

NACSA develops quality  
authorizing environments  
to foster a greater number  
of quality charter schools.

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in the implementation of quality practices in charter school authorizing.

*[www.qualitycharters.org](http://www.qualitycharters.org)*



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**nacsa**  
NATIONAL ASSOCIATION OF  
CHARTER SCHOOL AUTHORIZERS

# *Principles & Standards*

*for Quality Charter School Authorizing*



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## ***About NACSA***

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The National Association of Charter School Authorizers (NACSA) is committed to advancing excellence and accountability in the charter school sector and to increasing the number of high-quality charter schools across the nation. To accomplish this mission, NACSA works to improve the policies and practices of authorizers—the organizations designated to approve, monitor, renew, and, if necessary, close charter schools. NACSA provides training, consulting, and policy guidance to authorizers. It also advocates for laws and policies that raise the bar for excellence among authorizers and the schools they charter. Visit [www.qualitycharters.org](http://www.qualitycharters.org).

NACSA's members first ratified *Principles & Standards for Quality Charter School Authorizing* on May 14, 2004. © 2004, 2005, 2007, 2009, 2010, 2012.

Dear Colleagues,

It has been 20 years since the first charter school opened its doors. Today, more than two million children depend on more than 5,600 charters to provide them with excellent educational opportunities. Many of these schools are innovative and outstanding, offering children a great and often significantly better alternative to the traditional district schools available to them. Yet too many charters do not provide the education promised—failing children, communities, and the public trust.

It is the responsibility of nearly 1,000 charter school authorizers across the country to help ensure that charter schools fully deliver on the charter promise. To get there, we can and must demand more of ourselves. Good authorizing means approving only those schools with the best likelihood of succeeding and providing a sound education for children, closing bad schools, and strengthening the performance and accountability of all charter schools.

Authorizing has evolved over the course of these 20 years, led in part by the National Association of Charter School Authorizers' *Principles & Standards for Quality Charter School Authorizing*. This resource serves as a guide for authorizers in making the critical decisions necessary to ensure that every charter school is a great school. NACSA's *Principles & Standards* reflects best practices developed through years of experience working with entities of all types who are engaged in the daily work of charter school authorizing. These guidelines have been written into numerous state laws, have informed federal legislation, and have served as the basis for the evaluation of authorizer practices. When embraced by authorizers and policymakers, they help to create an environment in which authorizers can better do their jobs to foster, and grow great charter schools.

A host of factors impact the quality of authorizing. NACSA's *Principles & Standards* is not the only tool in the toolbox or the only factor relevant to good authorizing. But it provides a solid foundation of best practices to guide authorizers in the critical and often complex job of improving educational options for children through charter schools. Every child deserves a great education; if we get authorizing right, we can go a long way to making that goal a reality.

Sincerely,



Greg Richmond  
President and Chief Executive Officer

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# Introduction

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Charter school authorizing is a powerful strategy for making excellent public schools and educational opportunities available to all students. Done well, charter authorizing increases student achievement by expanding the supply of quality public schools to satisfy unmet needs—particularly by providing life-changing opportunities for students ill-served by the existing school system.

Charter authorizing is complex work, requiring constant balancing of diverse and often competing interests. It is a **public responsibility** for authorizing institutions, as well as a highly developed **profession** for the individuals charged with this stewardship role. Quality authorizing requires specialized knowledge, skills, commitment, and adherence to essential **professional standards** in order to serve students and the public well, and achieve the purposes of state charter laws. Since 2004, the National Association of Charter School Authorizers (NACSA) has established and widely promoted such standards—the first *Principles & Standards for Quality Charter School Authorizing* and subsequent editions—to provide essential guidance to charter authorizing organizations and leaders, as well as to policymakers who seek to support quality authorizing.

Because charter authorizing is a continually developing profession, these professional standards must likewise continually evolve in conjunction with the growth and complexity of the ever-growing charter school sector. *Principles & Standards for Quality Charter School Authorizing* derives from NACSA’s vast experience, research, and lessons learned from working with authorizers across the nation.<sup>1</sup> Accordingly, NACSA revisits and updates these **Principles and Standards** regularly to ensure that they address current authorizing challenges and reflect the latest lessons drawn from practice, research, and analysis.

## Who should use this resource

These **Principles and Standards** are designed primarily for **authorizing institutions**, and as such, they provide practical guidance to help **authorizer staff and authorizer board members** carry out their work as a standards-based profession rather than simply a list of tasks. For **policymakers**, this publication should highlight the complexity and challenges of quality authorizing—and the need for state policy to contemplate and invest adequately in authorizing to achieve a quality charter school sector.

