

Memorandum

TO: Members of the Maryland State Board of Education

FROM: Nancy S. Grasmick *Nancy*

DATE: August 24, 2010

SUBJECT: Charter School Program Presentation

PURPOSE:

To provide the State Board of Education information about Charter Schools in Maryland and help build a foundation that will develop understanding of the complexities pertaining to the Charter School Law and its implementation in Maryland. This contextual understanding will assist the Board to formulate questions for the charter school stakeholder panel discussion proposed to take place in September 2010.

BACKGROUND:

During the State Board meeting held on July 20th, the Board proposed convening a charter school stakeholder's panel to further discuss and examine differing perspectives regarding the challenges of the current Maryland Charter School Law. This panel would be part of an effort to study the three key areas of impact highlighted and identified by the Board as areas of needed improvement to strengthen Maryland's Charter School Law and consequently the Charter School Program. The study relates to the work that has been previously done by the State Board in adopting the Charter School Policy and the Federal application submitted for *Race to the Top* reform initiatives.

EXECUTIVE SUMMARY:

Given the national feedback on our law and the need to strengthen our Federal application, the Department requested that the State Board adopt a Charter School Policy to provide further guidance thereby helping to strengthen the Charter School Program. After the adoption of the policy, the Board questioned whether the policy would accomplish the improvements that were necessary to strengthen the implementation of a successful Charter School Program in Maryland. As a result the State Board will be carefully examining what changes, if any, would be feasible and beneficial to Maryland's Charter School Program by conducting a public study.

ACTION:

The Department is proposing that the Board consider using the presentation format reflected in the following documents which outlines the process into two different presentations. The first part would consist of sections 1 and 2 to provide the Board and our meeting participants with information that will help build a context and understanding of the Charter School Program in Maryland. This first presentation will take place during the Board's August 24th meeting. Section 3, which convenes the stakeholder panel suggested in the attached documents, would take place during the Board's September meeting. Structuring the study this way will provide the board with the needed information and planning time to accomplish the desired outcomes.

I recommend that the documents should be reviewed in the order of the suggested presentation and as they are sequenced in the attachment. This would assist the Board to understand the presentation framework.

NSG: hlo

Attachments (6)

STATE BOARD OF EDUCATION
STUDY OF CHARTER SCHOOLS IN MARYLAND

I. Setting the Context - The Current State of Charter School in Maryland- Overview

- Statement of Need
- Concept of Charter Schools (handout)
- Data Points: Number of CS, Number of Counties that have CS, Number of approvals and denials this past year (reason for denials) (handout)
- Charter School Federal Grant (handout)
- Fact or Fiction?: Assumptions about Charter Schools in Maryland (handout)

II. Areas of Study (Charter School Law) (handout)

1. CS Authorizers (National Scene / Best Practice)
2. Bargaining Units (National Scene / Best Practice)
3. Facilities (National Scene / Best Practice)

III. Panel of 10 Stakeholders will discuss these three key areas related to the CS Law

Discussion centered around: Current State → Challenges → Desired State

LEA Superintendents:

Baltimore City -	Dr. Alonso
Prince Georges -	Dr. Hite
Anne Arundel-	Dr. Maxwell
St. Marys' County-	Dr. Martirano

CS Stakeholders:

-Bobbi Macdonald -	Operator three schools in Baltimore City
-Jason Botel-	Operator of two schools in Baltimore City
-Denise Johnson -	Operator of one school in PG County
-Heidi Mordhurst -	Developer - Charter School Application Denied in Montgomery County

Charter Schools

Purpose of Charter Schools → School Reform

Autonomy: Charter schools were conceptualized to be self-governed and be provided with greater autonomy to operate free from district rules (and some State laws by waivers) and existing collective bargaining agreements.

Accountability: In exchange for greater autonomy, charter schools are held more accountable for meeting student achievement goals because their charter can be revoked for non-performance.

Choice: Charter schools provide greater choice to parents and students seeking alternatives to what public education offers.

Innovation: Because of their autonomy, charter schools are encouraged to be innovative and creative in their educational philosophies. They are also expected to be laboratories and vanguards in improving and expanding opportunities within public education.

MARYLAND CHARTER SCHOOLS
DATA PROFILE 2009-2010

DESCRIPTION	DATA
Current Number of Charters	42
Number of Counties / City with Charter Schools	6 of 24: Anne Arundel, Baltimore City, Baltimore County, Frederick, Prince George, St. Mary's
Number of Approvals	3 2 in Baltimore City 1 in Prince George County
Number of Denials	<p>15 Total - Breakdown as follows:</p> <p><u>7 in Prince George County - Reasons for Denial:</u></p> <ul style="list-style-type: none"> • Curriculum lacked specificity on addressing demands of MSA • Incomplete application • Failed to mention alignment with MD standards • Did not present a viable enrollment plan • Curriculum lacked distinction of STEM content and strategies • Failure to secure facility timely • Presented few goals & measurable objectives • Lack of specificity and clarification of objectives aligned with mission and ed. plan <p><u>3 in Montgomery County - Reasons for Denial:</u></p> <ul style="list-style-type: none"> • Application submitted out of Montgomery Timeline • Concerns with academic design and ability to deliver on promises, lack of plan for PD, problems with facility site, lack of plan for food and nutrition services • Concerns with funding, operations, staffing. <p><u>5 in Baltimore City - Reasons for Denial:</u></p> <ul style="list-style-type: none"> • The lack of a cohesive, coherent, manageable and integrated instructional model. • The proposals do not possess the sound operational and management experience necessary to support instructional priorities

