 |
| Florida | 1996 | 462 | 155,233 | 5.9 |
| Georgia | 1993 | 97 | 48,394 | 2.9 |
| Louisiana | 1995 | 90 | 37,030 | 5.3 |
| Maryland | 2003 | 44 | 14,674 | 1.7 |
| Mississippi ¹ | 1997 | 0 | 0 | 0 |
| North Carolina | 1996 | 98 | 42,061 | 2.9 |
| Oklahoma | 1999 | 18 | 6,585 | 1.0 |
| South Carolina | 1996 | 44 | 16,390 | 2.3 |
| Tennessee | 2002 | 29 | 6,935 | 0.7 |
| Texas ² | 1995 | 575 (275) | 165,471 | 3.4 |
| Virginia | 1998 | 4 | 348 | >0.1 |

Note: Alabama, Kentucky and West Virginia do not have charter school laws.

¹ The Mississippi Legislature repealed the 1997 law in 2009. Legislation in 2010 allows for the conversion of persistently low-performing schools to charter schools.

² Texas permits multiple schools to operate under one charter agreement; in 2010-2011, 575 individual charter school locations operated under 275 charter agreements.

Sources: National Alliance for Public Charter Schools and Mississippi Department of Education.

In addition, policy-makers need more information on who may authorize charter schools (see Appendix B for a list of charter school authorizers in SREB states), how many can be authorized, what facilities charter schools can use, and what they should consider as they direct their states' charter school efforts. While policy-makers know that it is important for charter school contracts to contain clear academic performance requirements and for authorizers to hold schools rigorously to those requirements, not every state meets these standards. Similarly, while it is important for charter school authorizers to have the capacity for rigorous application review and school oversight, it is clear that authorizer capacity varies widely.

Further, while charter schools typically receive lower per student funding than nearby traditional public schools, it is unclear whether this has a direct impact on student academic achievement. Finally, while the research to date paints a broad picture of the mathematics and reading achievement of charter school students compared with that of traditional public school students, many other aspects of charter school academic outcomes remain under-explored, and the understanding of exactly how well charter schools educate students remains limited.

Of the 16 SREB states, 13 states (Arkansas, Delaware, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Virginia) permit the creation of charter schools. While the percentage of public school students enrolled at charter schools is small across the region, certain states — particularly, Delaware, Florida, Louisiana and Texas — have seen charter school enrollments grow into a proportionally larger segment of public schools than most other states, or have seen the number of charter schools grow at a more rapid pace than in other states.

States' recent legislative and legal actions

Legislative Actions: In recent years, some SREB states have revised their state laws extensively. Charter school backers have promoted the revisions as a way to allow for the creation of more charter schools while encouraging academic success. Some of the notable changes took place in eight states.

- **Tennessee** broadly revised and expanded its charter school laws. It established the Achievement School District (ASD) — a unit of the state Department of Education designed to help Tennessee's poorest-performing schools. ASD could eventually serve as a statewide charter school authorizer, in addition to local school districts; however, ASD currently is restricted to authorizing charter schools in Nashville and Memphis.
- **Louisiana** also revised and expanded its charter school laws. The state Board of Elementary and Secondary Education may approve regional charter school authorizers formed by non-profit corporations and institutions of higher education. The law also requires the Board to create a process to approve multiple charter school agreements through a single application from a charter school sponsor with "a demonstrated record of success."
- **South Carolina** passed legislation in early May 2012 that expanded authorizers to include public and independent institutions of higher learning.
- **Louisiana, North Carolina** and **Tennessee** removed caps on the total number of charter schools permitted statewide. **Arkansas** enacted a provision that automatically expands the statewide cap on newly formed charter schools whenever the number of schools approaches that cap.
- **Oklahoma** removed the limit on the number of charter schools that authorizers may approve in a single year and extended eligibility to authorize charter schools in any school district with a school on the state's school improvement list.
- **Arkansas, Florida, Georgia,** and **Tennessee** enacted various measures to increase charter school access to suitable academic facilities. Those measures may provide access to unused public school facilities, extend or expand state-level support for charter school facilities, or provide new facility financing options. In early May 2012, **South Carolina** authorized the creation of a revolving loan fund to assist schools with the construction, purchase, renovation and maintenance of facilities.
- **Florida** established a "high-performing" designation for charter schools and charter school systems. Schools and systems that earn the designation may, with fewer restrictions, increase student enrollment and expand the number of grade levels offered. High-performing schools and districts also are subject to less stringent state reporting requirements.

