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WHITE PAPER

Authorizing 2.0: Advancing Equity and Access Through Quality Authorizing



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Introducing A New Approach to Improving Charter School Authorizing

California's charter school authorizers are fundamental to the success of charter schools in our state. California has more charter schools than any other state, enrolling about ten percent of our public school students — over 675,000 — in more than 1,300 schools since the first charter school opened here in 1993.

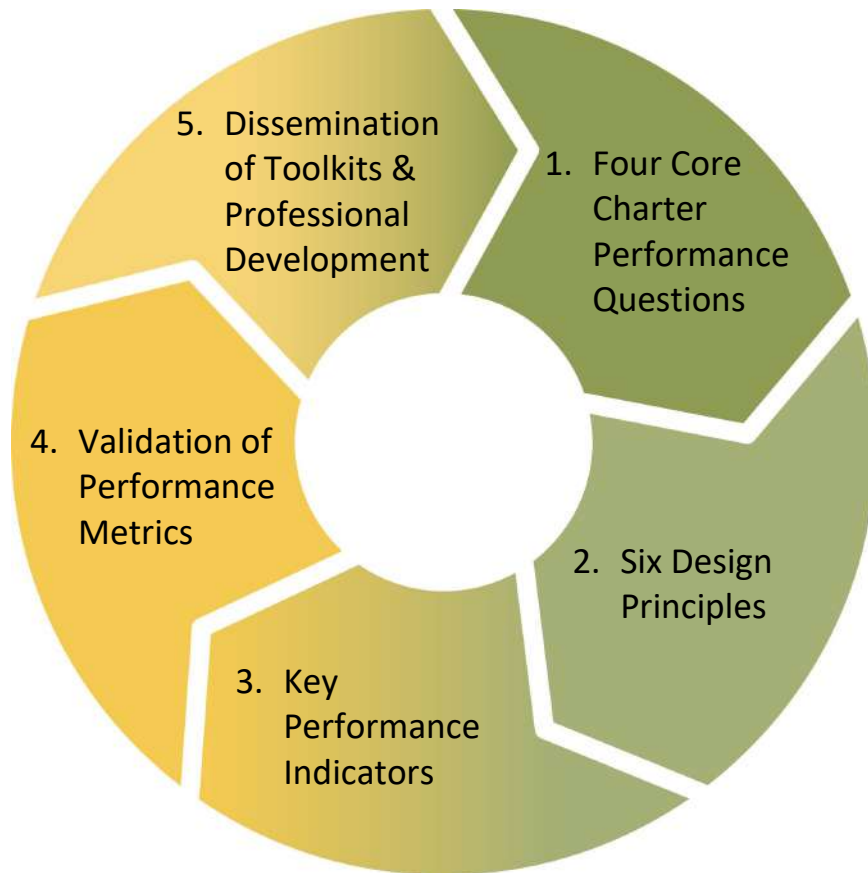
The responsibility for providing oversight to advance quality, equity, and access in California charter schools lies with 337 charter authorizers — school districts and county offices of education. From approving or denying charter petitions, to providing academic, organizational, and fiscal oversight, to deciding whether or not to renew charters, authorizers help ensure that charter schools successfully contribute to our public school system.

The California Legislature has approved numerous laws over the years, seeking to strengthen charter school monitoring and quality, yet these laws provide limited guidance and no official standards for authorizers. Nor do state regulations adequately acknowledge the unique challenges faced by the smallest authorizers, which represent 92 percent of authorizers in California. The absence of an overall vision and official standards and protocols for authorizing has resulted in a jumble of disparate practices with inconsistent outcomes.

This paper describes the collaborative work of the California Charter Authorizing Professionals (CCAP) to develop a new approach to charter school authorizing, designed consistent with sound regulatory principles and recognizing the realities of this complex but important work. We call this approach Charter Authorizing 2.0 (CA2.0). Its goal is to develop a system of processes and practices that focuses on the core questions that charter authorizers must answer through their oversight of charter schools — relying on key indicators of performance instead of rules and checklists — and that enable all authorizers to meet their responsibilities despite limited resources.

Funded by a federal grant, CCAP has begun the work of CA2.0 in partnership with WestEd and the Small School District Association (SSDA), engaging a variety of experts and experienced authorizers in the work. By providing an overarching vision for charter authorizing and a framework for authorizing quality, CCAP intends to help ensure that charter schools powerfully advance quality, equity, and access in California's public education system. Importantly, CCAP seeks to advance this vision with a clear understanding of the challenges confronting small authorizers. CA2.0's overall approach is set forth below and is depicted in Figure 1.

Figure 1 — CA2.0 Schematic
Overview of CA2.0 continuous improvement feedback process



Charter School Authorizers and Their Role

Charter schools are autonomous public schools that are approved by district and county boards of education and overseen by local educational agencies (school districts and county offices of education) under the terms of California’s Charter Schools Act.¹ These district and county boards and the agencies and their staffs that support them are referred to as charter school “authorizers” and are responsible for deciding whether to approve and, later, whether to renew the charters that set the terms of each school’s operation. They are also responsible for monitoring charter school performance during the operating term. Although the nomenclature is different, charter school authorizers are essentially regulators.

