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THE CHARTER SCHOOL DEBATE

A National Study Examines Whether Schools are Being Held Accountable

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[TRANSCRIPT PREPARED FROM A TAPE RECORDING.]

C O N T E N T S

Introductory Remarks by Tom Loveless

Presentation by Bryan C. Hassel, President, Public Impact

Panelist Presentations:

Gary Miron, Western Michigan University

Robin Lake, University of Washington

Chester E. Finn, Jr., Stanford University and Thomas B. Fordham Foundation

Discussion and Questions

THIS IS AN UNCORRECTED TRANSCRIPT.

PROCEEDINGS

MR. LOVELESS: Good morning. My name is Tom Loveless. I would like to welcome you to Brookings and to the Brown Center on Education Policy.

This morning's topic is charter schools and holding charter schools accountable.

We are delighted to have Bryan Hassel here to present a paper of empirical research on charter school authorizers.

There has been quite a bit of research over the last four or five years on charter schools. It is really a booming industry, the charter school research business. However, one overlooked area of this research, at least so far, is charter authorizers, the public entities that actually grant the charters to charter schools. So we are particularly interested in hearing what Bryan has to say in terms of his research into that topic.

What I am going to do this morning is first introduce the panel to you, and Bryan. At that point, Bryan will talk and give his presentation of his paper, which I believe is available outside, and then we'll have three respondents.

Everyone is seated here in the front row, but after the final respondent is done--and that respondent is Checker Finn--they will all come up front, and then we'll take your questions and have a discussion.

Let me introduce our panel.

First of all, Gary Miron is Chief of Staff at the Evaluation Center and a professor at Western Michigan University's College of Education. He has authored or edited eight books and monographs, including "What is Public about Charter Schools:

Lessons Learned about Choice and Accountability"--that is a Colin [ph] Press book. Currently, he is conducting a study of privately-funded preschool vouchers in Hawaii and is leading a federally-sponsored study entitled "Correlates of Success in American Charter Schools."

Our second panelist is Robin Lake. Robin is Associate Director of the Center on Reinventing Public Education at the University of Washington's Daniel J. Evans School of Public Affairs. She is coauthor with Paul Hill of "Charter Schools and Accountability in Public Education," published by the Brookings Press in 2002.

Our third panelist is Checker Finn, Chester E. Finn, Jr. He is a Senior Fellow at Stanford's Hoover Institution and Chairman of Hoover's Koret Task Force on K-12 Education. Checker is also President of the Thomas B. Fordham Foundation and the Thomas B. Fordham Institute and Senior Editor of "Education Next."

Checker has authored 13 books, most recently, "Rethinking Special Education for a New Century," that is co-edited with Andy Rotherham; and in 2000 Princeton University Press, published "Charter Schools in Action: Renewing Public Education," which is coauthored with Bruno Manno and Greg Vanourek.

Finally, our presenter this morning is Bryan C. Hassel. Bryan directs Public Impact, an education policy consulting firm based in Chapel Hill. Dr. Hassel is a leading expert on charter schools, school choice, and school accountability.

President Bush appointed him to serve on the President's Commission on Excellence in Special Education in 2001.

Bryan is the author of "The Charter School Challenge: Avoiding the Pitfalls, Fulfilling the Promise," that was published here at Brookings in 1999, and he has a new book coming out next year, a very interesting book coauthored with Emily

Hassel, called "The Picky Parent Guide: Choose Your Child's School with Confidence," and it offers some terrific advice to parents. Maybe we can have a session on that book sometime over the next few months.

Bryan received his doctorate in public policy from Harvard University, his master's in politics from Oxford University, which he attended as a Rhodes Scholar, and his B.A. from the University of North Carolina at Chapel Hill.

A warm welcome, please, for Bryan Hassel.

[Applause.]

MR. HASSEL: Thanks, Tom. Thanks, Tom, for having this session. I really appreciate Brookings hosting this.

And thanks to my panelists for coming all this way to talk about this paper. All three of the panelists have done some great research on charter schools and particularly on charter school authorizers, so I really look forward to seeing what they have to say.

And then, finally, thanks to the Smith Richardson Foundation which provided the funding for the study that I am about to discuss.