Legal Actions: In recent years, legal actions in **Florida** and **Georgia** have had a significant impact on the formation of charter schools in those states. In response to legal challenges, courts in each state ruled that the laws establishing independent, statewide charter school authorizers violated state constitutional provisions that reserve the power to create public schools exclusively for school districts.

In December 2008, Florida judges struck down the Florida Schools of Excellence Commission before it could authorize any schools. In Georgia, however, the state Supreme Court struck down the Georgia Charter Schools Commission in May 2011 — after the commission already had approved 16 charter school contracts. This action forced schools approved by the commission to seek approval through local school districts or the state Board of Education; schools choosing the latter route currently cannot receive the per student funding that the commission had provided in lieu of local school district funds.

The Georgia General Assembly, in response to the ruling, approved legislation to amend the state constitution. If voters approve the amendment in November 2012, the State Charter Schools Commission will authorize schools called commission charter schools.

It is unclear whether the court rulings have resonated beyond these two states and lowered support for statewide charter school authorizers among education policy leaders. While some charter school proponents favor statewide entities as charter authorizers over local school boards, no studies have concluded yet whether statewide authorizers have a positive or negative effect on charter school student performance.

While charter school creation in **Texas** has not been the subject of legal action, state law has slowed the creation of new charter schools in the state. Despite pressure on lawmakers to follow the lead of Louisiana, North Carolina and Tennessee, the Texas Legislature has declined to eliminate the statewide cap on the number of newly formed charter schools approved by the state Board of Education (as opposed to charter schools approved by local school districts, which are not capped); as a result, the growth of newly formed charter schools in Texas has slowed significantly.

Key policy questions about charter schools in SREB states

How can states hold charter schools accountable for their performance?

Charter school contracts contain conditions and performance measures that the schools must meet in order to fulfill goals and expectations and to remain in operation. These conditions typically encompass measures of academic, administrative and financial performance. It is broadly expected that authorizers only approve and re-authorize charter schools that can satisfy those requirements.

The chief concern of policy-makers is whether charter schools are meeting their stated performance goals. As with all public schools, adequate administrative and financial performance is an absolute necessity for a charter school to survive, but the most basic measure of school success is student achievement. For a charter school to fulfill the promise of educational innovation and improvement, it must meet — or exceed — the academic performance goals outlined in its charter contract. Some state charter school laws, however, do not require measures of academic performance in charter contracts. Even in states that require academic performance measures, the requirement language often is vague.

One element of the model state charter school law developed by the National Alliance for Public Charter Schools is a performance-based charter contract requirement. The alliance recommends that states require charter contracts to include measures of academic performance that cover, at a minimum, growth in student academic abilities, narrowing achievement gaps among groups of students, increasing attendance rates, lowering dropout rates and, specific to charter high schools, increasing college readiness among students.

Recommendation:

Charter school laws in SREB states should **require charter contracts to include meaningful measures of academic performance** and also **specify the types of measures** that most accurately gauge the academic growth of charter school students. In addition, state policy-makers should continually review how well these measures gauge academic growth and attempt to improve them.

How can charter school authorizers promote excellent academic performance?

While state laws and policies are tools to promote and maintain high academic standards among charter schools, charter school authorizers are directly responsible for charter school performance and accountability. In their gatekeeper role, authorizers are expected to evaluate charter school applications objectively and to approve only applications that meet rigorous criteria designed to ensure quality. This responsibility includes establishing an application and approval process that provides clear guidance to applicants and clearly enumerates the rigorous criteria against which applications are evaluated. (See Appendix C.)

As oversight agencies, authorizers monitor the progress of the schools they approve and ensure that schools meet the obligations of their contracts. Authorizers must decide, at the end of the term of a school's charter contract, whether or not to renew that contract. When a charter school does not meet contractually specified goals, the authorizer works with the school to improve its performance. If performance does not improve through the authorizer's intervention, it should revoke the school's charter contract and shut it down.

Multiple research studies in recent years, including the Stanford study and *Charter Schools in Eight States: Effects on Achievement, Attainment, Integration, and Competition* by the RAND Corporation in 2009, showed students at a small subset of charter schools academically outperform their peers in traditional public schools. But a larger minority of charter school students perform lower on assessment measures than their peers in similar traditional public schools. Further, studies such as the Thomas B. Fordham Institute's *Are Bad Schools Immortal?* in 2010 showed that authorizers often do not close poorly performing charter schools — and that most rarely make significant improvement over time.