## Purposes of these Principles and Standards

*Principles & Standards for Quality Charter School Authorizing* is intended to serve, above all, as a **guide to formative development** for charter authorizers at all stages and levels of experience. For new or less-experienced authorizers, these **Principles and Standards** offer an essential road map to guide planning and organizational development of strong practices, including the identification of areas where deeper guidance or additional assistance is needed. For experienced authorizers, this publication is a resource for identifying areas for improvement or refinement to achieve ever-stronger outcomes, as demonstrated by the quality of the schools they oversee. (NACSA has a wide range of practical resources that

offer more guidance and support in fulfilling these [Principles and Standards](#). Most of these resources are available at [www.qualitycharters.org](http://www.qualitycharters.org) and will be fully available, along with an even more robust set of resources in NACSA's new knowledge and learning system, scheduled to launch in 2013. In addition, NACSA stands ready to provide further assistance to authorizers upon request.)

NACSA uses these [Principles and Standards](#) to guide its professional development of authorizers, authorizer evaluations, and research and policy agendas. NACSA recommends that these professional standards anchor state policies concerning charter authorizing, including adequate investment in authorizing as well as evaluations of authorizer quality. To that end, NACSA recommends that states endorse and apply professional standards for charter authorizing that meet or exceed these [Principles and Standards](#). In recent years, a rapidly growing number of states have done exactly this, and NACSA advocates the adoption of similar policies in all charter school states. We hope NACSA's *Principles & Standards for Quality Charter School Authorizing* will continue to advance and elevate the profession, giving authorizers clear guidance to develop, strengthen, and refine their practices in pursuit of educational excellence for all students.

In addition to promoting academic success, these [Principles and Standards](#) are designed to promote additional goals that are also the responsibility of authorizers. These goals include safeguarding:

1. The rights of all students to enjoy equal access to the schools of their choice, to receive appropriate services, and to be treated fairly;
2. The public interest in ensuring that publicly funded programs are accountable, transparent, well governed, efficient, and effectively administered; and
3. The autonomy of charter school operators, giving them the freedom to control core functions, which lies at the heart of the charter school concept.

The pursuit of these multiple, sometimes-competing goals will often require authorizers' professional judgment and thoughtful balancing.

## How these Principles & Standards were developed

NACSA's *Principles & Standards for Quality Charter School Authorizing* is based on an enormous body of work, research, and input over many years from authorizers and other experts in this unique field. In addition to NACSA's own considerable board, staff, and organizational experience in authorizing, these [Principles and Standards](#) are grounded in broad and deep experience collected over the years through:

- Multiple national advisory panels and focus groups bringing together experienced authorizers of all types, researchers, and other experts and leaders in the charter movement;
- Broad input from NACSA members and other education leaders; and
- NACSA's research practice, including in-depth authorizer evaluations, extensive interviews, document and policy analysis, and examination of reported practices and outcomes.

These inclusive processes have produced a rich base of knowledge built on deep experience, study, deliberation, and refinement that reflects collective insights on best practices among authorizers of all types and portfolio sizes across the country.

## The structure and content of this publication

These [Principles and Standards](#) begin with three clearly stated Core Principles, followed by more detailed Standards and accompanying practical guidance that authorizers often seek. Readers should note:

- The **Core Principles** are broad, bedrock values that authorizers should uphold consistently throughout their pursuit and implementation of the Standards.
- The **Standards** are presented in five sections, each of which is introduced by a brief statement that summarizes the scope of the Standards that follow.
- Most of the Standards are “**essential standards**,” meaning that authorizers at every stage of development should place priority on following them. In addition, a small number of “**advanced standards**” are also fully recommended for all authorizers; but given the need to prioritize, these may be more practical for authorizers who are already implementing the essential standards.



# Principles for Quality Charter School Authorizing

A quality authorizer engages in responsible oversight of charter schools by ensuring that schools have both the autonomy to which they are entitled and the public accountability for which they are responsible. The following three responsibilities lie at the heart of the authorizing endeavor, and authorizers should be guided by and fulfill these Core Principles in all aspects of their work:

## Three Core Principles of Charter Authorizing

1. *Maintain high standards for schools*
2. *Uphold school autonomy*
3. *Protect student and public interests*

**In short, authorizers should ensure quality oversight that maintains high educational and operational standards, preserves school-level autonomy, and safeguards student and public interests.**

### Principle I.

#### A Quality Authorizer ...

#### *Maintain High Standards*

Sets high standards for approving charter applicants.

Maintains high standards for the schools it oversees.

Effectively cultivates quality charter schools that meet identified educational needs.

Oversees charter schools that, over time, meet the performance standards and targets on a range of measures and metrics set forth in their charter contracts (see Box 4, “Performance Standards,” on p. 24).

Closes schools that fail to meet standards and targets set forth in law and by contract.

