



Arizona State Board for Charter Schools
1700 W Washington St., Room 164
Phoenix, AZ 85007

July 8, 2011

Dear Board Members:

Enclosed, please find the Authorizer Evaluation report for the Arizona State Board for Charter Schools ("ASBCS"), prepared by the National Association of Charter School Authorizers ("NACSA"). NACSA will attend the regular ASBCS meeting on July 11, 2011 and we look forward to discussing the key findings and recommendations with you.

NACSA has conducted dozens of Authorizer Evaluations across the nation, each for the sole purpose of identifying strengths and opportunities for improvement in an authorizer's policies and practices. For the ASBCS, we identified a number of strengths, including:

- the existence of thorough requirements and evaluation criteria for charter school applications,
- decisions by the ASBCS to approve only those applications that meet or exceed all criteria,
- the creation and implementation of school Performance Management Plans,
- the preservation of high levels of school autonomy in key areas, including the educational program, school operations, resource allocation, personnel decisions, and
- the recent adoption of a strategic plan to guide the Board's actions in coming years.

As with every authorizer, NACSA also identified opportunities for improvement. For example, many of the solid policies and practices that ASBCS has developed are hindered by its small staff and budget. In addition, the 15- and 20-year charter terms that are mandated by Arizona law greatly deviate from national standards and can undermine ASBCS' ability to hold its schools accountable for performance.

Finally, please note that "ASBCS" is used throughout the report to reference "the authorizer", which collectively encompasses the Board, the staff, and the individuals or departments within the Arizona State Department of Education that work with ASBCS to perform specific authorizing duties.

We appreciate your time and attention, and look forward to our meeting next week.

Sincerely,

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July 11, 2011

NACSA Authorizer Evaluation

Authorizer

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Board President

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National Association of Charter School Authorizers

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Introduction

In cities and states across the country, more public officials are seeing charter schools as one of several powerful and complementary strategies to improve public education in their communities. These officials are stepping forward to play a leading role in the development of a high quality charter school sector. Local school superintendents, state superintendents, governors, mayors, university leaders and others are taking bold action to develop plans, form public-private partnerships, allocate resources, provide facilities, and implement policies to support new charter schools that meet high standards.

The National Association of Charter School Authorizers (NACSA) was founded on the principle that every child should have the right to choose a high quality school. We advance this vision by promoting the establishment of quality charter schools through responsible oversight in the public interest. NACSA has not only pioneered the cause of quality in the charter school sector but, through its first-hand experience working with authorizers, has put that cause into action.

NACSA has learned through practice and experience that authorizers have a significant impact on the nature and quality of charter schools. The authorizer makes at least two critical decisions in the life of every charter school: whether to approve the application and whether to renew the school. In addition, the authorizer has an ongoing relationship with approved schools through which it needs to balance the need to represent the public interest in monitoring the school with ensuring that each school has the operational autonomy to which it is entitled. There are specific characteristics of an authorizer that fulfills those responsibilities well. NACSA's Evaluation Framework is designed to facilitate authorizer evaluations that reflect and align with those characteristics in a clear, evidence-based manner.

Structure of this Report

The Authorizer Evaluation is designed to assess how well an authorizer is fulfilling its role, based on The National Association of Charter School Authorizers' *Principles & Standards for Quality Authorizing*.

This report is divided into four parts, each of which focuses on a functional area of the authorizing role. A Guiding Question frames the evaluation of each part:

Part 1: Application Decision Making

Does the authorizer approve applications based on demonstrated preparation and capacity to operate a quality charter school?

Part 2: Monitoring Operations

Does the authorizer establish and monitor school compliance with rigorous operational expectations?

Part 3: Performance-Based Accountability

Does the authorizer use comprehensive academic, financial and operational performance information to make rigorous, merit-based accountability decisions?

Part 4: School Autonomy

Do schools have the autonomy to which they are entitled?

Rating Categories

Authorization quality is rated in two categories:

Established

Refers to the authorizer’s practices as set out “on paper” whether by policy, protocol, or other means. It also addresses the way that the authorizer communicates information about its practices to relevant stakeholders within the authorizing agency and to schools. This category rates the authorizer based on what it plans to do.

Applied

Refers to the authorizer’s practices as applied. This category rates the authorizer based on what it actually does, in practice.

Within each part of the evaluation, the rating categories are defined more specifically with respect to the authorizer’s responsibilities in that area.

Rating System

For each category (established or applied), the authorizer receives a rating as follows:



Model

Exceptional in that it exceeds the expectations of NACSA’s *Principles & Standards for Quality Authorizing* and warrants notice from and emulation by other authorizers.



Well-Developed

Commendable in that it materially satisfies the expectations of NACSA’s *Principles & Standards*.



Approaching Well-Developed

Sound in that it contains most aspects of a well-developed practice and substantially satisfies NACSA’s *Principles & Standards* although it requires some modification to meet the standard fully.



Partially Developed

Incomplete in that it contains some aspects of a well-developed practice but is missing key components, is limited in its execution, or otherwise falls short of satisfying NACSA’s *Principles & Standards*.



Minimally Developed

Inadequate in that the authorizer has minimally undertaken the practice or is carrying it out in a way that falls far short of satisfying NACSA’s *Principles & Standards*.



Undeveloped

Wholly inadequate in that the authorizer has not undertaken the practice at all or is carrying it out in a way that is not recognizably connected to NACSA’s *Principles & Standards*.

About the Authorizer









The mission of the Arizona State Board for Charter Schools ("ASBCS" or "the Board") is "to improve public education in Arizona by sponsoring charter schools that provide quality educational choices". ASBCS was created by statute in 1994, and opened its first charter school in 1995. ASBCS is the primary authorizer in the state, although local school districts and the State Board of Education are statutorily allowed to authorize schools. Recent revisions to the statute also permit a university under the jurisdiction of the Arizona board of regents, a community college district with enrollment of more than fifteen thousand full-time equivalent students, or a group of community college districts with a combined enrollment of more than fifteen thousand full-time equivalent students to authorize charter schools; however, none have exercised this authority to date.

The Board is comprised of 11 voting members (the Superintendent of Public Instruction or designee, six members of the general public - one of whom shall reside on an Indian reservation, two members of the business community, one charter school operator, and one charter school teacher) and three non-voting advisory members of the legislature.

The Board recently approved a new strategic plan and mission statement in June 2011 in order to refocus their attention on quality. The plan includes three strategic goals, which are as follows: 1) approve quality applications and grant charters to qualified applicants, 2) increase the quality of the Board's portfolio of charter schools by monitoring academic performance and fiscal and contractual compliance, and 3) promote the Board's mission in providing quality educational choices.

The ASBCS currently oversees 380 charter schools with a total of 505 campuses, nearly 24% of all public schools in the state. The schools range in size from several dozen students to several thousand students, and in total serve over 113,000 students statewide. ASBCS portfolio includes a broad variety of school types, including Montessori, arts, and virtual schools, as well as numerous Alternative Education Campuses serving students who are at risk or have dropped out of school.

Executive Summary

Part 1 Application Decision Making:		
Part 2 Monitoring Operations:		
Part 3 Performance-Based Accountability:		
Part 4 School Autonomy:		

Key Competencies

- In general, the authorizer has established thorough requirements and evaluation criteria for application decisions and appears to approve only those applications that meet or exceed all criteria.
- Through the creation and implementation of the Performance Management Plans, ASBCS is making progress towards becoming more performance-driven as an authorizer.
- In the key areas that are at the heart of the charter bargain - educational program, school operations, resource allocation, personnel decisions - schools have substantial autonomy to make decisions.

Priorities for Improvement

Recommended Actions

Assess applicant capacity to implement the proposed plan effectively	Conduct comprehensive, face-to-face interviews with applicants that focus on addressing gaps in the application and assessing capacity
Make all charter contracts performance-based	Incorporate the material terms of the school's existence and operations in the contract, including a performance framework that outlines clear expectations for academic, organizational, and financial performance, and a high-stakes review every five years
Ensure quality oversight of financial performance	Establish regular reporting requirements and criteria, such as monthly or quarterly financial statements, that allow ASBCS to monitor financial performance on a more frequent and consistent basis
For any school contracting with an ESP, ensure that the school maintains appropriate financial independence from the ESP and exercises rigorous oversight of the ESP	Develop an ESP policy and contract addendum that identify minimum standards for ESP agreements, and include additional contractual provisions that, for example, establish the primacy of the charter contract over the ESP contract and identify the school governing body as the primary authority
Implement a renewal process that is based on the holistic record of performance and the school's capacity to continue to execute on the charter goals	Refine the renewal process to include a comprehensive performance framework and policy that specifies what level of educational, organizational, and financial performance must be achieved in order to earn renewal
Create and enforce consequences for failing to meet the expectations set forth in the performance framework and charter contract	Develop a multi-levelled intervention policy that articulates what level of educational, organizational, or financial performance will trigger an intervention. Integrate the five-year interval review to formalize evaluation and assessment against expectations

Application Decision-Making

Guiding Question:

Does the authorizer approve applications based on demonstrated preparation and capacity to operate a quality charter school?

