

Archived Information

SECTION 1

Introduction to the Issues and Our Study

There are differing points of view about charter schools. Supporters see charter schools as ways to allow groups of parents, teachers, and educational innovators to create new options in public education. Opponents see them as potentially divisive escape routes from the structure of necessary public education regulations.

Charter schools are quasi-independent public schools authorized by agencies of state government to operate outside the normal public school administrative framework.¹ They receive public funds on a per-pupil basis and decide autonomously how to spend their budgets—how many teachers to hire, what textbooks and materials to buy, what extracurricular activities to offer, and so on. Charter schools are also schools of choice. Parents can choose whether to enroll their children in a particular school. Charter school leaders offer jobs directly to teachers, and teachers decide which offers to accept. In return for these freedoms, charter schools must state in advance what their students will learn, and schools that do not produce the expected results can have their charters revoked. Charters are granted for fixed terms, typically 5 years, and they can be renewed only if the school shows that it has lived up to its promises.

Theoretically, charter schools can avoid some of the trappings of late 20th century public education. They are not operated by centralized bureaucracies; they must attract students, who are not compelled to attend them; they do not need to respond to daily changes in school district politics and policies; they have real-dollar budgets and can decide how to allocate funds among teachers, materials, and technology; and they hire teachers who fit the school's mission and needs rather than automatically accepting the most senior teacher who wants a job. Still, however, charter schools are intended to be public—open to all, bound to principles of fairness and equality, and required to teach the same basic subjects and meet the same standards of quality as conventional public schools.²

In fact, the 36 states and the District of Columbia that have charter school laws require charter schools to be public—nonexclusive, covered by civil rights laws, and obligated to

¹ According to the U.S. Department of Education, there are 1,735–1,790 charter schools operating in the 2000/2001 school year. In Spring 2000, The Center for Education Reform estimated charter schools are serving approximately 430,000 children.

² Disputes over whether public education is defined by its mission (so that any school that provides effective education and operates under principles of equity is a public school) or its administrative arrangements (so that only schools operated by specialized government education agencies are public schools) are not new. As early as 1967, psychologist Kenneth Clark, whose research strongly influenced the Supreme Court's decision in *Brown v. Board of Education*, argued that identifying public schools by their administrative arrangements closed off many options that poor and minority communities need. He argued that public schools should be managed by colleges, universities, unions, businesses, industries, the Department of Defense, and other organizations, as well as by conventional public school districts. See Clark, Kenneth B., *Alternative Public School Systems—A Response to America's Educational Emergency*, 1967. Available from the ERIC Clearinghouse on microfiche.

demonstrate performance as a condition of their continued existence. However, legislatures have recognized that they were creating a new kind of public entity and the original charter school laws left many questions unresolved. Many of these questions concern accountability:³ how would school performance be measured; how would decisions be made about schools that became controversial or when schools' initial charters expired and they petitioned to have their charters renewed; and what would happen to low-performing schools that nonetheless retained the strong support of parents or teachers or to high-performing schools that could not attract enough students to pay their bills? Responses to these questions of accountability are outlined in state charter school laws to some degree, but ultimately they will be answered only in practice, by state and local education agencies, by charter school operators, and by teachers, parents, and students.

Charter Schools and Accountability

One way to understand charter schools is that they are public schools that have made a novel bargain, gaining freedom from detailed external control in return for accepting strict accountability for performance. Charter schools do gain some freedom of action, though as subsequent sections of this report will show, what they are free to do varies from place to place and is often subject to redefinition. Similarly, charter schools are nominally accountable, but to whom they are accountable, for what, and with what consequences varies from place to place and from time to time.

By law, charter schools are answerable to the government agencies that sponsor them for faithful execution of their charters and for demonstrating student learning. Though some are answerable to local district school boards, many are authorized by special state agencies, other state institutions like colleges and universities, and state departments of education. Also by law, charter schools are simultaneously accountable to parents and teachers for fulfilling promises made about instruction, school climate, and student learning and for operating in ways that maintain those parties' confidence.