Recommendation:

States should ensure that all authorizers **establish clear and rigorous guidelines and procedures** for charter school application reviews and ongoing charter school oversight. Authorizers must establish specific, rigorous criteria for the continuation and renewal or revocation of charter school contracts — and must aggressively hold charter schools to those criteria. States and authorizers must also **close poorly performing charter schools** that fail to improve over time.

Does charter school authorizer capacity affect charter school outcomes?

Just as charter school authorizers vary — they include school districts, state education boards and agencies, institutions of higher education, and free-standing charter authorizing entities — the standards and practices that authorizers employ to review and approve charter school applications range widely. The Stanford research study found that the existence of multiple charter authorizers corresponded to a decrease in charter school student academic performance; this suggests that weaker applicants may seek out the most permissive authorizers to maximize their possibility of receiving approval.

Charter authorizers vary in their capacity to manage charter school application and oversight functions. An authorizer's capacity is a function of its staffing size, the staff's level of expertise, its budget and the number of charter schools for which it is responsible. However, very little research has focused on how differences in the structure and capacity of charter authorizers affect their performance.

The National Association of Charter School Authorizers (NACSA), which advocates for high-quality charter school authorizing practices, has found that authorizers overseeing 10 or more charter schools are more likely to use what it deems “professional” authorizing practices. Regarding charter authorizer capacity, NACSA specifically recommends that authorizers include experts from outside of their organizations on application review panels as a means to overcome internal biases or limitations, as well as to potentially introduce innovation through outside perspectives.

Recommendation:

States should ensure that charter school authorizers have the capacity to **support a rigorous, high-quality application review process**, and to provide rigorous oversight while respecting charter schools' autonomy. If states maintain small authorizers with limited capacities, policy-makers should consider ways to **aid small authorizers** by extending the expertise and abilities of larger authorizers to the oversight function or by increasing the involvement of other outside experts in the review process.

How often should authorizers make charter school contract renewal decisions?

NACSA considers the frequency of “high-stakes” charter contract reviews — when an authorizer decides whether to renew or terminate a school's contract — an important element in maintaining charter school quality and accountability. They recommend that authorizers perform a review of every charter school at least once every five years as a minimum performance review and quality-control measure.

SREB states' practices on charter contract lengths vary widely. (See Appendix D.) Delaware charter school contracts are four years in length, while several states allow terms up to 10 years. Many states require some form of interim review, though it is unclear whether any of those reviews is as stringent as a “high-stakes” review.

Recommendation:

SREB states should ensure that authorizers **rigorously review every charter school at regular intervals** (as determined by each state). This is important to ensure that poorly performing schools either make improvements or are closed within a reasonable period of time.

How should funding considerations affect charter schools?

Charter schools often face two distinct funding challenges: **per student operational funds** that are less than at comparable traditional public schools, and **facility financing** that is generally inadequate.

The 2010 study *Charter School Funding: Inequity Persists* indicates that, on average, charter schools receive about 80 percent of the per pupil funds of traditional public schools. Disparities in per pupil funding are largely the result of unequal access to funding sources, particularly locally raised tax revenues and various sources of funding for facilities.

However, direct comparisons between charter school and traditional public school funding levels are not always accurate, as their respective funding structures often differ greatly. Furthermore, knowledge on the topic is hampered in some cases by less than stringent reporting requirements for small charter schools, which cause gaps in reliable funding and financial data. (See Appendix E for state law on charter school funding.)

Another complicating factor is that charter schools authorized by school districts in many instances receive greater funding than charter schools in the same state authorized by other entities. In these cases, statewide charter school funding averages may mask the disparities between school district-authorized charter schools and those authorized by other entities.

While charter school access to facility financing varies widely among SREB states, certain states have taken measures to increase access to facilities funding. Florida and Tennessee provide state-level per student facilities funding to charter schools. Louisiana has, for several years, offered start-up loans to charter schools specifically to assist with initial facilities needs, and Texas has established a credit-enhancement program to help open-enrollment charter schools obtain debt financing for facilities.