1.1. Application Decision Making: Substance

This section evaluates the expectations that the authorizer establishes, communicates and applies to the substance of charter school applications, including the educational program, the organizational plan, the business plan, and demonstrated capacity, in order to make decisions about whether to approve or deny charter school applications.

	Established	Applied
1.1.1. Vision and Mission		
1.1.2. Educational Program		
1.1.3. Organizational Plan		
1.1.4. Business Plan		
1.1.5. Applicant Capacity		
1.1.6. New School Priorities		
1.1.7. Application Responsiveness		

1.2. Application Decision Making: Process

This section evaluates the expectations that the authorizer establishes, communicates and applies to the charter school application process, including timelines, format requirements, evaluation procedures, and any steps the authorizer actively takes to solicit applications.

	Established	Applied
1.2.1. Application Process Timelines		
1.2.2. Application Format		
1.2.3. Interview		
1.2.4. Transparency		
1.2.5. Decision Analysis		
1.2.6. Applicant Pool Development		

Part 1 Summary:

Established ▼ Approaching Well-Developed

Applied ▼ Approaching Well-Developed

Application Decision-Making

Summary Assessment

ASBCS' application decision-making practices are approaching well-developed. The authorizer has established thorough requirements and rigorous evaluation criteria and, in practice, appears to approve only those applications that meet or exceed all criteria. In order to become 'model' in this area, most areas of the application require only minor tweaking -- for example, the criteria for the educational philosophy or mission statement are quite strong, yet they could be refined to place more focus on measurable goals and objectives.

The business plan is the main section of the application that should be updated more substantially to ensure appropriate rigor. The application currently requires a three-year operating budget as opposed to a five-year budget. Many charter schools start with only a few grades in year one, and grow to full capacity over a period of three to five years or more. ASBCS should require a five-year budget to ensure that evaluators are assessing a plan that covers the school at or near full capacity. In addition, the application does not include requirements or criteria for assessing the proposed internal financial controls. ASBCS should assess whether the organization has created sound financial controls to ensure proper use of public funds and to ensure long-term viability, including a periodic external review of financials.

The authorizer has established a replication application for existing charter schools or operators wishing to open an additional school(s). The replication application requirements are generally appropriate but appear to lack some key information. Specifically, applicants should be required to document their educational, operational, and financial performance record for all existing schools, including those located outside of Arizona. In addition,

applicants should be required to submit an organization-level business plan that presents their short- and long-term plans for growth. Finally, applicants should be required to submit a full, five-year operating budget with clear assumptions, as opposed to just a start-up budget and first-year monthly cash flow.

In practice, a Technical Review Panel (TRP) uses the evaluation rubric to assess whether an applicant falls below, approaches, meets, or exceeds the evaluation criteria. ASBCS appears to only approve applications that have met or exceeded each indicator. That said, completed rubrics do not include a significant amount of written comments or questions from the evaluators. Based on the training materials and the sample rubrics, there is some concern that evaluators are focusing more on whether an item is included in the application versus a more qualitative assessment.

The authorizer does not conduct a capacity interview as part of the application process. It is essential that the authorizer interview the founding group, including proposed board members and identified leadership team members, as part of the decision-making process. To its credit, the authorizer does use the TRP, comprised of external experts, to evaluate all charter applications. ASBCS may find that the TRP is a feasible structure for implementing a pilot interview process during the next round of application reviews.

Priorities for Improvement

Develop and implement thorough requirements and criteria to assess the proposed Business Plan.

Only approve replication applications from schools and / or operators that have a proven track record of success.

Assess applicant capacity to implement the plan effectively.

Recommended Actions

Require applicants to submit a five-year operating budget and description of internal controls and develop related criteria.

Conduct thorough due diligence; assess academic, organizational, and financial performance for schools in an operator's portfolio (including those located out of state); and require an organization-level growth plan.

Conduct comprehensive face-to-face interviews with applicants that focus on addressing gaps in the application and assessing capacity.

Detailed Analysis

1.1.1.

Vision and Mission

The authorizer has thorough requirements and rigorous evaluation criteria for the school's vision and mission statement.

Rating Established ▼

Approaching Well-Developed

Applied ▼

Approaching Well-Developed

Analysis

The authorizer has established reasonable requirements and evaluation criteria for the mission and vision. ASBCS' application requires applicants to articulate their educational philosophy -- which is synonymous to a mission statement -- and explain the alignment with the proposed instructional program, research, experience, and the target population (A.1). The criteria, then, look at whether the description is detailed, aligned to the areas mentioned above, and supported by clear rationale. A separate question (A.2) requires applicants to describe the anticipated student population and articulate how the school will meet the needs of those students.

While these questions and criteria provide a good foundation, the application and evaluation criteria should be revised slightly to address the mission and vision in a more direct and robust way. Specifically, the application should require that mission (or philosophy) statement be focused and concise, and that it point to measurable educational goals. In addition, applicants should be required to communicate a clear, compelling picture of what a student attending the school will experience and be expected to achieve. Refocusing the application criteria slightly around measurable goals and objectives will help to increase the rigor of these sections.

In practice, evaluations and decisions appear to reflect rigorous and consistent application of the criteria. Evaluators provide relevant comments and concerns that are aligned with the respective criteria, and approved applications appear to require a meets or exceeds rating in this area. Comments do not necessarily reflect an assessment of whether the mission/educational philosophy is rigorous and measurable. This may be an area for ASBCS to revisit.

1.1.2.

Educational Program

The authorizer has thorough requirements and rigorous evaluation criteria for the proposed educational program, including the educational philosophy, curriculum and instruction, teaching skills and experience, calendar and daily schedule, target population, enrollment, and plans for educating students with special needs.

Rating Established ▼

Well-Developed

Applied ▼

Approaching Well-Developed

Analysis

The application requires a number of appropriate educational program components including a description of the instructional program, school calendar and schedule, curriculum samples, and a performance management plan (PMP). The PMP is a strong addition to the revised application, as it requires applicants to develop goals and expectations for the first two years of operation. Using a PMP template developed by ASBCS, applicants are required to establish a predicted baseline and identify the indicators, measures, metrics, and targets that they will use to measure progress. ASBCS has developed rigorous evaluation criteria to assess the PMP which include alignment with the instructional plan, assessment strategies, professional development plan, and budget.

When an application is approved, the entire application package, including the PMP, is incorporated into the contract. Considering the significance of the PMP in relation to accountability, ASBCS may want to consider providing a grace period for finalizing the PMP that extends into the first year of operations; this would allow schools to set more realistic goals after they have had an opportunity to establish a true baseline. In addition, ASBCS should have a formal process for revisiting the PMP after two years and establishing the goals for the length of the charter term.

In practice, a Technical Review Panel uses the evaluation rubric to assess whether an applicant falls below, approaches, meets, or exceeds the evaluation criteria. ASBCS provides a thorough training for panel members which gives specific focus to the educational program criteria. ASBCS appears to only approve applications that have met or exceeded each indicator. That said, completed rubrics do not include a significant amount of written comments or questions from the evaluators. Based on the training materials and the sample rubrics, there is some concern that evaluators are focusing more on whether an item is included in the application versus a more qualitative assessment.

Detailed Analysis

1.1.3.

Organizational Plan

The authorizer has thorough requirements and rigorous evaluation criteria for the proposed organizational plan.

Rating

Established ▼

Approaching Well-Developed

Applied ▼

Approaching Well-Developed

Analysis

The authorizer has established strong requirements and evaluation criteria for the organizational plan. The application requires a number of appropriate components including applicant composition, governing board composition and development, management and operation, and contracted services. In addition, ASBCS has established robust criteria for Educational Service Providers (ESPs) which include rationale for ESP selection -- in general and specific to the provider, a description of the services, roles, and responsibilities of each party, and the associated costs.

Parent and community engagement is the one major area that does not appear to be addressed in the application requirements or evaluation criteria. To the authorizer's credit, applicants are required to identify the target population and articulate how the model will meet the needs of that population. ASBCS should go further to require applicants to present a vision and plan for engaging parents and community members initially and on an ongoing basis.

ASBCS has developed rigorous evaluation criteria to assess the organizational plan, and based on sample appears to approve only those applications that meet or exceed all criteria.

1.1.4.

Business Plan

The authorizer has thorough requirements and rigorous evaluation criteria for the proposed business plan.

Rating

Established ▼

Partially Developed

Applied ▼

Approaching Well-Developed

Analysis

The application includes many of the necessary requirements of strong business plan including a start-up and operating budget with clear assumptions, personnel, facility plan, and marketing plan; however, a few key elements are missing. The business plan section does not include requirements or criteria for assessing the proposed internal financial controls. ASBCS should assess whether the organization has created sound financial controls to ensure proper use of public funds and to ensure long-term viability, including a periodic, external review of financial.

In addition, the application only requires a three-year operating budget as opposed to a five-year budget. Many charter schools start with only a few grades in year one, and grow to full capacity over a period of three to five years or more. A new high school starting with grade nine, for example, will not have reached scale until year four. ASBCS should require a five-year budget to ensure that evaluators are assessing a plan that covers the school at or near full capacity.

