

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairman Bill Mason at 3:30 p.m. on February 19, 1996 in Room 519-S of the Capitol.

All members were present except: Shari Weber (excused)

Committee staff present: Ben Barrett, Legislative Research Department  
Avis Swartzman, Revisor of Statutes  
Dale Dennis, Department of Education  
Beverly Renner, Committee Secretary

Conferees appearing before the committee: Alex Medler, Policy Analyst on Charter Schools-National Education Commission of the States  
Dr. Stephen G. McClure, Superintendent of Schools-USD 450  
Terry Campbell, Vice President-Clarence M. Kelley Detention Services, Inc.

Others attending: See attached list

Alex Medler, Policy Analyst on Charter Schools-National Education Commission of the States, briefed the committee on charter school legislation in the states and an analysis of components judging whether or not state legislation is strong or weak (Attachment 1). Obstacles of charter schools include funding, internal conflicts, regulation and cash flow issues. There is a belief that charter schools are an important component of long-term education reform efforts.

Chairman Mason opened the hearing on **HB 2967**-concerning school districts, grants for educational services at Flint Hills job corps center, juvenile detention facilities, Forbes attention facility.

Dr. Stephen G. McClure, Superintendent-USD 450, spoke in support of **HB 2967** (Attachment 2). Shawnee Heights provides the educational program for the Clarence M. Kelley Detention Services at Forbes-Topeka Air Industrial Park. On September 10, 1995 (The count date specified in current legislation) eight inmates were in the program and funding was based on that number. The number has increased to 34. **HB 2967** adds additional count dates, November 20 and March 20 (although April 20 would be better) to answer this problem.

Terry Campbell, Vice President of Operations, Clarence M. Kelley Detention Services, Inc., testified as a proponent for **HB 2967** (Attachment 3). He supports allowing school districts alternate count dates to help defray the cost of educating juveniles housed in detention facilities throughout the state. With the increase of juvenile crime, providing detention space for juvenile offenders is inevitable and the need to educate these offenders is just and logical. School districts should not have to neglect the resident students to provide this education.

Chairman Mason closed the hearing on **HB 2967**.

Representative Morrison moved to amend the bill to change line 21, page 2 from March to April. Representative Shore seconded the motion. Motion carried.

Representative Morrison moved that the bill, as amended, be passed out favorably. Representative Horst seconded the motion.

Representative Powell moved a substitute amendment to base the grant on average count rather than the highest number. Representative O'Connor seconded the motion. Motion failed. Representative Powell voted in favor of the motion.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION, Room 519-S Statehouse, at 3:30 p.m. on February 19, 1996.

Representative Morrison's motion to move the bill out favorably, as amended and seconded by Representative Horst was voted upon and the motion carried.

Ben Barrett, Legislative Research Department report on the meeting with SRS and Department of Health and Environment held on February 16, 1995 regarding **HB 2820**. Representatives Pettey and Vickrey and Revisor Avis Swartzman were also in attendance. It was agreed that the local districts could institute their child care program by using the Extraordinary School program under existing law. There is no need for additional legislation. A policy statement to that effect will be issued.

The meeting adjourned at 5:10 p.m.

The next meeting is scheduled for February 20, 1996.



# CHARTER SCHOOLS IN ACTION: A First Look

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January 1996

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Attachment 1

# Charter Schools in Action: A First Look

by Chester E. Finn, Jr., Louann A. Bierlein, and Bruno V. Manno

January 1996

## Introduction and Background

Hudson Institute launched the "Charter Schools in Action" project in the summer of 1995, with support from The Pew Charitable Trusts. The project's research staff consists of Louann Bierlein, Bruno Manno, and Chester Finn. Its purpose is to analyze the start-up problems encountered by charter schools, consider how these can be solved, and identify the policy environments that make it more and less likely that such solutions will succeed or the problems abate. The project researchers believe that such information will prove helpful both to those involved with (or considering) the launch of new charter schools and to policymakers who find themselves grappling with these issues at the state and local levels.

In each of two school years (1995-96 and 1996-97), the research staff is conducting site visits to 35 schools in seven states, as well as interviews with parents, students, community residents, state policymakers, and supporters and critics of charter schools. (A list of the schools in our first year's sample is attached.) Our original plan was to write an interim report in summer 1996 and a final report in summer 1997. As we made our rounds in late 1995, however, many people noted that summer was too far away to be helpful to legislators and school board members contending with charter school issues this winter, and to people already planning new schools for the fall. We were repeatedly asked whether we could share any preliminary findings sooner.

The answer, of course, is yes, and the results of our effort to oblige now rest in your hand—but it is important to understand that these are indeed preliminary. As of New Year's Day, we had made site visits to twelve charter schools in five states and conducted a

number of interviews with policymakers and other interested parties. We have thus completed about one-third of our first year's research. Because of these data limitations, the reader should treat what follows as tentative and impressionistic. Still, some of our impressions are strong enough that we think it unlikely we will radically alter them as we visit more schools and talk with more people (though we will surely acquire additional examples, nuances, and exceptions.)

As we visited these schools, we encountered some surprises that tend to dispel some myths and misconceptions about charter schools. Part I summarizes them. We then discuss common start-up problems that have a heavy state policy component (Part II), problems that are more the province of people starting charter schools (Part III), and some issues that we see on the horizon for state policymakers (Part IV). We conclude in Part V with some preliminary recommendations.