**THE FEDERAL CHARTER SCHOOL PROGRAM GRANT IN MARYLAND
2004- 2010**

Purpose of the Grant Program:

To expand the number of high quality charter schools available to students across the nation by providing Federal financial assistance for charter school program design, initial implementation, and planning; and to evaluate the effects of charter schools, including their effects on students (in particular, on student academic achievement), staff and parents.

Grant Periods and Awards:

First Grant:	\$14,315,014	2004-2007	(one extension year provided)
Second Grant:	\$18,162,529	2007-2010	(one extension year provided)
Third Grant:	TBD	2011-2013	

Sub-Grants Awarded:

First Grant:	30 Schools Funded
Second Grant	17 Schools Funded (13 sub-grants still available)

Total funds awarded: \$550,000 Per charter school for 36 months (first phase of the grant-planning and design and second phase - implementation)

The Office of School Innovations is primarily funded by the federal grant program with the exception of the funding of the Director (the grant requires that this position must be funded by the State as a condition for eligibility).

State (MSDE) requirements as a recipient include:

1. Ensure that each sub-grantee: meets the definition of a charter school and complies with federal laws,
2. Ensure that grant proposal addresses essential NCLB components, are reviewed by qualified and trained review teams and that the State conducts a transparent process for grants available, for proposal evaluation and review,
3. Conducts two monitoring reviews per each grant phase: program review and financial review,
4. Provides technical assistance to charter school stakeholders and authorizers,
5. Submits two annual reports: program performance report (based on the evaluation of performance goals and objectives) and data collection report,
6. Secures the services of an external evaluator to evaluate the impacts of the grant program.

The external evaluator must assess the following: *The success of Maryland in:*

1. Expanding the development of high-quality charter schools to provide choice options for parents statewide.
2. Encouraging the use of charters, especially in geographic areas serving a high percentage of low income students, and among high priority schools requiring improvement, corrective action, or restructuring.
3. Ensuring a high level of academic performance by charter school students.
4. Strengthening the management of charter schools to ensure well trained board members, visionary instructional leaders, and highly qualified teachers.

These objectives are linked to seven research questions:

1. To what extent did MSDE implement its proposed activities?
2. To what extent did MSDE fulfill federal requirements to meet program objectives?
3. To what extent were the intermediate results used in a formative manner to improve final grant outcomes?
4. How did the choice to attend a charter school affect student performance in core academic subjects (reading/language arts, mathematics) for all NCLB subgroups?
5. How do Maryland charter schools' characteristics and academic performance compare with traditional state public schools in terms of:
 - Demographic composition
 - Credentials of teachers
 - Academic performance
 - Student attendance
 - Student behavior (i.e. suspensions and expulsions)
 - Student, teacher, and parent satisfaction
 - School safety (student referrals and suspensions)
 - Student dropouts
6. What are the instructional and managerial practices in charter schools?
7. To what extent does the implementation of these practices account for student achievement?

ASSUMPTIONS ABOUT CHARTER SCHOOLS Fact or Fiction?

1. Charter Schools are like private schools that only use public funds.

Fiction: CS are required to comply with all the same federal and state requirements as public schools. They are expected to also meet or exceed high accountability measures in areas of academic outcomes, financial management, and other compliance areas,

2. Charter Schools only admit students who are the “cream of the crop”.

Fiction: CS must only admit students on a first come first serve basis. If the charter school has more applicants than seats available, they must then select students through a random lottery process.

3. Charter Schools only serve middle class families and often serve to segregate student groups.

Fiction: Data indicates that Maryland charter schools are serving a high percentage (68% vs. 36% statewide) of students that are eligible for free or reduced meals (Farm students), which is an indicator of the socioeconomic status of families.

4. Many Charter Schools are not innovative and do things the same way other public schools do.

Fiction: Innovation refers to implementing strategies that are different from the norm. Charter Schools implement innovative strategies in many areas such as: curriculum and instruction, programs, school organization, school governances, schedules, use of resources, community engagement, etc.

5. Charter Schools always want to do what they want to do.

Fiction: The concept of charter schools is to provide autonomy in exchange for higher levels of accountability, a reform effort to eliminate constraints that serve as a barrier for creativity and innovations. Given the promise of autonomy, charter schools will often defend their ability to make decisions that they feel impact their design and operations.