The topic of this paper is "charter school accountability." As everybody knows, accountability is really a central part of the charter school concept. Everyone says charter schools are held accountable. They are accountable public schools. They will be shut down if they don't perform. And that almost comes out of everyone's mouth first when they are talking about charter schools. That is the trade for the autonomy that they receive; in return, they are held accountable for results. And they are held accountable in lots of different ways.

They are held accountable to families and children, because they can choose to attend the schools or not. They are held accountable to their authorizers, the agencies that give them a license to operate and can take that license away. And, as Robin and her colleagues have pointed out, they are also accountable to lots of other entities with which they partner or other government agencies that oversee them in different ways.

But this paper is focusing on charter schools' accountability to authorizers, the agencies, typically public agencies, that oversee them and give them their license to operate.

And even more specifically, this paper focuses on an aspect of charter school accountability which is unique, and that is the threat of shutdown. The idea in charter schools, as all of you I am sure know, is that if a charter school fails to perform after a certain period of time, it can be closed.

I think the question that a lot of people have about charter accountability is: Is it real? Proponents say that charter schools are the most accountable public schools because of this threat of shutdown. Skeptics say it is a sham, that authorizers won't really close bad schools. It is just a piece of rhetoric that charter school proponents use to justify the autonomy that charter schools are receiving.

So the question we pose in this study is what really happens when charter schools reach that moment of truth when they face a renewal decision or a decision about having their charter taken away.

In this study, we compiled a database of 506 high stakes decisions that authorizers had made as of fall 2001, and by "high stakes decisions," we meant renewals, where the authorizer decided to extend the charter; nonrenewals, where the

authorizer said after your time is up, you are no longer going to be able to operate; and then, finally, revocations, which are instances where the authorizer took away the charter prior to the end of its term.

From that database, we chose 50 random cases to analyze in depth by interviewing the authorizer with a detailed protocol, by interviewing the school, by interviewing other third parties, and by looking at any kind of documents we could get our hands on about this accountability process.

We had a number of questions in mind that we wanted to find the answers to, and they had to do with different ways in which the accountability process could break down for charter schools. First, we looked at the expectations that were set for the charter schools--were they clear; were they measurable; could they really form the basis for making performance-based decisions at the end of the charter?

We looked at the information gathering that the authorizers did. Were the data that they collected adequate to compare the schools' performance to these expectations?

We looked at the decisions that were made at the end of the day. Were they sound? Were they based on the merits of the case, comparing the expectations with the information, or were they based on some other considerations such as political pressure that might have been brought to bear on the authorizers?

So those were the core empirical questions.

We also, then, wanted to do some analysis to see what kinds of authorizers performed better on these issues, and we wanted to think about what are the implications for policy and practices. I am going to talk a little bit about all of these things.

There is a lot of information in the paper that I am not going to cover. The way I am going to cover it is by going through the five main findings that are also part of the executive summary, and there may be other issues that we want to take up in the discussion, but let me go through those five findings as the main part of my presentation.

The first finding is that many authorizers have proven willing to close underperforming schools. Of these 506 decisions that we identified, 84 percent were renewals, 12 percent were revocations, 5 percent were nonrenewals. There is some rounding going on that makes those add up to a little more than 100, but what you can see is that 84 percent renewed, about 16 to 17 percent closed as a result of these high stakes decisions.

On the one hand, that's a pretty good chance of renewal if you are a charter school, a pretty good chance that you are going to clear that hurdle at the end of your term.

On the other hand, 16 to 17 percent is actually a fairly high percentage of schools to have been closed by the action of a governmental agency. So these are in addition to all charter schools that might have closed voluntarily--we have 16 to 17 percent of the ones that have reached that moment of truth being closed. I think that is actually a fairly high percentage.

The second finding--and this is one I am going to spend a fair amount of time on--the second finding is that while most of the decisions were sound in the sense that a reasonable person looking at the evidence would have concluded that, yes, this school deserved to be renewed or deserved not to be renewed, authorizers often lacked the basic systems that you might hope they would have to arrive at these decisions. So

in many cases, the decisions were sound but not arrived at by the kind of clear, transparent process that we might hope to see.

In fact, of the 47 decisions where it really felt like we had enough information to determine how sound they were, we found 42 out of the 47 to be sound. But we found that only 30 out of the 50 had clear expectations that were spelled out in a measurable way in some kind of contract; 26 out of 50 we found had gathered sufficient information in order to make a determination at the end of the day about whether the schools had met their expectations; and then, 21 out of 50 ultimately, considering the overall decision-making process, were really based on an objective comparison of evidence with expectations.

