



What It Will Take to Advance the Growth of High-Quality Charter Schools in New Jersey, Washington, DC and Virginia

Dave Inman

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EXECUTIVE SUMMARY

As the public charter school movement in the United States approaches its 25th year, its intensified emphasis on high-quality options and outcomes stands to benefit students across the educational spectrum. But its evolution remains uneven. Of the 42 states plus the District of Columbia whose laws allow for charter schools, the role these schools play within broader public school portfolios varies greatly. Clearly, some proven approaches stand to inform, and improve, others.

Three jurisdictions whose charter school movements are currently poised at critical junctures in the nation's mid-Atlantic region are New Jersey, the District of Columbia and Virginia. Ultimately, the role charter schools will play within public education may hinge on the outcome of policy directions to be determined in the near-term.

This analysis considers the legal and funding framework governing charter schools in each jurisdiction, in context of overall education trends. It offers specific policy recommendations, informed by the charter school experience nationally, that can be expected to benefit the high-quality charter school options available to students, for the reasons described.

Details follow.

INTRODUCTION

Public charter schools have grown dramatically over the last decade, and serve over 2.5 million students across the country. In places like New Orleans, Detroit, Washington, D.C., and New York City, robust charter sectors have developed and now serve significant portions of public school students.

Charter schools are public schools, open to all students, which have been granted autonomy to operate outside of school district rules and procedures in exchange for heightened accountability for results. A charter's continued operation depends on its maintaining agreed-upon levels of performance, adherence to applicable laws, and ability to attract enough students to remain viable.

Charter schools vary greatly in mission, size, and approach. Research has shown some of the model's strongest benefits to be in narrowing achievement gaps and improving graduation rates, particularly in communities with a high proportion of students of color or those from low-income households. Other attributes including smaller school size or specialized instructional models also prove attractive to some families.

Charter school laws vary widely among the 42 states and the District of Columbia that have enacted them. Two national organizations, the National Alliance for Public Charter Schools and the Center for Education Reform, publish annual analyses rating states' charter school laws. Such laws are generally termed "strong" if they are felt to foster the growth of a robust, high-performing charter school movement, and "weak" if they do not.

The Center for Research on Education Outcomes (CREDO) at Stanford University compares the results of charter schools and traditional public schools. CREDO's authoritative 2013 study showed charters producing powerful gains in learning in cities like Washington, D.C., New York, and New Orleans.

- In New York City, charter school students gain an average of one month of learning in reading and five months of learning in math during a school year compared to their counterparts in traditional public schools.
- Charter schools in Washington, D.C. outperformed charters nationwide, producing an extra 72 days and 101 days of learning in reading and math respectively throughout a single school year.
- Louisiana and ten other states' charter sectors posted stronger growth in both reading and math than growth in traditional public schools.

These jurisdictions with high performing charter schools all have authorizers which focus on charter school quality, with rigorous procedures for reviewing and approving applications and a commitment to the nonrenewal and closure of failing charter schools. Notably, these high performing charter schools often flourish in the least expected places: in high poverty neighborhoods with a history of low academic achievement, high dropout rates, and alarming levels of mismanagement and corruption in the traditional school district.

While charter school laws and funding mechanisms define the legal framework in which the schools must operate, it is the school operators themselves, and the authorities to which they report, called “authorizers,” who determine charters’ success. As such, sound standards and practices for authorizing, reviewing, and renewing or closing schools is a critical component of developing high quality charter schools.

This report examines three jurisdictions with very different charter school landscapes, at three critical junctures in their policy approaches to charter schools:

- **New Jersey** represents a small but growing—and demonstrably impactful—charter sector, with strong potential to increase access to high-quality charter school seats following a few strategic changes to its charter governance systems.
- **Washington, D.C.** stands as an exemplary policy environment supporting a charter sector that educates more than 40 percent of the city’s students, utilizing a charter school accountability framework widely considered one of the nation’s best, and provides strong oversight and authorizing to drive quality in charter schools. To best support continued improvements, equity in access to resources, already prescribed in current law, will be important.
- **Virginia** represents a state with one of the country’s least welcoming policy environments for charter schools and one of the least developed charter sectors in the nation. Charter growth in Virginia will depend strongly on major policy shifts.

Each occupies a very different place with regard to the roles charter schools play within its public education landscape, as well as in the size and maturity of its charter school sectors. This analysis discusses possible policy changes facing policymakers in light of recent trends, research, and developments, with specific perspectives on benefits and costs that could be expected from each. It considers what changes to the legal framework of each would be most useful to cultivating a more robust, high-performing charter school movement.