The legislators who enacted charter school laws hoped to make schools more effective by clarifying to whom they are accountable and for what. Charter school advocates do not claim that conventional public schools are answerable to no one. To the contrary, they argue that conventional public schools are answerable to so many external parties and for so many different things that staff cannot focus on the core task of providing effective instruction. Supporters of charter schools hoped that charter school legislation could eliminate the demands on schools that compete with the goal of providing instruction that leads to student learning. They acknowledge that the real work of teaching, self-assessment, and collaborative adaptation to the needs of individual children must be done within the school. Supporters of charter schools believe that the adults who run and staff schools will work more effectively if performance matters.

³ Accountability is a relationship between two persons or organizations in which one acknowledges an obligation to perform some task or function, and the other expects that the task or function will be performed. According to the American Heritage Dictionary, to be accountable is "to be answerable for." Thus, a school is accountable when it is answerable *to* some other party *for* accomplishing some definite goals.

Charter school laws intend to make schools' very existence contingent on performance in two ways. First, they empower state and/or local agencies (hereafter called *authorizers*) to enter into school-specific performance agreements with schools eligible to receive public funds and to withdraw the charters from schools that do not operate or perform as promised. Second, charter school laws allow parents and teachers to choose whether to be part of one school community or another.

Thus, though charter school laws vary from state to state, most charter school laws intend to create new roles and new relationships among key adult parties in public education. In theory, charter schooling allows:

- Authorizers to contract with a wide variety of qualified parties to operate schools and to shift contracts from nonperforming parties to more promising ones.
- Parents or guardians to choose schools and also to take part in founding and operating new public schools.
- Professional and community groups, including teachers and independent private parties agreeing to work within a public charter, to operate schools.
- Teachers to choose the schools where they will work and schools to choose teachers from among a broadly defined set of eligible individuals.

Chartering also introduces new actors into public education—the governing boards of independent nonprofit organizations that enter into contracts to provide schools. These boards become, in effect, the intermediaries between members of politically responsible state agencies and the people who operate schools day to day. These independent governing boards assume public responsibilities by entering into contracts with authorizers and by accepting the obligation to operate under government's principles of equitable student access and careful stewardship of public funds. However, the school-level governing boards remain independent entities with the obligation to keep their schools financially solvent and the freedom to adjust their schools' staffing and program as necessary to meet student needs. The governing boards of individual schools also enter into *de facto* private contracts with families, to whom they make promises about what children will experience and learn while in the schools.

Chartering also limits the roles of state legislatures and local school boards. Theoretically, these agencies do not control charter schools directly, nor do they decide whom charter schools will hire or how they will spend their money. Chartering may, however, enable school boards and other state entities to be more effective than before in ensuring that all children have access to good schools.

The many rules that now constrain conventional public schools—civil service hiring, standard staffing tables requiring heavy layers of administration, and constraints on days of instruction and minutes of teacher time—also greatly restrict district school boards. When dealing with conventional public schools, boards are often unable to do much to influence staffing, alter the relative emphasis on administration versus instruction, or change the use of

teacher or student time. These constraints severely limit what they can accomplish in dealing with a low-performing school. A school board can only put so much pressure on a school whose staff members are all tenured and whose principal has little influence over hiring and firing of staff or the spending of money.

Those district boards that can charter schools gain new and valuable opportunities to guide and influence schools. When schools are not performing to expectations, district school boards and other state agencies can put pressure on school managers who have the authority to change staffing, methods, and use of time. Authorizers can also cancel the charters of nonperforming schools and find other providers.

By making authorizers responsible for the performance of individual schools, not of system aggregates, chartering makes it less tolerable to have a few bad schools just because the system is doing pretty well on average. Chartering makes every school responsible to mount an effective instructional program and maintain teacher and parent confidence. Chartering deprives schools of the excuse, “we did what we were told and if it did not work it is not our fault.”

Chartering also potentially opens public education to new ideas, new people, and new investments. It replaces a hermetically sealed education bureaucracy with a more open set of contracts between public officials and school operators and among private parties who want to design, operate, teach in, or send children to publicly funded schools. Whether charters lead to better schools, greater equality of educational opportunity, a better educated populace, happier and more productive teachers, more satisfied parents, and smarter children remains to be seen. But it is already clear that charter schooling opens up many new possibilities and can lead to significant new flows of human and financial capital into efforts to educate the public’s children.

