

# Charter and Innovative Schools

Emerging Trends Reflected in the State Phase 1

**RACE TO THE TOP** Applications





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**RACE TO THE TOP** Applications

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## **About This Series**

This report is one in a series of reports exploring specific education issues reflected in the state Phase 1 Race to the Top applications that were submitted to the U.S. Department of Education in January 2010. Learning Point Associates, in collaboration with the Council of Chief State School Officers, has analyzed the 41 applications and is reporting on emerging trends that are occurring in the states.

Other reports in this series focus on the following topics:

- Teacher evaluation
- State legislation
- Expanded learning opportunities
- Measurement of student growth
- School improvement

## **Acknowledgments**

Learning Point Associates, in collaboration with the Council of Chief State School Officers, conducted the initial research and data collection of all 41 Phase 1 Race to the Top applications during February and March 2010. Data analysis of these 41 applications relating specifically to charter and innovative schools was conducted by Learning Point Associates in April 2010. Special thanks go to Abner Oakes, Trish Brennan-Gac, and Liz Kershaw of Learning Point Associates and Adam Ezring, Melissa Johnston, and Elizabeth Partoyan of the Council of Chief State School Officers for their contributions to this report.

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## OVERVIEW

### **Race to the Top Competition**

Through the American Recovery and Reinvestment Act (ARRA) of 2009, a significant amount of funding has been targeted to improve state and local education systems. The Race to the Top Fund in particular is providing \$4.35 billion in competitive grants for states.

According to the U.S. Department of Education (2009), the Race to the Top Fund is:

A competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers; and implementing ambitious plans in four core education reform areas:

- Adopting standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy;
- Building data systems that measure student growth and success, and inform teachers and principals about how they can improve instruction;
- Recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most; and
- Turning around our lowest-achieving schools. (p. 2)

The U.S. Department of Education designated two phases for the Race to the Top grant competition. Phase 1 applications were due January 19, 2010. For Phase 1, the Education Department received a total of 41 applications—from 40 states and the District of Columbia. In March 2010, the Education Department selected 16 applications as finalists and then awarded grants to two states: Delaware and Tennessee. During the next four years, Delaware will receive \$100 million and Tennessee will receive \$500 million to implement their comprehensive school reform plans.

Phase 2 applications are due June 1, 2010, and the Education Department will announce awards in September 2010; \$3.4 billion is available for Phase 2 (U.S. Department of Education, 2010).

### **Review of Phase 1 Applications**

Learning Point Associates and the Council of Chief State School Officers have paid close attention to the current emphasis on charter schools and the developing conversation related to innovative schools. Staff recently conducted a review of the 41 Race to the Top applications, with a specific focus on charter and innovative schools. The goal of this report is to provide a snapshot of the status of charter and innovative schools in states. There are limitations to the findings in the report, due to the nature of the research. The data presented in this report come from language found in the state applications; additional information was retrieved from the website of the National Alliance for Public Charter Schools.

## FOCUS ON CHARTER AND INNOVATIVE SCHOOLS

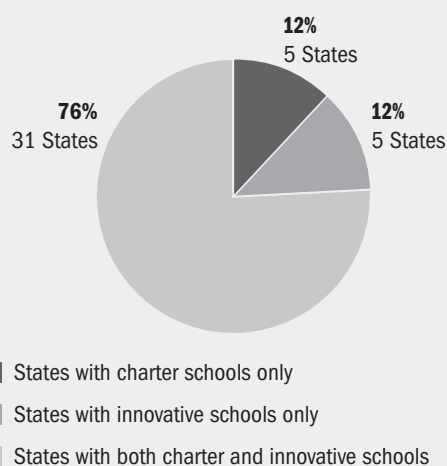
U.S. Secretary of Education Arne Duncan has been a vocal supporter of quality charter schools as an alternate means of serving students who attend failing schools. In his speech at the 2009 National Charter Schools Conference, he stated that the “charter movement is one of the most profound changes in American education, bringing new options to underserved communities and introducing competition and innovation into the education system” (Duncan, 2009). Thus, it should have come as no surprise when charter schools were featured prominently in the Race to the Top application, with 40 points available to be awarded for charter school initiatives in a state—8 percent of the 500 total points.