We hope that this bulletin will be helpful, and we welcome feedback and advice. Our thanks to those who have helped us launch "Charter Schools In Action," particularly The Pew Charitable Trusts for underwriting it and—especially—the busy people in charter schools around the country who made time for us that they really didn't have to spare and who made our visits pleasant and often exhilarating as well as informative.

## Part I: Surprises

In this section we confess to some things that surprised us about charter schools as we have visited and learned more about them. We also try to dispel some myths and

unwarranted allegations we have encountered.

### *Abundance of minority children*

Opponents of chartering predicted that charter schools would "cream" the most fortunate kids, leave the neediest behind, and not do justice to minority and disabled youngsters. In fact, there is substantial (if preliminary) evidence that the opposite is happening: those flocking to charter schools are disproportionately the families of kids who were not succeeding in "regular" schools or who were not well-served by those schools. In the six U.S. states with the most charter schools, according to independent analyses by Louann Bierlein, early numbers indicate that minority youngsters comprise 40 percent of charter school enrollments (17 percent black, 15 percent Hispanic, 5 percent Native American, 3 percent Asian), although the same minorities make up just 31 percent of pupils in the regular public schools in those states. Should more complete data sustain numbers like these, critics will have to face the fact that charter schools enroll almost "one-third again as many" minority children as conventional public schools.

### *Abundance of "square pegs"*

As for disabled, handicapped, and special needs youngsters, we do not have numbers yet, but a spring 1995 national survey by the Education Commission of the States found that about half the charter schools then operating said that they were designed to serve "at risk" youngsters. We are acquainted with many charter schools—in our sample and beyond—that focus on disabled pupils, boys and girls in trouble with the law, dropouts, and others who have had difficulty thriving in regular schools. Moreover, our impression of the schools we have visited is that—regardless of whether the schools set out to meet special needs—the families gravitating to them are disproportionately those of children who can legitimately be described as having such needs, even if they have not been formally classified as "special ed" pupils. (This stands

to reason. Who is most apt to want to shift their child to a different school? Obviously someone whose child is not successful in his or her present school.) Perhaps the best way to describe a large fraction of the charter school student population is as various types of square-peg kids for whom the round holes of conventional schools are not a happy fit.

### *Distinctive—but not weird—education programs*

The charter world is marvelously varied, and we do not necessarily agree with the educational philosophy or curriculum of every school we have encountered. But we have seen none that seemed outside the pale of defensible (and in many respects familiar) educational thought and practice. We haven't stumbled on any witchcraft schools or Klan schools, for example. Perhaps the most "far out" versions we have spotted are a couple of "virtual" schools that use modern technology to bring instructional resources to students (including "home schoolers") who are not physically on their premises. In fact, most of the charter schools we have seen can be described either as variants on "progressive" educational thought or versions of "traditional" education (with some interesting efforts to blend the two.)

Many charter schools, however, have distinctive themes or approaches that are at least as innovative as those that most of the high-visibility "design teams" sponsored by the New American Schools Development Corporation came up with, even though the latter had considerably more time and money for developing their programs. Charter schools are far more apt to have been planned around someone's kitchen table by people with a passionate commitment. What truly distinguishes them is not the originality of their educational vision but that uncommon level of commitment to their educational approaches. Only teachers who believe in that particular approach are hired—meaning that 100 percent of the staff really wants to do what the school says it will do—and only parents who want that particular approach enroll their children. (We have seen evidence that both parents and teachers who find that

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they made a mistake—that this really is not what they were looking for—quickly move on. Some student and staff turnover in the first few weeks is not unusual.)

### *Terrific, often unconventional, teachers*

Excellent teachers flock to charter schools. Some of them accept lower pay, and most want no involvement with the teachers' unions. Some states require charter school teachers to be certified; some do not. Our impression is that most charter teachers are certified even where it is not required by law but that those who are not are nevertheless well-qualified by virtue of other relevant experience and training. (We encountered, for example, an astronomer with a Ph.D. from M.I.T., young people from the "Teach for America" program, long-time veterans of private schools, etc.) Some of these people are "square pegs," too—individuals with unconventional backgrounds and variegated careers who want to do something different from what is possible in ordinary public (and sometimes private) schools, who crave the chance to work with colleagues who share their philosophy and with the children of parents who also share it, and who are willing to make trade-offs, including minimal facilities and modest pay, for personal and professional fulfillment. As one student remarked to us, "The people in this [charter] school really care about what I learn. At my other school, it was easy to hang back and do nothing; no one really pushed you to try harder."

Though most charter schools have small classes, most also have longer days and years (at least for staff), and teachers must be jacks-of-all-trades who, in addition to instruction, deal with parents, clean their own classrooms (and sometimes shovel the walks), plan the curriculum, buy the materials, and function as guidance counselors and social workers. Although charter schools do not *want* to pay lower wages (and we have seen a few that pay more than the locally prevailing level, at least for new teachers), their cramped budgets, their commitment to small classes, and their

emphasis on high-quality instructional materials mean that most simply do not have the wherewithal to offer fatter salaries. (One could also say that their priorities are different from those of conventional schools but—so far—that has not posed a problem in obtaining high-quality staff. Except for those in the most remote locations and those that opened on very short notice, the charter schools we visited were inundated with candidates for teaching positions.) "For an educator," a teacher explained to us, "it's like you died and went to heaven. We are creating as we go. This is what charter schools are about. You build from scratch."