NEW JERSEY

New Jersey's present charter school movement holds much room for growth and diversification. Improvements to some of the foundational tenets of charter school law could reasonably be expected to trigger broad expansion in the number of high-quality charter seats available to students. To accomplish this, a focus on authorizing, the process for approval and oversight of charters, would be a valuable starting point.

New Jersey's public schools have a strong reputation overall, but its urban districts have also been some of the most blighted in the country. Like many states with perennially struggling urban school districts, the state has taken control of the most chronically underperforming districts—namely Newark and Camden—and this course has led to a small but demonstrably impactful public charter school sector.

New Jersey has also been able to attract some of the nation's highest-performing charter school networks—like Uncommon Schools and KIPP—to these urban school districts.

In all, charter schools serve roughly two percent of students in New Jersey, or just under 32,000 students in 87 schools. The National Alliance of Public Charter Schools (NAPCS) ranks New Jersey's charter law 32nd of 43, while the Center for Education Reform (CER) ranks it 30th with a grade of "C." In its analysis of New Jersey's charter school law, the NAPCS notes expansion of options and funding for authorizers as key areas of focus for the state.

New Jersey's only entity with power to open charter schools is the state Department of Education. While on the whole, New Jersey's charter schools offer a relatively strong record of success—with, for example, 4-year graduation rates of 94 percent compared to the statewide average of 84 percent—there has been little focus to codify and establish authorizing best practices in the nearly 20 years since New Jersey passed its charter law.

While lacking the expertise of the nation's highest-regarded charter authorizers, New Jersey's mechanisms for authorizing charter schools have proven they can succeed. Independent of the application process and application itself, New Jersey requires a specific success criteria which guides both the charter contract and decisions for charter renewals.

Moreover, while the state board of education has the exclusive and final say on whether a charter will be authorized, both applicants and local school boards can appeal the state's decision back to the state education department, either for denial or approval of an application. This appeals process offers some modicum of local input and measure of accountability for the state authorizer. Still, organizations such as Save Our Schools NJ have called for all new charters to be approved locally.

Local boards may soon have more say in authorizing decisions, however. A proposal in the New Jersey Assembly was recently introduced by Democrats Troy Singleton and Carmelo Garcia, which would allow for a local board vote to comprise 30 percent of the decision to approve or deny a charter application. This provision may meet with resistance from both sides of the political aisle. Republican Governor Chris Christie's administration stands opposed to local districts having a binding say, and high-ranking Democrats in the New Jersey legislature—such as Teresa Ruiz, who chairs the Senate education committee—have opposed the plan.

Another key aspect of the proposed legislation creates an independent charter authorizing board that would make recommendations to the state commissioner on charter applications and make all renewal decisions thereafter. Allowing for independent authorizers would “facilitate the growth of New Jersey’s already high-performing charter schools, and open doors to students across the state who currently lack meaningful access to great schools,” says Janellen Duffy, Executive Director of the educational advocacy organization JerseyCAN, a branch of 50CAN: The 50-State Campaign for Achievement Now.

Other advocacy organizations, such as the New Jersey Charter Schools Association, have called for the creation of multiple independent authorizers in keeping with recommendations from NAPCS, CER, and other charter advocates.

Some university-based charter authorizers, like the State University of New York and Central Michigan University, have proven to be among the nation’s stronger authorizers, although this strategy has also produced poorly-performing school portfolios when the focus on quality has not remained constant. Rutgers University, the College of New Jersey, or Montclair State University all could be strong candidates to house a charter authorizing office. Typically, a one-time appropriation could launch the center, which could largely be funded by collecting an authorizer’s fee of approximately one percent of all funds to charter schools served by the center.

Charter schools have been relatively successful in New Jersey, but their growth has been concentrated in localities like Newark and Camden where the state has taken control of the local schools, together with more than 30 of the state’s 87 charter schools. Serving only two percent of students across the state, the impact of charter schools in New Jersey has been limited, but their strong overall record could put New Jersey charters in a position to grow.

Strategies for Improvement

- 1. Raise the bar on authorizing.** Whether in the form of one or many independent authorizers, specific funding and dedication to authorizing is critical for growth of a high-quality charter sector in New Jersey. Once up and running, independent authorizers could be funded through authorizing fees and grants, without directly receiving taxpayer money on an ongoing basis. University-based authorizing centers are one option worth considering.
- 2. Approving multiple campuses in different school districts.** To most effectively address the state’s areas of greatest educational need, proven top-performing charters would be approved to open campuses in multiple cities under a single charter contract, provided they are held to performance standards.
- 3. Funding equity.** While state law requires that charters receive 90 percent of per-pupil funding by the school district, in reality schools often receive less than 80 percent. Funds pass through school district offices. Correcting these inequities would ensure that all public school students would receive access to equal opportunities.