So this finding says the decisions ultimately are coming out correctly at the end of the day but not based on the kind of process that we might hope to see.

Let me go into a little detail about these three areas--expectations, information, and decision-making.

In the expectation area, we have 30 out of the 50 cases clearly-stated expectations, mutually agreed on by the school and the authorizer, measurable through some kind of objective means. And in fact these are pretty impressive performance contracts. One thing that is impressive about them is that they are very rich--they aren't based on single indicators of school performance but instead often cover a lot of different indicators, many of which reflect the schools' individual missions as well as the broader statewide accountability system and standardized testing.

So there are a lot of great examples that we found of performance contracts out there.

But looking at the 20--we always, of course, focus on the other side, the 20--what did we find? First, we found that the authorizers in these cases did not really have any kind of clear policies and procedures for arriving at a set of expectations with the schools. What typically happened was the school would write a charter application in which it spelled out some goals that it proposed, and then the authorizer would approve that charter application and in doing so, approve those goals as the formal expectations in this performance contract.

So there was no back and forth between the school and the authorizer about what were going to be the expectations. The authorizer simply accepted that charter application, and the charter application often contained vaguely stated goals that did not clearly set out performance targets, did not clearly set out how performance was going to be measured, and as a result, at the end of the day, there were no clear expectations on which the authorizer could make a decision.

We also found that whatever was in the charter agreement, there was often disagreement between the authorizer and the school about what was really going to count when it came time for renewal. In particular, we often found that authorizers put more emphasis on standardized tests and State accountability measures, whereas charter schools believed in many cases that other measures like I described were going to be the ones, in addition to the State accountability system measures, that they were going to be judged against.

We also sometimes found technical difficulties such as in the case of schools with highly transitory populations, authorizers struggling with what are the right expectations for a school where the kids are going in and out of the juvenile justice system, for example, or in and out of residential treatment.

Let me talk a bit about information gathering. Again, in many cases, we found very strong information gathering systems, diverse in their measures, including standardized tests but also site visit survey data, outside evaluators reviewing the schools' performance, and other kinds of measures.

In the ones that fell short on our measure, we again found simply a lack of policies and procedures no clear protocol in place for the school to be measured against its expectations. We found in several cases what we called "selective collection," where the authorizer in these cases essentially made a decision that they did not want to renew the school's charter and then went and tried to find information that would support that decision.

The extreme case of that was one authorizer that hired a private investigator to go and find whatever kinds of sordid details it could on the charter school and use that as a means to justify nonrenewal.

And then, we also found information gathering weak in certain cases that we called "no-brainers," where the school was perceived to be so strong--the test scores were high, the waiting list was long--that the authorizer didn't really take any time gathering information; it simply said "You have your renewal." You couldn't regard that as just a wise use of resources--why bother gathering sensitive information on a school that is clearly performing well--but again, in borderline cases, that would be more problematic.

Then, finally, looking at decision-making, the actual process of the authorizers sitting down with the information they had gathered and the expectations and making a decision, we found in 21 of the 50 cases, we could really say the authorizer made this decision by comparing expectations with evidence.

Now, many of those cases, of course, were simply because of the other two problems that I have just described. There weren't clear expectations in place or there wasn't evidence gathered sufficiently to make a decision, and therefore there was no way at that point in time to make that kind of objective determination.

We also did find a few cases, however, when there might have been sufficient information in place, but the decisions were made on a basis other than what was in front of the authorizer. We found both questionable closures where district authorizers particularly were making the decision to close a school even though the objective situation favored renewal, and we found one case where, despite pretty clear evidence that the school was not performing, the authorizer went ahead and renewed the school.

In that case--it was an interesting case--the school had been reviewed by an outside evaluator, the outside evaluator had said the school was not doing well, the board had made a decision not to renew the school, but then, after subsequent political pressure by the school, the board changed its mind and renewed the charter.

That was just one of the 50 cases, however. It was much more common to see things go the other way, where a district authorizer typically decided not to renew a school's charter even though the evidence looked like it favored the school's renewal.

Our third finding was that there were common problems and challenges that accounted for the shortcomings. I am not going to spend much time on this because I have already pretty much said what those were.