### *Remarkable commitment by parents*

The most bizarre and outrageous criticism of charter schools we have encountered is that these schools expect too much involvement by parents! The allegation, of course, is that requiring a great deal of parents—volunteer time, homework supervision, fund-raising, etc.—will tend to drive off weak families, single parents, the children of people who do not care much about their education, etc. A few of the charter schools we have visited do have "formal" requirements for parents, usually for a certain number of volunteer hours per year. The most demanding we have seen requires 20 hours per semester, which works out to a bit more than an hour per week. The volunteer coordinators in those schools, however, are remarkably inventive and flexible in finding ways for busy people to fulfill their commitments, including evening and weekend opportunities. (And if the parent still cannot swing it, another family member or friend can fulfill the obligation.)

What struck us more powerfully is how many charter schools benefit from large amounts of parent participation—and sweat equity—without requiring it. We have been in a couple of schools where this isn't so, but the great majority of those we have visited receive hundreds of hours per week of time and labor volunteered by family members, friends, staffers, and the students themselves. And this does not include the time and attention many parents also devote

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to their own children's homework, school projects, etc. (This is not to say that all charter school parents can and want to participate in their children's educations. But many do, and critics, it seems to us, ought to be ashamed of themselves for suggesting that this is anything but an unalloyed benefit.)

It also needs to be noted how important to the successful launch of a charter school are the vision, zeal, and doggedness of its founders. Whether parent-initiated, teacher-started or otherwise, every charter school we have visited owes its existence to a small number of individuals who made something like a superhuman effort to get it off the ground (or converted to charter status). As with any such innovation in its early years, of course, we cannot be sure what will happen as time passes, people replace one another, and—perhaps—energies flag. But the charter schools we have visited during their second and third years of operation appear to have sustained remarkable levels of commitment, albeit of a less frenzied sort.

### *Marginal facilities yet long waiting lists*

Many of today's charter schools are proof that it is possible to run satisfactory education programs in unpromising, sometimes even miserable, settings. All but a couple of the schools we have visited currently operate in what could charitably be termed minimal facilities: the buildings are old, dilapidated, crowded, sometimes temporary, and commonly lacking auditoriums, gyms, playgrounds, well-equipped labs, media centers, and lunchrooms. To make them usable at all, immense amounts of improvisation have been required, as is a lot of cleanup and fixup work by parents, staff, and students. Yet what is going on in these unlovable quarters is exciting enough that many charter schools have waiting lists and many have attracted pupils from private schools, even private schools with elaborate facilities. New wine in old bottles seems to sell, so long as its quality is good. (But we have also seen a few charter schools that do not have as many pupils as

they planned for, most often because their target population—such as dropouts or parolees—is school-averse.)

### *Smallness no great barrier*

That most charter schools are small is part of their educational appeal. But they do not seem to have made unacceptable sacrifices when they forswore "economies of scale". Usually—even at the high school level—they emphasize a strong core program for everyone. They do not have a lot of electives, athletic programs, or elaborate extracurricular activities. Because teachers are expected to meet the needs of each student, they do not employ many specialized noninstructional staff members, nor do they have pull-out programs for certain youngsters. Most appear to have been able to obtain the necessary "business" services a school requires—accountants, supplies, materials, insurance, food services, transportation—although some schools dispense with one or both of the latter two and some have had to be enterprising (e.g., a group of charter schools banding together) to obtain certain of these services. If there is a problem associated with smallness, it is in participating in the various "categorical" programs (e.g., Federal Title I, special education, and bilingual education programs) that bring extra resources but that, in larger schools and school systems, are the full-time jobs of specialized "coordinators." (Federal policy, it may be noted, has not really flexed to accommodate the circumstances of charter schools. Neither have some state categorical programs.)

### *Unusual partnerships*

A number of regular public schools enjoy partnerships with business and community groups, but many charter schools benefit from unusual—and unusually intensive—relationships of this kind, often including sponsorship, management, or physical facilities for the school itself, as well as money and good will. We have been to an Arizona charter school that operates in partnership with the juvenile corrections system, one sponsored by a Native American



tribe, and one sponsored by a boys-and-girls club. We have been to a school in Minnesota that operates in partnership with the municipal parks department, one in Michigan that is closely tied to a fast-food company, one in Colorado whose new building is being financed by an office park developer, and one in Massachusetts where the education program is delivered by a for-profit firm. We are favorably impressed by the variety of groups and organizations willing to roll up their sleeves and get deeply involved in this approach to public education.

### *Not all school boards hostile*

Though foot-dragging and enmity by local school boards and superintendents (and their bureaucracies) are regrettably widespread in the charter-school world, we encountered some that are striving to help their charter schools succeed—and a few that are beginning to explore how the school system itself might make good use of the charter law, for innovations it wants to try. (We recently read of one small Michigan district where the superintendent has proposed "going charter" with all his schools.) As one forthright superintendent remarked to us, "Charter schools give us a way to be innovative within the public school rubric. . . . I think that it is an innovation worth trying." And as a board member noted, "Having a charter school in our community has resulted in a sense that there is some competition out there, and that there is a need for the [regular] schools to reach out to parents and teachers and treat them more like customers."

### **Part II: Common start-up problems (with a heavy policy component)**

In this section, we describe significant start-up problems that probably cannot be satisfactorily solved without state policy action.