As described by the Paris-based Organisation for Economic Co-operation and Development (OECD), “Regulators are entities authorized by statute to use legal tools to achieve policy objectives, imposing obligations or burdens through functions such as licensing, permitting, accrediting, approvals, inspection and enforcement.”² Although the word “regulatory” can have a bureaucratic and even an intimidating connotation, in the charter sector referring to authorizing as a “regulatory” function is not just about compliance and accountability. The word distinguishes the authorizing role from the directive or managerial approach more familiar to many in K-12 education. A regulatory model is more arm's-length — one of setting expectations and establishing ground rules but affording considerable discretion in how the “regulated” entities, in this case, charter schools, strive to achieve them. This is the essence of chartering.

Like regulators in many other sectors of the economy, authorizers supervise and shape the operation of charter schools through the setting of performance expectations, targets, rules, and other forms of guidance. For charter schools, some of those “rules” are found in state law or regulation, some have federal sources, and some are in the charter itself, which includes specific commitments made by the school to the authorizing agency during the approval process. Fulfilling these performance expectations and complying with these rules is the responsibility of the governing board and management of the charter school organization — usually a non-profit corporation. Monitoring the charter school’s performance with respect to the performance expectations and the relevant rules and other guidance is the responsibility of the charter authorizer.

Confirming compliance with specific rules is a part of what charter authorizers must do, as directed by California’s charter law. For example, the law specifically directs charter authorizers to “ensure that each charter school under its authority complies with all reports required of charter schools by law...”³ But it also tells authorizers to evaluate performance against more general standards, such as the requirement to “monitor the fiscal condition of each charter school”⁴ and to “hold the schools established under this part accountable for meeting measurable pupil outcomes.”⁵ The admonition to hold charter schools accountable for outcomes shifts the focus for authorizers, directing authorizers to “provide the schools with a method to change from rule-based to performance-based accountability systems.”⁶

This monitoring of charter school performance and outcomes by authorizers serves both the present and the future. Observing and reporting on current performance across multiple domains identifies areas for improvement to be addressed by the charter school governing board and management. It also builds a record of performance for the authorizer to rely upon when deciding whether to renew a school’s charter, or in extreme cases, to revoke a charter and close the school. The record of a charter school’s performance can also be used to support an authorizer’s decision on subsequent requests from the same charter organization to expand and/or open new schools.

Scope of the Authorizing Function

While charter law includes some specific rules for compliance and direction on measuring academics, it is not intended to be a complete guide for evaluating their overall school performance. A successful school, like any enterprise, is the result of many interconnected factors and conditions — the inputs that lead to good outcomes for those being served. Experience in California and throughout the country has shown a limited number of key criteria can be used to judge whether a charter school is successful. In the simplest terms, a charter school is successful if three basic charter performance questions can be answered in the affirmative:

1. Is the charter school’s educational program a success?
2. Is the charter school financially viable?
3. Is the charter school operating and governed effectively?

Recently, there has been a growing recognition, now incorporated to some extent in revisions to the Charter Schools Act, that charter schools also need to be evaluated on whether they are meeting overarching public policy objectives. This idea encompasses both general ideas of “good government” and accountability and fairness to stakeholders, but also the overall public policy goal of improving all public schools through innovation, competition, collaboration, and/or addressing system needs. Examples could include expectations as diverse as addressing specific challenges or strengthening the school system as a whole, enrolling and effectively serving appropriate proportions of English Learners (EL) and students with disabilities, using public funds appropriately, involving stakeholders in decision-making, and sharing successful practices with other schools. Ultimately authorizers have a responsibility to ensure that even charter schools that have successful educational programs, are financially viable, and operated and governed effectively also advance equity and access in California’s public education system as a whole. This leads to a fourth charter performance question:

4. Is the charter school serving public policy purposes?

CCAP refers to these as the four Core Charter Performance Questions. In one form or another, these four questions should guide an authorizer in all of its responsibilities: deciding whether to approve charter petitions, monitoring and reporting on a charter school’s ongoing operations, determining when and how to intervene if performance targets are not met, and deciding whether to renew. Each of these actions is bound by a set of procedures and criteria in the charter law, but they are fundamentally guided by the answers to the four Core Charter Performance Questions. And while the answers are discovered through the authorizer’s oversight and investigations, they are determined by the actions of the charter school’s

governing board and management. The charter school governing board, not the authorizer, makes decisions for the school and is held accountable for the school's performance.

In some cases, however, the authorizer actually may be the charter's governing board. This is the case with a kind of school known informally as a "dependent" charter (as opposed to an "independent" charter). Charter school law never uses these terms and makes no such distinction but simply describes the law's intent to establish "schools that operate independently from the existing school district structure." Nonetheless, numerous schools in the state have been chartered by a district or county office of education but are governed and managed (to varying degrees) very much like local non-chartered schools. The relationship between the authorizing district and such "dependent" charter schools is different from that between autonomous or "independent" charters (generally managed by non-profit corporations⁷) and their authorizers, but the legal responsibilities remain the same. The "dependent" status does not obviate the need for oversight, but it may alter the way performance in non-academic areas is measured.