One of them was just a lack of systems and processes, authorizers getting to the end of the charter's term, the fifth year, the seventh year, whatever it was, and

simply not having the clear measures or the clear information in place to make the decision.

But we also saw lots of instances of political pressure on the process. In the two bullets I put under this to highlight what we found, the political pressure tended to be anti-charter school rather than pro-charter school. As I said, there was just the one case where we found that the charter school used its political clout to push things over the line to renewal.

Secondly, we found the political pressure to be especially strong at the local school board authorizer level rather than other kinds of authorizers like universities and state boards of education.

We also wanted to think about what kinds of characteristics of authorizers predicted their success on these judgments that we were making, because it seemed important--if we wanted to think about recommendations, we needed to try to get some insights on that question.

Here, the three things where we found some interesting correlations--the volume of high stakes decisions that the authorizer had made prior to the one we were studying; the level of staff capacity in the authorizer office; and the type of authorizer--local school board versus State or university. Let me talk a little bit about each of those.

The volume of decisions made before the one that we were studying--19 of our authorizers had not made any high stakes decisions about charter renewal prior to the one we were studying, so they were completely inexperienced in this area. Fifteen had made one or two decisions, and you could see that several had made many more decisions. Seven had made ten or more.

We asked the question: In these different categories of experience, what percentage of the authorizers got top marks in all three of the areas we were looking at-- expectations, information gathering, and decision-making?

You can see that the ones that had the most experience got top markets across the board, with lower percentages receiving top markets in the categories with less experience, leading us to think that experience makes a difference in this area.

The second variable we looked at was the level of staff capacity. Many of the authorizers we looked at had no full-time staff devoted to charter school oversight; some had one or two staff members; and a few had three or more staff members working on this topic. And you can see, when we compare low-capacity authorizers, those with no full-time staff working on this, to high-capacity authorizers, the high-capacity authorizer is much more likely to get top marks in our judgment.

Finally, we looked at type of authorizer. We compared local school board authorizers with the State and university authorizers in our sample. And again, when you do that comparison, when you look at the marks they received for information gathering and decision-making, the non-local authorizer is much more likely to receive the top markets.

I want to talk just a moment about this last one. Why would it be that local school board authorizers would perform worse on our measures than other kinds of authorizers? I think there are a lot of different possibilities.

One thing that is important to point out is that many of these local authorizers were reluctant authorizers. They were not charging into this eagerly. They were not wanting charter schools to come to their town and were reluctant to authorize.

So perhaps it is not surprising that they weren't eager to establish the kinds of systems that we saw the other sorts of authorizers which were voluntary authorizers establishing.

In addition, local authorizers are much closer to the political ground.

When we talk about the political pressure we saw being brought to bear on these decisions, it was almost always in local school boards, and that is not surprising because local schools boards are elected, they are locally elected. The universities and State boards are much more insulated from that kind of thing than the local school boards are.

Then, our fifth finding, which kind of cuts across all of this, is that the process often lacked transparency. It was very difficult to find out basic information about the expectations that were set, the data that was gathered, and the decisions that were made, and it was difficult for us--we had a research grant, we had trained researchers working on this--I think it would be very difficult in many of these cases for a parent or a citizen to find out what was really going on in these processes, and we found that to be true in many of these cases.

So what does all this add up to? I think there is sort of a half-full story and a half-empty story.

The half-full story, I think, is that we found that authorizers were in fact willing to close schools in many cases. Sixteen to 17 percent is quite a high rate. Most of the calls that they made were found. They are not making a lot of crazy decisions in our study.

It was not very common at all--just one case, as I said--to find a renewal that we thought was completely unjustified based on the evidence.

Most of the contracts, although certainly not all, were fairly clear in their expectations, and most--a slim majority--of the data gathering was adequate.

So there is some good news here about charter school authorizing.

The half-empty story, I think--again to repeat a point that I have made before--is that we found that the systems were often lacking for charter school authorizers in these basic areas, and the political influence was common in these settings, especially political influence against the charter school when it came time to renew.

We have a few recommendations in the paper, and I will finish up with that. Some of those are for State policymakers.

We suggest that it is important for State policymakers to empower non-local authorizers in addition to local school boards. It doesn't seem to make sense based on these data to have only local school boards be the charter school authorizer in a State.