### Principle II.

#### A Quality Authorizer ...

#### *Uphold School Autonomy*

Honors and preserves core autonomies crucial to school success, including:

- Governing board independence from the authorizer;
- Personnel;
- School vision and culture;
- Instructional programming, design, and use of time; and
- Budgeting.

Assumes responsibility not for the success or failure of individual schools, but for holding schools accountable for their performance.

Minimizes administrative and compliance burdens on schools.

Focuses on holding schools accountable for outcomes rather than processes.

### Principle III.

#### A Quality Authorizer ...

#### *Protect Student and Public Interests*

Makes the well-being and interests of students the fundamental value informing all the authorizer's actions and decisions.

Holds schools accountable for fulfilling fundamental public-education obligations to all students, which includes providing:

- Nonselective, nondiscriminatory access to all eligible students;
- Fair treatment in admissions and disciplinary actions for all students; and
- Appropriate services for all students, including those with disabilities and English learners, in accordance with applicable law.

Holds schools accountable for fulfilling fundamental obligations to the public, which includes providing:

- Sound governance, management, and stewardship of public funds, and
- Public information and operational transparency in accordance with law.

Ensures in its own work:

- Ethical conduct;
- Focus on the mission of chartering high-quality schools;
- Clarity, consistency, and public transparency in authorizing policies, practices, and decisions;
- Effective and efficient public stewardship; and
- Compliance with applicable laws and regulations.

Supports parents and students in being well-informed about the quality of education provided by charter schools.

These **Principles for Quality Charter School Authorizing** constitute the foundation for the following **Standards for Quality Charter School Authorizing** that guide authorizers' practices day to day, from establishing a chartering office through all major stages of chartering responsibility. NACSA's ***Principles & Standards for Quality Charter School Authorizing*** provide essential guidance for the unique professional practice of authorizers and their daily balancing act of honoring the autonomy of charter schools while holding them accountable for high achievement, effective management, and serving all students well.

# Standards for Quality Charter School Authorizing

## 1. Agency Commitment and Capacity

A quality authorizer engages in chartering as a means to foster excellent schools that meet identified needs, clearly prioritizes a commitment to excellence in education and in authorizing practices, and creates organizational structures and commits human and financial resources necessary to conduct its authorizing duties effectively and efficiently.

### Standards

#### *Planning and Commitment to Excellence*

#### A Quality Authorizer ...

Supports and advances the purposes of charter school law.

Ensures that the authorizer's governing board, leadership, and staff understand and are committed to the three Core Principles of authorizing.

Defines external relationships and lines of authority to protect its authorizing functions from conflicts of interest and political influence.

Implements policies, processes, and practices that streamline and systematize its work toward stated goals, and executes its duties efficiently while minimizing administrative burdens on schools.

Evaluates its work regularly against national standards for quality authorizing and recognized effective practices, and develops and implements timely plans for improvement when it falls short.

#### **Advanced Standards**

States a clear mission for quality authorizing.

Articulates and implements an intentional strategic vision and plan for chartering, including clear priorities, goals, and time frames for achievement.

Evaluates its work regularly against its chartering mission and strategic plan goals, and implements plans for improvement when falling short of its mission and strategic plan.

Provides an annual public report on the authorizer's progress and performance in meeting its strategic plan goals.



### *Human Resources*

Enlists expertise and competent leadership for all areas essential to charter school oversight—including, but not limited to, education leadership; curriculum, instruction, and assessment; special education, English learners, and other diverse learning needs; performance management and accountability; law; finance; facilities; and nonprofit governance and management—through staff, contractual relationships, and/or intra- or inter-agency collaborations.

Employs competent personnel at a staffing level appropriate and sufficient to carry out all authorizing responsibilities in accordance with national standards, and commensurate with the scale of the charter school portfolio.

Provides for regular professional development for the agency's leadership and staff to achieve and maintain high standards of professional authorizing practice and to enable continual agency improvement.

### *Financial Resources*

Determines the financial needs of the authorizing office and devotes sufficient financial resources to fulfill its authorizing responsibilities in accordance with national standards and commensurate with the scale of the charter school portfolio.

Structures its funding in a manner that avoids conflicts of interest, inducements, incentives, or disincentives that might compromise its judgment in charter approval and accountability decision making.<sup>2</sup>

Deploys funds effectively and efficiently with the public's interests in mind.