#### *Capital funding and facilities*

Without doubt, the absence of capital funding, access to conventional school facilities, and start-up money (to cover initial

equipment, planning, etc.) is the heaviest cross charter schools bear today. No state has solved this problem (though some individual schools have devised creative solutions for themselves). Many charter schools have operating budgets that, pupil for pupil, are less than those of conventional public schools. When the absence of capital funding is also factored in, it must be said that charter schools—with only a couple of exceptions we have encountered—are having to make do with considerably less money. Out of this, they must usually rent a facility within which to operate, must furnish and equip it, and must recruit and train staff, ordinarily with no (or very meager) funds flowing until their pupils are on the scene. Moreover, some state laws have quirks that make the situation worse. (In Minnesota, for example, schools are forbidden to use their operating funds to buy land or buildings, which means that charter schools must stay in rented quarters indefinitely. What is more, such schools are not allowed to accept private or outside grants after their start-up period. No other public schools in the state are barred by law from accepting corporate or foundation grants.)

#### *Credit and cash flow*

Besides having *less* money than conventional schools, charter schools find it coming in at odd times, sometimes in unexpected amounts, according to formulas designed for ordinary public school systems. Michigan's school funding year, for example, does not begin until October, when a charter school receives its first full-sized check. (They can get small advances.) Arizona's payment cycle skips a couple of months, yet charter schools there have had great difficulty getting credit in the private market; lenders do not know what to make of them, they have little or no equity to use as collateral, and county treasurers do not honor their "warrants" against anticipated funds, as is routinely done for ordinary schools. For schools that are starting up or growing fast, the state's normal way of counting enrollment may also work awkwardly. Some states fund schools on the basis of the previous year's enrollment; others pick a specific day during the school year (e.g. the 40th day of class),

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and whatever the pupil count is on that day governs the entire year's payment. This procedure may underfund charter schools that grow as the year goes on—and in a couple of situations we have seen it can overfund schools that got their first couple of payments on the basis of higher projected enrollments than actually materialized by day forty.

We recognize that some of these funding quirks also complicate the cash flows of regular public school districts, but rarely as severely as they beset small, often fragile, charter schools struggling to establish themselves.

### *Unanticipated laws and regulations*

Most legislatures have exempted their charter schools from obvious parts of the education code, such as provisions regulating class size, class time, and curricular sequence, but even in states with relatively strong charter laws it usually turns out that the schools are subject to sundry other state laws nobody considered beforehand. Examples include elaborate procurement and fiscal accounting systems designed for much larger schools or school systems. Although everyone expects charter schools to follow safety and health requirements, these sometimes turn out to be inscrutable—or uncommonly hard to comply with. In Arizona, for example, there is a widespread suspicion that the state Fire Marshall goes out of his way to make life difficult for charter schools. In Massachusetts, it appears that they are expected to follow the health rules that pertain to private rather than public schools. And so on. On the education side, although charter schools typically have more flexibility with respect to staffing, resource allocation, and curriculum, they must nearly always participate in state testing programs, meet state graduation requirements, etc.

Far from being turned loose with public funds to do whatever they like with no accountability, as critics allege, our dominant impression is that charter schools in most states continue to be burdened—their tiny management staffs are often sorely oppressed—by myriad rules and procedures.

One charter founder reported a recent meeting at the State Education Department where officials discussing the evaluation of charter schools remarked that an important criterion would be "substantial compliance with regulations." Said the charter founder to us, "I want our school to be judged as vigorously as possible on how well our kids do, perhaps even on creative noncompliance with regulations."

### *Local board sponsorship concerns*

Except in a few jurisdictions where charter schools are commonly sponsored by the state itself (such as MA and AZ) or by universities (MI), people seeking charters must invest immense amounts of time and energy in trying to convince local school boards to approve their proposals. The political battles can be so intense—and protracted—that after winning their charter the school's founders find themselves weary, frazzled, and with just a few weeks before the school is due to open. Although we do not doubt that some local board involvement is a good thing, even those charter schools that are ultimately sponsored by the local board frequently wind up in a strained (if not openly hostile) relationship with it. And in situations where local boards have the upper hand—as in California and Colorado—an awful lot of resources are expended, sometimes fruitlessly, in the quest for charters. (Denver's record of stymieing almost all would-be charter schools is one conspicuous case in point; and several California districts are notorious for harassing the schools even after granting them charters.)

### **Part III: Common start-up problems (for the schools)**

In this section, we describe some of the problems charter schools commonly encounter, which such schools need to anticipate and solve for themselves.

#### *The business side*

Charter schools are as much small businesses as they are educational

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institutions, yet rare is the school whose staff is adept at both. Finance, marketing, accounting, procurement, personnel management, complex logistical planning, and compliance with sundry local and state rules (for businesses, for building permits, etc.) can cripple a school that has an outstanding curriculum and terrific teaching staff. Even when it has a good business manager, moreover, the charter school may run afoul of zoning restrictions, fire marshal inspections, and extensive state reporting requirements. It appears to us that a well-planned charter school probably needs to be the product of a diverse team of individuals some of whom have substantial savvy in these non-educational domains.