We also suggested it is important for State policymakers to ensure that authorizers have sufficient resources to carry out their job. The staff capacity is vital in order to develop the sorts of systems you need to have in order to do this process.

And finally, we think States ought to ensure that authorizer activities are transparent, that it is possible to find out what these contracts say, what the data says about schools, and how are the decisions being made.

Finally, we also have some recommendations for authorizers themselves. The flip side of the last one I said for the State is that they need to engage in transparent practices themselves so that it is easier to find out what is happening in their systems.

They need to find ways to protect their good decision-making from political influences, whether that means establishing independent review bodies or using other means to insulate decisions from the kinds of pressures that are going to get brought to bear on these process.

And finally, the overarching point that it is important to approach this process by designing deliberate systems rather than waiting until the end of the five-year period and then making a call about whether to renew a school's charter or not.

And then, as a final slide, I just want to alert everyone that there is a website that we established for the study where you can download the paper, read more about the methodology of the paper, download a paper called "Starting Fresh," which is another product that came out of this project, and then, finally, view or download the database of the 506 decisions that we used in order to draw our sample.

I will stop and hear what the others have to say.

MR. MIRON: Thanks, Bryan.

I want to make a few general comments about the body of research on charter schools, and then I want to make a few comments about the paper itself, and finally, a couple of concluding comments.

First of all, talking about the body of research on charter schools, there has been a shift in the body of research in the last couple of years, I think, a shift away from the research and writing. It was more rhetorical in the past. Today we are seeing more and more sound empirical studies like the one that Bryan and Megan have done entering this field of knowledge, as Tom also pointed out, which is a big market today; a lot is happening.

Some of the reasons for this are that every day, every week, every month, there are new studies coming out, sound contributions like this study here.

Another reason is I think we have gotten away from questions about whether or not charter schools should exist and why they work, and I think we have shifted the questions about how charter schools are working and how we can improve

them, and I think these shifting questions reflects a common assumption that charter schools are here to stay now. I think this shift in understanding that charter schools are here has also allowed us to shift our emphasis on the writing and research on charter schools away from more of the rhetorical writing to more empirical studies now, which is really good.

I think another reason that there has been this shift is that I think charter schools are not as much in the limelight as they were in the past, in part because of new reforms, No Child Left Behind and other things, have stolen much of the limelight, so that now in the shadows, we can be ourselves; we can look at the strengths and weaknesses of charter schools. It is not so high-profile today, so maybe it is a safer environment to do better research. And also again I want to emphasize I think there is a common assumption today that charter schools are here to stay.

So, are they working, how are they working, how can we improve them-- those are some of the new charter school questions being addressed.

Another big shift that has happened in charter schools themselves and their perception of high stakes accountability--I think there has been a shift, too. I would say that in the earlier years of the reform, there was a "circle the wagons" mentality where charter schools and charter school networks and associations and groups working for charter schools circled the wagons any time there was an attack against any or all charter schools.

Today, that is not the case. In fact, in the field, I am meeting with charter school administrators, even some charter school advocates, who are aware of struggling schools and who are even helping to close poor-performing charter schools. I think this also represents a shift. And I think it is fair to say that early on in the reform, charter

schools were under siege from many directions, and thus this mentality of "circle the wagons." But I think we are shifting away from that, which is a real good sign.

Another interesting trend that has happened over time also, I think, is that the bar has gone up in terms of accountability or measurable objectives. I think this study here was up to 2001, when you looked at decisions and you studied the documentation regarding the contracts that govern these schools. Over time, the bar has been going up, and this is because the authorizers are providing more targeted technical assistance to charter schools to make measurable objectives. The bar has gone up because authorizers expect more in applications where, early on, many applications did not have measurable objectives; they were very lofty and idealistic, but anything but measurable. I think today's expectation from authorizers is that in the application process already they need sound and measurable objectives. So the bar has gone up in that respect also.

Nonetheless, I think there are still a lot of areas of improvement in terms of measurable objectives, particularly as it gets to the unique objectives dealing with the charter school mission. One hope that I had about charter schools early on was that these were going to be unique schools that would not only be tested with State assessments and judged in that way, but because they were unique, they were going to have unique measurable objectives. Some of them cater to at-risk students. At one school we work with in Philadelphia, they only take 12th grade dropouts.