4. **Charter access to facilities.** In reality, funding inequalities are far worse for charter schools than the above numbers depict, because traditional public schools operate in government-owned and maintained buildings that require them to pay no rent. Ensuring that charters receive access to available, government-owned buildings would strengthen educational outcomes by allowing more dollars to be allocated directly to instruction.

5. **Harness blended learning.** Nationally, high-quality blended learning programs that fully integrate computer-based learning into personalized, face-to-face, classroom instruction have driven powerful performance gains. But in 2013, a lawsuit by the New Jersey Education Association challenged the ability of schools to implement blended learning under murky terminology in state law that made the distinction between blended and online distance schools, which are not permitted, unclear. The lawsuit failed, but New Jersey's charter sector would do well to expand its portfolio of top blended instructional models.

WASHINGTON, D.C.

The District of Columbia has one of the nation's most robust charter sectors, with some of its most impressive outcomes. Nearly 37,000 students, 44 percent of the public school population, attend public charter schools in Washington, D.C. The sector also holds an unusual mandate that includes charter schools serving early childhood as well as adult education schools.

Its legislation is held in high regard by both the National Alliance for Public Charter Schools, which ranks D.C. 10th, and the Center for Education Reform, which ranks it first of 43 states, with an "A" grade. The National Alliance notes that the single most impactful aspect to improve Washington, D.C.'s law would be to ensure equitable funding with traditional public schools, required under current law, which by some accounts differ by more than 40 percent.

The District of Columbia's Public Charter School Board (PCSB) has been its only authorizing entity since 2007. Its seven members are appointed by the Mayor, and confirmed by vote of the D.C. Council. A staff of 32 includes experts in various aspects of charter schooling including school finance, special education, legal, and data analysis. The National Association of Charter School Authorizers has identified PCSB as among the country's most effective charter oversight authorities.

In 2013, the Center for Research on Education Outcomes at Stanford University, which has linked quality authorizing with instructional outcomes, found that D.C. students attending charter schools gained an additional 72 days in reading, and 101 days in math, over the course of a school year compared with the city's traditional public schools. D.C. charters serve higher percentages of low-income students and students of color than do the city's traditional public schools.

One distinguishing feature of the board's governance has been its accountability mechanism, a Performance Management Framework which annually places all schools in one of three performance tiers. Utilizing this measurement tool has allowed the board to eliminate more than 2,000 seats that had formerly been Tier 3, and to add more than 4,000 seats in Tier 1 charter schools since 2011.

Notes chairman John H. "Skip" McKoy, "We had 22 charter schools earn a Tier 1 rank this past year, and thousands of parents on wait lists for those schools. It's clear from this demand that we need more high-performing schools as options for D.C. parents, so we can generate a whole community of high-performing schools—especially in the areas of the city underserved by high-performing options."

Essential features of the Framework include weighting for longitudinal improvement over time by individual students in math and reading, student achievement rates as measured by proficiency on standardized tests, attendance and re-enrollment. Different weights and measures are applied for early childhood, elementary, middle, high school, alternative and adult education schools. Results are available on the PCSB website, in printed guides for parents, and on a mobile app developed by the board, MyDCCharters.

Key to the success of D.C.'s charter sector has been charter operators' ability to replicate successful schools to multiple campuses. There are currently 60 charters operating 109 campuses under PCSB's jurisdiction. This allows for some high quality operators to leverage economies of scale from an administrative perspective while expanding to serve greater numbers of students. In addition, these operators each serve as independent Local Education Agencies, which provide both for operational autonomy and access to funding equality not otherwise available.

Overall strength, however, does not mean there is no room for improvement. This year, a new, citywide lottery was held for the first time, allowing families to apply to multiple charters at the same time, with a complex algorithm in place to assign top choices where possible.

District of Columbia law mandates “uniform” funding for all students attending D.C. public charter or District of Columbia Public Schools. But substantial funding discrepancies persist. A definitive report commissioned by the District’s Deputy Mayor for Education in December 2013 observed, “compared with public charter schools, public schools receive significantly greater benefit in total and on a per-student basis.” The differences were documented in facilities, maintenance, operations, and other funding.