### *Adequate planning time*

A lot of charters have started too quickly, sometimes because it was already summer by the time their charter arrived. Often as not the delay was caused by the prolonged political battles they had to fight to get their charter, or to the frenzy of a "competitive" process for obtaining one of the limited number of charters permitted under state law. (Imagine putting a limit on how many small businesses could open in the state!) Sometimes, however, the problem is also a result of charter planners not anticipating how much they would have to do and how long it would take. After scrambling for facilities, staff, and students, they sometimes find they have not taken enough pains with curriculum, materials, training, orientation, and the innumerable logistical hassles of running a school (e.g. pupil transportation). It is our impression that the (few) schools that did not actually open their doors until a year or so after they were approved have been able to do a better job. But because charter schools do not receive any significant public funding until they have students, prolonged planning time is a luxury that may be possible only where private resources (or sweat equity) can be tapped.

### *Founder/board/staff relations*

Charter founders are often incredibly dedicated, committed, and tenacious

individuals, sometimes with a burr under their saddle. Particularly when they are non-educators, however, they sometimes have difficulty turning over the reins to the educators they hire to lead and staff the school. Sometimes they do a bad job of selecting the first group of educators. And sometimes they hire some—but not all—of their own "committee" members as part of the school's new staff. Troubled relations of this kind are not unusual in charter schools, particularly in the first year of operation. Knowing this, perhaps more charter founders can impose the requisite discipline on themselves, and perhaps more of the people they employ can insist on some ground rules in advance.

### *Unaccustomed features of being public schools*

Where private school conversions are permitted, and in situations where private organizations find themselves running charter schools, there turn out to be unexpected side-effects of creating—or evolving into—public schools. Examples include open-meeting laws for governing boards, competitive procurement processes, due process procedures for staff, and curriculum issues (e.g., the need to teach the state core, prohibitions of even mild forms of religiosity). These difficulties indicate that putative charter founders need to do their homework in this area.

### **Part IV: Additional issues facing states**

In this section we try to help policymakers anticipate some problems we foresee.

#### *Evaluation*

We have yet to see a single state with a thoughtful and well-formed plan for evaluating its charter school program. Perhaps this is not surprising, given the sorry condition of most state standards-assessment-accountability-evaluation systems generally. The problem, however, is apt to be particularly acute for charter schools, where

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the whole point is to deliver better results in return for greater freedom. Policymakers will want to know whether this is actually happening, and it is not unreasonable for them to expect hard evidence at the "macro" level. At the "micro" level, moreover, decisions about renewing or terminating individual charters, allowing the schools to grow, letting them open branches or reproduce themselves, etc., all should flow from evidence, not just reputation, connections, or evocative rhetoric. We are not saying that test scores are the best indicator of a charter school's success—how many people want to attend it, or work in it, are examples of powerful "marketplace" signals that also warrant attention—only that states (and individual charter schools) need to be better prepared to agree on the evidence and criteria and then make such judgments accordingly. Policymakers should also beware of establishing a "double standard" evaluation system in which much more is expected of charter schools—for less money—than of conventional schools.

### *Failure*

We expect some charter schools to fail, possibly even within the next few months. Some of these will fail for educational reasons, but most such losses will be because of economic and business difficulties. (Most new small business fail.) In the abstract, these failures can be depicted as positive signs of education reform—true accountability—but the public-relations fallout may be heavy, and opponents are eagerly waiting for such cases to exploit. Moreover, it will be worse if some children find themselves stranded mid-year (or shortly before graduation) without their school, as some surely will. Worse still will be the cases (as there are bound to be somewhere) where the failure involves malfeasance, corruption, abuse, or immorality among school staff or board members. Yet we have not found a single state with a well-formed plan for dealing with these contingencies. Nor, in most cases, does a state even have a serviceable monitoring program for furnishing early warnings of schools in trouble, or a technical assistance capacity that

can try to avert disaster by helping a shaky school solve its problems. (Such things need not necessarily be done by state employees. A nongovernmental association of charter schools, for example, a state or regional think tank, or even a university policy center, might be a fine source of advice and help. But there are not enough of those, either, now attending to charter schools.)

### *Special education*

The more successful charter schools are perceived to be, and the more "square pegs" they satisfactorily accommodate, the more they are going to be sought out by disabled children and their parents. This can be a fine thing both for the youngsters (who are well-served as a result) and for the reputation of charter schools as places that tackle tough educational challenges. But it also poses at least two vexing issues: (a) the high cost of providing all the services needed by some of these youngsters, especially the most severely disabled, and its potential to break the bank of a small charter school; and (b) whether conventional special education procedures—with their elaborate classification systems, complex screenings, formalistic procedures, and heavy involvement of state and federal regulators (and lawyers and judges)—even make sense in charter schools where, for example, it is common for *every* student to have something akin to an individualized education plan. It may also be noted that if charter schools enroll a great many special-needs students, when the time comes to compare their results with those of conventional schools it may be *their* turn to ask whether the "playing field" is truly level.

### *Unanticipated costs*

In certain situations, a charter program is costing a state more money than it was previously spending. We have identified two main reasons: (a) schools that draw into public education (and state financing) youngsters whose schooling was previously paid for in other ways (e.g., private schools, home schoolers, BIA schools); and (b) quirks of funding formulas that, in a few

instances, allow clever people to pull in more money by "going charter" (e.g., a formula weighted toward small schools). Though some legislators hope that charter schools will save the state money, and though charter schools in general receive less money per pupil than regular schools, we observe that some of the ways in which they are "economical" also cause certain of the other problems described earlier in this report (e.g., unsatisfactory facilities, low salaries, weak cash flow). Some local superintendents and boards also contend that the charters in their midst cost them extra because they must send the per-pupil expenditure to the charter school but do not reap commensurate reductions in the operating costs and overhead of their "regular" schools.