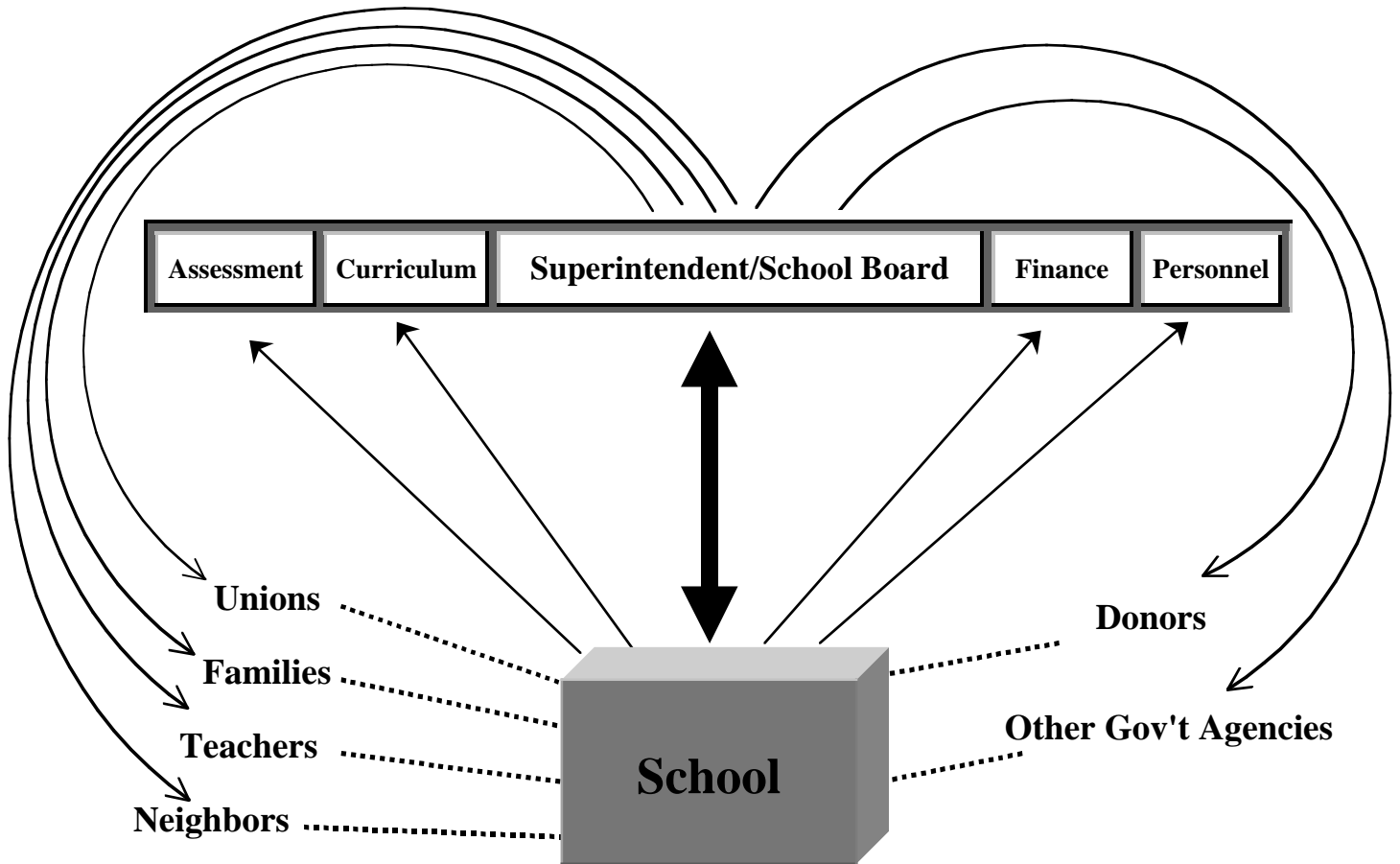
Differences in Accountability: Charters and Conventional Public Schools

The accountability mechanisms created in the theory of charter schools are quite distinct from those in action in conventional public schools today and from the accountability established in the standards-based reform movement.

Figure 1.1 illustrates accountability relationships in conventional public education. The figure is complicated because accountability is complicated. Schools must answer to many masters, including the school board, superintendent, and many separate central office units. Many other actors also deal with schools indirectly through the school board and central office since individual schools have little freedom of action.

Specifically, figure 1.1 illustrates three different accountability relationships.