Charter advocacy organization Friends of Choice in Urban Schools notes, “D.C. Public Charters receive less than half the public facilities funding than city-run public schools on a per-student basis.” Clearly, more progress is needed to establish funding consistent with existing laws.

In recent years, the District of Columbia government has made important progress in providing access to city-owned facilities, also in accordance with law. Charters hold a right of first refusal for facilities deemed excess by D.C. Public Schools, and a growing number of them have been granted access to these buildings. But in reality, educational uses for city-owned buildings must compete with commercial uses, and are often excluded from homes in buildings that would make viable school locations, either outright or by excessively-limited co-location terms with commercial tenants.

Strategies for Improvement

- 1. Fix funding inequities.** Discrepancies between the uniform funding prescribed in law and actual funding received by charter schools are well documented, and must be corrected through the budget process to bring funding levels into compliance.
- 2. Continue improving access to viable facilities.** This process has improved substantially over the past five years, to the considerable benefit of students across the city, but many potential locations exist across the District which have not been made available.
- 3. Change from a single “count day” funding system** to one where per-student funding is adjusted based on changing student populations throughout the school year. This will eliminate any financial incentive for schools to “push out” certain students after an early October count day, while keeping the funding. It will also provide needed support for schools accepting students mid-year.

VIRGINIA

The Commonwealth of Virginia is frequently cited among the nation's most intractable policy environments for many of the education reforms that have produced powerful outcomes in other states. Its reluctance to adopt such innovations is often attributed to Virginia's traditionally highly-ranked public school system, typically listed among the top ten in the nation.

Nonetheless, Virginia has very real achievement gaps between white students and students of color, those of disparate socioeconomic strata, and native English speakers and English Language Learners. It is in these most underserved communities where innovative charter school models have shown some of their greatest impact. Indeed, many of the most successful charter schools and networks across the country specialize in measurably accelerating growth for students whose skills are below grade level.

Virginia has only six public charter schools which serve no more than 725 students, or about six one-hundredths of one percent of Virginia's public school population.

What has held back the growth of charters in Virginia is not the inability of strong applicants to gain approval, but rather an unfavorable operating climate that has failed to attract the strongest applicants to make the substantial investment required to prepare a charter school plan. Even relatively strong charters in Virginia have faced serious limitations to autonomy in critical areas such as curriculum development and managing human capital.

Richmond's Patrick Henry School of Science and Arts and Albemarle County's Community Public Charter School have been two pioneers in navigating Virginia's murky charter authorizing waters. These schools' creation was driven by small groups of local community members and educators; and while neither aims to be Virginia's version of a much-replicated charter management organization like KIPP or Uncommon Schools, both now operate thriving campuses in their communities.

The National Alliance for Public Charter Schools ranks Virginia's law 39th of 43 nationwide, while the Center for Education Reform gives Virginia an "F," ranking it 41st. The NAPCS summarizes Virginia's charter law by stating that it "needs improvement across the board."

Virginia has made small improvements to its charter law in recent years. In 2012, restrictions requiring charter school faculty and staff to remain employees of the local district were relaxed, opening the door for charter school boards to be fully responsible for their own personnel decisions, but only in those school districts willing to extend that freedom.

In 2013, the legislature created the Opportunity Educational Institution (OEI), a statewide school division empowered to seize control of perpetually failing schools. Modeled after the Recovery School District in Louisiana and the Achievement School District in Tennessee, the OEI was expected to charter many of the schools under its umbrella.

In practice, these changes have done little to expand or improve the charter sector in Virginia. The ability to conduct their own hiring has not translated to any major shifts in human capital practices in charter schools, and a lack of funding, weak political support, and legal challenges have left the OEI languishing in its first two years of operation. A circuit court in Norfolk recently ruled the OEI unconstitutional, and it is unclear whether the state will appeal that decision.

Even these limited improvements to charter law in Virginia have faced political challenges. Whereas charter schools nationally have enjoyed bipartisan support in many jurisdictions, most charter-friendly legislation in Virginia is championed by Republicans, with very limited Democratic support. This challenging environment has roots in the longstanding tensions that grow out of the Massive Resistance movement of the late 1950s that closed public schools in the cities of Richmond and Norfolk, as well as Prince Edward County. To Virginians who remember those dark days for education, charter schools invoke negative memories of “school choice” as a vehicle for racial separatism.

Further, while Virginia is a right-to-work state and does not have unions or collective bargaining, its professional associations—such as the Virginia School Boards Association and Virginia Education Association—also tend to lobby against charter schools in the Commonwealth.