ASBCS has developed strong evaluation criteria to assess the financial plan, and appears to approve only those applications that meet or exceed all criteria. Adding criteria to assess internal financial controls and a five-year operating budget will enable ASBCS to ensure a more thorough and rigorous business plan evaluation.

Detailed Analysis

1.1.5.

Applicant Capacity

The authorizer has thorough requirements and rigorous criteria for evaluating the applicants' capacity to implement the school plan effectively.

Rating Established ▼

⊕ Approaching Well-Developed

Applied ▼

⊕ Partially Developed

Analysis

The authorizer has established some requirements and criteria to assess the capacity of the applicant to implement the proposed plans and operate a quality charter school. For example, the evaluation criteria assesses whether the applicant has collective experience in elementary/secondary education (as appropriate), business operation, and financial management, and whether the experience is consistent with the needs identified in the application. The criteria also require that the applicant identify the name, background information, qualifications, etc. of each board member; however, the criteria does not include an assessment of whether or not the board composition (including identified members and other desired qualifications/skills sets) collectively represents the qualifications necessary to provide sufficient governance to the school.

ASBCS' application process does not currently include an applicant interview. Without a face-to-face interaction, ASBCS can only partially assess whether an applicant has the capacity to implement the school plan effectively.

1.1.6.

New School Priorities

The authorizer has defined new school priorities based on identified needs in the population to be served.

Rating Established ▼

⊕ Undeveloped

Applied ▼

⊕ Undeveloped

Analysis

As established and applied, ASBCS has not identified specific priorities for charter school applicants. Particularly given the authorizer's statewide reach, ASBCS should consider whether there are specific new school priorities that could further the state's broader public education goals.

Detailed Analysis

1.1.7.

Application
Responsiveness

The authorizer has adapted the application to meet information needs generated by different types of proposals (e.g., virtual, replication, alternative education, etc.)

Rating Established ▼
 Partially Developed

Applied ▼
 Approaching Well-Developed

Analysis

The authorizer has established a replication application for existing charter schools or operators wishing to open an additional school(s). In order to apply, the operator must meet established eligibility criteria which include minimum academic performance standards, compliance with the contract and the law, and an audit that demonstrates that "the school is solvent." The academic criteria are aligned with the performance expectations established in the contract; however, the operational and financial eligibility requirements are somewhat vague -- for example, it is not clear if a school could be considered fiscally solvent if the audit includes findings.

The replication application requirements are generally appropriate but appear to lack some key information. Specifically, applicants should be required to document their educational, operational, and financial performance record for existing schools, including those located outside of Arizona. In addition, applicants should be required to submit an organizational level business plan that presents their short- and long-term plans for growth. Finally, applicants should be required to submit a full, five-year operating budget with clear assumptions, as opposed to just a start-up budget and first-year monthly cash flow.

In practice, the authorizer appears to conduct a substantial amount of due diligence -- particularly for applicants that have previously operated or been affiliated with a charter school. Charter applicants are required to provide the name of the officer, director, member, or partner of the applicant (collectively referred to as Principals), and provide the charter name and sponsor if the individual has ever served as a Principal, governing body member, or administrator for a charter school. Staff uses this information to contact authorizers of current or previous charter operations to confirm whether the charter is in good standing. Staff also reviews the academic performance of the charter operator's current schools and shares that information with the Board.

Detailed Analysis

1.2.1.

Application Process Timeline

The authorizer has clear and realistic timelines for the application process.

Rating Established ▼
 Partially Developed

Applied ▼
 Approaching Well-Developed

Analysis

As established, the time line for all stages of the application process is not specified. The application includes a fairly detailed explanation of application process -- including application submission, completeness reviews, and board decision-making -- however no dates or deadlines are specified beyond the July 1 submission deadline. The published application should include specific dates and/or general time periods for the following: application due date, completeness check and/or eligibility review, internal review, interviews, request for additional information (if applicable), public hearings or forums, board decisions, and appeal (if applicable).

As applied, the authorizer appears to adhere to a formal process or project plan, despite the lack of a specific time line. ASBCS has developed a very detailed, internal document that outlines the procedures for receiving new charter applications and the authorizer appears to adhere it.

1.2.2.

Application Format

The authorizer provides clear guidance and requirements regarding application format and submission requirements.

Rating Established ▼
 Well-Developed

Applied ▼
 Well-Developed

Analysis

The application and other training materials provide clear instructions for submitting the application. The application is a web-based submission, as described in the application approved by the Board. Prospective Applicant Online Technical Assistance is available on the ASBCS web site. The instructions and evaluation section of the application instructions describe the format for the uploaded documents. In addition to being scored for content, the submission is evaluated for readability. In order to be considered administratively complete, an application must contain complete information for each application component; be presented on typed, consecutively numbered pages within each section; follow specified formatting requirements; and adhere to the page limitation, if identified, in each section. Failure to follow the criteria will result in an application package being deemed Administratively Incomplete.

Detailed Analysis

1.2.3. Interview

The authorizer conducts a substantive in-person capacity interview with the applicant group.

Rating Established ▼
 Undeveloped

Applied ▼
 Undeveloped

Analysis

The authorizer does not conduct a capacity interview as part of the application process. It is essential that the authorizer interview the founding group, including proposed board members and identified leadership team members, as part of the decision process. To its credit, the authorizer does use a Technical Review Panel, comprised of external experts, to evaluate all charter application. ASBCS recognizes the significance of a quality review process, and the Board's recently approved strategic plan includes an objective for evaluating additional methods of ensuring the qualifications of applicants within the application requirements / process. ASBCS may find that the TRP is a feasible structure for implementing a pilot interview process during the next round of application reviews.

1.2.4. Transparency

The authorizer has transparent processes for both application evaluation and application decision-making.

Rating Established ▼
 Well-Developed

Applied ▼
 Well-Developed

Analysis

As established and applied, the authorizer has reasonably transparent processes for application evaluation and decision-making. ASBCS releases an updated, board-approved charter application annually which includes detailed criteria for each application section. The application includes a description of the evaluation process which, despite the lack of a set time line, gives applicants a general outline of what to expect. ASBCS provides workshops and trainings for applicants that are designed to walk through the application process and evaluation criteria. All materials are available online on the ASBCS web site.

Detailed Analysis

1.2.5.

Decision Analysis

Authorizer decision-making is informed by documented evidence and analyses of the extent to which the plan satisfies approval criteria

Rating Established ▼

⊕ Approaching Well-Developed

Applied ▼

● Well-Developed

Analysis

The authorizer has not established a formal policy for decision-making; however, the scoring rubric used by the Technical Review Panel (TRP) is approved by the Board when it approves the application process. This includes the cut score of 95% of the criteria needing to meet or exceed. Board decisions appear to be based on documented evidence and analysis. ASBCS provides a comprehensive packet to the Board which includes the application, completed rubric, and staff recommendation. The staff recommendation appropriately includes an overview of the proposed school including the educational philosophy, instructional plan, organization description, business plan, etc. and a high level overview of the findings. An approval recommendation includes findings that state that the application met minimum requirements; for a denial recommendation the TRP is required to provide comments specifying why the application does not meet the criteria. Therefore, the comments from the TRP are generally more about missing information than the quality of the information. In cases where the topic is discussed, but is not complete, the reviewers will identify the missing component or the lack of clarity of the component or the inconsistency of the description from other parts of the application. ASBCS may want to consider providing a more qualitative summary of the findings to ensure that the Board understands why an applicant has or has not satisfied the criteria.

In practice, the Board decisions appear to be generally aligned with the recommendations of ASBCS staff.

1.2.6.

Applicant Pool Development

The authorizer takes affirmative steps to increase the likelihood of receiving viable applications that meet identified needs.

Rating Established ▼

⊕ Undeveloped

Applied ▼

⊕ Undeveloped

Analysis

The authorizer's approach to chartering is generally reactive. The State Board has not identified goals or priorities for chartering.

2

Monitoring Operations

Guiding Question:

Does the authorizer establish and monitor school compliance with rigorous operational expectations?

This part assesses the extent to which the authorizer establishes clear expectations for how the school will operate and the outcomes that it will achieve. It also assesses how effectively the authorizer monitors school performance in relation to those expectations.

	Established	Applied
2.1. School Existence		
2.2. Educational Program		
2.3. Organizational Requirements		
2.4. Financial Operation		
2.5. Special Populations		
2.6. Monitoring Authority		
2.7. Contract Operation		
2.8. Transparency		

Part 2 Summary:

Established ▼ Partially Developed

Applied ▼ Partially Developed

Monitoring Operations

Summary Assessment

The charter contract defines some but not all material terms. The contract incorporates the original charter application; however, this should not be a substitute for defining material terms such as the mission, grade levels, or maximum enrollment. Doing so creates ambiguity about what is material and thus requires a formal amendment, versus what is within the school's authority to change without notice.

The current contract does not identify adequate performance goals and expectations for each school. The contract identifies some expectations for educational performance, but these are limited to student proficiency as compared to the state average -- a target that is not necessarily rigorous, or appropriate for all charter schools e.g. Arizona's numerous Alternative Education Campuses (AECs). The contract does not incorporate any goals or expectations for organizational or financial performance.