6. Charter Schools have it “easier” than public schools.

Fiction: Charter Schools are met with many challenges that do not exist in traditional public schools. They encounter their first challenges when they have to apply to authorizers since they have to present and justify their school design and the utilization of resources. Charter schools also have to secure school facilities that meet state and local requirements. As independent entities they have to engage services to assist in financial and operations management and adhere to annual audits and performance agreements. A charter school that does not meet requirements is subject to non-renewal and closure.

7. Charter Schools are just another educational trend that will go away.

Fiction: *Public schooling has already felt the effects of charter schools. Many school systems are using charter like designs as reform initiatives. They have also served to forward accountability concepts from the "No Child Left Behind" legislation and remain a viable option for the restructuring of low performing schools. With the current federal initiatives through "Race to the Top", they have received a prominent front seat in the efforts to nationally reform public school options.*

8. The real purpose of Charter Schools is to do away with public education.

Fiction: *Charter Schools are public schools and as such are a component of the public education. What makes them different is an expanded ability to implement innovations and to do things differently from the norm....or traditional school models. The concept of charter schools is to remove barriers that have often time been a hindrance to school reform.*

9. Charter Schools take away resources from public schools.

Fiction: *Charter Schools are public schools, therefore public education dollars (per pupil allocations) should follow the student. In Charter Schools these funds are applied directly to the cost of schooling with the exception of 2% which is left with the local school system to respond to the administrative cost associated with the responsibilities of authorizing. Charter Schools in Maryland do not receive facility funding, transportation funding nor any administrative allowances secured from restrictive federal funds. Additionally, Charter Schools that lease facilities are not provided property tax exemptions which are tagged onto leasing cost with the exception of St. Mary's Charter School due to approved legislation this past school year.*

10. Charter Schools are meant for school systems that are not effective and have a lot of underperforming students.

Fiction: *The Charter School concept was forwarded as a reform initiative for public education and was not specific to a certain population or subgroup. Charter Schools were also intended to expand school choice to all families regardless of residence, socio-economic status, or ethnic and racial compositions. Charter schools were to serve as educational laboratories intended to secure expanded community engagement in school reform and public schooling efforts. In Maryland, Charter Schools have only been approved in six of the 24 school systems. Data indicates that charter schools have a higher rate of parent satisfaction, a higher attendance rate and for the past two school years have had less than half the rate of drop outs when compared to similar traditional public schools.*

11. Not all charter schools are high performing.

Fact: While the majority of charter schools are high performing there are some schools that have not consistently met AYP. Our charter school annual evaluation however has indicated that since 2007, the percentage of charter schools that made AYP has been higher than the equivalent percentage among comparison schools. The gap between the two groups has been steadily increasing, from 1 percentage point in 2007 to 7 point percentage points in 2009.

**MARYLAND STATE BOARD CHARTER SCHOOLS STUDY AREAS
BEST PRACTICES**

STUDY AREA	NATIONAL PERSPECTIVE	BEST PRACTICES
<p>1. CS AUTHORIZERS</p> <p>An entity that is authorized to review applications, decide whether to approve or reject applications, enter into contracts with applicants, oversee public charter schools, and decide whether to renew, not renew or revoke charter contracts.</p>	<p><i>Experiences in various states with both public and non-public authorizing entities reveal that all types of authorizers can be successful if they are conscientious and motivated and meet the following criteria:</i></p> <ul style="list-style-type: none"> • <i>Have a clear desire to become an authorizer (supportive of the CS concept)</i> • <i>Have enough political insulation to allow decisions based on data</i> • <i>Have an ability to create an adequate infrastructure to carry out authorizer responsibilities.</i> 	<p>Multiple Authorizers:</p> <ul style="list-style-type: none"> -Creates choice in authorizers -Provides equity to approval considerations -Provides opportunities for various entities -Enables accountability in Authorizers (quality control - quality authorizing versus gate keeping).
<p>2. COLLECTIVE BARGAINING</p> <p>Requirement that charter schools be bound by existing bargaining agreements.</p>	<p><i>There are currently 18 states that require some or all public charter schools to be bound by district collective bargaining agreements or personnel policies. These agreements and policies are often a significant constraint on school autonomy and are contrary to the principle of school level flexibility."</i></p>	<p>Charter Schools have an automatic exemption from collective bargaining and staff cannot be required to be members of existing bargaining agreement. A charter school cannot however, interfere with laws and rules protecting the rights of employees to organize and be free from discrimination.</p>
<p>3. FACILITIES</p> <p>Access to capital funding and public school facilities.</p>	<p><i>Currently 41 states with public charter school laws vary greatly in how they provide facility support to charter schools."</i></p>	<p>Equitable access to capital funding and public school facilities and tax exemptions:</p> <ul style="list-style-type: none"> -Per pupil facilities allowance - Facility revolving loan Program -Bonding Authority -Access to District Facilities and Land - right of first refusal