Strategies for Improvement

- 1. Multiple authorizers.** The single most limiting factor for charter schools in Virginia is that only local districts are empowered to authorize charters. While this provides each locality the flexibility to set forth its own priorities, the dearth of charter schools in Virginia is evidence that most districts are not seriously considering them as a viable option for their students. Most have little or no experience with charter schools and are poorly equipped for high-quality charter school authorizing.

This in turn leaves potential applicants—whether they are local startup groups or local leaders aligned with Charter Management Organizations (CMOs) with proven track records in other states—with little assurance that strong applications and successful schools will be given the opportunity to operate and thrive. And, while the state board of education provides valuable guidance to charter school applicants and local school boards, precious little Virginia experience with charter schools remains a limiting factor.

A statewide school division dedicated solely to newly-approved charter schools is one possible solution. It is a widely-held belief that changes to Virginia’s constitution may be necessary to allow any other entities besides local school boards to approve and run charters under its complex school financing formula. While such a process seems daunting, it may represent the scenario most likely to support a robust, high-quality charter school movement.

- 2. Improve charter autonomy.** Because charter schools in Virginia are governed and employed by local districts, from an operational perspective they tend to be only semi-autonomous. Operational autonomy is critical to the success of the charter school governance model. This includes autonomy for choosing and managing the personnel charter leaders feel are best suited to achieve their school goals. It also requires the ability to allocate resources in the same way. To date, none of Virginia’s charter schools have even been granted their own independent bank account, and rely on the approval of district officials for their financial transactions.

Virginia’s law does allow charters in their applications—which, when approved, essentially become their operating agreements—to specifically request variances from district policies. By default, however, any autonomy not specifically negotiated at that time is not included in the agreement. As such, charter advocates suggest automatic exemptions from most local and state regulations, including teacher licensure requirements.

- 3. Funding equity and facilities access.** While Virginia’s law initially states that charters receive funds “commensurate with” the average per-pupil allotment in traditional public schools, the directive is unclear, and includes a proviso that funding levels for charters can be lower if the cost of operating the school is below average. As a result, charters that have found operational efficiencies may be penalized by receiving less per-pupil funding rather than having the flexibility to direct those funds as they see fit to improve their educational programs.

In particular, Virginia charter schools have little confidence their special-needs students will receive all of the funding to which they are entitled. Typical of most school districts, funds become co-mingled to the extent that transparency becomes compromised, and charter school students are frequently shortchanged.

Charter schools have also struggled to secure financing for capital projects like building renovations, and most cannot count on access to buildings. Albemarle County has been a statewide leader in providing charters with viable facilities, a practice that allows schools to focus their resources on meeting their educational needs.

- 4. Lengthen charter terms.** Charter law in Virginia limits the maximum allowed term of a charter to five years, while districts often prefer to keep terms to three years. This severely restricts the ability of charters to obtain either long-term financing or even philanthropic investment, compared with jurisdictions where 10 or 15 year charters are the norm. The reality is that local school boards that do approve charters tend to do so as the outcome of split votes, and every new school board election casts the future of even a high-performing charter school into doubt.

Barring major policy shifts, likely requiring a constitutional referendum, Virginia may yet be able to spur meaningful growth in the charter sector, however. Any such approach would require boldness from operators and authorizers alike.

- **Regional Charter Schools:** While local school boards are solely responsible for public schools in Virginia, multi-district charters are expressly allowed in the legislation. Consequently, a coalition of districts could collaborate on the authorization of one or more charter schools to address common needs among their communities. With strong leadership and consensus from participating districts’ superintendents on the needs to be addressed, these coalitions of school boards could essentially establish semi-autonomous regional authorizers.
- **Attract proven CMO as a “Lead Turnaround Partner”:** Virginia’s Department of Education currently requires local districts to contract with a “Lead Turnaround Partner” to intervene in “Priority,” or persistently failing, schools. While VDOE conducts its own requests for proposals for Lead Turnaround Partners every three years, local districts may also select their own partners, provided the procurement process is as rigorous as the state’s. Accordingly, a district could partner with a well-established CMO with a track record of success in turnaround environments to operate some or all of its Priority schools.
- **Creation of an Education Advocacy Organization to focus on Charter Expansion/Authorizing Practices:** Ultimately, charter advocates in Virginia will make little headway without community engagement and education. Because Virginia’s charter sector is so small, there is little awareness among voters and policymakers about the role of charters in the public school arena. An entity to conduct concerted community engagement efforts and to offer local districts assistance in codifying sound authorizing standards could provide the necessary foundation to build capacity for meaningful charter growth in Virginia.

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