## 2. Application Process and Decision Making

A quality authorizer implements a comprehensive application process that includes clear application questions and guidance; follows fair, transparent procedures and rigorous criteria; and grants charters only to applicants who demonstrate strong capacity to establish and operate a quality charter school.<sup>3</sup>

Standards	A Quality Authorizer ...
<p><i>Proposal Information, Questions, and Guidance</i></p>	<p>Issues a charter application information packet or request for proposals (RFP) that:</p> <ul style="list-style-type: none"> <li>- States any chartering priorities the authorizer may have established;</li> <li>- Articulates comprehensive application questions to elicit the information needed for rigorous evaluation of applicants' plans and capacities; and</li> <li>- Provides clear guidance and requirements regarding application content and format, while explaining evaluation criteria.</li> </ul> <p>Welcomes proposals from first-time charter applicants as well as existing school operators/replicators, while appropriately distinguishing between the two kinds of developers in proposal requirements and evaluation criteria.</p> <p>Encourages expansion and replication of charter schools that demonstrate success and capacity for growth.</p> <p>Is open to considering diverse educational philosophies and approaches, and expresses a commitment to serve students with diverse needs.</p> <p><b>Advanced Standards</b></p> <p>Broadly invites and solicits charter applications while publicizing the authorizer's strategic vision and chartering priorities, without restricting or refusing to review applications that propose to fulfill other goals.</p>
<p><i>Fair, Transparent, Quality-Focused Procedures</i></p>	<p>Implements a charter application process that is open, well publicized, and transparent, and is organized around clear, realistic timelines.</p> <p>Allows sufficient time for each stage of the application and school pre-opening process to be carried out with quality and integrity.<sup>4</sup></p> <p>Explains how each stage of the application process is conducted and evaluated.</p> <p>Communicates chartering opportunities, processes, approval criteria, and decisions clearly to the public.</p>

Informs applicants of their rights and responsibilities and promptly notifies applicants of approval or denial, while explaining the factors that determined the decision.

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*Rigorous  
Approval  
Criteria*

Requires all applicants to present a clear and compelling mission, a quality educational program, a solid business plan, effective governance and management structures and systems, founding team members demonstrating diverse and necessary capabilities, and clear evidence of the applicant's capacity to execute its plan successfully. (See NACSA resources at [www.qualitycharters.org](http://www.qualitycharters.org))

Establishes distinct requirements and criteria for applicants who are existing school operators or replicators. (See Box 1)

Establishes distinct requirements and criteria for applicants proposing to contract with education service or management providers. (See Box 2)

Establishes distinct requirements and criteria for applicants that propose to operate virtual or online charter schools. (See NACSA resources at [www.qualitycharters.org](http://www.qualitycharters.org))

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*Rigorous  
Decision  
Making*

Grants charters only to applicants that have demonstrated competence and capacity to succeed in *all* aspects of the school, consistent with the stated approval criteria.

Rigorously evaluates each application through thorough review of the written proposal, a substantive in-person interview with the applicant group, and other due diligence to examine the applicant's experience and capacity, conducted by knowledgeable and competent evaluators.

Engages, for both written application reviews and applicant interviews, highly competent teams of internal and external evaluators with relevant educational, organizational (governance and management), financial, and legal expertise, as well as thorough understanding of the essential principles of charter school autonomy and accountability.

Provides orientation or training to application evaluators (including interviewers) to ensure consistent evaluation standards and practices, observance of essential protocols, and fair treatment of applicants.

Ensures that the application-review process and decision making are free of conflicts of interest, and requires full disclosure of any potential or perceived conflicts of interest between reviewers or decision makers and applicants.

### 3. Performance Contracting

A quality authorizer executes contracts with charter schools that articulate the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms. The contract is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate and be held accountable.

Standards	A Quality Authorizer ...
<p><i>Contract Term, Negotiation, and Execution</i></p>	<p>Executes a contract with a legally incorporated governing board independent of the authorizer.</p> <p>Grants charter contracts for a term of five operating years or longer only with periodic high-stakes reviews every five years.<sup>5</sup></p> <p>Defines material terms of the contract.</p> <p>Ensures mutual understanding and acceptance of the terms of the contract by the school’s governing board prior to authorization or charter granting by the authorizing board.</p> <p>Allows—and requires contract amendments for—occasional material changes to a school’s plans, but does not require amending the contract for non-material modifications.</p>
<p><i>Rights and Responsibilities</i></p>	<p>Executes charter contracts that clearly:</p> <ul style="list-style-type: none"> <li>- State the rights and responsibilities of the school and the authorizer;</li> <li>- State and respect the autonomies to which schools are entitled—based on statute, waiver, or authorizer policy—including those relating to the school’s authority over educational programming, staffing, budgeting, and scheduling;</li> <li>- Define performance standards, criteria, and conditions for renewal, intervention, revocation, and non-renewal, while establishing the consequences for meeting or not meeting standards or conditions;</li> <li>- State the statutory, regulatory, and procedural terms and conditions for the school’s operation;</li> <li>- State reasonable pre-opening requirements or conditions for new schools to ensure that they meet all health, safety, and other legal requirements prior to opening and are prepared to open smoothly;</li> </ul>

- State the responsibility and commitment of the school to adhere to essential public-education obligations, including admitting and serving all eligible students so long as space is available, and not expelling or counseling out students except pursuant to a legal discipline policy approved by the authorizer; and
- State the responsibilities of the school and the authorizer in the event of school closures.