Moving forward, all new and renewal contracts for schools that did not meet the Board's level of acceptable performance will incorporate a Performance Management Plan (PMP) which identifies specific academic performance goals. The creation and implementation of the PMP reflects substantial progress for ASBCS in becoming more performance-driven as an authorizer. ASBCS is in the process of determining how the PMPs will be monitored and evaluated annually, and what the consequences will be for not meeting the specified targets. It is crucial that ASBCS tie the PMPs to prescribed actions and interventions in order to make them an effective tool for accountability.

As established and applied, the term length is not aligned with quality authorizing. Though statute allows for 15 year terms, the authorizer should conduct

high-stakes five-year reviews which, depending on performance, may result in corrective action or revocation. ASBCS has some tools in place -- including the five-year interval review and the new PMPs -- however these tools are not yet tied to high-stakes accountability.

The authorizer has not established reporting requirements that allow it to monitor financial performance on a frequent and ongoing basis. With the exception of the annual audit review, ASBCS' monitoring of financial performance is somewhat inconsistent and ad hoc. As a result, ASBCS does not have a clear picture of how each school is performing financially during the school year. The authorizer should develop a system that includes regular reporting requirements such as monthly or quarterly financial statements.

The contract does not identify minimum standards for Educational Service Provider (ESP) agreements. For any school contracting with an ESP, the contract should include additional provisions that, for example, establish the primacy of the charter contract over the third-party contract and identify the required terms of the ESP service contract. Considering the number of Arizona charter schools that contract with a third-party provider, ASBCS should develop a contract addenda template and policy regarding ESPs.

The authorizer does not provide clear and consistent charter school performance information to the schools and the public. As required by charter law, charter schools are issued a school report card which is reported on the state DOE web site. The scope of the report card is limited and includes only the school name, enrollment, address, Measure of Academic Progress (MAP) data, and AIMS results.

Priorities for Improvement

Make charter contracts performance-based

Ensure quality oversight of financial performance

For any school contracting with an ESP, ensure that the school maintains appropriate financial independence from the ESP and exercises rigorous oversight of the ESP

Recommended Actions

Incorporate the material terms of the school's existence and operations in the contract, including expectations for academic, organizational, and financial performance and a high-stakes review every five years

Establish regular reporting requirements and criteria, such as monthly or quarterly financial statements, that allow ASBCS to monitor financial performance on a more frequent and consistent basis

Develop an ESP policy and contract addendum that identify minimum standards for ESP agreements, and include additional contractual provisions that, for example, establish the primacy of the charter contract over the ESP contract and identify the school governing body as the primary authority

Detailed Analysis

2.1. School Existence

Rating Established ▼
 Partially Developed

Applied ▼
 Partially Developed

The authorizer defines and monitors the material terms for the school's existence including legal status of the school, location, authority of signatories, length of the charter term, and governing body restrictions or requirements and verifies compliance at least annually.

Analysis

The authorizer's charter contract defines some but not all of the essential elements pertaining to the school's existence. As a strength, the contract explicitly identifies the "charter holder," authority of signatories, school location, charter term length (15 years for new charters and 20 years upon renewal), and basic governance requirements. Material terms that are missing from the contract include the school mission and the legal status of the charter holder. Regarding the legal status, charter law defines a charter as a contract between a person and the ASBCS, and a person is defined as "an individual, partnership, corporation, association, or public or private organization of any kind" (A.A.C. R7-5-101). The contract, then, requires the attachment of "proof of the Charter Holder's legal formation if the Charter Holder is not a private person or public" (Contract, p.1). While this documentation is necessary, the contract should also explicitly state the legal status of the charter holder and its governing body.

As established and applied, the term length is not aligned with quality authorizing. Though charter law allows for 15 year terms, the authorizer should conduct high-stakes reviews every five years, which, depending on performance, may result in corrective action or revocation in some cases. ASBCS has some tools in place -- including the five-year interval review and the new performance management plans -- however these tools are not yet tied to high-stakes accountability.

ASBCS does not verify compliance with all material terms on a regular basis. For example, the authorizer does not regularly verify addresses, which has occasionally resulted in situations where schools move, expand enrollment at a new site, add an online component, etc., without requesting an amendment. ASBCS should identify a system for verifying school location on a somewhat regular basis.

2.2. Educational Program

Rating Established ▼
 Approaching Well-Developed

Applied ▼
 Partially Developed

The authorizer defines and monitors material terms of the educational program consistent with the school's mission and legal obligations.

Analysis

The contract defines some but not all material terms of the educational program. The contract incorporates the charter application and then the renewal application upon renewal. The application should not be a substitute for explicitly defining terms such as the mission, grade levels, or max enrollment; doing so prevents the authorizer and the school from knowing what is material and thus requires a formal amendment versus what is within the school's authority to change without notice. To this point, ASBCS has established a strong amendment protocol and process which is posted online; however, the "Program of Instruction Amendment Request" may mean anything from a strategy to a text book change. Lack of clarity on material terms can compromise both authorizer authority and school autonomy.

As a strength, the contract articulates fairly clear academic indicators and expectations, including curriculum alignment, testing requirements, and expectations for student achievement (Section 13A-D). Specifically, the contract requires that schools meet/exceed state averages and that they stay roughly at or above the state median growth percentile (for elementary). Though ASBCS should be credited for setting clear expectations, targeting the state average is not necessarily rigorous or appropriate for all charter schools -- specifically for AECs.

As the first cohort of schools applied for renewal last year, any school that was not performing in the top quartile for status and growth was required to develop a Performance Management Plan (PMP). The PMP, which is incorporated in the renewal contract via the application, specifies action steps, targets, and a timeline for making progress. The creation and implementation of the PMP reflects definite progress for ASBCS in becoming more performance-driven as an authorizer. ASBCS is now in the process of determining how the PMP will be monitored and evaluated annually, and what the consequences will be for not meeting the specified targets. It is crucial that ASBCS tie the PMP to prescribed actions and interventions in order to make them an effective tool for accountability.

Detailed Analysis

2.3.

Organizational Requirements

The authorizer defines and monitors organizational terms consistent with the school's governance and compliance obligations.

Rating Established ▼

 Partially Developed

Applied ▼

 Approaching Well-Developed

Analysis

The contract includes most organizational requirements, including governance, site identification, and compliance with state and federal law regarding students with disabilities, health, safety, civil rights, records maintenance, and open meetings laws. The contract does not explicitly reference or incorporate the school's student discipline, recruitment, and enrollment policies, minimum instructional minutes, school calendar and daily schedule, or staff employment status. Additionally, the contract does not incorporate any goals or expectations for organizational performance. Many of these items are addressed in the application, but they should also be defined in the contract and aligned with monitoring requirements.

In addition, the contract does not identify minimum standards for Educational Service Provider (ESP) agreements. Considering the number of charter schools that contract with a third-party provider, ASBCS should develop a contract addenda template and policy regarding ESPs. For any school contracting with an ESP, ASBCS should establish the primacy of the charter contract over the third-party contract and identify the required terms of the ESP service contract.

As applied, ASBCS thoroughly monitors many of the organizational requirements through an annual audit and compliance questionnaire. These tools track compliance with procurement, fingerprinting, attendance reporting, insurance and liability, instructional time, and open meetings laws. Student discipline is not currently monitored; ASBCS should require schools to report all incidences including student suspension and expulsion. ASBCS staff thoroughly review all audits; if an issue is identified, the authorizer directs the charter holder to address the issue. ASBCS has established an Audit & Compliance Questionnaire Follow-up Matrix to guide the audit review and follow-up. The audit matrix classifies issues identified through the audit into one of three categories -- minimal, medium, and serious impact findings. The audit matrix was amended in 2008 to address consequences for "second time" or "third time" issues as well.

2.4.

Financial Requirements

The authorizer defines and monitors financial operations consistent with the school's legal obligations and established professional standards.

Rating Established ▼

 Partially Developed

Applied ▼

 Partially Developed

Analysis

The contract clearly establishes the financial requirements. All charter schools are required to comply with the same financial reporting and procurement systems as traditional schools and must conduct an annual independent audit that complies with Government Auditing Standards. The contract also specifies how funding for charter schools will be allocated by the state.

With the exception of the audit, the contract does not identify clear financial performance goals or expectations. Similarly, the authorizer has not established requirements that would allow them to appropriately monitor financial performance on a more frequent and ongoing basis. As a result, ASBCS does not have a clear picture of how each school within its portfolio is performing financially during the school year.

In practice, ASBCS' oversight of financial performance during the school year is somewhat inconsistent and *ad hoc*. ASBCS staff generally seem to know which schools within the portfolio are struggling financially; however, the source and timing of this knowledge is inconsistent. For example, information may come from a third party source, such as a statement from the state retirement office that a school is not making payments, or calls from teachers that their school is not making payroll. In addition, by the time ASBCS has a full understanding of a school's financial position, it may be too late for a substantive intervention. The authorizer should develop a system that includes regular reporting requirements such as monthly or quarterly financial statements in order to ensure more frequent and consistent financial monitoring.

