



Charter School Authorization

Charter School Oversight and Monitoring

Charter Schools Division
2014



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Academic Achievement Above All

California charter school law establishes that improved pupil academic achievement for **all** pupils is the first priority of California charter schools.

EC Section 47601



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Legislative Intent: Charter School Expectations

It is the legislative intent that charter schools will:

- Improve pupil learning
- Increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for academically low achieving students
- Meet measurable pupil outcomes
- Operate under performance-based accountability systems
- Stimulate continual improvements in all public schools

California Education Code (EC) Section 47601



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Charter Authorizing

“The primary goal for effective authorizing is to partner with our schools in providing quality education for our students.”

-- *Charter Authorizer Toolkit ,
Digital Chalkboard*



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Charter Authorizer Oversight Practices



Transparency in the charter renewal process can protect the authorizer from political pressure. A transparent charter renewal process can ease the school closure process when a charter fails to meet academic or fiscal performance standards.

- *California Charter Oversight: Key Elements and Actual Costs*, p. 58. California Research Bureau, California State Library, January 2012



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Charter Authorizer Oversight: NACSA



The National Association of Charter School Authorizers* (NACSA) identifies 12 Essential Practices for every authorizer. Many of these practices are embedded in California's statutes and regulations governing charter schools and authorizers. Some of them serve as professionally-accepted standards and will be particularly useful to authorizers.

* <http://www.qualitycharters.org>



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NACSA Practices for Charter School Oversight



Practice 1: Mission

Practice 2: Staff

Practice 3: Performance Contract

Practice 9: Financial Audits

Practice 10: Renewal Criteria

Practice 11: Revocation Criteria

Practice 12: Annual Report



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NACSA Practices for Petition Evaluation and Approval

Practice 1: Mission - Have a published and available mission for quality authorizing



- A clearly articulated mission statement helps to guide the work, reminding the authorizer that they are in the business of authorizing charter schools to expand educational opportunities for students, and change lives.

* <http://www.qualitycharters.org>



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NACSA Practices for Petition Evaluation and Approval



Practice 2: Staff - Have staff assigned to authorizing within the organization or by contract

- An authorizer employs competent personnel to carry out all authorizing responsibilities commensurate with the scale of the charter school portfolio. Quality charter school authorizing requires a broad skill set – from academic knowledge to fiscal expertise.

* <http://www.qualitycharters.org>



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NACSA Practices for Petition Evaluation and Approval



Practice 3: Performance Contract – Sign a performance contract with each school

- An 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.

* <http://www.qualitycharters.org>



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NACSA Practices for Charter School Oversight



Practice 9: Financial Audits –
Require and/or examine annual
independent financial audits of its
charter schools

- Require and review annual financial audits of schools, conducted by a qualified independent auditor.

* <http://www.qualitycharters.org>



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NACSA Essential Practices for Charter School Renewal

Practice 10: Renewal Criteria – Have established renewal criteria



- Designs, communicates, and implements a transparent and rigorous process that uses comprehensive academic, financial, and operational performance data to make merit-based renewal decisions. Bases the renewal process and decisions on thorough analysis of a comprehensive body of objective evidence defined by the charter petition or contract. Grants renewal only to schools that achieve performance standards and targets, are organizationally and fiscally viable, and have been faithful to the terms of their petition/contract and applicable law.

* <http://www.qualitycharters.org>



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NACSA Practices for Charter School Oversight

Practice 11: Revocation Criteria- Have established revocation criteria



- Revokes charter when necessary to protect student and public interests. Revokes when there is clear evidence of extreme underperformance or violation of law or the public trust that imperils students or public funds. Communicates clearly the criteria for charter revocation.

* <http://www.qualitycharters.org>



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NACSA Practices for Charter School Oversight



Practice 12: Annual Report – Provide an annual report to each school on its performance

- Provides an annual written report to each school, summarizing its performance and compliance to date and identifying areas of strength and areas needing improvement. Articulates and enforces stated consequences for failing to meet performance expectations or compliance requirements.
- 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 petition or contract.

* <http://www.qualitycharters.org>



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Governing Board Policies for Charter Authorizers: CSBA



The California School Boards Association (CSBA) develops sample board policies and administrative regulations for governing boards, including policies related to charter school authorization.