Ensures that any fee-based services that the authorizer provides are set forth in a services agreement that respects charter school autonomy and treats the charter school equitably compared to district schools, if applicable; and ensures that purchasing such services is explicitly not a condition of charter approval, continuation, or renewal.

## *Performance Standards*

Executes charter contracts that plainly:

- Establish the performance standards under which schools will be evaluated, using objective and verifiable measures of student achievement as the primary measure of school quality;
- Define clear, measurable, and attainable academic, financial, and organizational performance standards and targets that the school must meet as a condition of renewal, including but not limited to state and federal measures; (For guidance in establishing performance standards, see Box 3 and NACSA resources at [www.qualitycharters.org](http://www.qualitycharters.org))
- Include expectations for appropriate access, education, support services, and outcomes for students with disabilities;
- Define the sources of academic data that will form the evidence base for ongoing and renewal evaluation, including state-mandated and other standardized assessments, student academic growth measures, internal assessments, qualitative reviews, and performance comparisons with other public schools in the district and state;<sup>6</sup>
- Define the sources of financial data that will form the evidence base for ongoing and renewal evaluation, grounded in professional standards for sound financial operations and sustainability;
- Define the sources of organizational data that will form the evidence base for ongoing and renewal evaluation, focusing on fulfillment of legal obligations, fiduciary duties, and sound public stewardship; and
- Include clear, measurable performance standards to judge the effectiveness of alternative schools, if applicable—requiring and appropriately weighting rigorous mission-specific performance measures and metrics that credibly demonstrate each school's success in fulfilling its mission and serving its special population.<sup>7</sup>



*Provisions for  
Education  
Service or  
Management  
Contract  
(if applicable)*

For any school that contracts with an external (third-party) provider for education design and operation or management, includes additional contractual provisions that ensure rigorous, independent contract oversight by the charter governing board and the school's financial independence from the external provider. (See Box 4)

Reviews the proposed third-party contract as a condition of charter approval to ensure that it is consistent with applicable law, authorizer policy, and the public interest.



## 4. Ongoing Oversight and Evaluation

A quality authorizer conducts contract oversight that competently evaluates performance and monitors compliance; ensures schools' legally entitled autonomy; protects student rights; informs intervention, revocation, and renewal decisions; and provides annual public reports on school performance.

Standards	A Quality Authorizer ...
<i>Performance Evaluation and Compliance Monitoring</i>	<p>Implements a comprehensive performance accountability and compliance monitoring system that is defined by the charter contract and provides the information necessary to make rigorous and standards-based renewal, revocation, and intervention decisions.</p> <p>Defines and communicates to schools the process, methods, and timing of gathering and reporting school performance and compliance data.</p> <p>Implements an accountability system that effectively streamlines federal, state, and local performance expectations and compliance requirements while protecting schools' legally entitled autonomy and minimizing schools' administrative and reporting burdens.</p> <p>Provides clear technical guidance to schools as needed to ensure timely compliance with applicable rules and regulations.</p> <p>Visits each school as appropriate and necessary for collecting data that cannot be obtained otherwise and in accordance with the contract, while ensuring that the frequency, purposes, and methods of such visits respect school autonomy and avoid operational interference.</p> <p>Evaluates 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 communicates evaluation results to the school's governing board and leadership.</p> <p>Requires and reviews annual financial audits of schools, conducted by a qualified independent auditor.</p> <p>Communicates regularly with schools as needed, including both the school leaders and governing boards, and provides timely notice of contract violations or performance deficiencies.</p> <p>Provides an annual written report to each school, summarizing its performance and compliance to date and identifying areas of strength and areas needing improvement.</p> <p>Articulates and enforces stated consequences for failing to meet performance expectations or compliance requirements.</p>

*Respecting  
School  
Autonomy*

Respects the school’s authority over its day-to-day operations.

Collects information from the school in a manner that minimizes administrative burdens on the school, while ensuring that performance and compliance information is collected with sufficient detail and timeliness to protect student and public interests.

Periodically reviews compliance requirements and evaluates the potential to increase school autonomy based on flexibility in the law, streamlining requirements, demonstrated school performance, or other considerations.

Refrains from directing or participating in educational decisions or choices that are appropriately within a school’s purview under the charter law or contract.

*Protecting  
Student  
Rights*

Ensures that schools admit students through a random selection process that is open to all students, is publicly verifiable, and does not establish undue barriers to application (such as mandatory information meetings, mandated volunteer service, or parent contracts) that exclude students based on socioeconomic, family, or language background, prior academic performance, special education status, or parental involvement.