Detailed Analysis

2.5.

Special Populations

The authorizer establishes clear expectations for and ensures compliance with school obligations to special populations.

Rating Established ▼

 Partially Developed

Applied ▼

 Approaching Well-Developed

Analysis

The contract establishes the requirement that the charter holder comply with federal and state law regarding students with disabilities in the same manner as a school district. The law states that each charter is its own Public Education Agency and is responsible for meeting the needs of special education students. Neither the law or the contract provides clarity for low-incident, high cost services for charters. The contract also fails to include any language or requirements regarding English Language Learners or other special populations.

In practice, the authorizer adequately monitors compliance with special education requirements and obligations. Through the State Department of Education (DOE), charter schools are monitored like all Arizona public schools; each school is assigned to a program specialist (with a maximum case load of 30 schools) and reviewed on a six year cycle. In year three, the program specialist conducts a thorough walk-through, which, among other things, will determine the type of monitoring moving forward. In this way, monitoring is differentiated based on performance -- schools with the most problematic data and results will continue to receive on-site reviews, the majority will conduct self-assessments, and the higher performers will be subject to data review. The DOE provides notice to ASBCS of any discrepancy in compliance reporting, dispute resolution, etc.

ASCSB has several Alternative Education Campuses within its portfolio. The authorizer has acknowledged the critical need to develop different performance standards for this cohort of schools, but has not done so to date.

2.6.

Monitoring Authority

The authorizer exercises adequate monitoring authority that includes regular performance feedback.

Rating Established ▼

 Approaching Well-Developed

Applied ▼

 Partially Developed

Analysis

As established, the contract provides for adequate monitoring authority. The authorizer, as well as representatives of the state DOE and the Arizona Auditor General, are permitted to visit the school at any time. These parties are also given the authority to conduct financial, program, or compliance audits and inspect all records, documents, and files. ASBCS has full access to the AIMS and Stanford 10 data through the Department of Education; however they currently rely on the Arizona Charter Schools Association for growth data.

The authorizer has developed a site visit protocol which includes first and second year visits and five-year interval reviews. In practice, all schools receive a visit in their first year, however the second year visits are typically conducted on as as-needed basis, as informed by academic performance and compliance. In theory, this approach may be appropriate, however in practice, this system is problematic. First, ASBCS has not established clear goals and expectations for performance beyond status/growth on the AIMS test. Second, ASBCS has not developed a framework or policy that defines unsatisfactory performance and links it to an intervention by the authorizer. And finally, ASBCS does not currently have the capacity to conduct the volume of site visits that would likely be triggered by said framework or policy. As ASBCS begins to flesh out the expectations and conditions of the PMP, the authorizer may want to consider linking it to monitoring site visits and interval reviews.

Detailed Analysis

2.7. Contract Operation

Rating Established ▼ Applied ▼
 Approaching Well-Developed Approaching Well-Developed

The parties have clarity regarding how the contract will operate with clear provisions for notice, waiver, severability, assignment, amendment, merger, indemnification, survival, and contract dispute resolution.

Analysis

The charter contract includes clear provisions for notice, waiver, severability, assignment, amendment, merger, and indemnification. The contract does not include provisions for survival and contract dispute resolution. The amendment process is well-developed, transparent, and accessible. With few exceptions, the items requiring a formal amendment application are appropriately linked to what would be considered the material terms of the contract (i.e. student enrollment, school mission, etc.). As specified above, however, these terms should be explicitly incorporated in the contract itself -- not just attached in the application.

In practice, there have not been any significant disputes with contract operation. The contract is approved at the same time that the school is approved and there is no negotiation period. Historically, charter terms have corresponded to the date of approval, leading to various end dates that do not necessarily correspond with the end of the school year. Rolling charter expiration dates can lead to rolling renewal decisions, which forces the ASBCS to inefficiently review applications and make renewal decisions multiple times throughout the year. ASBCS has more recently recognized this issue and standardized terms to commence on July 1 and expire June 30 of the last year of operation.

2.8. Transparency

Rating Established ▼ Applied ▼
 Minimally Developed Minimally Developed

The authorizer communicates to schools and the public clearly and consistently regarding expectations for and status of school operations.

Analysis

The authorizer does not provide clear and consistent charter school performance information to the schools and the public. As required by charter law, charter schools are issued a school report card which is reported on the state DOE website. The scope of the report card is incredibly limited and includes only the school name, enrollment, address, Measure of Academic Progress (MAP) data, and AIMS results.

ASBCS does not conduct a comprehensive annual evaluation of each school which documents the school's performance against established expectations. The authorizer should evaluate each school annually on its performance and progress toward meeting the standards and targets stated in the charter contract, including essential compliance requirements, and clearly communicate evaluation results to each school's governing board and leadership. The PMP provides a good foundation for conducting an annual review of academic performance against set targets, but as stated above, ASBCS should develop more robust operational and financial standards as well.

In addition, ASBCS should produce an annual public report that provides clear, accurate performance data for the charter schools it oversees, including individual school and portfolio performance.

3 Performance-Based Accountability

Guiding Question:

Does the authorizer use comprehensive academic, financial and operational performance information to make rigorous, merit-based accountability decisions?

This part assesses the quality of the authorizer’s high-stakes accountability decision-making with particular emphasis on the extent to which the authorizer makes transparent performance-based decisions.

	Established	Applied
3.1. School Opening		
3.2. Educational Performance		
3.3. Operational Performance		
3.4. Financial Performance		
3.5. School Intervention		
3.6. Charter Revocation		
3.7. Renewal		
3.8. Closure		
3.9. Transparency		

Part 3 Summary:

Established ▼ Partially Developed

Applied ▼ Partially Developed

Summary Assessment

The authorizer has not established a comprehensive performance framework to evaluate schools based on their educational, organizational, and financial performance. ASBCS has established some expectations for educational performance; however, the authorizer is lacking sufficient indicators and standards to judge organizational or financial performance. The focus of the contract is squarely on school academic outcomes and not on other areas of operational success, such as enrollment, attendance, and compliance with open meetings regulations. Similarly, financial performance expectations are designed predominantly around the annual audit, which is limited in scope.

ASBCS has created uniform standards for judging educational performance and has developed a transparent way to communicate this to Board members and the schools; however, these standards only reflect a portion of a robust accountability metric. New and newly renewed charter schools that do not meet the Board's level of acceptable performance are now required to develop a Performance Management Plan (PMP) which establishes a 'meets or exceeds' target for status and growth based on the state average. For the status score, ASBCS relies on the school's percent passing on AIMS, which is an appropriate but limited measure; adding multiple measures to the PMP, such as a norm-referenced test that measures cohort growth would strengthen this assessment. In addition, the PMP does not allow for the inclusion of mission-specific goals or differentiation among models. Given the high number of Alternative Education Campuses (AECs), for example, it would be useful to consider alternative measures. ASBCS should augment its performance standards to include multiple measures of student academic growth; achievement gaps between major student subgroups; mission-specific performance goals (if applicable); and postsecondary readiness (for high schools).

The recently completed renewal process demonstrates the need for more comprehensive measures in areas other than academic performance. Without broader criteria for renewal or more robust guidelines that will factor into decision-making, the authorizer is at risk of renewing low performing schools -- particularly those that may be financially or organizationally struggling. Some Board members also expressed a presumption toward approving and renewing charters absent some disqualifying finding set forth in law; the law appears to permit substantially more discretion in making this judgment based on a wide range of relevant factors.

School intervention and closure procedures are not well developed. To its credit, the authorizer has intervened in or revoked a charters after determining that a school did not comply with certain performance expectations. Based on interviews with staff and schools, the authorizer's actions appear to have been appropriate and evidence-based; however, more work needs to be done to capture the organizational or financial measures that may be used as the basis for intervention. Similarly, ASBCS should link the PMP to an intervention policy to determine what level of academic performance may prompt a corrective action plan from the school and/or other consequences, including revocation.

Priorities for Improvement

Establish clear, rigorous school performance standards as a means to evaluate schools

Implement a renewal process that is based on the holistic record of performance and the school's capacity to continue to execute on the charter goals

Create and enforce consequences for failing to meet the expectations set forth in the performance framework and charter contract

Recommended Actions

Create a performance framework to evaluate schools that builds on the growth model and establishes more robust educational, organizational, and financial performance indicators and standards

Align the renewal process with a comprehensive performance framework and renewal policy that specifies what level of educational, organizational, and financial performance must be achieved in order to earn renewal

Develop a multi-leveled intervention policy that articulates what level of educational, organizational, or financial performance will trigger an intervention. Integrate the five-year interval review to formalize evaluation and assessment against expectations

Detailed Analysis

3.1. School Opening

The authorizer ensures that approved schools are prepared adequately for opening.

Rating **Established** ▼ **Applied** ▼
⊕ Partially Developed ⊕ Approaching Well-Developed

Analysis

The authorizer has not established a comprehensive pre-opening protocol or requirements. That said, ASBCS conducts first-year site visits, and has established a protocol for what is monitored during those site visits, including a review of the educational program, occupancy, and related facilities documents. In addition, the charter contract identifies some conditions that the school must satisfy before it can enroll students, such as conflict of interest, nondiscrimination, and fingerprinting requirements, and financial reporting regulations (Section 14).