### *Technical assistance*

Charter schools are seeking to rethink most traditional practices of public education while battling against often-heavy political opposition. It is not unreasonable to think that they might need some help, from public or private sources. Although private foundations are underwriting such help in several jurisdictions, and almost every charter state has at least one entity seeking to provide technical assistance of some sort (examples include the California Network of Education Charters, Boston's Pioneer Institute, the Michigan Partnership for a New Education, and the Colorado League of Charter Schools), the current supply does not begin to meet the need.

### **Part V: Preliminary Recommendations**

In this final section, we offer some further advice to policymakers, those considering launching charter schools, and others interested in the future of this reform strategy. Some of these features are found in some state charter programs but not others. Some, to the best of our knowledge, do not yet exist anywhere.

### *Grant charter schools full control over staff selection*

A charter school should have full control over staff selection, including exemption from certification rules for employees, complete authority over compensation and terms of employment, and exemption from district-level personnel policies and collective-bargaining agreements. This will give the schools true flexibility to meet their staffing needs without fulfilling formalistic procedures that more often emphasize university transcripts than classroom prowess, that are more attentive to paper credentials than energy and passion, and that are designed more to protect jobs and maximize pay than to make the optimal use of a school's limited resources. Policymakers are aware, of course, that this is the arena where teacher unions, local school boards, colleges of education, and other opponents of charter schools are apt to be most dogged in their opposition. They also need to be aware, however, that compromise in this arena is the surest way to strangle an infant charter school program in its cradle.

### *Have a non-local sponsorship option*

Because much time and energy are wasted when prospective charter-starters are obliged to go to their local board for approval (even if an appeals process exists), groups should have the option of taking their charter proposal directly to the state or another entity. For those who argue that state sponsorship violates the principle of local control, we ask what could be more "local" than the grass-roots initiation of a charter school that is then completely directed by parents, teachers, and other community members who serve on its board, with the state providing only contract oversight? This seems to us far closer to the spirit of local control than a single school board that oversees a multitude of schools sprawled over vast tracts of real estate and manages them through a large bureaucracy. (At the same time, we counsel against allowing too many different sponsors, inasmuch as some consistency in monitoring and accountability would seem desirable.)

### *Develop a state-funded charter school loan fund*

The state should develop and fund a charter-school loan fund or "revolving" fund to advance start-up resources to charter school developers at low or zero interest. We think that good-sized loans on easy terms would be more beneficial to charter schools in their start-up phase than the small grants that some states now provide.

### *Experiment with new capital sources for facilities*

Perhaps this or a similar loan fund could provide "mortgages" to charter schools that want to buy or build a facility. It also seems clear that minor modifications in state law could make charters more attractive to private lenders. One or two states have made imaginative use of "land banks" and programs for recycling unused public buildings. Perhaps some form of bonding authority can be made available to charter schools. A "rolling" charter period that allows a (successful) school to plan and make commitments five years or so ahead would also be comforting to lenders (and parents!). We are not suggesting that charter schools be given more money in toto. We simply propose that they be helped to obtain, on reasonable terms, from public or private sources, the larger sums of capital necessary for obtaining facilities and major procurements (e.g. technology systems), on the understanding that they will eventually pay for these items from their operating budgets.

### *Improve state monitoring and evaluation*

At the outset, many charter schools wanted to have as little as possible to do with their local school system and state education agency. However, we see a need for the state to ensure that all its charter schools are following essential provisions of state law, to satisfy itself that no egregious educational or fiscal malpractice is underway, and to collect ongoing demographic and evaluative data.

None of this needs to be heavy-handed, and it need not necessarily be done by the education department, but some entity ought to bear this responsibility. We have seen (and heard about) some dubious proposals and inferior schools, and we believe that the marketplace is a necessary but insufficient check on these.

### *Streamline state-level reporting requirements and inappropriate regulations*

A charter school's educational effectiveness and fiscal probity can be assured without many of the input- and service-oriented rules and reports charters must comply with today. Many charter school administrators we have spoken with note that it is not the laws or rules that give them grief but the excessive paperwork needed to prove that one is in compliance. In general, all a state really needs to know about a charter school is this: Is it doing what it said it would? Is it obeying basic health, safety, and civil-rights laws? Is there evidence that its students are learning? Are its public funds being spent for legitimate purposes? And is there reason to believe that it is well-enough managed that there will still be a school for its students to attend next month and next year?

We conclude with a thoughtful comment from charter-school parents in one of the states in our sample, a comment entirely consistent with the thrust of our own study:

For those who seem to be intimidated or afraid of educational reform, we would like to offer this challenge: Put politics, money, and special interests aside momentarily and spend a day at [the charter school our children attend], observing and interacting with the kids. Then join our family for dinner afterwards. Ask questions and listen to the kids' answers. Then make your decisions based on observations and facts, not just theories and opinions.

Hudson Institute's "Charter Schools in Action" Project  
Participating Schools & State Advisors  
1995-1996

All schools began in 1995-1996 unless otherwise indicated. All are "new" or start-up schools unless noted as "converted".