Charter schools authorized by school districts typically have the greatest (or the most consistent) access to facility financing. Some policies pursued by states and school districts in recent years — providing unused public school facilities to charter schools or housing traditional public schools and charter schools under the same roof — may hold promise. However, these ad hoc policies seem unlikely to resolve the larger issue by themselves.

Researchers have not explored the full impact on charter schools of inadequate access to facility financing. While they know that charter schools with direct access to state-level financing or school district facilities generally have fewer facilities-related difficulties, the impact that facility financing disparities have on the academic performance of charter school students is not well documented.

Recommendations:

Because states have not yet adequately addressed funding disparities between charter schools and traditional public schools, policy-makers need to address this issue if they want viable charter schools in their states. They need to **develop appropriate and adequate funding streams** that reduce the impact of funding disparities on charter schools.

States need to explore how to provide school facility financing to charter schools to **ensure that facility deficiencies do not affect the academic outcomes of charter school students**.

How can states ensure that charter schools do not have a negative impact on nearby traditional public schools?

Many policy-makers and community leaders are concerned about whether charter schools have a negative impact on nearby traditional schools and school districts. Charter school opponents speculate that charter schools skim the best students in a school district or refuse to take a proportional share of special education students — leaving traditional public schools with students who are lower-achieving or more difficult to educate — or that charter schools may increase racial segregation among schools in a district or area.

Multiple studies, including the RAND Corporation study mentioned earlier, have found little evidence that charter schools enroll higher-achieving students in disproportionate numbers or that charter schools generally deepen racial segregation. The demographic characteristics of charter schools typically reflect the demographic characteristics of the surrounding school district or area.

Some charter schools enroll a greater proportion of low-achieving students than are found in the surrounding area or school district, particularly when charter schools replace or are established as an alternative to low-performing traditional public schools. Given that state law often stipulates that charter schools have as a purpose to improve education, their use as a reform tool (which may concentrate lower-achieving or minority students in those schools) in this instance is not surprising.

The disproportionate number of charter schools located in urban, predominately minority areas has caused charter schools in some states to enroll a higher proportion of minority students statewide than in traditional public schools. When viewed on a district or neighborhood level, however, these charter schools — particularly those that replace low-performing traditional public schools — merely reflect the general student population from which they draw their enrollment. Some policy-makers are concerned about the potential for re-segregation through charter school enrollments, but there does not appear to be sufficient research to accurately draw broad conclusions on the topic.

The presence of charter schools in communities may potentially impact the academic performance of traditional public schools. While charter school proponents argue that charter schools have a competitive effect and spur improvement at traditional public schools, critics argue that by drawing away enrollment and resources, charter schools erode the ability of traditional public schools to educate adequately the students who remain. Very little research directly addresses these issues. It is important to know, however, how well charter schools affect public education as a whole; many research studies in recent years have identified this topic as a priority for further investigation in forthcoming research.

Recommendation:

State policy-makers should **track the enrollment effects of all public schools**, particularly with regard to whether charter schools skim the highest-achieving students or cause racial re-segregation in public schools. Policy-makers should require charter authorizers to track and analyze this data or engage academic researchers to perform studies on these effects on a continual cycle.

What are the needs for research on charter schools?

Research on charter school outcomes that utilizes the most rigorous methods of statistical analysis is limited in two important ways.

First, the research is limited in scale. Researchers have covered only a limited number of schools and students over a limited period of time in any one study. While more student longitudinal data are available than ever before (as a result of the reporting requirements of the federal *No Child Left Behind Act of 2001*, plus the nationwide push to establish robust longitudinal student data systems in every state), it usually is expensive and time-consuming to conduct the high-quality research needed to study the key questions policy-makers need answered.

The latest edition of the National Alliance for Public Charter Schools report *Measuring Charter Performance: A Review of Public Charter School Achievement Studies* demonstrates the effects of limited scale. It was able to report on fewer than 50 high-quality studies of charter school performance nationwide — ones that used the most appropriate statistical methods to measure charter student performance. Even among these studies, several relied on information that was more than a decade old. While interesting, the studies are limited and the conclusions outdated.

Second, the studies should focus on the array of topics that are important to charter school policy, but studies currently focus on measures of student growth in math and reading test scores as a proxy for increases in student achievement. Dimensions of charter school performance that remain under-researched include: changes in dropout rates and college matriculation rates; whether charter schools have a negative or positive effect on the performance of traditional public schools; the characteristics of students who enter charter schools; how charter school funding levels affect academic outcomes; and how specific laws, policies, school structures and in-school practices affect charter school student outcomes.