The charter school application includes some general language about opening and milestones; however, this should not be considered a substitute for a pre-opening protocol because it fails to identify deadlines that apply to all schools equally. Ultimately, the authorizer should establish a pre-opening checklist that outlines requirements in various areas (e.g. health, safety, insurance, and other related requirements).

As applied, the authorizer provides technical assistance to newly approved charter schools throughout the approval and opening process. Many schools reported that authorizer staff are very accessible and solution-oriented, providing continuous assistance throughout the application process and the opening procedures. Less clear, however, is whether the authorizer monitors the facility approval process before opening -- a major area of concern among schools.

3.2. Educational Performance

The authorizer holds schools accountable for academic performance using objective and verifiable measures of student achievement as the primary measure of school quality.

Rating **Established** ▼ **Applied** ▼
⊕ Approaching Well-Developed ⊕ Partially Developed

Analysis

The authorizer has established some strong indicators, measures, and standards for judging school performance based on the state accountability system, but these do not constitute a comprehensive educational performance framework. ASBCS has become more outcomes-focused by requiring new and newly renewed charters not meeting the Board's level of acceptable performance to develop a Performance Management Plan (PMP). Using the Arizona Growth Model, the PMP establishes a 'meets or exceeds' target for status and growth based on the state average. For growth, the model measures student progress from one year to the next in the context of a student's "academic peers" and reports on the median growth for the school. For status, the authorizer uses AIMS, which is an appropriate but limited measure. Adding multiple measures, such as a norm-referenced test that measures cohort growth, could strengthen the framework. The PMP does not currently allow for mission-specific goals, or differentiation among models. Given the high number of Alternative Education Campuses (AEC), for example, it would be useful to consider alternative measures. ASBCS should consider augmenting its framework to include multiple measures of student academic growth; achievement gaps between major student subgroups; mission-specific performance goals (if applicable); and postsecondary readiness (for high schools). Further, the contract should specify performance goals for all schools that directly link to accountability.

As applied, the authorizer uses the growth model's quadrant analysis to categorize schools based on status and growth, and judges schools accordingly based on their quadrant. For example schools in the upper right quadrant (i.e. high status / high growth) are considered high performers. High status / high growth schools are rewarded by having more streamlined renewal and replication processes and some reduced monitoring requirements. Schools that are not categorized as high status / high growth are required to submit a PMP upon renewal; however, ASBCS has not yet developed a system for making decisions such as intervention or revocation that is aligned with a school's progress on its PMP targets.

Detailed Analysis

3.3.

Operational Performance

The authorizer holds schools accountable for compliance with organizational performance requirements.

Rating Established ▼

 Minimally Developed

Applied ▼

 Approaching Well-Developed

Analysis

The authorizer has not established sufficient organizational indicators and standards to judge organizational performance. Most operational requirements are embodied in a combination of the Charter Schools Act, the charter school application, and the charter contract. The focus of the contract is squarely on school academic outcomes and not on other areas of operational success, such as enrollment, attendance, and compliance with open meetings regulations. There is some review of a school's compliance with board organizational documents, such as incorporation forms and similar incidents of corporate form, and the authorizer requires background checks for school governing board members; however, these are not adequate measures for operational performance.

In practice, the authorizer has intervened in schools that were out of compliance with organizational performance requirements. For example, the authorizer recently decided not to renew a school that was making sufficient academic progress, but was otherwise showing signs of operational challenges, including failure to comply with relevant state laws governing open meetings and failure to operationally follow required budget procedures. Though appropriate, these efforts are inherently limited without established expectations and formal consequences for violating contract obligations and/or board policy. Coupling clear operational performance expectations with a monitoring system that permits intervention at first sign of a violation would improve performance.

The authorizer should establish in the charter contract the indicators and standards that serve as the basis for evaluating organizational performance, with attention to student attendance; enrollment; board performance and other relevant measures of organizational health.

3.4.

Financial Performance

The authorizer holds schools accountable for being financially responsible and viable.

Rating Established ▼

 Minimally Developed

Applied ▼

 Approaching Well-Developed

Analysis

The authorizer has established financial performance expectations designed predominantly around the annual independent financial audit. While this sets forth a process to judge the financial health of the charter school, it is necessarily limited by the scope of a typical audit. In addition, the authorizer has not formalized a process or criteria for determining whether the school is performing according to the financial expectations held by the authorizer, as distinct from generally accepted accounting procedures.

In practice, the authorizer holds some schools accountable for financial performance and viability and has recently closed schools for poor financial performance, as well as for a combination of financial and organizational compliance issues. While the criteria on which these decisions were made have not been formally established, the authorizer relied on the record of financial performance to evaluate schools.

The authorizer should establish a formal process to measure the financial health of the schools to supplement the annual independent audit requirement and should develop standards and indicators to judge financial health based on the school's needs. It may be useful, for example, to take into account the number of years of operation when developing the indicators given that budget shortfalls in the first few years of the charter may indicate something different than similar shortfalls in subsequent years.

Detailed Analysis

3.5.

School Intervention

The authorizer conducts merit-based interventions in response to clearly identified deficiencies in the school's record of educational, organizational and/or financial performance.

Rating Established ▼

 Minimally Developed

Applied ▼

 Partially Developed

Analysis

The authorizer has not developed an intervention policy or protocol stating the general conditions that may trigger intervention and the types of actions and consequences that may ensue. The authorizer needs to establish a much clearer approach when explaining the conditions that lead to intervention and/or termination. Part of the intervention challenge is that the authorizer historically focused on compliance rather than performance, though there are substantial indications that the authorizer has improved this process, particularly in the context of recent renewal decisions. In order to transition to a more performance-based approach, the authorizer needs to define levels of academic, financial, and/or organizational under-performance that may trigger intervention decisions. The authorizer does have an accountability policy matrix and a site visit policy that guides site visit protocols, which may provide additional opportunities for a more defined intervention policy.

In practice, the authorizer has differentiated accountability to some degree -- particularly for renewal. In the recent renewal process, the authorizer conducted an initial review of student academic performance and separated the schools into two categories based on whether or not they were meeting the desired level of performance. Schools that met academic performance expectations and compliance requirements were able to participate in a more streamlined renewal. This process sets the stage for a list of successive interventions and provides a baseline for making appropriate, tailored intervention decisions. These intervention decisions should be evidence-based and language concerning interventions should be included in the charter contract. The authorizer should establish an intervention policy setting forth the conditions that may trigger intervention and the types of actions and consequences that may occur. In addition, the authorizer should provide targeted schools a reasonable timeframe to remediate any deficiencies.

3.6.

Charter Revocation

The authorizer makes merit-based revocation decisions based on the school's record in relation to established expectations for educational, organizational and financial performance.

Rating Established ▼

 Partially Developed

Applied ▼

 Partially Developed

Analysis

The authorizer has not established a clear process by which it will make termination or revocation decisions based on the school's cumulative record of performance. The contract contains minimal language concerning revocations and provides no differentiation in terms of consequences. Instead, in paragraph 17, the contract merely permits revocation based on a "breach of the Charter and/or violation of state, federal, or local laws."

Though not specified in the contract, legal compliance and financial performance expectations are linked to potential interventions and consequences by the Board's "Audit and Compliance Questionnaire Follow-up Matrix". The matrix specifies the intervention that is to occur, depending on the "impact" level of the finding. In practice, in accordance with the audit matrix, Board staff monitor the school's efforts to address issues identified through the audit. For "serious impact findings", the authorizer issues a letter for noncompliance and may bring the issue to the Board for possible disciplinary action of 10% withholding, or issuance of notice of intent revoke.

Currently, a comparable matrix that specifies "impact levels" and consequences does not exist for academic performance. The authorizer should establish a performance framework that includes clear standards and tiers of intervention that may specify what degree of academic, organizational, and financial under-performance can lead to revocation. The five-year performance review process, then, could be expanded and enhanced to support the effective implementation of a comprehensive performance framework and inform intervention decisions up to and including revocation.

Detailed Analysis

3.7. Renewal

The authorizer makes merit-based renewal decisions based on the school's record in relation to established expectations for educational, organizational and financial performance.

Rating **Established** ▼
 **Partially Developed**

Applied ▼
 **Partially Developed**

Analysis

The authorizer has recently established a renewal process that incorporates multiple elements and leads to very different renewal procedures depending on the elements at issue. For example, schools meeting academic standards are allowed to complete a streamlined process that amounts to an electronic certification that results in a near-automatic renewal.

In addition, the portfolio required for charter school renewal includes a renewal executive summary, a renewal summary review, the full renewal application package, a performance management plan evaluation instrument (if applicable), and a detailed business plan checklist (completed by staff). The draft Charter School Renewal Handbook sets forth the criteria used when judging charter schools on renewal and includes procedures for a renewal inspection. This inspection, coupled with the submission of additional required information, sets the stage for a set of expectations on renewal. These expectations, however, are not entirely clear in the draft Handbook and seem to be unevenly understood in the field. As more than one school leader indicated, the set of factors considered by the authorizer on renewal was not entirely clear.