ARIZONA

*Boys and Girls Academy:* Arts-infused middle school program in Mesa, operated by the Boys and Girls Club of the East Valley, serving approximately 100 students

*Esperanza Montessori Academy:* K-12 Montessori-affiliated school located in south Phoenix, serving approximately 250 students, many of them low-income Hispanic children

*Greyhills Academy High School:* Former Bureau of Indian Affairs high school located in Tuba City, offering a core academic program and tech/prep academy to approximately 400 students, all of whom are Native Americans (conversion)

*Pine Forest School:* K-4 Waldorf-modeled school serving approximately 100 students in Flagstaff

*Success School:* Alternative secondary program for approximately 100 students, many of them ex-offenders, at several sites in Phoenix and Yuma

CALIFORNIA

*Choice 2000 On-line:* Serves approximately 200 middle and high school students through "cyberspace" using file servers based in Perris (began in 1994-95)

*Constellation Charter Middle School:* Grades 6-7 middle school serving approximately 90 students in Long Beach, with a strong academic focus

*Darnell E-Campus:* Non-graded K-5 school serving approximately 570 students in San Diego, using a developmentally-appropriate curriculum in multi-age classrooms (began in 1993-94; conversion)

*Fenton Avenue Charter School:* Pre-K-6 school serving approximately 1,200 students in Lake View Terrace (Los Angeles), using a year-round, multi-track child-centered program (began in 1994-95; conversion)

*Guajome Park Academy:* Grades 6-12 school in San Diego, serving approximately 500 students using interdisciplinary studies and community service as part of a progressive program of studies (began in 1994-95)

*HIS Charter School:* Independent home study school serving approximately 750 K-12 students and adults in rural Lincoln area (began in 1993-94)

*Jingletown Charter Middle School:* Located in Oakland, school focuses on meeting the needs of approximately 190 students in grades 7-9 making the transition from a language other than English (began in 1993-94)

*San Francisco International Studies Academy:* Grades 9-12 school located in inner city San Francisco serving approximately 550 students with emphasis on social sciences and foreign languages (began in 1994-95; conversion)

## COLORADO

*Academy of Charter Schools:* Core Knowledge-based school in Adams 5-Star District near Denver, serving approximately 300 K-12 students (began in 1994-95)

*Community Involved Charter School:* College-preparatory K-12 school for approximately 420 students in Lakewood (Jefferson County), supporting open education, active and experiential learning, and basic academics (began in 1994-95)

*Clayton Charter School:* A preschool through 2nd grade program serving approximately 90 students in Denver, utilizing the High Scope curriculum (began in 1994-95)

*Crestone Charter School:* K-12 school serving approximately 35 students in rural Crestone/Baca (Moffet School District), emphasizing integrated and experiential education within multi-age classrooms

*Renaissance School:* Elementary school serving approximately 230 students in Englewood (Douglas County), emphasizing personalized, multi-aged, and multi-lingual classes

## MASSACHUSETTS

*Boston Renaissance Charter School:* Edison Project partnership school serving approximately 630 K-5 students in Boston

*City on a Hill Charter School:* Strong liberal arts core curriculum, including a program of public service and civic responsibility, serving approximately 65 students in grades 9-10 in Boston

*Community Day Charter School:* Located in Lawrence, this K-4 school serves approximately 110 students, offering a cultural diversity perspective and a center for community services

*Francis W. Parker Charter Essential School:* A Coalition of Essential Schools partner located in Fort Devens, serving approximately 120 seventh-eighth grade students from 19 communities

*Lowell Middlesex Academy Charter School:* Dropout recovery program based at Middlesex Community College, Lowell, serving approximately 100 ungraded high school students (conversion)

## MICHIGAN

*Aisha Shule/W.E.B. Dubois Preparatory Academy:* Basic skills/independent learning school with an African-American focus, serving approximately 150 K-12 students in Detroit (began in 1994-95; conversion)

*Concord Academy:* Integrated-arts and team-teaching-focused K-12 school serving approximately 250 students in rural Petoskey

*Livingston Academy:* One of Michigan's Trade Academies located in Lowell, offering a school-to-work manufacturing program for approximately 50 students in grades 11-12

*Sierra Leone Educational Outreach Academy:* Located in Detroit and serving approximately 150 K-6 students, this school uses a variety of individualized techniques to ensure that all students perform at grade level or above

*West Michigan Academy of Environmental Science:* Environmental science-focused school in Grand Rapids, serving approximately 350 students in grades K-8



## MINNESOTA

*City Academy:* Dropout retrieval program serving approximately 60 students in St. Paul (began in 1992-93)

*Community of Peace:* Community-focused K-5 school serving approximately 160 students in St. Paul

*Emily Charter School:* K-8 school located in rural Emily, using a multi-age/level approach and thematic simulations; one of two charter schools sponsored by State Board of Education (began in 1994-95)

*Metro Deaf:* K-8 school in St. Paul, serving approximately 35 deaf students using American Sign Language as the language of instruction (began in 1993-94)

*Minnesota New Country School:* Individualized, multi-disciplinary school, using community-based validations of student work and serving approximately 100 students in grades 7-12 in LeSueur (began in 1994-95)

## WISCONSIN

*Beaver Dam Charter School:* Located in rural Beaver Dam, school is designed to serve approximately 60 "at-risk" middle and high school students with an individualized program and work experience

*New Century School:* Parent-developed and operated K-5 school located in Verona, serving approximately 160 students using a continual progress approach and a math/science emphasis

## State Advisors

Hudson's research team is working with and interviewing a number of people and organizations within each participating state. However, one individual in each state has agreed to serve as primary advisor to the project.