But states had additional and important perspectives about other options for serving high-need communities. They shared these perspectives during the public comment period for the Race to the Top application, and the Education Department responded by adding a new category for innovative schools to the application. As a result, a variety of innovative practices were highlighted by states without charter school laws or robust charter school environments. Our review of the applications revealed that all 41 states permit either charter or innovative schools or both (see Figure 1). Those states that do not permit charter schools instead permit innovative schools; those states that do not have innovative schools instead permit charter schools.

In reviewing the 41 applications from Phase 1, we extracted four key themes of interest to the U.S. Department of Education and then asked pertinent questions:

- **State Commitment to Charter and Innovative Schools.** Do states have laws supporting charter or innovative schools? What are the important characteristics about each state’s legal infrastructure for those schools?
- **Effectiveness of State Laws Governing Charter Schools.** How well are these laws working? For example, how many charter school applications were approved in each state during a five-year time period?
- **Expansion of Charter Schools.** Do states support the expansion of charter schools? Do they provide equitable funding and facilities-focused assistance to ensure the sustainability of these schools?
- **Accountability of Charter Schools.** Are states holding charter schools accountable? Is authorizing or renewal tied to student achievement advances? As Secretary Duncan (2009) has said, “Charter authorizers need to do a better job of holding schools accountable.”

**Figure 1. States With Charter or Innovative Schools**





There is no doubt that the Education Department was looking for information about charter schools that work; these four themes indicate that having laws on the books is not enough. Each state also needs to provide support through funding and regulatory processes for programs authorized in law to flourish. But “flourish” means more than growth: It also means quality. There need to be mechanisms to hold authorizers and schools accountable and an awareness of the efficacy of these mechanisms.

Each of the four themes is discussed in the next section.

## EMERGING TRENDS: CHARTER AND INNOVATIVE SCHOOLS

### State Commitment to Charter and Innovative Schools

**Charter Schools.** Of the 41 Phase 1 applications, five states indicated that they do not have charter school laws and two of these five states indicated that charter school legislation was pending (see Figure 2). Since the time that the applications were submitted, one state has passed legislation for a pilot charter school program.

Of the five states that did not have charter school laws, four were in the bottom 15 percent of the Race to the Top rankings; only one was in the top 25 percent and a finalist in the competition.

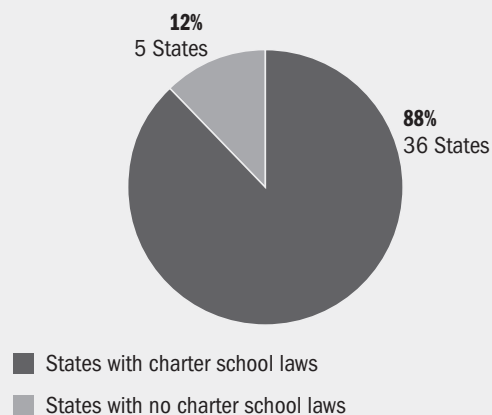
Of the 16 finalists for this phase of the Race to the Top competition, their charter laws have been on the books an average of 13.2 years, according to data from the National Alliance for Public Charter Schools (2010). As stated above, only one school in the finalist group did not have a charter school law.

**Innovative Schools.** Of the 41 Race to the Top applications, 34 states indicated that they have innovative schools in their states. Just five states indicated that they do not have innovative schools, and two stated that they are in progress for developing innovative schools (see Figure 3); all seven of these states do allow charter schools, however.

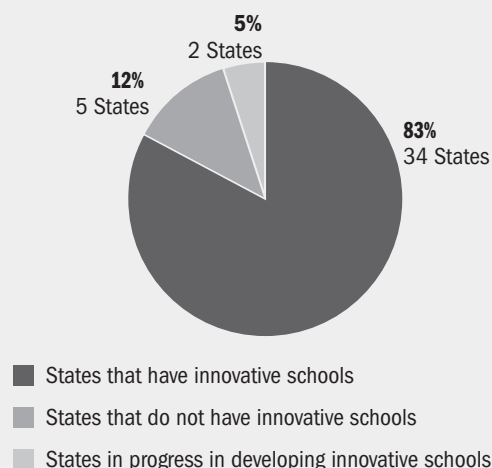
Of these seven states, none of them were in the top 40 percent of overall rankings in the Race to the Top competition; only one state made it into the top half of the applications, given overall scores.