Charter high schools are the least numerous type of charter schools nationwide. As a result, charter school research is especially limited at the high school level. Furthermore, the need for research that addresses academic performance beyond growth in math and reading scores is especially acute at charter high schools — particularly graduation rates and measures of college and career readiness.

Recommendation:

States should **commit to studying student performance in a larger proportion** of charter schools so that policy-makers and education leaders can know which variables affect outcomes. Studies also should address a broader range of measures to determine comprehensive results of charter school performance at every level — especially high school.

Conclusion

As charter school enrollment levels increase, it is vital that policy-makers ensure that charter schools improve student academic performance and public education as a whole. Though the issues surrounding charter schools often are complex or unclear, policy-makers can take several steps to clarify the issues and maximize the opportunities that charter schools present:

- Ensure that authorizers establish and enforce rigorous standards at all steps of the charter school oversight process, including application and approval, day-to-day oversight, and school renewal or closure decisions — and ensure that authorizers are held accountable for maintaining these standards.
- Address the charter schools with the lowest levels of student academic performance that are allowed to continue operating, ensuring that states work to improve those schools and close down schools that do not improve.
- Vastly expand both the volume and scope of high-quality research on charter school policies and outcomes, and use that research to develop statewide laws, policies and practices that have the most beneficial impact on charter school performance.

Appendix A — Charter Schools Defined

Charter schools are publicly funded elementary, middle grades or high schools that are exempt from many of the laws and regulations applicable to traditional public schools. Generally, legislation authorizing charter schools establishes the purposes of charter schools as stimulating educational innovation and improving student achievement. The legal and regulatory flexibility that defines charter schools provides them with the opportunity to apply new ideas and innovative approaches to education.

In exchange for increased flexibility, charter schools generally are expected to show measurable gains in student performance, usually through increases in test scores and other measures of student achievement. Charter schools that display insufficient progress may not have their charters renewed. In extreme cases of mismanagement or poor performance, charter authorizers may (and have) shut down schools before their charters expire.

Charter schools are approved by and generally accountable to authorizers, who are granted these powers through state law. Authorizers include state education agencies or boards, local school boards, independent statewide authorizing agencies and institutions of higher education. Local school districts comprise the largest number of charter school authorizers nationwide.

Appendix B — Charter School Authorizers by State

| | |
|-----------------------|---|
| <i>Arkansas</i> | <ul style="list-style-type: none"> Arkansas Department of Education |
| <i>Delaware</i> | <ul style="list-style-type: none"> Local school districts Delaware Department of Education |
| <i>Florida</i> | <ul style="list-style-type: none"> Local school districts State universities (charter lab schools only) |
| <i>Georgia</i> | <ul style="list-style-type: none"> Local school districts Georgia State Board of Education (state-chartered special schools and charter districts only) |
| <i>Louisiana</i> | <ul style="list-style-type: none"> Local school districts Louisiana Board of Elementary and Secondary Education |
| <i>Maryland</i> | <ul style="list-style-type: none"> Local school districts Maryland State Board of Education (“restructured” schools and appeals for county-denied charters only) |
| <i>Mississippi</i> | <ul style="list-style-type: none"> Mississippi State Board of Education |
| <i>North Carolina</i> | <ul style="list-style-type: none"> Local school districts North Carolina State Board of Education Board of trustees of a University of North Carolina system institution |
| <i>Oklahoma</i> | <ul style="list-style-type: none"> Local school districts State universities Federally recognized Indian tribes |
| <i>South Carolina</i> | <ul style="list-style-type: none"> Local school districts South Carolina Public Charter School District Public and independent institutions of higher learning |
| <i>Tennessee</i> | <ul style="list-style-type: none"> Local school districts Tennessee Achievement School District |
| <i>Texas</i> | <ul style="list-style-type: none"> Local school districts (conversion or “campus” charter schools) Texas State Board of Education (start-up or “open-enrollment” charter schools) |
| <i>Virginia</i> | <ul style="list-style-type: none"> Local school districts and the Virginia Board of Education (Applicants must receive approval from both.) |