Ensures that schools provide access and services to students with disabilities as required by applicable federal and state law, including compliance with student individualized education programs and Section 504 plans, facilities access, and educational opportunities.

Ensures clarity in the roles and responsibilities of all parties involved in serving students with disabilities.<sup>8</sup>

Ensures that schools provide access to and appropriately serve other special populations of students, including English learners, homeless students, and gifted students, as required by federal and state law.

Ensures that schools’ student discipline policies and actions are legal and fair, and that no student is expelled or counseled out of a school outside of that process.

*Intervention*

Establishes and makes known to schools at the outset an intervention policy that states the general conditions that may trigger intervention and the types of actions and consequences that may ensue.

Gives schools clear, adequate, evidence-based, and timely notice of contract violations or performance deficiencies.

Allows schools reasonable time and opportunity for remediation in non-emergency situations.

Where intervention is needed, engages in intervention strategies that clearly preserve school autonomy and responsibility (identifying what the school must remedy without prescribing solutions).

*Public Reporting*

Produces an annual public report that provides clear, accurate performance data for the charter schools it oversees, reporting on individual school and overall portfolio performance according to the framework set forth in the charter contract.



## 5. Revocation and Renewal Decision Making

A quality authorizer designs and implements a transparent and rigorous process that uses comprehensive academic, financial, and operational performance data to make merit-based renewal decisions, and revokes charters when necessary to protect student and public interests.<sup>9</sup>

Standards	A Quality Authorizer ...
<i>Revocation</i>	<p>Revokes a charter during the charter term if there is clear evidence of extreme underperformance or violation of law or the public trust that imperils students or public funds.</p>
<i>Renewal Decisions Based on Merit and Inclusive Evidence</i>	<p>Bases the renewal process and renewal decisions on thorough analyses of a comprehensive body of objective evidence defined by the performance framework in the charter contract.</p> <p>Grants renewal only to schools that have achieved the standards and targets stated in the charter contract, are organizationally and fiscally viable, and have been faithful to the terms of the contract and applicable law.</p> <p>Does not make renewal decisions, including granting probationary or short-term renewals, on the basis of political or community pressure or solely on promises of future improvement.</p>
<i>Cumulative Report and Renewal Application</i>	<p>Provides to each school, in advance of the renewal decision, a cumulative performance report that:</p> <ul style="list-style-type: none"> <li>- Summarizes the school's performance record over the charter term, and</li> <li>- States the authorizer's summative findings concerning the school's performance and its prospects for renewal.</li> </ul> <p>Requires any school seeking renewal to apply for it through a renewal application, which provides the school a meaningful opportunity and reasonable time to respond to the cumulative report; to correct the record, if needed; and to present additional evidence regarding its performance.</p>
<i>Fair, Transparent Process</i>	<p>Clearly communicates to schools the criteria for charter revocation, renewal, and non-renewal decisions that are consistent with the charter contract.</p> <p>Promptly notifies each school of its renewal (or, if applicable, revocation) decision, including written explanation of the reasons for the decision.</p>

Promptly communicates renewal or revocation decisions to the school community and public within a time frame that allows parents and students to exercise choices for the coming school year.

Explains in writing any available rights of legal or administrative appeal through which a school may challenge the authorizer's decision.

Regularly updates and publishes the process for renewal decision making, including guidance regarding required content and format for renewal applications.

### *Closure*

In the event of a school closure, oversees and works with the school governing board and leadership in carrying out a detailed closure protocol that ensures timely notification to parents; orderly transition of students and student records to new schools; and disposition of school funds, property, and assets in accordance with law.





# Key Elements for Special Topics

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## Box 1. | *Elements for Existing School Operators or Replicators*

Applicants who are existing school operators or replicators should be required to:

- Provide clear evidence of their capacity to operate new schools successfully while maintaining quality in existing schools;<sup>10</sup>
- Document their educational, organizational, and financial performance records based on all existing schools;
- Explain any never-opened, terminated, or non-renewed schools (including terminated or non-renewed third-party contracts to operate schools);
- Present their growth plan, business plan, and most recent financial audits; and
- Meet high standards of academic, organizational, and financial success to earn approval for replication.

## Box 2. | *Elements for Applicants Proposing to Contract with Education Service or Management Providers*

Applicants proposing to contract for education services or management should be required to provide:

- Evidence of the service provider's educational and management success;
- A draft (or existing) service/management contract that sets forth proposed key terms, including roles and responsibilities of the school governing board, the school staff, and the service provider; the services and resources to be provided; performance-evaluation measures and mechanisms; detailed explanation of compensation to be paid to the provider; financial controls and oversight; investment disclosure; methods of contract oversight and enforcement; and conditions for contract renewal and termination; and
- Disclosure and explanation of any existing or potential conflicts of interest between the school governing board and proposed service provider or any affiliated business entities.