Figure 1.1—Model school accountability in conventional public education



First, thick lines (between the school, the board, and the superintendent) represent strong reciprocal accountability. The school depends on support from the superintendent and board and, in turn, a school's performance can reflect well or badly on them.

Second, narrow lines (e.g., between the school and different central office units) represent relationships that are important to the school but less important to the other party. Central office units can make demands on schools but because central office units' funding and existence is based on state rules and federal grant requirements, their continuation truly does not depend on whether their actions enhance or interfere with school performance.

Third, dotted lines represent weak accountability relationships in which both parties have real, but relatively unimportant, stakes. Thus, individual families or neighbors can petition the school for changes, but school staff have little freedom of action and often claim that the central office will not allow requested actions. These parties usually try to get what they need indirectly by putting pressure on the superintendent or board members who need their support. Unions and other government agencies can also deal directly with school staff, but schools' responses are strongly constrained by rules. Those parties have their greatest influence by making rules that constrain the whole district (in the case of other governmental agencies) or entering district-wide contracts (in the case of unions). Thus, the parties with dotted-line relationships with individual schools have narrow-line relationships with the board and superintendent. They get what they need through the board and superintendent, and provide political support (often votes and financial contributions) that keep board members in office and maintain or threaten superintendents' board majorities.

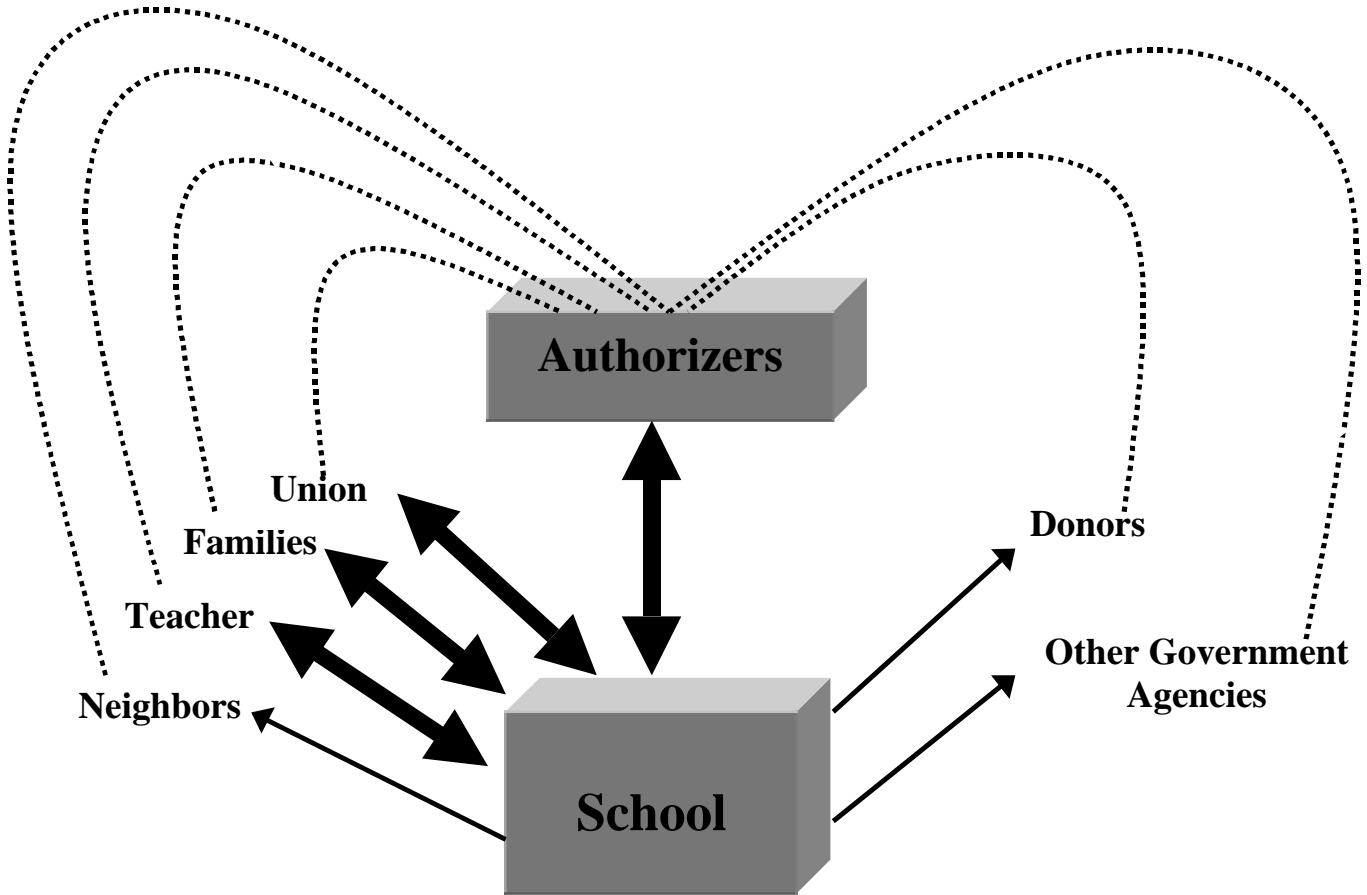
Kentucky's standards-based system, now adopted in some form by the vast majority of states, tries to simplify accountability in conventional public education. It sets high expectations, measures school and student performance against those expectations, and rewards and penalizes schools on the basis of academic performance. As is the case with charter schools, schools under standards-based reform have a direct and reciprocal accountability relationship with their school districts based on performance under state standards, and they are not accountable to myriad independent central office units. However, like conventional public schools, schools under systemic reform are only indirectly accountable to families, teachers, unions, neighbors, and other government agencies.