In practice, the authorizer provided an initial review based on student academic performance and separated the schools into two categories: (1) those meeting sufficient status and growth goals and therefore eligible for a streamlined (and extremely quick) reauthorization; and (2) those not meeting status and growth goals and therefore required to submit a performance plan on renewal. The authorizer should refine its current renewal process to inform schools regarding their performance status, including schools that serve an alternative student population; review financial, legal compliance, governance, and related areas; require an interview process; and provide each school an opportunity to respond to and supplement the record of performance used in the authorizer's "quadrant analysis."

3.8. Closure

Following non-renewal, revocation or voluntary return of the charter, the authorizer ensures orderly closure of the school.

Rating **Established** ▼
 **Minimally Developed**

Applied ▼
 **Minimally Developed**

Analysis

The authorizer has not developed a plan or checklist that establishes clear roles, responsibilities, required steps, or timeline for school closure. In fact, neither the Charter School Renewal Handbook (currently in draft form) nor the Renewal application contemplates closure as an option or describes respective obligations during the process. Because of this, the time frame for completion of tasks is not specified, and it is unclear whether the authorizer supervises the closure and/or ensures that critical steps take place if the school fails to carry out its assigned tasks. Several school leaders reported frustration with not receiving student records from schools that had closed, pointing out one example of the need for a closure process.

In practice, the authorizer has terminated or not-renewed a number of charter schools, including at least two during the recent renewal process. There have also been a number of voluntary surrenders over the years, but there does not appear to be an established protocol for any of these situations. While authorizer staff indicated that the closure procedure was being developed, such procedures seem to be more ad hoc at the current time. The closure process could also involve an alignment with the Arizona DOE officials, departments, or staff who would assist with different closure tasks as appropriate.

The authorizer should establish a detailed closure protocol, including a time line and task checklist, to ensure timely notification of parents and families; orderly transition of students and student records; and disposition of school funds, property and assets. Given the collaborative nature of the work with the Arizona DOE, some of these procedures can be coordinated with the state department.

Detailed Analysis

3.9.

Transparency

The authorizer makes high-stakes accountability decision in a way that is transparent to schools and the community.

Rating

Established ▼

 Partially Developed

Applied ▼

 Partially Developed

Analysis

The authorizer has taken steps to make high-stakes accountability decisions in a way that is transparent to schools and the community. ASBCS permits schools the opportunity to present evidence to support accountability procedures and at renewal allows for the submission of self-reported data that provide the authorizer additional context for the renewal decision. The authorizer also uses replication and transfer applications that are tailored to the needs of different operators. While these forms provide strong guidance to schools, they are not supplemented by an opportunity to respond to any initial findings prior to a school action.

As discussed at more length in connection with the intervention and closure procedures, there is no established framework or process for the factors that trigger intervention or the range of actions permitted based on the nature of any violations or challenges.

In practice, the authorizer provides notice to schools regarding its intent to intervene or revoke and an opportunity to be heard at the authorizer's Board meetings. Several school leaders noted that the authorizer board provides a real venue for school input at board meetings and an opportunity for further discussion. The extent of written notice that is provided to schools upon accountability decisions is not clear.

The authorizer should clearly communicate to schools the criteria for high stakes charter accountability decisions (e.g. charter renewal, non-renewal, and revocation) and should promptly communicate these decisions externally within a time frame that allows parents and students to make school decisions.


4

School Autonomy

Guiding Question:

Do schools have the autonomy to which they are entitled?

This part assesses the extent to which schools have appropriate authority to make decisions about the process and means by which they will achieve expected outcomes, consistent with applicable law and policy.

	Established	Applied
4.1. Legal Autonomy		
4.2. Educational Process		
4.3. Financial Management		
4.4. Conflicts of Interest		
4.5. Re-regulation		
4.6. Earned Autonomy		

Part 4 Summary:

Established ▼  Partially Developed

Applied ▼  Approaching Well-Developed

Summary Assessment

Overall, ASBCS' practices are partially developed. The charter contract does not document a school's legal autonomies or address waivers from traditional public school rules and regulations. Similarly, the charter application contains a substantial description of the educational plan; however, there is limited documentation of school autonomies over the educational process. Given the relationship between the authorizer and the Arizona Department of Education (DOE), the lack of documented waivers is particularly problematic because it might put the DOE in the position of unintentionally re-regulating charter schools in ways inimical to the charter bargain. The authorizer should document the available waivers in the charter contract so that the authorizer, the DOE, and the school have a common understanding of what requirements apply.

In practice, charter schools do appear to receive substantial autonomy in core areas, including the educational program, school operations, resource allocation, and personnel decisions. Despite this freedom, the lack of clear definition creates some confusion among schools concerning the extent of their authority to make decisions regarding the educational process. When asked about making changes to the educational program, for example, there was not consistency in schools' understanding of their authority or obligations. ASBCS should define the aspects of the educational program that it considers to be material and clarify that schools may make non-material changes at their discretion. These terms should be defined in the charter application procedures and the contract.

There is some concern that the charter contract inappropriately limits financial autonomy by requiring charters to follow the same financial data submission and procurement requirements as a school district.

ASBCS does have an amendment process; however, the Board may want to consider approving waivers as a standard part of the initial contract term. Despite these limitations, schools report having substantial authority to make financial decisions.

The authorizer has established an appropriate conflict of interest policy and generally operates free from conflicts. Technical assistance provided to schools is appropriate and targeted and avoids any suggestion that working with ASBCS provides a boost during the application process. In addition, ASBCS' relationship with the Arizona Charter Schools Association's Charterstart program provides a strong voice, mostly independent from the authorizer, on quality review procedures. ASBCS' strong partnership with the Association has also aided the ASBCS in improving its practices despite gaps in resources and capacity. For example, the Association led the development of the Arizona Growth Model -- which ASBCS uses to evaluate academic performance -- and provides experts and resources to make data accessible to the schools and the authorizer. While this is an excellent short-term solution, the authorizer acknowledges that the arrangement is not ideal for the long-term.

Ultimately, in the key areas at the heart of the charter bargain -- the educational program, school operations, resource allocation, and personnel decisions -- schools have substantial and appropriate authority to make their own decisions. As a testament, the authorizer staff was lauded by school leaders for their responsiveness. The new renewal process represents a strong first step toward high quality oversight; however, ASBCS should evaluate their internal procedures frequently to ensure that the authorizer does not, over time, engage in re-regulation of schools.

Priorities for Improvement

Create a framework for defining autonomy to charter school operators

Clarify autonomies with respect to management of the educational and operational program

Permit schools the ability to earn autonomy based on strong performance

Recommended Actions

Document statutory waivers and other autonomies in the charter contract and describe them in the charter application and renewal materials


Define in the charter application and contract the material aspects of the educational program and clarify schools' authority to make non-material changes at their discretion

Revise the five-year interval review and renewal processes to ensure that schools meeting all operational goals and material terms in the charter have the ability to earn additional autonomy

Detailed Analysis

4.1. Legal Autonomy

The authorizer defines and respects the autonomies to which the schools are entitled based on statute, waiver, or authorizer policy.

Rating **Established** ▼
 Minimally Developed

Applied ▼
 Approaching Well-Developed

Analysis

The charter contract does not document a school's legal autonomies or address waivers to which schools are entitled from traditional public school rules and regulations. Some members of the authorizer board even expressed the opinion that charter schools are subject to all the rules governing traditional public schools because they act as Public Education Agencies. The lack of documented autonomies seems to have created some confusion by the authorizer, which will likely lead to conflicting messages to school leaders.

Given the relationship between the authorizer and the Arizona Department of Education (DOE), the lack of documented waivers is particularly problematic because it might put the DOE in the position of unintentionally re-regulating charter schools in ways inimical to the charter bargain. In several meetings with Department staff, including those in charge of special education and funding, there was substantial confusion concerning the degree of autonomy to which charters are entitled. The authorizer should document the available waivers in the charter contract so that the authorizer, the DOE, and the school have a common understanding of what requirements apply.

In practice, charter schools do appear to receive substantial autonomy in core areas, including autonomy over the educational program, school operations, resource allocation, and personnel decisions.

4.2. Educational Process

The authorizer defines and respects school autonomy over the educational process.

Rating **Established** ▼
 Minimally Developed

Applied ▼
 Approaching Well-Developed

Analysis

While the charter application contains a substantial curriculum and planning section designed to require a description of the educational plan, there is limited documentation of school autonomies over the educational process. The charter contract also contains no language defining the educational plan or ensuring that the charter school retains substantial autonomy over such a plan.

In practice, schools have meaningful autonomy over most educational process decisions. Despite this freedom, this lack of clear definition of autonomy creates confusion among schools concerning the extent of their authority to make decisions regarding the educational process. When asked about making changes to the educational program such as adding a foreign language course or changing a curricular approach, there was no consistency in schools' understanding of their authority or obligations. Some schools understood the changes to require a formal charter amendment and authorizer approval. Others considered the same changes to be within the authority of school leadership.