### Box 3. | *Performance Standards*

Performance standards enable schools and authorizers to know the outcomes for which authorizers will hold schools accountable. They are the basis for school evaluation and should be incorporated in the charter contract, commonly as an attachment. Academic, financial, and organizational performance standards should include clearly defined and measurable indicators, measures, metrics, and targets that:

#### ***Academic Performance***

- Set expectations for student **academic achievement status or proficiency**, including comparative proficiency;
- Set expectations for student **academic growth**, including adequacy of growth toward state standards;
- Incorporate **state and federal accountability systems**, including state grading and/or rating systems;
- Set expectations for **postsecondary readiness**, including graduation rates (for high schools); and
- Provide schools an option to incorporate **mission-specific performance measures** for which the school has presented valid, reliable, and rigorous means of assessment approved by the authorizer.<sup>11</sup>

#### ***Financial Performance***

- Enable the authorizer to monitor and evaluate the school's financial stability and viability based on short-term performance, and
- Enable the authorizer to monitor and evaluate the school's long-term financial sustainability.

#### ***Organizational Performance***

- Define the essential elements of the educational program for which the authorizer will hold the school accountable;
- Define financial management and oversight standards based on generally accepted accounting principles;
- Hold school governing boards accountable for meeting statutory and board-established operating and reporting requirements;<sup>12</sup>
- Ensure school compliance with student and employee rights and obligations; and
- Establish expectations related to the school environment, including health and safety, transportation, facilities, and appropriate handling of records.



**Box 4.** | *Education Service or Management Contracts*

Charter contracts for schools that are contracting with external (third-party) providers for comprehensive services or management should include additional provisions that:

- Clearly establish the primacy of the charter contract over the third-party contract;
- Clearly identify the school governing board as the party ultimately responsible for the success or failure of the school, and clearly define the external provider as a vendor of services;
- Prohibit the third party from selecting, approving, employing, compensating, or serving as school governing board members;
- Require the school governing board to directly select, retain, and compensate the school attorney, accountant, and audit firm;
- Provide for payments from the authorizer to the school to be made to an account controlled by the school governing board, not the third party;
- Require all instructional materials, furnishings, and equipment purchased or developed with public funds to be the property of the school, not the third party;
- Condition charter approval on authorizer review and approval of the third-party contract; and

Require the third-party contract to articulate:

- The roles and responsibilities of the school governing board and the service provider, including all services to be provided under the contract;
- The performance measures, consequences, and mechanisms by which the school governing board will hold the provider accountable for performance, aligned with the performance measures in the charter contract;
- All compensation to be paid to the provider, including all fees, bonuses, and what such compensation includes or requires;
- Terms of any facility agreement that may be part of the relationship;

- Financial reporting requirements and provisions for the school governing board's financial oversight;
- All other financial terms of the contract, including disclosure and documentation of all loans or investments by the provider to the school, and provision for the disposition of assets in accordance with law;
- Assurances that the school governing board, at all times, maintains independent fiduciary oversight and authority over the school budget and ultimate responsibility for the school's performance;
- Provisions for contract termination without "poison pill" penalties; and
- Respective responsibilities of the governing board and service provider in the event of school closure.



# Endnotes

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- <sup>1</sup> The term “authorizers,” as used in this publication, may refer to authorizing institutions as well as the individuals who carry out the work.
- <sup>2</sup> For example, an authorizing agency that also has non-charter school responsibilities should structure its authorizing-related funding to avoid conflicts or competition with its non-charter school programs and services. Likewise, authorizers that receive funding from school fees should implement protections to ensure that the potential for revenue gain or loss from each school does not influence charter approval, renewal, or revocation decisions. An authorizer’s use of oversight fees should be restricted to fulfillment of its authorizing responsibility so that the authorizing function is revenue neutral.
- <sup>3</sup> Some states refer to the charter application as the charter “petition” or “proposal.”
- <sup>4</sup> Some authorizers allow charter applications to be submitted any time on a rolling basis. NACSA recommends establishing fixed, published application periods and deadlines to enable the authorizer to proactively plan and conduct a high-quality review process—integrated into the authorizer’s annual work calendar—rather than simply react to applications whenever they might arrive. A well-planned process might include minimum timeframes such as: 1) three months from release of the RFP/application packet to the application deadline; 2) three months for evaluation of the applications; and 3) nine months, but preferably 12–18 months, from approval to school opening.
- <sup>5</sup> Although some state laws allow or require shorter charter terms—or do not establish a term at all—NACSA recommends five operating years per charter term. Such a term allows a school to develop beyond the startup phase and to produce a sufficient performance record and body of data needed for sound high-stakes decision making.
- <sup>6</sup> See [www.qualitycharters.org](http://www.qualitycharters.org) for recommendations on selecting comparison schools.
- <sup>7</sup> Alternative schools subject to different performance standards should be formally designated by the state for serving a primarily special-needs, non-traditional, or highly at-risk population. Mission-specific measures for alternative schools may include, for example, measures for student academic growth or postsecondary readiness, and should be grounded in objective, valid, reliable assessments.