Improving Authorizing Through a Focused Approach: CA2.0

Charter Authorizing 2.0 (CA2.0) seeks to align the charter oversight process with the four Core Charter Performance Questions in a manner that promotes charter schools that are high quality, self-monitoring, financially sound, operate consistent with good governance principles, and strengthen our public education system. These qualities serve the purposes of charter schools, as described in the law.

The Charter Schools Act, related statutes, and implementing regulations provide very limited guidance regarding the authorizing and oversight of charter schools.⁸ Leaders and policy makers in public education generally do not see the role of charter authorizers as regulatory. School districts manage schools directly, and county offices of education generally play a supporting or advisory role, making the role of regulator unfamiliar and sometimes uncomfortable to both. State law offers only general guidance. The State Board of Education has adopted some regulations, but unlike in other states, no official standards or specific protocols for authorizing have been developed.

Thus, in the absence of an overall vision of authorizing, after more than two decades, there are still significant barriers to the development of an effective and consistent authorizing and oversight process in California. The difficulties that have arisen because of these shortcomings have been documented in numerous reports but may be best summarized in the National

Association of Charter School Authorizers' (NACSA) 2016 report on California authorizing.⁹ Shortcomings cited in the NACSA report include:

- Inconsistent authorizer capacity and expertise
- A politicized authorizing structure and process
- Lack of professional authorizing and oversight standards
- Lack of distinct, transparent performance agreements
- Weak state-level oversight of authorizers, with little enforcement authority
- Ineffective charter renewal processes that can distort accountability

NACSA's identification of inconsistent authorizer capacity and expertise as a major shortcoming derives from the reality that a majority of California's charter authorizers have very limited resources to do the work. California has a deep commitment to local school districts and local control of public K–12 education. As a result, California's school districts vary greatly in size.

While the 12 largest of California's 1,037 school districts serve almost 30% of its students,¹⁰ approximately two-thirds of all school districts are defined as "small" districts with an enrollment of 2,500 or less.¹¹ The commitment to local control produced a charter law that put authorizing largely under the control of school districts. The outcome has been a large and varied charter sector, with charter schools throughout urban, suburban, and rural locations. California has more charter schools (1,306 in 2018-19 school year)¹² and more charter school authorizers (337)¹³ than any other state. However, the reliance on a very decentralized system has also created significant challenges.

Each school district and county office of education (COE), no matter how large or small, has the responsibility under the law to be a charter school authorizer if a legally compliant charter petition is presented to it. Per California Education Code (EC) § 47613, a chartering authority may charge for the actual costs of supervisory oversight of a charter school in an amount not to exceed one percent of the Local Control Funding Formula revenue of the charter school, or up to three percent if the charter authority also provides substantially rent-free facilities. Larger authorizers, defined by CCAP as agencies that currently authorize more than six charter schools, typically receive sufficient funding from charter school oversight fees to employ at least one or more full-time person(s) to conduct the required oversight.¹⁴ But these authorizers are the exception.

Ninety-two percent of California authorizers are small authorizers with portfolios of six or fewer operating charter schools (in fact, two-thirds have only one or two charters), yet collectively they authorize approximately one-half of all the charter schools (622) in the state.¹⁵ With fees for oversight based on charter school revenue (most often 1%), these authorizers receive minimal funding to conduct oversight. Because many of them are also very small districts

(serving no more than 2,500 students), they can afford to employ only very limited professional administrative staff — often just a superintendent and a finance director. This lack of staff and expertise in the many subject matter areas needed to answer the four Core Charter Performance Questions posed above significantly impacts the ability of these districts to provide effective oversight.

The results of inadequate oversight can be seen in newspaper reports of mismanagement of public funds by charter school leaders¹⁶ and academic research on charter school outcomes, such as those conducted by the Center for Research on Educational Outcomes (CREDO) at Stanford University.¹⁷ One mechanism for improving the performance of charter schools, both academically and financially, is for charter school authorizers to improve their own performance. If charter authorizers approve only new schools with a strong chance of success for all students, if they monitor operating charter schools to identify areas for correction and improvement, and if they close charter schools that do not meet performance standards, the students in charter schools — and California's entire public school system — will benefit.

Design Principles for High Quality and Effective Charter Oversight

As discussed above, many of the challenges to quality authorizing in California are a consequence of the structure created by the Charter Schools Act, which places the responsibility for authorizing on all school districts and COEs, whether or not they have the will and skill to perform those duties. It is not within CCAP's power to change that structure or to alter existing law in the ways suggested by the many policy papers addressing authorizing.¹⁸ But CCAP can improve the quality of authorizing work performed by school district and COE authorizers by developing design principles, clear processes, and efficient tools for their use.