The authorizer should define the aspects of the educational program that the authorizer considers to be material and clarify that schools may make non-material changes at their discretion. These terms should be defined in the charter application procedures and the charter contract.

Detailed Analysis

4.3. Financial Management

The authorizer defines and respects school autonomy over financial operations.

Rating **Established** ▼
 **Partially Developed**

Applied ▼
 **Approaching Well-Developed**

Analysis

There is some concern that the charter contract, although consistent with statute, inappropriately limits financial autonomy. Section 14 of the charter contract requires that charter schools comply with "the same financial and electronic data submission requirements as a school district", which may constrain schools in substantial ways. ASBCS does have an amendment processes for exceptions to following the Uniform System of Financial Records for Charter Schools and the state procurement requirements. In order to better define and preserve financial autonomy, the authorizer could consider automatically including these waivers in the initial contract term.

Despite these limitations, schools report having substantial authority to make financial decisions once the school is in operation. For example, many schools expressed support for their financial autonomy and indicated that the annual independent audit serves as a sufficient safeguard.

Given that Arizona is one of the few states that permits the granting of a charter to for-profit Educational Service Providers (ESPs), there is some uncertainty concerning the degree to which charter school governing boards, rather than ESPs, are the ones benefitting from financial autonomy. In some cases, since there is virtually no separation between the ESP and the charter school governing board, the existence of financial autonomy should be balanced with appropriate oversight.

4.4. Conflicts of Interest

The authorizer operates free from conflicts of interest.

Rating **Established** ▼
 **Well-Developed**

Applied ▼
 **Well-Developed**

Analysis

As established, the authorizer has an appropriate conflict of interest policy that defines the circumstances under which members of the authorizing body might recuse themselves from consideration of a given item. Under this policy and the related statutory authority, A.R.S. §§ 38-501 to -511, members of the authorizer are required to divulge decisions, case investigations, or other matters in which they or a relative may have a "substantial interest" under.

In practice, the authorizer generally operates free from conflict of interest. The technical assistance provided to the schools is appropriate and targeted and avoids any suggestion that working with the authorizer provides a boost during the application process. In addition, the authorizer's relationship with the Arizona Charter Schools Association's Charterstart program provides a strong voice, mostly independent from the authorizer, on quality review procedures. The authorizer's relationship with schools seems appropriate. There was no evidence to suggest that the authorizer intervenes in school leadership in ways that are inappropriate or might create a conflict of interest. The authorizer does review the credentials of school board members and conducts a background check on potential board members, but only to flag potential concerns, not to dictate board composition.

Detailed Analysis

4.5. Re-regulation

The authorizer does not reduce school autonomy unless there is a compelling reason to do so.

Rating **Established** ▼
 **Partially Developed**

Applied ▼
 **Approaching Well-Developed**

Analysis

The authorizer has begun to set policies for renewal and five-year interval reviews that are more robust -- a generally positive development given that Arizona's traditional approach to authorization has focused on compliance. The danger, however, is that the authorizer might re-regulate schools in ways that constrain charter autonomy while doing little to ensure that accountability measures are met.

The authorizer has not established a policy to avoid duplicative requirements or to weigh the benefits of new procedures with the need for proper oversight. Historically, compliance requirements were generated in a checklist fashion without much nuance in terms of their application among individual schools. The current staff leadership has taken important and appropriate steps to counter this pattern by implementing a renewal process that is much more reflective of the charter bargain and focuses squarely on student academic outcomes.

The authorizer also has plans to examine regulatory requirements before they are implemented. Many school leaders expressed appreciation for the way in which the authorizer convened focus groups when making changes to practices and procedures.

The authorizer should continue to develop its process of evaluating the need for regulations that are not directly required by the Arizona Charter Schools Act and should be vigilant about the danger of re-regulation.

4.6. Earned Autonomy

The authorizer periodically reviews compliance requirements and evaluates the potential to increase school autonomy based on flexibility in the law, demonstrated school performance, and other considerations.

Rating **Established** ▼
 **Partially Developed**

Applied ▼
 **Minimally Developed**

Analysis

The authorizer has not established policies or protocols to adjust compliance requirements based on performance, either academic, operational, or financial. The exception to this is on renewal, where the authorizer permits a streamlined renewal process for schools that have met academic status and growth goals and are otherwise in substantial compliance with charter terms. The result of the lack of earned autonomy is that, except for renewal, the same requirements apply to all schools no matter their stage of existence or level of performance.

In practice, authorizer staff appear to calibrate their work with schools based on the school's historic performance. While this is a step toward differentiated autonomy, it is not set forth in policy and therefore runs the risk of being unevenly applied across the portfolio of schools. As the authorizer continues to develop its processes, it should consider how individual school performance might affect the ability of a school to be autonomous.

The authorizer should consider whether it is appropriate to introduce mechanisms for earned autonomy and, if so, should implement it in policy that is transparent.

Sources

Application Decisions

New Application Materials: Application, Technical Assistance Manual, Completeness Rubric, Evaluation Rubrics (ES, HS), Technical Review Panel Documents
Summary of 2011-12 Charter Decisions
Sample Applications (including completed rubrics, recommendations to board, correspondence) for International Charter School Of Arizona and Energy and Sciences Academy
2012-2013 Application
Sample Charter Contracts and Renewal Contracts
New Operator Training Materials
Renewal Application Materials: Application, Technical Assistance Manual, Renewal Policies, Evaluation Rubrics, Site Visit Interview Guidelines
Summary of 2010 Renewal Decisions
Sample Renewal Application: Tertulia
Replication Application Materials: Application, Policies, Academic Evaluation Rubric
Sample Replication Application: BASIS Chandler
Transfer Application Materials: Application, Policies, Application Evaluation Materials
Sample Transfer Application: Avondale Learning

School Operations

Audit Policies, Sample Audit Correspondence, FY 2009 list of schools with Audit Corrective Action Plans
Site Visit/Review Policies 2010-11 Site Visit Documents for 1st, 2nd, 5th, 10th year reviews: rubric, document request, response template, technical assistance overview
Sample 1st year review: Paragon Science Academy
Sample 2nd year review: Pioneer Preparatory
Sample 5th year review: Esperanza High School

Accountability Decisions

Cesar Chavez Learning Community Revocation Documentation

School Performance

2010 AIMS (Arizona's Instrument to Measure Standards) results
2010 AYP determinations
2007-2010 AZ LEARNS (Accountability and Performance Measures) and Student Growth Profiles for all charters
2010 Student Improvement status matrix
2008 Dropout matrix

School Case Studies

Ambassador Academy
2005 Application
2007 Contract
Annual Audits FY 2008, 2009, 2010
Monitoring Correspondence

Bell Canyon Charter School

2002 Application
2002 Contract, and amendments in chronological order
2008 5th Year review documents
2010 legal and financial audits
Monitoring Communications including parent complaint documentation

Espiritu Community Development

1994 Application
Renewal Application
1995, 2006, 2011 Contracts
Brookings Institute Parent Survey
Academic underperformance documentation
Complaint and conflict documentation (facilities, personnel, parents, etc.)
2008 Site Visit Report
Annual Audit FY 2010

Background

Portfolio of Schools
ASBCS Board Member List
ASBCS Staff Organizational Chart
National Alliance for Public Charter Schools Charter Law Ranking for Arizona
Arizona Charter Law: Statute and Administrative Codes

Evaluator Bios

Andrew Broy

Andrew is the President of the Illinois Network of Charter Schools, a statewide charter school support organization serving 116 charter campuses in Illinois that collectively educate more than 45,000 public school students. In his first year as President of INCS, Andrew oversaw the creation of a three-year strategic plan to chart the future growth of the Illinois charter sector and INCS. Prior to joining INCS, Andrew was the Associate State Superintendent for the State of Georgia from 2006-2010. In that role, Andrew was instrumental in crafting Georgia's winning Race to the Top application and worked with legislative leadership to draft several education reform initiatives, including the Georgia Charter Schools Commission Act, which created a single-purpose state agency dedicated to authorizing charter schools. Andrew was a civil rights litigator in the Atlanta office of Sutherland Asbill & Brennan from 2001-2006 and specialized in school finance disputes, desegregation cases, and charter school law. Andrew serves on a number of local and national boards and began his career as a high school teacher and a member of Teach for America.

Rachel Ksenyak

Rachel is the National Association of Charter School Authorizer's Director of Authorizer Development. She is responsible for providing organizational leadership and support for client services such as application and renewal decision-making, authorizer evaluation, and development of model resources. Prior to joining NACSA, Rachel spent four years with the Chicago Public Schools Office of New Schools, where she managed the recruitment and authorization of new charter and other autonomous schools under Secretary of Education Arne Duncan's Renaissance 2010 initiative. In addition to her work with charter schools, Rachel was the author of the first CPS RFP and evaluation process for Turnaround Schools, and led the development of a new district accountability system for schools serving at-risk and drop-out youth. Rachel holds a Master's degree in the Social Sciences from the University of Chicago and a B.F.A. from Ohio University.