Figure 1.2 illustrates the accountability relationships that are supposed to exist for charter schools in most states. It uses the same kinds of symbols as figure 1.1. Charter schools have strong reciprocal accountability relationships with their authorizers, whether they are school district boards or other public agencies. These relationships are defined in each school's charter and they focus on student learning results.

Unlike conventional public schools, charter schools are not supposed to have any accountability relationships at all with the many quasi-independent district central office units that affect conventional public schools. However, a charter school has many other direct accountability relationships: with the teachers whom it hires but on whose performance the school depends; with families whom the school must attract and satisfy but on whom the school can also impose some requirements; and with unions, which represent teachers at the school.

Charter schools also have direct accountability relationships with other government agencies (e.g., fire marshals, building inspectors, and civil rights agencies). As figure 1.2 shows, these entities can also try to influence a school indirectly by complaining to its authorizing agency and trying to induce the authorizer to intervene in the school's operation (that is how these agencies operate in the context of conventional public education). However, since these agencies are in a position to deal with a charter school directly, relationships with the authorizer are represented by dotted lines.

Figure 1.2—The theory of charter school accountability



What a diagram cannot make clear is that all these direct accountability relationships are critical to the continued existence of a charter school. If a school does not provide the quality of services promised or show expected levels of student learning gains, its authorizer can cancel its charter. The authorizer is also free to charter other schools so that children from a closed school have someplace to go. Charter schools' other accountability relationships are also very high-stakes; a school that cannot attract students does not get funds and cannot operate; and a school that cannot attract and keep teachers cannot stay open.

Charter schools and conventional public schools are held accountable very differently. Charter schools are directly accountable to many different parties, and must balance the needs of all their constituencies without losing the support of any. In conventional public education, government does the balancing. The district school board, superintendent, and central school administration listen to the parents, teachers, and community members, and try to create policies for all schools that reflect a vector sum of all parties' demands.

The Purpose of this Report

There are many books and articles on the subject of accountability under standards-based reform.⁴ They show that standards-based reform is no different from any other policy idea: more complex, harder to implement, and more in need of refinement than its originators imagined. The same must also be true of charter schools. However, there is no correspondingly large body of evidence and analysis about how charter schools are held accountable.⁵ The new roles and relationships introduced by charter schooling are challenging and unfamiliar. All the actors involved inevitably have a lot to learn, and many can be expected to clash as they try to establish themselves.

This report is the first national study of charter school accountability. It aims to provide knowledge for use in the real world, by three audiences: Charter school operators (or persons interested in seeking charters); charter authorizing agencies; state legislators and governors interested in establishing new charter laws or amending existing ones; and funders (including the federal government and private foundations) willing to invest in resources needed by charter schools.