Appendix C — Academic Performance Requirements in State Law

| | |
|-----------------------|---|
| <i>Arkansas</i> | The charter agreement must contain academic performance criteria and how to measure progress toward those objectives. Open-enrollment (start-up) charter contracts must specify that continuation and renewal are contingent on acceptable student assessment performance and compliance with accountability provisions in the charter contract. |
| <i>Delaware</i> | The charter application must have “goals for student performance,” a plan for evaluating performance and taking “corrective action” if that performance is inadequate, and “the potential to improve student performance.” |
| <i>Florida</i> | The charter agreement must contain methods to identify how well students meet educational goals and performance standards. An authorizer may terminate a charter “if insufficient progress has been made in attaining the student achievement objectives of the charter and if it is not likely that such objectives can be achieved before expiration of the charter.” |
| <i>Georgia</i> | None is explicitly required, but law defines a charter as “a performance-based contract.” The state Board of Education may terminate a charter for failure to adhere to performance goals in the charter. |
| <i>Louisiana</i> | The charter agreement must include the school’s academic and other educational goals, timelines for achieving those goals, and how the school will measure and assess the results. To obtain renewal, a charter must “demonstrate, using standardized test scores, improvement in the academic performance of pupils.” |
| <i>Maryland</i> | Not addressed in state law |
| <i>Mississippi</i> | The charter petition must include a plan for improving student learning, a plan for achieving at least a “successful” rating under the state’s accountability system, and a set of performance-based and student achievement-based objectives. |
| <i>North Carolina</i> | The charter application must include student achievement goals and the method for determining that students have attained the skills and knowledge specified in the goals. |
| <i>Oklahoma</i> | Not addressed in state law |
| <i>South Carolina</i> | The charter agreement must contain student achievement standards (which must meet or exceed state standards), how the school will evaluate student achievement, a timeline for meeting those standards, and procedures for taking corrective action if student achievement is substandard. |
| <i>Tennessee</i> | The charter agreement must include a student academic achievement evaluation plan and the procedures for remedial action when the academic achievement of a student falls below acceptable standards. |
| <i>Texas</i> | The charter agreement must provide that continuation is based on “acceptable” or “satisfactory” student performance. |
| <i>Virginia</i> | The charter application must establish educational goals and objectives as well as performance standards that meet or exceed state standards, a timeline for meeting those standards, and procedures for taking corrective action if student achievement is substandard. |

Appendix D — Charter Contract Length and Review Frequency

| | Term Length | Does state law require “high-stakes” review, other than for charter renewals? |
|-----------------------|---|--|
| <i>Arkansas</i> | Initial: Five years Renewal: One to five years | No |
| <i>Delaware</i> | Initial: Four years Renewal: Five years | No |
| <i>Florida</i> | Initial: Four or five years Renewal: Up to 15 years | Law states that charters are “subject to annual review.” |
| <i>Georgia</i> | Initial: Five to 10 years (The applicant may request a shorter term.) Renewal: Up to 10 years | No |
| <i>Louisiana</i> | Initial: Four or five years Renewals: Three to 10 years | Review is not required, but state law allows a charter authorizer at any time to revoke the charter of a school that has “failed to meet or pursue within the agreed timelines any of the academic and other educational results specified in the approved charter.” |
| <i>Maryland</i> | Not specified in state law | No |
| <i>Mississippi</i> | Initial: Minimum of three years Renewals: One to three years | State law requires the state Board of Education to prescribe the circumstances under which the school shall cease to be designated a conversion charter school. |
| <i>North Carolina</i> | Up to 10 years | State law requires the state Board of Education to review each charter school every five years “to ensure that the school is meeting the expected academic, financial, and governance standards.” |
| <i>Oklahoma</i> | Up to five years | No |
| <i>South Carolina</i> | 10 years | State law requires charter authorizers to evaluate each school annually and determine whether to continue or revoke the charter agreement based on conditions outlined in the agreement. |
| <i>Tennessee</i> | 10 years | State law requires charter authorizers to perform interim reviews of each charter school in the fifth year of the school’s contract. |
| <i>Texas</i> | Not specified in state law | No |
| <i>Virginia</i> | Up to five years | State law requires charter authorizers to review a charter school’s progress toward achieving the goals outlined in the charter agreement prior to renewing or revoking the agreement. |