This paper describes a charter authorizing system that supports authorizers of all sizes but specifically addresses the needs of small authorizers to effectively meet their responsibilities. It will enable small authorizers to perform basic monitoring functions with limited funding and professional staff. If serious problems are identified, additional expertise can be brought in from other agencies, consultants, and law firms.

CCAP has identified a limited number of Design Principles that guide the development of a high quality, transparent, and effective performance-based charter school authorizing system for California. Although these principles are applicable to all aspects of authorizing, this paper speaks directly to the monitoring phase of the work: the period from charter approval to renewal — referred to interchangeably here as monitoring or oversight. The Design Principles are simple yet specific statements defining what the organization must do to enable execution

of a strategy — in this case, effective, performance-based oversight of charter schools.¹⁹ The Design Principles provide a framework or scaffold for building effective and efficient charter monitoring processes and tools. They also serve as critical tests to evaluate the proposed system and its individual components.

CCAP's Design Principles are primarily informed by two bodies of research and expertise. The first of these is the experience of, and research on, the structures of effective regulatory systems generally, in California, the U.S., and internationally. Key references include the OECD's publication *The Governance of Regulators*²⁰ and the U.S. General Accounting Office's (GAO) study of agency design and enforcement.²¹ The second body of expertise is directly related to the function being regulated: charter authorizing. In addition to its own expertise, CCAP has drawn upon the knowledge and experience regarding charter school operations and charter school authorizing of organizations such as NACSA, the National Charter Schools Institute, Alameda County Office of Education's federally funded CARSNet project, the Fiscal Crisis and Management Assistance Team (FCMAT), and its own members and advisors.

In the first body of research and expertise, the OECD's four necessary elements of better regulatory outcomes inform CCAP's "starting point" for its work.²² These elements are depicted in Figure 2.

Figure 2 — OECD Necessary Elements of Better Regulatory Outcomes

State-Level Elements			Authorizer Element
Well-designed rules and regulations that are efficient and effective	Appropriate institutional frameworks and related governance arrangements	High quality and empowered institutional capacity and resources, especially in leadership	Effective, consistent, and fair operational processes and practices

As discussed above, here is how three of these necessary elements currently look when it comes to California charter authorizing:

1. The state has provided few "rules and regulations," specifically guiding authorizer activity.

2. The institutional framework for authorizing and related governance arrangements (our local authority-based system) is set by statute.
3. Authorizing funding, which impacts capacity and empowerment, is severely constrained by law (1% to 3% of charter school revenue, regardless of the authorizer's workload, size, or capacity).

While those three elements warrant attention in the coming years, in the near term, California's realities place CCAP's focus on the remaining element: development of efficient, consistent, and fair operational processes and practices. The Design Principles developed based on the second body of research and expertise serve that purpose. A future CCAP paper will explore options and make recommendations for improving California charter authorizing through the other three necessary elements of quality regulation identified by the OECD.

Charter Authorizing Design Principles

The Design Principles enunciated here apply to all aspects of the authorizing role, including initial charter approval and renewal, but again, the focus of this paper is on their use in developing a system for monitoring operating charter schools. Their application in other contexts is mentioned but not discussed at length.

Principle 1: The role of the authorizer is primarily regulatory.

The authorizer approves or denies charter petitions, monitors operations, assesses performance, intervenes as necessary, and approves or denies renewals. These activities constitute a regulatory function in the same way that government agencies work with private entities to license hospitals or approve powerplant construction. The authorizer does not set school policy, direct budgeting, hire staff, evaluate leadership, or otherwise manage the school.

The authorizer operates within a regulatory "lifecycle" that moves from approval through start-up, operation, renewal, and possibly closure. The law establishes the criteria for the high-stakes decision-making of approval and renewal. The authorizer collects and analyzes information from the petitioning charter school organization and makes a decision based on the facts as applied to the established criteria. During the start-up and operating phases, the authorizer as regulator monitors performance against specific established standards (e.g., does the proposed school site meet applicable safety requirements?) and collects data to answer the four Core Charter Performance Questions.

Being transparent about this monitoring process and communicating results to the charter school are critical elements of the regulatory process as they promote improvement.

Transparency and communication also build the foundation for formal intervention if it becomes necessary to address serious lapses. Formal intervention can take many forms, but it may culminate in revocation of the charter and closure of the school.

It is worth noting that regulation is not the only way that school districts and COEs can improve outcomes for charter school students. As with other types of regulatory agencies, they can inform and educate the charter schools in their charge. They can also facilitate the flow of good practice from charter schools to traditional district schools and vice versa in furtherance of one of the Charter Schools Act's stated purposes to "encourage the use of different and innovative teaching methods."²³ Some CCAP members sponsor regular professional development for leaders of the charter schools they authorize, while others have paired teachers from charters and traditional district schools to learn from one another's successes.

Principle 2: The first level of oversight responsibility resides with charter school governing boards.

As discussed above, a regulator is not a manager. The responsibility for ensuring the proper and successful operation of the charter school rests first and primarily with the charter school's governing board. This is both more effective, because only the charter board can direct needed changes, and more efficient, because it allows the authorizer to focus on areas of potential concern, rather than broader, but shallower, oversight. In addition, this supports the governing board in building capacity and competence while also protecting its autonomy.

