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Charter School Authorizers

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Summary Points

- Across the nation, there are six main types of charter authorizers: Local Education Authorities, State Education Authorities, Mayor/Municipalities, Higher Education Institutions, Independent Charter Boards, and Not-for-Profit Organizations.
- As of 2012, 14 states have one charter authorizer, while the majority of states have more than one charter authorizing entity.
- Previously, open-enrollment and district conversion charter schools were approved by the State Board of Education.
- In 2013, the Arkansas General Assembly passed a law to create a new Charter Authorizing Board comprised of members of the Arkansas Department of Education, who are appointed by the Commissioner of Education.

Charter School Authorizers

Two types of charter schools exist in Arkansas: open-enrollment charter schools, which operate independently of any district, and district conversion charter schools, which operate within an existing school district. Charter schools have more autonomy on certain rules and regulations than traditional public schools; however, charter schools are held accountable for academic results and fiscal matters, as defined by the charters contract. Charter schools are approved and held accountable by a charter authorizer. In the 2013 General Assembly, a law passed to change Arkansas' charter authorizer from the State Board of Education to a newly created panel within the Department of Education.

The purpose of this policy brief is to provide a snapshot of charter authorizing across the United States and provide detailed information about Arkansas' newly created Charter Authorizing Panel.

National Snapshot of Charter School Authorizers

In 2012-13, there were over 5,600 charter schools across the nation. Forty-one states and the District of Columbia have passed laws to allow charter schools. Laws in each state determine how charters are to be approved, and some state laws limit on the number of charter schools. In the following sections, this policy brief details detail the different types of charter authorizers and their responsibilities.

Types of Charter Authorizers

In 2012, there were 974 entities that authorize charter schools in the United States.¹ In some states, like Arkansas, only one entity approves all charter schools in the state—

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but in other states, there are multiple authorizing entities. The six types of charter authorizers are:

- Local Education Authorities (LEA) (e.g. Local school districts)
- State Education Authorities (SEA) (e.g. State Board of Education)
- Higher Education Institutions (HEI)
- Non-Educational Government Entities (NEG)
- Independent Charter Boards (ICB)
- Not-for-Profit Organizations (NFP)

As of 2012, Local Education Authorities approve just more than 50% of the nations charter schools, while State Education Authorities approve approximately 20%.¹ Fourteen states have a State Education Authority as the sole authorizer in the state. In these states, the sole authorizer is typically the State Board of Education. In other states, laws are created to allow multiple charter authorizers for various reasons, including “accelerating the pace of charter school creation, addressing district capacity limitations, allowing for choice, and experimenting with multiple charter authorization strategies.”² Furthermore, proponents of multiple charter authorizers suggest that more authorizers allow the authorizers to focus on a smaller number of charter schools. For example, in Colorado there are 46 local education authorities (i.e.

¹“The State of Charter School Authorizing”, National Association of Charter School Authorizers. 2012.

²“Charter School Authorization and Accountability.” Pennsylvania Clearinghouse for Education Research, 2011.

school districts) that are charter authorizers. The majority of the LEA authorizers in Colorado oversee 1-5 charter schools, while only 8 of Colorado's charter authorizers oversee more than 5 charter schools. The table to the right highlights Arkansas' six neighboring states. Mississippi most recently passed legislation to allow open-enrollment charter schools to open in the state's lowest-performing school districts. The Mississippi law created a Mississippi Charter School Authorizer Board to authorize and oversee open-enrollment charter schools.

Table 1: Charter School Authorizers in Arkansas' Neighboring States, 2013

| State | Year Charter Law Passed | # of Authorizers | Types of Authorizers | # of Charter Schools |
|-------------|-------------------------|------------------|----------------------|----------------------|
| Arkansas | 1995 | 1 | SEA | 36 |
| Louisiana | 1995 | 8 | 1 SEA, LEAs | 77 |
| Mississippi | 2010 | 1 | ICB | 0 |
| Missouri | 1998 | 12 | LEA, HEI | 65 |
| Oklahoma | 1999 | 7 | LEA, HEI, NEG | 22 |
| Tennessee | 2002 | 5 | LEA, ICB | 50 |
| Texas | 1995 | 15 | 1 SEA, LEAs | 571 |

Responsibilities of Charter Authorizers

A charter school authorizer has four main responsibilities:

1. Review applications
2. Grant or deny "charters" through a hearing process
3. Provide accountability and ensure compliance to approved charters: Financial audits, academic reports, site visits, etc.
4. Renew or terminate charter contracts

The approval of authorizers varies by charter authorizer. In 2011-12, approximately 33% of charter school proposals were approved by charter authorizing panels. Non-LEA authorizers (i.e. authorizers that are not local schools districts) approved fewer new charter contracts (25%), than LEA authorizers (43%). In most states, charter schools are approved by an authorizing entity for an initial period of five years.¹ Once a charter school opens, the level of oversight provided by charter authorizers varies as well. Furthermore, the closure rates of authorizers vary. Non-LEA authorizers have a closure rate (3.7%) slightly less than LEA authorizers (4.1%). The majority of charter schools are closed during a renewal hearing; however, charter schools contracts can be terminated separate from the renewal process. Authorizers may close a charter school for a number of reasons, including low student enrollment and financial difficulties.