The types of innovative schools referenced by states highlighted their efforts to develop and nurture more effective schooling for students—from those models that experimented with new governance structures (contract schools, mayoral academies) to those that changed the school day or year (residential academies, year-round

**Figure 2. States With Charter School Laws**



**Figure 3. States With Innovative Schools**



schools, virtual schools) to those that offered a special focus for their students (International Baccalaureate schools, magnet schools, early-college schools, vocational or technical schools). These applications present a rich array of options for students. (For descriptions of these types of schools, see “Types of Innovative Schools” below.)

### **Types of Innovative Schools**

In their Race to the Top applications, states indicated a variety of innovative schools:

- **Magnet schools:** Schools with specialized curricula that draw students from across normal boundaries.
- **Autonomous schools:** Schools that have flexibility in the areas of budget, governance, staffing, and school day and year.
- **Year-round schools:** Schools that hold classes all year.
- **International Baccalaureate (IB) schools:** Schools that implement the rigorous curriculum developed and overseen by the IB program, based in Geneva, Switzerland, and used in 138 countries worldwide.
- **Virtual schools:** Schools that teach their courses entirely or primarily online.
- **Vocational or technical schools:** Schools that focus on vocational or technical education.
- **Early-college schools:** Schools that allow students to take high school and college courses at the same time.
- **Residential academies:** Schools at which students board.
- **Open-enrollment schools:** Schools that allow students from outside the district in which the school is situated.
- **Pilot schools:** Like autonomous schools, these schools have flexibility in the areas of budget, governance, staffing, and school day and year.
- **Contract schools:** Like autonomous schools, these schools have flexibility in the areas of budget, governance, staffing, and school day and year. (Exact definitions differ from state to state.)
- **Mayoral academies:** A type of charter school that is publicly funded yet operates outside of the rules and restrictions governing traditional public schools, including teacher wages, benefits, tenure, and retirement. Mayoral academies are initiated by local mayors and town administrators and operated by nonprofit education organizations.

## Effectiveness of State Laws Governing Charter Schools

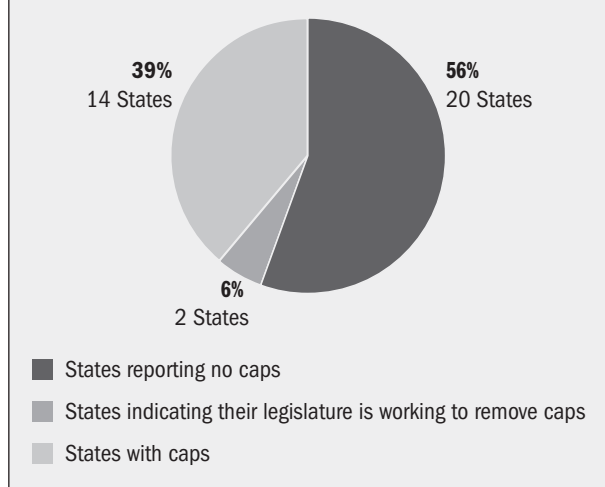
In the Race to the Top applications, states were asked to provide several data points about charter schools and their growth during the past five years. (The Education Department did not ask for similar information about innovative schools.)

- The number of charter schools allowed and the percentage that this number represents of the total number of schools in the state
- The number of charter schools operating
- The number of charter school applications made
- The number of charter school applications approved
- The number of charter school applications denied
- The number of charter schools closed

The effectiveness of laws that promote the expansion of charter schools can be reflected by the number of charter schools in a state, their growth over a certain time period, and any limits on that growth. The first data point from the above list leads to an important question: Can charter schools, if they reach the maximum number (*or cap*) in a state, be a significant percentage of that state's overall school population?

States were asked for information about caps on charter schools. As Figure 4 indicates, 20 states (56 percent of Race to the Top applicants with charter laws) stated that they do not cap the number of charter schools. For the other applicants, there were various permutations of caps, and at least two states shared information that their state legislatures were moving to end the caps. This situation fits with what Secretary Duncan (2009), in that same speech last summer, stated: that he and President Obama “have expended a great deal of political capital urging states to lift charter caps and allow more charters to open, and states are responding.”