That freedom by the charter school board to function without excessive intrusion into its day-to-day operations by the authorizer makes possible the achievement of the charter law's purposes to encourage innovation, create new professional opportunities for educators, provide parents and pupils with expanded choices, and stimulate continual improvement in public education.²⁴ Consistent with this Principle, monitoring processes normally should not include extensive reviews of day-to-day operational activities but should include review and verification of the work of the charter school governing board.

In the unique context of public charter schools, monitoring the work of the governing boards is particularly important. Unlike for-profit corporations, non-profit boards are not accountable to stockholders who elect them. They owe a fiduciary duty to the school and are accountable to their stakeholders, including children, parents, staff, local community members, and California taxpayers. The authorizer helps ensure that all of these stakeholder interests are represented. The authorizer can also hold charter school governing board members, who are almost always volunteers and often without relevant experience in education management, accountable for developing the capacity to effectively fulfill their duties.²⁵

Principle 3: There are fundamental performance-based indicators of charter school quality that can be identified and measured.

Charter schools were intended to be part of a larger effort to move the California K-12 education system to performance-based accountability. In the statement of legislative intent, subsection (f) identifies a purpose to “provide the schools with a method to change from rule-based to performance-based accountability systems.”²⁶ Performance-based accountability depends on identifying key indicators of quality for periodic measurement. Although measuring performance in an endeavor as complex as education is difficult, experience and research have shown that it can be done—not with precision or without controversy, of course. NACSA’s work on charter school performance contracts²⁷ has led many states to require them, and there are many models among high-quality authorizers around the country.

CCAP’s ongoing work is to develop and refine a limited number of Key Performance Indicators that capture information strongly predictive of charter school performance across a number of subject areas. In this context, Key Performance Indicators define and communicate the charter school’s fundamental performance characteristics to a wide variety of stakeholders, including, of course, to the charter school and its authorizer. They become part of the routine monitoring of school performance and oversight of the charter school’s governing board. Key Performance Indicators are:

- Responsive to the four Core Charter Performance Questions
- Measurable
- Determined at the time the charter school is authorized
- Communicated to all stakeholders

Key Performance Indicators may be changed as the school program or operations change, or they may be supplemented with new indicators when corrective action is needed. They may also need to be adapted for “dependent” charters that have less autonomy from their authorizers. The results of monitoring the Key Performance Indicators inform the scope and intensity of such follow-up action. The Key Performance Indicators address the four basic charter performance questions posed above.

Question 1: Is the school’s educational program a success?

Key Performance Indicators answering this question include the students’ academic performance, both in absolute terms and in terms of student achievement and growth, as measured by the California Assessment of Student Performance and Progress (CAASPP) and other measures of student academic performance. There are also the additional measures included in the California School Dashboard—a baseline of educational standards that applies

to all California schools, including charter schools.²⁸ These are based on “educational best practices and evidence-based practices”²⁹ and are broadly recognized as rigorous but reasonable, though they may vary by school type and mission (e.g., a school with limited grade levels, serving particular types of students such as drop-outs, or using a unique educational approach such as Core Knowledge). However, identifying such educational standards in California at this time is a significant challenge given the changes to the statewide assessment system, the new statewide dashboard, the impact of COVID 19 on statewide testing, the implementation of the new statewide residual gains student growth model, and the limited statewide consensus of what constitutes a reasonable level of performance or improvement for all schools.

The second group of standards is specific to each particular charter school, based on its unique characteristics. The school negotiates these with the authorizer. These measures may be used to fulfill baseline educational standards or assess other aspects that the school believes are important to fulfilling its mission.

Question 2: Is the school financially viable?

Although the academic program's success is paramount, without the support of strong finance, governance, and operations, a charter school cannot sustain its success. A baseline set of fiscal standards applicable to all California charter schools has been developed by CCAP based on “fiscal best practices,” which are already broadly recognized as rigorous but reasonable. Fiscal performance indicators are already used to evaluate the financial viability of business entities large and small, as well as nonprofits. CCAP’s indicators were informed by those adopted by a number of high- quality authorizers across the country, including the DC Public Charter School Board³⁰ and the SUNY Charter Schools Institute.³¹ A set of modified standards can be developed that apply to charters schools in special circumstances, such as new schools or those undergoing major expansions, relocation, or programmatic changes.

Question 3: Is the school operated and governed effectively?

A baseline of operational standards that apply to all California charter schools can be developed from existing legal mandates and organizational and operational best practices in schools and, more generally, in non-profit organizations. They can cover a range of subjects, from human resources, facility safety, and educational materials to student discipline, special education procedures, and family communication. Standards to be identified will be broadly recognized as rigorous but reasonable. CCAP has incorporated an initial set of operational standards in its Annual Report Toolkit.

Within the realm of governance, a baseline of applicable governance standards can be developed based on legal mandates (e.g., open meeting and conflict of interest laws) and non-

profit governance best practices, recognized broadly in the field as rigorous but reasonable. These standards should be directly measurable (e.g., frequency of meetings) or observable (e.g., board member participation during meetings).