<http://www.csba.org> (BP/AR 0420.4)



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Governing Board Policies for Charter Authorizers: CSBA

CSBA's sample oversight policy and exhibit include:

Sample board policy template with legal references to pertinent codes

Exhibit listing many of the legal requirements that apply to charter schools with code references

Recommends visiting a charter school two or three times per year to monitor school operations and develop relationships with staff at the charter school

Suggestions for optional areas to reflect district practices

<http://www.csba.org> (BP/AR 0420.41[a])



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Duties of the Chartering Authority as specified in *EC 47604.32*

1. Identify at least one staff member as a contact person for the charter school
2. Visit each charter school at least annually
3. Ensure that each charter school under its authority complies with all reports required of charter schools by law
4. Monitor the fiscal condition of each charter school under its authority
5. Provide timely notification to the California Department of Education if any of the following circumstances occur or will occur with regard to a charter school for which it is the chartering authority:
 - a. A renewal of the charter is granted or denied.
 - b. The charter is revoked.
 - c. The charter school will cease operation for any reason.



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Authorizer's Staff Contact



Identify at least one staff member as a contact person for the charter school:

- Build and maintain expertise in authorizing
- Conduct consistent, ongoing quality assurance
- Manage oversight
- Maintain institutional knowledge and stability



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Authorizer Annual Visit

Visit each charter school at least annually:

- Have a standard tool for onsite visits that is published and available to the school
- Have a clear process for conducting the visit including documents that are reviewed in advance and who should be available during the visit
- Respect school autonomy and avoid operational interference
- Provide a written annual report, summarizing a school's performance and compliance, and identifying areas of strength and those needing improvement
- Follow up on any deficiencies noted



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Annual Oversight Visit Checklist



Charter school authorizers collaborated on a checklist for the annual visit that is available on FCMAT's Web site. The tool covers:

- Essential compliance requirements
- State and federal reporting
- Fiscal and business operations
- Educational program and ongoing assessment
- Facilities
- Governance
- Personnel
- Student Services

<http://www.fcmat.org>



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Authorizer Monitors Compliance with Reporting

Ensure that each charter school under its authority complies with all reports required of charter schools by law, such as:

- Financial Reports – unaudited and audited financial reports for first and second interim and prior year, along with preliminary budget for upcoming year (dates specified in statute)
- Attendance Accounting and Reporting, including compliance with independent study requirements if nonclassroom based
- Instructional minutes and days



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Authorizer Monitors Fiscal Condition

Monitor the fiscal condition of each charter school under its authority:

- Use required fiscal reports
 - September 15: Final Un-audited Financial Report Previous Year
 - December 15: First Interim Un-audited Report Current Year
 - December 15: Final Independent Audited Report Previous Year
 - March 15: Second Interim Un-Audited Report Current Year
 - July 1: Preliminary Budget for upcoming year
- Review Local Control and Accountability Plan (LCAP) and annual updates
- Review annual year-end independent audit



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Authorizer Monitors Fiscal Condition (cont.)

Local authorizers may also consider fiscal practices that the California Department of Education (CDE) examines for State Board authorized charters:

Maintains a positive fund balance and prudent reserve as reflected in their financial reports

Governing board regularly reviews and monitors school's revenues, expenditures and cash flow, modifying the budget to ensure financial stability

Implements effective systems and practices to manage revenues, expenditures, accounting, payroll, and equipment inventories

Governing board adopts policies and procedures to ensure implementation of sound fiscal systems



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Authorizer Monitors Fiscal Condition (cont.)

Local authorizers may also consider fiscal practices CDE examines for State Board authorized charters:

Implements board-adopted internal controls as recommended under general audit standards to ensure integrity of all fiscal systems and avoid actions of board members or school staff that result in the appearance or actual conflicts of interest or nepotism

Annual audits are free of significant audit findings/exceptions; if findings occurred, the school promptly addressed the findings and took appropriate action to resolve



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Authorizer Provides Timely Notifications

Provide timely notification to the department if any of the following circumstances occur or will occur:

- Renewal of the charter is granted or denied
- Charter is revoked
- Charter school will cease operation for any reason



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School Closure Responsibilities

Provide notification, within 10 calendar days of official action of the charter authorizer, to the CDE, if a charter school is closed:

- A description of the circumstances of the closure
- The effective date of the closure
- The location of pupil records and personnel records

“Personnel records” means any records of the charter school relevant to its employees, including records related to performance and grievance

“Pupil records” means the same definition as for school districts

*EC sections 47605(b)(5)(P) and 49061(b),
CCR Title 5 sections 11962 and 11962.1*



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Additional Laws Governing Charter Schools

Each charter school under an authorizer's authority must comply with its charter and all state laws required of charter schools:

Charter Schools Act of 1992 (*EC* Part 26.8, Section 47600 et seq.)