**Arizona:** Kathi Haas, Charter School Director, Arizona Department of Education, Phoenix

**California:** Eric Premack, Institute for Policy Analysis and Research, Berkeley

**Colorado:** Jim Griffin, Colorado League of Charter Schools, Lakewood

**Massachusetts:** Linda Brown, Pioneer Institute for Public Policy Research, Boston

**Michigan:** Bob Whittmann, The Michigan Partnership for a New Education, East Lansing

**Minnesota:** Peggy Hunter, Charter School Strategies, Inc., Minneapolis

**Wisconsin:** Senn Brown, Wisconsin Association of School Boards, Madison

**SHAWNEE HEIGHTS  
UNIFIED SCHOOL DISTRICT NO. 450**

Central Services Facility  
4401 S.E. Shawnee Heights Road  
Tecumseh, Kansas 66542-9799  
(913) 379-5800 Fax: (913) 379-5810

Dr. Stephen G. McClure, Superintendent of Schools  
Rebecca L. Lisher, Assistant Superintendent - Instruction  
Shirley J. Martin, Assistant to the Superintendent for Business  
Kyle Goodwin, Director of Special Education

February 19, 1996

TO: Chairman Bill Mason and  
House Education Committee

FROM: Dr. Steve McClure  
Superintendent of Schools  
Shawnee Heights U.S.D. 450



REF: Educational Count Dates for Juvenile Detention Facilities

Dear Rep. Mason and the House Education Committee:

Last spring Shawnee Heights U.S.D. 450 became aware that the Clarence M. Kelley Detention Services was planning on opening a juvenile facility in our school district. This facility is housed at Forbes-Topeka Air Industrial Park and was previously an adult detention facility. Kelley Detention Services did extensive remodeling of the facility to meet new code and fire safety requirements. As a result of that, they were late in opening.

Once it became open, they brought in inmates from overcrowded facilities across the state of Kansas. They had eight inmates on September 20, 1995. As a result of that, the district received funding based upon those eight inmates. The number has increased to 34 inmates. Needless to say, we cannot run an educational program for 34 students for the cost of eight students.

It is my understanding there are no students incarcerated at Forbes Juvenile Attention Facility from Shawnee Heights or even Shawnee County. The school district is requesting that it not be required to take money away from the Shawnee Heights U.S.D. 450 budget to fund educational programs at Forbes Juvenile Attention Facility. We ask only to break even on the program. The current law allows the district to receive \$7,252.00 per student, or the actual cost of the educational program, whichever is less. A permanent fix for this problem is to add additional count dates to the current juvenile detention law.

I am recommending that in addition to September 20, that November 20 and April 20 be added to the current law. Last year, there were additional count dates placed in the supplemental appropriations bill to fund a start-up juvenile facility in Lawrence. We are hopeful that same thing will happen in the FY 96 supplemental appropriations bill to fund the Forbes and Ottawa Juvenile Detention Facilities. However, it is important to realize next year at least Wakeeney will be opening a facility and that this problem needs a permanent correction.

Thank you for your consideration.

House Education  
2/19/96  
Attachment 2

February 19, 1996

Representative William "Bill" Mason  
Members of the House Education Committee  
300 S.W. 10th Street  
Topeka, Kansas 66612

Dear Chairman Mason and Members of the House Education Committee:

I am appearing before you today in support of allowing school districts alternate count dates so as to help defray the cost of educating juveniles housed in detention facilities throughout the state.

Clarence M. Kelley Detention Services opened our juvenile facility at Forbes Field, in Shawnee Heights School District, on August 21, 1995. On September 20, 1995, when the official count was taken, there were eight juveniles being detained in the facility. Since that date, our daily population increased steadily to averaging 20.3 juveniles in October, 22.8 juveniles in November and 27.6 juveniles in December. We have recently signed a contract to provide juvenile bed space for Sedgwick County, therefore the possibility exists of averaging between 40 and 50 juvenile detainees in our facility by April of this year.

The one day count penalizes any school district in which a juvenile detention facility would open. Lawrence School District was faced with an increase due to the juvenile facility opening there in 1994 and the Wakeeney School District will realize the increase with Trego County officials seeking to re-open the juvenile detention facility there.

February 19, 1996  
Page Two

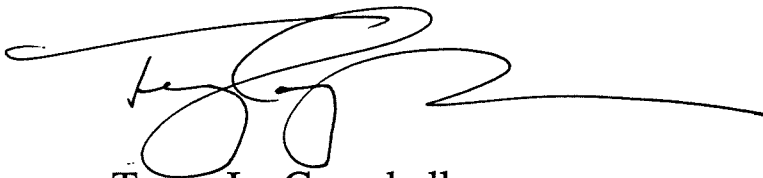
Having reviewed the preliminary recommendations of both the Kansas Youth Authority Committee, chaired by Representative Adkins, and the Koch Commission; the possibility exists of three additional 50 bed facilities being built. If approved, three communities within the state would benefit from alternate count dates.

With the increase of juvenile crime, providing detention space for juvenile offenders is inevitable. The need to educate these offenders is just and logical. School districts should not have to neglect the resident students to provide this education. Your assistance in adding alternate count dates will help.

Thanks for your time and consideration.

Respectfully,

**CLARENCE M. KELLEY DETENTION SERVICES, INC.**

A handwritten signature in black ink, appearing to read 'Terry L. Campbell', with a long horizontal flourish extending to the right.

Terry L. Campbell  
Vice President

TLC:ew