Question 4: Is the school serving public policy purposes?

The concept of public policy purposes covers two ideas that are not explicitly written into charter school law but were implicit in its creation and development. First is the idea that as a taxpayer-funded program of public education (a state responsibility enshrined in Article IX of the California Constitution); charter schools should be held to basic standards of “good governance.” Many aspects of “good governance” are found in California law applicable to agencies and contractors (e.g., misuse of public funds) and non-profit best practices. These can be used to develop relevant and reasonable indicators, but other overarching principles of government may require additional conversation. For example, evaluating equitable access for students with disabilities and English learners is surely more than “ticking the boxes” on “inputs” like recruitment forms and paperwork timelines.

Second is the over-arching purpose of the charter school experiment: to improve the overall quality of the state’s public education system. The stated intent of the law is to provide opportunities to establish charter schools “as a method to accomplish” a list of goals.³² Although “achiev[ing] continual improvements in all public schools” (emphasis added) is technically tied to only the last goal (“provide vigorous competition”), it is implicit in the language and explicit in the words of the authors of the legislation³³ and progenitors of the charter concept.³⁴

Identifying outcomes-based indicators to measure a charter school's potential and actual contribution to strengthening the local public education system overall will require considering a variety of ways in which charters can help. These ways may include developing and modeling innovative practices, publishing research, or collaborating with other schools. Charter schools may also serve these larger purposes by successfully educating students whose needs are not currently being met or meeting other system-wide local challenges, thereby filling strategic roles in our public school systems that help advance equity and access for all students.

Principle 4: The intensity of oversight is tied to the charter school’s results with respect to the Key Performance Indicators.

The charter monitoring process relies on a limited number of Key Performance Indicators that are clearly identified and verifiable and are known to the charter school and the authorizer — and which they have agreed will define their success. Therefore, if these Key Performance Indicators are consistently met, the need for monitoring is reduced. Failure to meet these

indicators (e.g., low cash reserves or decreases in student achievement) would trigger additional, more detailed (and potentially more intrusive) reviews.

The purpose of additional review is first to better understand the reason for any variance from prior performance. A staff change or large one-time expenditure may impact an indicator without signaling a problem in school performance. If there is a genuine problem, more work will be needed to identify the nature and extent of any shortcomings and to assess the level of additional risk. Additional monitoring can also motivate and support the charter school as it identifies and implements solutions. If serious issues are found, additional data gathering can also be the basis for the authorizer to start a formal process requiring that the charter school promptly and fully address the problems or, if justified by serious enough conditions, to begin charter revocation proceedings.

Principle 5: The authorizer communicates results of monitoring to the charter school, laying a foundation for future decisions.

Good communication with the charter school and stakeholders is a critical component of an effective authorizing process. Communicating results of monitoring promotes school improvement and develops the record for future decisions, including high-stakes decisions to renew the charter, expand or modify the school, or revoke the charter and close the school. It also develops trust between the authorizer and all affected parties, leading to more cooperation, which makes the process both more efficient and more effective and ideally can facilitate system-wide improvement.

The most important communication tool is an annual report, which involves two key steps. The first is to collect and validate data both provided by the charter school and obtained independently by the authorizer from other sources — such as site visits and interviews. The second is to analyze the entirety of the data and produce a written report assessing the school's performance with respect to the agreed upon standards (i.e., Key Performance Indicators) set for the school. The annual report should be a public document that informs all interested parties and is a critical part of the record supporting the renewal decision for the school.

Principle 6: Implementing the process for effective authorizing must be within the capacity of all entities that serve as authorizers.

These principles emphasize a selective approach: expecting charter school governing boards to be primarily responsible for charter performance, seeking answers to core questions, measuring key indicators, and adjusting oversight intensity to the need are all ways to get the best information without wasting resources. This focus on efficiency is driven by the recognition that the vast majority of California's charter authorizers do not have resources to spare.

The process must be effective in ensuring high-quality education for students and the responsible use of taxpayer dollars. It must answer the four Core Charter Performance Questions and communicate the results clearly and openly. But if the process to accomplish this is not within the capacity of authorizers with small charter portfolios and small districts and county offices of education with limited professional staff and expertise, augmented by accessible external supports, it will not be consistently implemented. Such efficiency will require the effective use of technology to streamline the collection and analysis of data, store key information, and communicate with the charter schools and their stakeholders.

In the context of the approval process for new charter school petitions, staying within the capacity of small districts is even more challenging given the limited professional staff. CCAP's CA2.0 Petition Review Toolkit is specifically designed to meet the needs of small authorizers without sacrificing a thorough analysis, again relying on the four Core Charter Performance Questions applied to the proposed charter school. Nonetheless, small districts may find it necessary to seek support from subject matter experts outside of their own staff, including neighboring districts, COEs, consultants, and law firms.

Next Steps: CCAP Action Teams define the indicators, the process, tools, and the manner of communicating results.