State Teachers Retirement (*EC* Section 47611)

Charter School Revolving Loan Fund (*EC* Section 41365)

All laws establishing minimum age for public school attendance

The California Building Standards Code (*CCR* Title 24, Part 2, Section 101 et seq.)

EC Section 47610



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Additional Laws Governing Charter Schools (cont.)

And other state laws required of charter schools:

- Personnel, including credentialing requirements, FBI background checks, tuberculosis testing, and retirement reporting
- State pupil assessments, including English learner assessments
- CALPADS data reporting, including enrollment
- School Accountability Report Card (SARC)
- Annual LCAP update by July 1, beginning in 2015



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New Procedures Required of Charter Schools

Charter schools must establish policies and procedures, consistent with the Uniform Complaint Procedures, on or before June 30, 2014, addressing complaints of noncompliance with:

California *Education Code* Section 47606.5, regarding annual update of school goals, actions, and related expenditures

EC Section 47607.3, regarding technical assistance or intervention based on the school's failure to improve student outcomes

Note: *Charter Schools receiving federal funding are already subject to provisions of the Uniform Complaint Procedures*

EC Section 52075 and *CCR*, Title 5 Section 4600-4687



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Oversight and Autonomy



Striking a balance between oversight and autonomy is a common topic when discussing charter oversight agencies. Some suggest that a school's autonomy increase as it demonstrates a capacity to achieve both its financial and academic goals. And when schools fail to meet academic or financial goals, intervention is recommended.



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Oversight and Autonomy

NACSA recommends authorizers respect school autonomy:

Respect the school authority over its day-to-day operations.

Collect information from the school in a manner that minimizes administrative burdens on the school.

Periodically review compliance requirements and evaluate potential to increase school autonomy based on flexibility in the law, streamlining requirements, demonstrated school performance.

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



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Charter Authorizer Fees

Charter school authorizers are allowed oversight fees:

Actual costs not to exceed 1% for supervisory oversight

Actual costs not to exceed 3% for supervisory oversight if the charter school obtains substantially rent-free facilities from the charter authorizer

Actual Costs for supervisory oversight and administrative costs, if providing oversight for a State Board authorized charter school based on mutual consent

EC Section 47613

Note:

Does not preclude the charter school from separately purchasing administrative or other services from the charter authorizer or any other source (e.g. insurance, maintenance, payroll).



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Liability of a Charter School Authorizer

A charter authorizer of a charter school operating as, or by, a nonprofit public benefit corporation, is not liable for the debts or obligations of the charter school, or for claims arising from the acts of the charter school, ***if the authority has complied with all oversight responsibilities required by law.*** A school district authorizer is entitled to a single representative on the corporation's board of directors.

EC Section 47604



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Authorizer Oversight Systems

Authorizers with multiple charter schools have created oversight systems that all authorizers could benefit from examining.



Los Angeles Unified School District ties its oversight activities to its renewal process. The criteria for renewal articulates district expectations for charter school performance. A set of performance indicators measure the outcomes of the school's educational program, fiscal operations and governance. School visits include classroom observations, interviews with staff and board members, and documents, including student work. The visiting team provides written feedback that forms part of the evidence base for renewal. LAUSD uses a developmental approach to oversight in which the focus of the visits is adjusted over the term of the charter, from year 1 up to and including year 5.

<http://lausd.schoolwires.net/charter>



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San Diego Unified School District's annual oversight visit begins in year 2 of the charter (year 1 includes a collaborative review to assess start-up progress). The annual review visit consists of: a "Charter Update," a school self-study of school's performance against the district's eight renewal criteria; basic compliance with charter school law; interviews with school leadership, faculty, and board members; and documents review. A written report is issued after the visit noting areas of strength and those in need of improvement. The review process focuses on basic compliance checklists covering Governance and Operations renewal criteria and those areas for improvement noted in the schools' Charter Update report.