**Figure 4. States With Caps Pertaining to Number of Charter Schools**



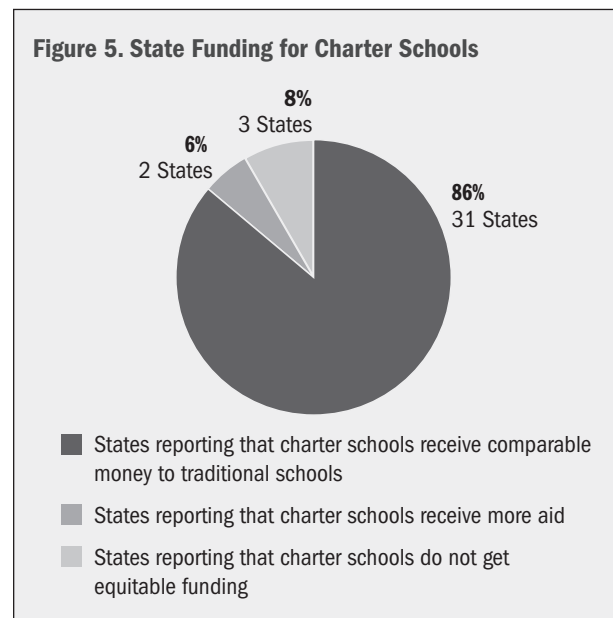
Charter school applications approved during the last five years range from one state's high of 437 to another state's low of zero. Perhaps an additional, valuable number would have been the number of charter schools actually opened, since “approval to open” is not the same as “has opened,” but this information was not requested by the Education Department. Some states, however, volunteered this information in their applications. For example, one Midwestern state

shared that there were 346 approvals to open a charter school during the five-year period, 143 schools opened during that time (41 percent of those approved), and 67 closed. Currently, 206 schools operate in that state.

## Expansion of Charter Schools

The application asked states about two areas critical to the sustainability of any charter school: equitable funding and facilities-related support. (The Education Department did not ask for similar information about innovative schools.) As Secretary Duncan (2009) said last summer, “Charter schools should be funded like every other school. Where states are playing games and underfunding charters or whatever, we will come down like a ton of bricks on that. We are going to watch that very, very closely.”

According to an initial review of applications of those states that allow charter schools, three states indicated that they do not have equitable funding, two states stated in their applications that charter schools actually receive more state aid than traditional buildings, and 31 stated that charter schools receive as much money as their traditional public school counterparts (see Figure 5). Because of the complexities involved with school funding, the Education Department was not seeking a 1:1 relationship between the amount of funding provided to traditional schools and the funding provided to charter schools. For state funding of charter schools to be deemed “equitable,” reviewers could award full points if the per-pupil allocation to charter school students was greater than 90 percent of the funding provided to students in traditional public schools. Therefore, *equitable* was not *equal*.



In addition to per-pupil funding, the Race to the Top application asked states to describe their supports for charter school facilities. In total, 18 applicants—50 percent of those with charter school laws—indicated that they do not provide facilities-related support. Four of those 18 states made it to the final group of 16 finalists.

## Accountability of Charter Schools

Applicants were asked to describe their “approach to charter school accountability and authorization.” In our review, we looked to see if states described mechanisms or systems in place to provide evidence that they were holding charter schools accountable. Of the 36 states with charter school laws, we determined that 30 had mechanisms or systems in place; six did not, and one state was viewed as in progress. Of the six states that did not describe having this mechanism, all were in the bottom 35 percent of applicants.

The relationship between the state education office and a state’s authorizer or authorizers is a critically important one. When this relationship is a positive and beneficial partnership, it adds to the quality of a state’s charter schools. The Race to the Top applications provided a glimpse of that relationship in many states. An applicant from the Mid-Atlantic region referenced just its involvement with Individuals with Disabilities Education Act compliance with its charter schools; its work with the authorizer was unclear from the application. Another state from the South did not discuss more fully the authorizing entities in the state other than the state board of education. When compared to other applications that more fully described state processes and the relationships between the institutions that govern and support charters schools, it is likely that the reviewers inferred a less dynamic environment for charter schools for those states that provided more limited information.

The Obama administration has reinforced its position around high-quality charter schools by placing importance on the role that student achievement plays in the authorization or renewal of a charter school. The Race to the Top application asked “whether authorizers require that student achievement...be one significant factor...in authorization or renewal.”