We set out to inform these audiences by answering four main questions:

- Does the need to maintain the confidence of authorizing agencies, parents, teachers, and other private supporters strengthen or disable charter schools as places of teaching and learning?
- How are charter school leaders learning to balance all the pressures on them, and what (in the inevitable cases of failure) renders some schools unable to meet all their obligations?
- How do the actions of key external entities, including government agencies that authorize charter schools, private financial supporters, and assistance providers, influence charter schools? In what ways do the actions of these entities enhance or weaken schools' focus on instruction?

⁴ See, for example, Fuhrman, Susan H. and Richard F. Elmore, Ruling Out Rules: The Evolution of Deregulation in State Education Policy. *Teachers College-Record*; v97 n2 p. 279–309 Winter 1995; Fuhrman, Susan H. and Jennifer A. O'Day, *Rewards and Reform: Creating Educational Incentives That Work*, San Francisco, Jossey-Bass, 1996; Fuhrman, Susan H., *Challenges in Systemic Education Reform, CPRE Policy Briefs*, New Brunswick, NJ, Consortium for Policy Research in Education, 1994; McLaughlin, Milbrey W. and Lorrie A. Shepard, *Improving Education through Standards-Based Reform*. Stanford CA, Academy of Education, 1995; Hill, Paul T. and Robin J. Lake, *State Standards and School Accountability*, Washington, DC, The Brookings Institution Press, 1999 (forthcoming).

⁵ Useful ideas about charter school accountability are starting to emerge. See, for example, Manno, Bruno V., *Accountability: The Key To Charter Renewal*, Washington, DC, the Center for Education Reform, 1998. See also Finn, Chester E., Bruno V. Manno, and Gregg Vanourek, *Charter Schools In Action*, Princeton, NJ, Princeton University Press, 2000.

- What lessons are government agencies and private supporters of charter schools learning about how to fulfill their own obligations without weakening charter schools as teaching and learning institutions?

Aside from the information specific to charter school accountability, public officials and school board members need to know what the charter school experience implies about accountability in the rest of public education. The accountability challenges posed by charter schools arise in the course of any reform that tries to focus initiative and accountability at the school level. Any such reform—including standards-based reforms that offer schools increased freedom of action in return for strict accountability on student outcomes—requires authorizing agencies to ask whether a school is performing as expected. Any community attempting standards-based reform, or even more modest initiatives like site-based management, will need to replace the traditional system of compliance-based accountability with one based on school-specific performance. Charter schooling provides a laboratory for discovery and testing of school-specific methods of accountability.

The Evidence We Assembled

We studied charter school accountability from many angles. First, from the perspective of charter school staff who faced the need to balance the diverse accountability relationships described above. Second, from the perspective of authorizers—local school boards and other state agencies empowered to authorize charter schools—who faced the need to oversee public schools in a new way. Third, from the perspective of state officials who make rules defining the responsibilities of authorizers and individual charter schools. These groups were the main focus of our work. But we also tried to understand how parents, educational interest groups, and independent financial donors were learning to deal with charter schools.

From the beginning, we understood that the whole charter school enterprise was new and rapidly evolving. As our inquiry began, few people had much experience with charter schools. Both when the study began in 1997 and now in 2000 as this is written, more than half the charter schools in the country are in their first 2 years of operation. Charter schools, and their relationships with the entities to which they are accountable, are just being invented. No statistical profile of charter schools is likely to be valid for more than a few months. No single generalization about charter school accountability is likely to hold for all schools, or for very long.

In light of these facts, we decided to focus on understanding and explanation, rather than on counting. This report, then, is an effort to explain relationships: how chartering defines responsibilities; how schools and other entities are learning to work within the context of new laws, powers, and responsibilities; what lessons school leaders and public officials have already learned; and with what issues they are still struggling. We expected that many other studies would follow ours and that, as the charter movement grew and stabilized, efforts to create national statistics would be justified.