Charter School Authorizing in Arkansas

In 1995, the Arkansas General Assembly passed a law to allow existing schools to transition to become a charter school (district-conversion schools). Then, in 1999, the General Assembly passed a law to allow open-enrollment schools. The law established the State Board of Education

as the state's charter authorizer and initially established a cap for the number open-enrollment charter schools. The cap law has since been amended, and current law allows an automatic increase in the number of available spots by five each time the number of open-enrollment charter schools are within two of meeting the existing cap. The Commissioner of Education is required to submit a notice each Spring detailing the number of new charter schools that can open. **In 2013-14, there are 19 existing open-enrollment charter schools, and so up to five open-enrollment charter schools can be approved for the 2014-15 school year.**

In Arkansas, each charter is granted for an initial five-year period. After a five-year period, a charter school can be reauthorized for any amount of time, as determined by the charter authorizer. Since 2002, 18 open-enrollment and district conversion charter schools have closed in Arkansas. In some cases, the closed charter schools either did not request to renew or surrendered the charter. In other cases, the State Board of Education voted to terminate the contract for reasons that included to lack of academic progress, compliance issues, and/or financial difficulties.

During the 2013 General Assembly, a debate arose regarding Arkansas' charter authorizer—the State Board of Education. Certain lawmakers and stakeholders sought to change the state's charter authorizer. Supporters of a new charter authorizing panel pushed a new entity (or entities) with the intent that the new authorizer might increase the number of charters approved in the state. Others felt that the State Board was in the best position to make decisions about charter schools and so the authorizing panel should not be changed. After much debate regarding charter authorizers, a compromised law, **Act 509**, was passed. **Act 509 created a 5 to 11 member charter authorizing board within the Department of Education (ADE)**, with members appointed by the Commissioner of Ed-

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education. Figure 1 below highlights the process for a charter school to be established. For an entity (charter proposer) to apply for a charter, an entity submits a letter of intent to the Department of Education by July. Then, the entity submits an application, and an Internal Review Committee within the ADE provides feedback on the application to the charter entity. The entity then presents the proposal to the charter authorizer, now the new ADE Charter Authorizing Panel, and a hearing is held to approve or not approve the charter.

The State Board of Education will only play a role in charter school decisions if the State Board requests to appeal the Authorizing Panel decision by majority vote. If the State Board decides to review a decision made by the Authorizing Panel, a hearing will be held, and the State Board can affirm the decision made by the Panel and/or take lawful action on the charter (i.e. allow or terminate the charter contract). In that case, the State Board decision is final with no right to appeal.

In August 2013, the Commissioner, Dr. Tom Kimbrell, announced the new Author-

izing Panel. It is comprised of six members of the Department of Education: five assistant commissioners and the chief of staff. In the past a internal team in the ADE (the Charter Review Council) reviewed charter applications prior to the state board hearing and either supported or did not support the charter proposals. In previous year, the Charter Review Council's decision did not always align to the State Board of Education's final decision. Therefore, this first year of the new panel will be interesting, as it is difficult to predict the approval rates by the new Authoring Panel.

Conclusion

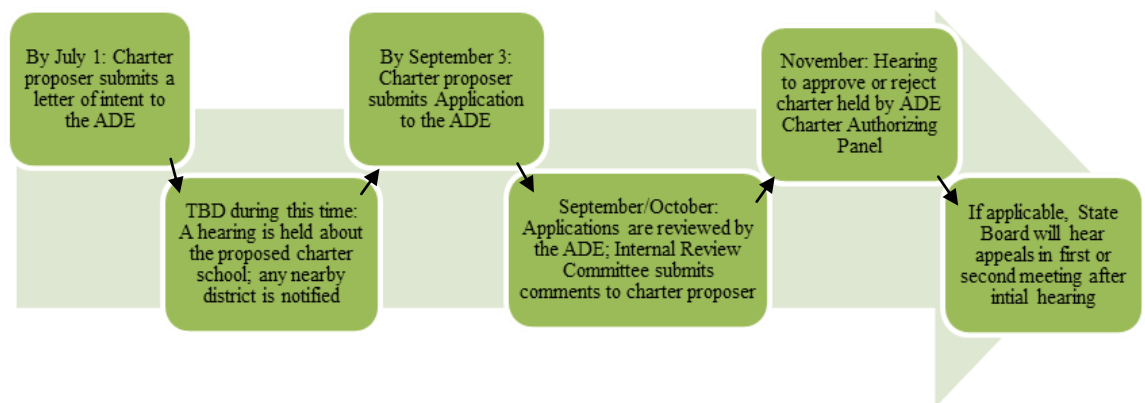
While Arkansas changed its charter authorizer in 2013, Arkansas, like 13 other states, has only one charter authorizer. Arkansas' newly established Charter Authorizing Panel will hold 7 hearings for proposed open-enrollment charter schools and four hearings for proposed district conversion charter schools in 2013-14. The outcome of these hearings will shed light on the newly created Panel.

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Figure 1: Timeline for Open-Enrollment Charter School Approval, 2013



Snapshot of the 2013-14 Charter Authorizing Cycle

- 11 letters of intent submitted for Open-Enrollment Charters
- 7 applications submitted for Open-Enrollment Charters
- 5 available spots under law for Open-Enrollment Charters
- 6 letters of intent submitted for District Conversion Charters
- 4 applications submitted for District Conversion Charters
- No limits on the number of District Conversion Charters that can open each year