From an initial analysis, only three state applications do not have language to support this statement. One of these three states wrote that although it is not part of the state statute, “school districts *may* terminate a school’s charter [for] failure to meet state requirements for student performance or failure to meet any performance standard set forth in the charter.” Another wrote that if “a charter school is designated as a school failing to meet academic standards, [state law] provides for the charter school’s sponsor to either take action to restore the charter school to acceptable performance or revoke the school’s charter.” Neither of these examples places a requirement on the school to meet specific student achievement benchmarks.

## KEY FINDINGS

The 41 Race to the Top applications from the Phase 1 competition are a treasure trove of information about state agencies and their efforts—past, present, and future—to improve schools and schooling for the children of each individual state. Although readers might quibble with the information that was asked of states—i.e., Did all evidence requested by the Department of Education elicit the most salient facts about each state’s education system?—there is no doubt that these 41 applications told us much about the current status of education in those states and the Education Department’s priorities for them.

Most of the observations made in this report come from information presented by the states in their applications. Consequently, there are limitations to what this report can conclude. With that caveat, here are final thoughts that emerged when Learning Point Associates looked more closely at the section on charter and innovative schools in the 41 applications.

For section (F)(2) of the Race to the Top application—“Ensuring successful conditions for high-performing charter schools and other innovative schools”—several key findings emerged:

1. It was obvious from the answers that were given in the state applications that there is a rich tapestry of innovative schools in the states. These schools—whether or not they are charter schools—offer important options to children. Yet not enough information was asked of states about their innovative schools. In no way is this statement meant to diminish the information gathered about charter schools, given the Education Department’s emphasis on them. But innovative schools can play an important role in states—in fact, such schools already are playing an important role in some states—and more needs to be discovered about their current role and their future.
2. The Race to the Top competition did not significantly impact charter school laws in the United States. The majority of states that applied in this first round—36 (88 percent)—already had charter school laws; of the five that do not have laws, only one state passed a new law, for a pilot program. As for caps, just two states reported that they were working to remove those caps.
3. More needs to be done for charter schools in the area of facilities, a critical piece of a school’s sustainability. It is well understood that this issue is often a local one, as charter schools work with a school district to find a building to share or lease, for example; but 18 states (50 percent of those with charter school laws, from our review of the applications) are providing support in this area.
4. States should share information about the number of charter schools opened during a five-year period—not just those that were approved by an authorizer. When paired with the number that were approved, these two data points will give an even more vivid picture of each state’s charter school environment.

5. Most applicants—81 percent of those with charter school laws—stated that they have mechanisms in place to monitor the performance of charter schools. More information should be gathered to tease out this figure, to further elucidate the important relationship between the state education office and a state’s authorizer or authorizers.

These key findings only hint at the important information throughout this section of the 41 Race to the Top applications. Charter and innovative schools are an important piece of the Obama administration’s long-term education plan, providing new options for young people in failing schools, and the states are on the front line of implementing that piece.

The first round of applications shared the actions that states are taking in relation to charter and innovative schools. These applications also provided those states applying for the second phase of funding with a picture of other states’ work and the Education Department’s priorities. Taken together, these 41 applications are a vivid blueprint of this country’s K–12 education future.



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## About the Council of Chief State School Officers

The Council of Chief State School Officers (CCSSO) is a nonpartisan, nationwide, nonprofit organization of public officials who head departments of elementary and secondary education in the states, the District of Columbia, the Department of Defense Education Activity, and five U.S. extra-state jurisdictions. CCSSO provides leadership, advocacy, and technical assistance on major educational issues. The Council seeks member consensus on major educational issues and expresses their views to civic and professional organizations, federal agencies, Congress, and the public.

## About Learning Point Associates

Learning Point Associates is a nonprofit education consulting organization with 25 years of direct experience working with and for educators and policymakers across the country to transform education systems and student learning. Our vision is an education system that works for all learners, and our mission is to deliver the knowledge, strategies, and results so educators will make research-based decisions that produce sustained improvements throughout the education system.

Learning Point Associates manages a diversified portfolio of work ranging from direct consulting assignments to major federal contracts and grants. Since 1984, Learning Point Associates has operated the regional educational laboratory serving the Midwest—initially known as the North Central Regional Educational Laboratory® (NCREL®) and now known as REL Midwest. Learning Point Associates also operates the National Comprehensive Center for Teacher Quality, National Charter School Resource Center, Great Lakes East Comprehensive Center, and Great Lakes West Comprehensive Center.