Having defined the four Core Charter Performance Questions and established the six Design Principles, CCAP's ongoing work is embedding these in CCAP Toolkits that:

- Identify Key Performance Indicators to answer the four Core Charter Performance Questions.
- Describe the process for gathering and analyzing relevant data on the chosen indicators, including higher intensity monitoring, if needed.
- Provide specific tools for data analysis and for display and interpretation of indicator results.
- Provide templates for communicating the results of the process, including both an annual report and other less formal communications with charter school governing boards, management, and stakeholders.

CCAP continues to use Action Teams composed of experienced charter authorizers to guide the work of turning the CA2.0 approach into an actionable set of guidance and tools, with the support of CCAP's partners, including the Small School District Association and WestEd.

The work of CA2.0 addresses just one of the elements of the OECD's framework for regulatory agencies. As discussed above, the other three elements may require action that is not within the power of a member organization like CCAP but may require new law or regulation:

- Well-designed rules and regulations that are efficient and effective.
- Appropriate institutional frameworks and related governance arrangements.
- High quality and empowered institutional capacity and resources, especially in leadership.

CCAP will address options to improve authorizing through these elements in a future paper directed toward policy makers.

Conclusion

Since the early years of California's Charter Schools Act, researchers and practitioners alike have consistently and repeatedly identified the need for strong, consistent charter authorizing to ensure that our charter school sector helps achieve the Legislature's goals for improving public education. But authorizing in our state has been hampered by numerous, persistent challenges, including a lack of standards and protocols and limited resources and expertise among the many small districts with active charters.

CCAP's Charter Authorizing 2.0 provides the framework for developing a system of processes and practices built around the core questions that charter authorizers must answer to provide the effective oversight of charter schools that is needed. The framework relies on key indicators of performance instead of rules and checklists, and it helps enable all authorizers to meet their critically important responsibilities despite limited resources. Through this work, CCAP will help ensure that charter schools powerfully advance quality, equity, and access in California's public education system.

Appendix A

Design Principles Underlying Charter Authorizing 2.0 (CA2.0) Summary

Charter Authorizing 2.0 (CA2.0) is a charter authorizing structure with design principles built around four Charter School Core Performance Questions:

Core Charter Performance Questions: What Do We Really Care About?

1. Is the charter school's educational program a success?
2. Is the charter school financially viable?
3. Is the charter school operating and governed effectively?
4. Is the charter school serving public policy purposes?

PRINCIPLE 1

The role of the authorizer is primarily regulatory: It approves/denies charter petitions, monitors, assesses and intervenes as necessary, and approves/denies renewals.

PRINCIPLE 2

The first level of oversight responsibility resides with charter school governing boards: The responsibility for ensuring the proper and successful operation of the charter school rests first and primarily with the charter school's governing board.

PRINCIPLE 3

There are fundamental performance-based measures of charter school quality that can be identified and measured: Educational Program Success, Financial Viability, Operational Success, Competence Governance, and Operating Consistent with Public Policy.

PRINCIPLE 4

The intensity of oversight is tied to the charter school's results with respect to the Key Performance Indicators: The charter oversight process is based on a limited number of key performance indicators clearly identified and verifiable, and known to the charter school and the authorizer.

PRINCIPLE 5

The authorizer communicates results of monitoring to the charter school, laying a foundation for future decisions: This high-stakes decision to renew/not renew is an iterative decision process, guided by the four questions and the renewal criteria in law.

PRINCIPLE 6

Implementing the process for effective authorizing must be within the capacity of all entities that serve as authorizers: The authorizer oversight process must effectively answer the four Charter School Core Performance Questions, be as complete and self-contained a process as possible, and be effective within the resources, available outside supports, and charter authorizing capacity/expertise of all authorizers.