We drew information and ideas from many sources.⁶ A 2-year study funded by the U.S. Department of Education was the centerpiece of our research strategy. This study focused on six states—Arizona, California, Colorado, Georgia, Massachusetts, and Michigan—selected to represent the main differences in state charter school laws. These states also contained the vast majority of charter schools in existence (at the time of our field work in 1998 and 1999) for at least 3 years and represent the vast majority of states with charter schools in existence for at least 3 years. We studied state charter school laws and administration in those states, and then studied a sample of school districts and other government agencies that authorize charter schools within those states. We also then conducted case studies of charter schools authorized by the government agencies in our sample. We:

- Studied the ways that state governments, local school districts, and other state agencies empowered to authorize schools have implemented policies about charter school approval and oversight.⁷
- Collected documentary evidence on charter schools' correspondence with and submissions to authorizing agencies, and on authorizing agencies' decisions on charter school applications and renewals.
- Surveyed authorizing agencies about their policies and bases of decisionmaking, and link these results with data from a larger federally funded general study of charter schools.⁸
- Surveyed charter schools about their relationships with authorizing agencies, admissions and hiring practices, and student body and teacher force composition and turnover, and link these results with data from a larger federally funded general study of charter schools.⁹
- Conducted case studies of particular charter schools' relationships with authorizing agencies and other audiences to whom they might be considered accountable (i.e., families, teachers, professional and accrediting associations).

In all, we studied a total of 150 schools and 60 authorizing agencies. We also conducted extensive case studies of accountability relationships in 17 of the 150 schools, interviewing

⁶ Private sources of funding for this study include the Boeing Company, the Exxon Education Foundation, the Brookings Institution, and the Spencer Foundation.

⁷ At the state level, we interviewed legislators and their aides, governors' aides, senior staff of the state education agency, administrators responsible for issuing regulations and guidelines for charter schools, individuals designated to approve charter schools or hear appeals when local districts rejected charter school applications, charter school assistance organization heads, and senior staff members of other education associations that attempted to influence policy regarding charter schools.

⁸ See the appendix A for a description of the survey and analysis methods and the questionnaire sent to charter authorizing agencies.

⁹ National surveys were conducted by RPP Incorporated of Emeryville, CA, under contract with the U.S. Department of Education. We contributed questions on accountability to RPP's surveys and were able to conduct our own analyses of their national data files. For information on RPP's study, see Berman, Paul, Beryl Nelson, John Ericson, Rebecca Perry, and Debra Silverman, *A National Study of Charter Schools: Second Year Report*. Washington, DC, Office of Educational Research and Improvement, U.S. Department of Education, 1998.

school principals, teachers, other staff members, parents, governing board members, and authorizing agency officials. We analyzed data at three levels of the sample: state, authorizing agency, and school. We used combinations of mail surveys with telephone follow-up, and site visits.

Every chapter of this report draws on evidence from the national survey, smaller surveys, and visits to states, agencies, and charter schools. Throughout the report, we also make reference to schools or agencies (e.g., Chicago and the District of Columbia school districts) we visited in the course of other studies conducted by the Center on Reinventing Public Education.

Report Outline

This six-section report presents our results. Section 2 starts with the schools, showing how charter schools—both schools started from scratch and schools transformed from conventional public schools into charters—have adjusted to their new accountability relationships. It examines how schools have developed *internal accountability*—productive relationships among teachers, administrators, and students. Its most important finding is that charter schools’ *external accountability*—their need to maintain relationships of trust and confidence with entities on whom their existence depends, including authorizers, parents, teachers, and donors—promotes internal accountability. The need to respond to external demands leads charter schools to create explicit and disciplined internal divisions of labor.

Section 3 shows how charter schools are learning to maintain internal accountability in the face of disparate demands from parties within and outside the school, including families, teachers, donors, and authorizing agencies.

Section 4 explores how authorizing agencies are overseeing the schools they charter. It shows how the various public organizations designated under different state laws to authorize and oversee charter schools are learning their jobs and how the ways they do their jobs affect schools. These organizations include school districts, special state charter school agencies, and state agencies like colleges and universities, which have other primary missions.

Section 5 reviews the roles being played by other entities—private philanthropists, lenders, and assistance providers on whom charter schools often depend, and government agencies other than charter authorizers (e.g., fire marshals, civil rights agencies) that can require the schools to take particular actions. It asks whether charter schools’ need to maintain the trust and confidence of these entities enhances or detracts from teachers’ and students’ focus on instruction.

Section 6 draws out the implications of what we have learned about charter school accountability for government officials who authorize and monitor charter schools, and for individuals and groups that operate and assist charter schools. It suggests that all of public education has stakes in the effort to learn how public schools can be held accountable for performance.