Appendix E — Charter School Funding in State Law

| | Operations Funding | Facilities Funding |
|--------------------|---|--|
| <i>Arkansas</i> | Open-enrollment (start-up) charter schools receive state foundation funding and state categorical funding for alternative learning environments (English as a second language, national school lunch and professional development) on the same per student basis as traditional public schools. Conversion charter schools receive funding through their school districts in the same manner as traditional public schools. | Not addressed in state law |
| <i>Delaware</i> | Charter schools receive state and local education funds through the same formula as traditional public schools. Funding for transportation is calculated on a district or county-wide average. | Not addressed in state law |
| <i>Florida</i> | The authorizing school district delivers to charter schools per student funding that is “the same as (for) students enrolled in other public schools in the school district.” Districts may withhold a 5 percent administrative fee. | Charter schools are eligible for state capital outlay funding after three years in operation. While school districts may include charter schools in their facilities planning and funding (and local tax levies for those purposes), in practice this does not often occur. |
| <i>Georgia</i> | Charter schools are entitled to receive per student federal, state and local funding on essentially the same basis as other public schools. School districts distribute funding and must treat charter schools “no less favorably” than traditional public schools. Districts may withhold funds in exchange for services provided. | State law requires school districts to provide construction funding for charter schools “where feasible.” Districts may include charter schools in their multiyear capital plans, but in practice this does not often occur. State competitive grant funds can be used for facilities. |
| <i>Louisiana</i> | Charter schools receive per student funding from state and local sources of an amount “no less than the per pupil amount received by the school district in which the charter school is located.” Authorizers may withhold up to 2 percent of per student funding for “administrative overhead costs.” | Charter schools housed in school district facilities may not receive local revenues specifically dedicated by the Legislature or voters for capital projects or debt service. The state operates a zero-interest loan program for charter school facilities. |
| <i>Maryland</i> | State law requires county boards of education to distribute federal, state and county funds to charter schools in an amount that is “commensurate” with the amount received by other schools within the same district. | Not addressed in state law |
| <i>Mississippi</i> | “The conversion charter school is a public school under the authority of the local school district for purposes of receiving transportation services and funding, state funding based on per pupil expenditures, classroom supplies resources, other adequate education program funds, including at-risk funding and any additional operational services provided to local schools by the district.” | Not addressed in state law |

Appendix E — Charter School Funding in State Law (continued)

| | Operations Funding | Facilities Funding |
|-----------------------|---|--|
| <i>North Carolina</i> | Charter schools receive state and local per student funding equal to the average per student amounts for schools in the district where the charter school is located, as well as allocations for children with disabilities or limited English proficiency. | Charter schools may use funds allocated by the state Board of Education for facilities leases or to pay loans incurred for facilities or equipment. |
| <i>Oklahoma</i> | Charter schools receive state funding based on student membership; authorizers may retain up to 5 percent as a fee for administrative services rendered. Charter schools are eligible for “any other aid, grants or revenues allowed to other schools.” | Not addressed in state law |
| <i>South Carolina</i> | Charter schools receive federal, state and local funding from their authorizing school district through a per student formula similar to the formula used for traditional public schools, but it does not include facilities or transportation funding. Schools that are part of the South Carolina Public Charter School District receive per student funding from state appropriations but do not receive local funds; the charter school district can withhold up to 2 percent of state funds for overseeing the school. | State law establishes a revolving loan fund “comprised of federal funds, other funds appropriated or transferred to the fund by the state and privately donated funds” for the “construction, purchase, renovation and maintenance of public charter school facilities.” In addition, conversion charter schools retain the right of “occupancy and the use of the school ... facilities and all equipment, furniture, and supplies that were available to the school before it converted ... with no additional fees or charges.” |
| <i>Tennessee</i> | State law requires local boards of education to distribute per student funds to charter schools equal to the per student federal, state and local funds received by the school district. Districts may only retain a portion of charter school funding as administrative fees if agreed to in a school’s charter. | Allocations from school districts to charter schools must include state and local funds allocated for capital outlay purposes. |
| <i>Texas</i> | A district-authorized (campus) charter school receives funding in the same manner as a traditional public school in the same district. Open-enrollment (start-up) charter schools receive state funding through the Texas Education Agency and receive no local funds. | Not addressed in state law |
| <i>Virginia</i> | A school’s charter agreement establishes with the authorizing school district the “conditions for funding the public charter school.” State law requires school districts to direct the “proportionate share” of categorical funding (for things such as special education and students with disabilities) to charter schools. | Not addressed in state law |

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