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- <sup>8</sup> Many authorizers, particularly those that are state education agencies or local education agencies for special education purposes, have responsibilities of their own regarding the identification, admissions, and placement of students with disabilities who enroll in charter schools, as well as with the delivery of services, transfer of records, and oversight of special-education programs in the schools they oversee. These agencies retain such responsibilities with charter schools they oversee, though the mechanisms, procedures, and roles and responsibilities may shift as a result of the relationship between a charter school and its authorizer.
- <sup>9</sup> Revocation, as distinguished from non-renewal, may occur at any time during the charter term when there is clear evidence of extreme violations or failings that warrant termination of the charter to protect student and public interests. Non-renewal is an authorizer’s decision not to renew a charter at the end of its term.
- <sup>10</sup> For more detailed guidance on evaluating existing school operators or replicators, see NACSA resources at [www.qualitycharters.org](http://www.qualitycharters.org).
- <sup>11</sup> NACSA recommends that all authorizers include rigorous assessment of student academic growth in their performance standards for charter schools. Authorizers should be aware that there are a variety of types of growth measures and methodologies, some of which may be used or required by particular states. A majority of states have either adopted or are in the process of adopting student academic growth targets as part of their assessment system. To understand individual student progress in states that do not provide growth analysis, charter authorizers can obtain and analyze state assessment data themselves, or require charter schools to administer national assessments that readily provide student growth data and analysis. To select and implement assessment systems that will produce quality student growth data, it is important for authorizers (and schools) to have a basic understanding of common methods of growth analysis and their respective advantages, limitations, and appropriate (or inappropriate) uses. For a concise, practical guide to growth measures and methodologies, see *NACSA Issue Brief No. 19, “An Authorizer’s Guide to the Use of Student Growth Data,”* at [www.qualitycharters.org](http://www.qualitycharters.org).
- <sup>12</sup> Examples of statutory requirements include compliance with open-meeting and public records laws. Examples of board-established requirements include duly adopted bylaws and policies.
- <sup>13</sup> This category, NEG, includes local and state governmental entities that are not LEAs or SEAs. NEGs may include municipalities, mayor’s offices, and a variety of county and state agencies.





States	Year Law Passed	Authorizers
Alaska	1995	LEA
Arizona	1994	LEA, SEA, ICB
Arkansas	1995	SEA
California	1992	LEA, SEA
Colorado	1993	LEA, ICB
Connecticut	1996	LEA, SEA
Delaware	1995	LEA, SEA
DC	1996	ICB
Florida	1996	LEA, HEI
Georgia	1996	LEA, SEA
Hawaii	1994	ICB, HEI, NFP, NEG
Idaho	1998	LEA, ICB
Illinois	1996	LEA, SEA, ICB
Indiana	2001	LEA, ICB, HEI, NEG
Iowa	2002	LEA
Kansas	1994	LEA
Louisiana	1995	LEA, SEA, HEI, NFP, NEG
Maine	2011	ICB
Maryland	2003	LEA, SEA
Massachusetts	1993	SEA
Michigan	1993	LEA, HEI
Minnesota	1991	LEA, HEI, NFP
Mississippi	2010	SEA
Missouri	1998	LEA, SEA, ICB, HEI
Nevada	1997	LEA, ICB, HEI
New Hampshire	1995	LEA, SEA
New Jersey	1996	SEA
New Mexico	1993	LEA, SEA
New York	1998	LEA, SEA, HEI
North Carolina	1996	LEA, SEA, HEI
Ohio	1997	LEA, SEA, HEI, NFP
Oklahoma	1999	LEA, HEI
Oregon	1997	LEA, SEA
Pennsylvania	1995	LEA, SEA
Rhode Island	1995	SEA
South Carolina	1996	LEA, ICB
Tennessee	2002	LEA, SEA
Texas	1995	LEA, SEA
Utah	1998	LEA, ICB
Virginia	1998	LEA
Wisconsin	1993	LEA, HEI, NEG
Wyoming	1995	LEA

**Key**

- LEA Local School Districts or Regional Education Agencies
- SEA State Education Agencies
- ICB Independent Chartering Board
- HEI Higher Education Institutions
- NFP Not-For-Profit Organizations
- NEG Non-Educational Government Entities<sup>13</sup>