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- ¹ For more information on charter schools in California, see the California Department of Education’s website (www.cde.ca.gov/sp/ch/cefcharterschools.asp) and the California Legislative Analyst’s Office March 2019 “Overview of Charter Schools in California” (<https://lao.ca.gov/Publications/Detail/3975>).
- ² OECD, Best Practice Principles for Regulatory Policy: Governance of Regulators, 2014, OECD Publishing, p. 17.
- ³ California Education Code Section (EC §) 47604.32(a).
- ⁴ EC § 47604.32(a)(4).
- ⁵ EC § 47601(f).
- ⁶ EC § 47601(f).
- ⁷ Since July 2019, California law has prohibited new charter schools and any renewing charter schools from being operated as, or being operated by, for-profit entities. EC § 47604. Charter schools authorized before July 2019 that have not yet come up for renewal may still operate under such arrangements.
- ⁸ California Education Code Section 47600 et seq. and Title 5 of the California Code of Regulations Section 11960 et seq.
- ⁹ National Association of Charter School Authorizers, “Time to Modernize Charter Authorizing in California: Analysis & Recommendations,” March 2016.
- ¹⁰ California Department of Education (CDE) website, July 2020, <https://www.cde.ca.gov/ds/sd/cb/ceflargesmalldist.asp>.
- ¹¹ Small School Districts Association website, July 2020, <https://www.ssda.org/o/ssda/page/history--6>.
- ¹² California Department of Education website, July 2020, <https://www.cde.ca.gov/sp/ch/cefcharterschools.asp>.
- ¹³ CCAP data derived from the CDE charter database, July 2020, CDE website, <https://www.cde.ca.gov/ds/si/cs/ap/lists.asp>.
- ¹⁴ Analysis of funding levels has been performed by CCAP from state and member data. Assuming average LCFF funding and school enrollment, small portfolio authorizers receive between \$21,000 and \$128,000 per year. See also “California Charter Oversight: Key Elements and Actual Costs,” California Research Bureau, California State Library, January 2012, pp. 84-85, for analysis of “average” authorizer funding and petition review costs.
- ¹⁵ CCAP data derived from CDE charter database, July 2020, the CDE website, <https://www.cde.ca.gov/ds/si/cs/ap/lists.asp>.
- ¹⁶ The Washington Post, “The 5 most serious charter school scandals in 2019 — and why they matter,” January 27, 2020.
- ¹⁷ Center for Research on Education Outcomes at Stanford University, “California Charter School Performance,” February 27, 2017.
- ¹⁸ See NACSA report referenced above; also California County Superintendents Educational Services Association, “Charter a Way Forward: Recommendations for Improving Charter School Outcomes and Accountability by Supporting Charter Authorizers,” April 7, 2019; Little Hoover Commission, “Smarter Choices, Better Education: Improving California Charter Schools,” November 2010; California Research Bureau, “California Charter Oversight: Key Elements and Actual Costs,” January 2012.
- ¹⁹ “Winning Operating Models That Convert Strategy to Results,” Bain & Company, Blenko, Garten and Mottura, December 2014, <https://www.bain.com/insights/winning-operating-models-that-convert-strategy-to-results/>.
- ²⁰ OECD, “The Governance of Regulators, OECD Best Practice Principles for Regulatory Policy,” 2014, OECD Publishing.
- ²¹ GAO-18-22, “FEDERAL REGULATIONS: Key Considerations for Agency Design and Enforcement Decisions,” October 2017.
- ²² OECD, “The Governance of Regulators, OECD Best Practice Principles for Regulatory Policy,” 2014, OECD Publishing, p. 22.
- ²³ EC § 47601(c).
- ²⁴ EC § 47601(c), (d), (e), and (g).
- ²⁵ See “Creating Effective Governing Boards,” Charter Friends National Network, undated; “Good to Govern: Evaluating the Capacity of Charter School Founding Boards,” NACSA, September 2007.
- ²⁶ EC § 47601(f).
- ²⁷ See “Policy Guide: Charter School Contracts,” NACSA, October 2009; “Core Performance Framework and

Guidance,” NACSA, March 2013.

²⁸ California also recognizes some public schools as DASS: Dashboard Alternative School Status. Approaches for answering the core question of academic success for such schools will be specifically addressed by CCAP in future work.

²⁹ “Best practices” is a term that has been used in educational research for decades. In their book, *Professional Capital: Transforming Teaching in Every School*, Andy Hargreaves and Michael Fullan (Teachers College Press, March 9, 2012) share their definition for “best practices,” as existing practices that already possess a high level of widely agreed effectiveness. The CRB 2012 study of charter authorizing defined best practices as those “... that are demonstrated to produce the best possible outcome with the current state of knowledge” (p. 49) but noted in its summary that “Best practices have not been established in the field of charter school authorizing because research that links authorizing practices to school outcomes has not been completed. What currently exists is a set of recognized professional standards for charter school financial, academic and management oversight.” (p. 7).

³⁰ See “Fiscal Year 2020 Financial Analysis Report Technical Guide”, DC Public Charter School Board, November 19, 2019.

³¹ “SUNY Fiscal Dashboard,” SUNY Charter Schools Institute, 18-19 fiscal year data;

<https://www.newyorkcharters.org/fiscal-dashboard/>

³² EC § 47601. It is the intent of the Legislature, in enacting this part, to provide opportunities for teachers, parents, pupils, and community members to establish and maintain schools that operate independently from the existing school district structure, as a method to accomplish all of the following:

- (a) Improve pupil learning.
- (b) Increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for pupils who are identified as academically low achieving.
- (c) Encourage the use of different and innovative teaching methods.
- (d) Create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.
- (e) Provide parents and pupils with expanded choices in the types of educational opportunities that are available within the public school system.
- (f) Hold the schools established under this part accountable for meeting measurable pupil outcomes and provide the schools with a method to change from rule-based to performance-based accountability systems.
- (g) Provide vigorous competition within the public school system to stimulate continual improvements in all public schools.

³³ Principle author, Senator Gary Hart, spoke of his intent in an August 2018 interview in EdSource, noting that, “First and foremost was innovation and reform...” for other district schools to learn from.

³⁴ See speech to the National Press Club of Al Shanker, President of the American Federation of Teachers, March 31, 1988, in which he described a charter-like system that would reform public education by enlisting people in a cause and a movement through thousands of schools instead of shoving a handful of reform efforts down their throats.