<http://www.sandi.net/page/381>



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Authorizer Oversight Systems



Authorizers with multiple charter schools have created oversight systems that all authorizers could benefit from examining.

Alameda County Office of Education (ACOE) executes an MOU that covers all expectations for charter schools it authorizes, including annual visits. All policies and procedures are posted online. An annual report, compiled by the school, is a central focus of the site visit. Achievement targets, not met for 2 consecutive years, require a student achievement plan. Corrective action plans, resulting from annual audit findings, require timely implementation for a favorable renewal recommendation. These reports and data form the basis for charter renewal. ACOE reports to the community on its charters, includes the annual reports compiled by each school in the report, and posts the report on its Web site.

<http://www.acoe.org/acoe/BusServices/CharterSchools/ResourcesAndMaterials>



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Authorizer Oversight Systems



Authorizers with multiple charter schools have created oversight systems that all authorizers could benefit from examining.

Los Angeles County Office of Education conducts two visits each year to the charter school as outlined in their MOU. One visit assesses progress in governance and organizational management, educational performance, fiscal operations, and fulfillment of the terms of the charter. The primary focus is on teaching and learning and student achievement. The visit may include review of the facility, school records, interviews with administrators, staff, students, and parents, and classroom observations. At least one site visit examines and reconciles attendance documentation and compliance with codes and regulations concerning instructional minutes, ADA, and apportionment.

<http://www.lacoe.edu/CharterSchoolServices/CharterSchoolOffice>



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Charter Petition Material Revisions

Charter petition material revisions and renewals are governed by the standards and criteria in EC Section 47605 and 47607:

Material revisions must include a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.

A material revision of the provisions of a charter petition may be made only with the approval of the authority that granted the charter.

EC sections 47605 and 47607



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Geographic Location and Limitations

A charter petition must:

- Identify a single site to operate within the geographic boundaries of the authorizer. A charter school may propose to operate at multiple sites within the district as long as each location is identified in the petition.
- After petition approval, a charter school proposing to establish one or more additional sites must request a material revision to its charter.

EC Section 47605(a)



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Geographic Location and Limitations (cont.)

A charter school unable to locate within the jurisdiction of the authorizing school district may establish one site outside the boundaries of the authorizer, but within the county of the authorizing school district, **IF** the school district where the school proposes to operate is notified in advance of petition approval **AND** the county superintendent and the State Superintendent are notified of the location before it commences operations **AND** either one of the following conditions exist:

- The school has attempted to locate a single site or facility to house the entire program, but such a site is unavailable in the area the school chooses to locate.
- The site is needed for temporary use during a construction or expansion project.

EC Section 47605(a)



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Nonclassroom Based Service Area Limitations

A charter school may offer nonclassroom-based instruction, including independent study, home study, work study, and distance and computer-based education.

State funding is based on average daily attendance (ADA) and a charter school must comply with independent study requirements.

ADA can be claimed for pupils who are residents of the county in which the charter school is authorized to operate or in a contiguous county.

*EC sections 47612.5 and 51747.3;
CCR Title 5, sections 11963.1 and 11963.5*



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Nonclassroom-Based Meeting Space Limitations

A charter school may establish a resource center, meeting space, or other satellite facility located in a county adjacent to that in which the charter school is authorized if both conditions are met:

- The facility is used exclusively for the pupils enrolled in nonclassroom-based independent study of the charter school.
- The charter school provides its primary educational services in, and a majority of the pupils it serves are residents of, the county in which the school is authorized.

EC Section 47605.1



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Charter Renewal, Revocation, and Closure

Charter authorizers also have important roles and responsibilities in:

- Charter School Renewal
- Charter School Revocation
- Charter School Closure



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Web Resources

California Department of Education:

<http://www.cde.ca.gov/sp/cs/>

National Association of Charter School Authorizers:

<http://www.qualitycharters.org>

California School Boards Association:

<http://www.csba.org>

California Charter Schools Association:

<http://www.calcharters.org>

Digital Chalkboard

<https://www.mydigitalchalkboard.org>