Standardized tests cannot capture what is going on in these schools. They need different objectives. They need evidence of success, but they cannot be captured with the State assessment system. This is one area where I think charter schools still need to work harder, and I think this is really important, because they need to defend

themselves, they need to demonstrate success, but they can't always demonstrate success in terms of the State assessments.

So, some comments about the study--boy, that was a difficult study. I can think of a lot of other interesting studies with a lot more easily, readily available data. But the cost involved in collecting this data, and not only in one State but across so many States, and also the burden on the researchers to go to various sources, was very difficult. So it was important, because this is an area that is very, very important to look at, but I just want to point out that this is not an easy area to collect data or to do research, and I think the researchers should receive praise for that because it is important and because it was no easy task to get that data.

There were limitations in the study. They had to replace many of the schools in the random sample. They had to replace and find alternatives for many of them. When they did their case studies, sometimes people were not available to speak to. Sometimes, when they were able to speak to them or identify them, they were not free to speak, and when they were free to speak, sometimes you have to question whether their answers were biased by that difficult or conflict-ridden process of that high stakes decision-making.

So it wasn't easy. But of course, they went to multiple sources, they looked at documentation, and they addressed those, and some of those limitations are pointed out in the text of the report.

What is important is that they conducted the study systematically, and they developed a framework with which to analyze and report on the data, so it is a very systematic study, again with many limitations in the data. But again, the only way to

address this question, I think, is the way that you pursued it, to go and dig into the muck and get out all that rich data and analyze it in the way you did.

Some topics for further research, in particular on top of this. I think an interesting question that came up was the variance, the differences among authorizers. Here, the researchers looked at differences in terms of the characteristics of the authorizers, in terms of the type of authorizer, the capacity of those authorizers, and the experience they had.

But I am wondering if some of the State-level variables or factors would not explain some of the variance, because I think that there are considerable differences from State to State, and that didn't come out in the study, but I think that given that the database is there and given that you will probably pursue more research on this, it is probably worthwhile.

But some of the State factors that I think would influence the arena of high stakes decision-making around accountability here are the rate of growth of the reform. I think some States have had a rapid rate of growth--as many charter schools up as fast as we can--and they didn't have time to learn. And then we see other States that are smaller--they get 15 or 20 schools up and running, they have a chance to reflect, improve the oversight and approval process, and from that platform, they go on. I think Pennsylvania is an example like that, where they started with 30 schools, they sat on that for a couple of years, they did a formative evaluation, and then they are going on.

So I think that's one State factor. Another one is I think the overall size of the reform. In some States--seriously, now--in some States like Michigan, only until a year and a half ago, did charter school offices know the exact number of charter schools in the State. I know that the folks in the headcount office did--there are

authorizers that cover that--but at the State level, they were uncertain about the actual number of schools that were actually in operation because there were so many schools, and the reform had gone so quickly.

Now we are working on a reform in Delaware, where everybody knows these schools--there are only 13 of them; they make up 6 percent of the State's public school enrollment, but everybody knows them--or in Connecticut, where at most they had 16 schools operating. In these States, everybody knows the schools, and there are so few schools, and it is very easy to hold them accountable, and the environment is so different in terms of high stakes decision making, where in Michigan, it is really hard to hold schools accountable when there are so many, and they are so difficult to keep track of.

So I think the size of the reform also is an important factor.

There are two other factors that are important, and they are factors that I am trying to identify and study in our "Correlates of Success" study. One is the rigor of approval process, and the other is rigor of oversight. We are trying to classify States in terms of the percent, the batting average, how many get approved, how many get on base, and so forth, and we are looking at those--in other words, we are trying to quantify, trying to find some way to categorize States in terms of the rigor of approval and also the rigor of oversight. But I think characteristics like those, State-level factors, might also play into that.

I would have loved to see if there was some relationship between some of the ratings, either by Luann [ph] Palmer, her study, the way they grade States, or else the Center for Education Reform, the way they grade States, to see if there is some kind of

relationship between those ratings and the performance of States in terms of their high stakes decision-making.

Finally, one other point about new research on this. As Bryan pointed out, the database is on the website. This is a really important area, and I think that having that available is going to facilitate other researchers pursuing further research on the topic, which is really great.

A couple of concluding comments. I think that there are still--although I think there is general consensus that charter schools are here to stay--there are still a few apologists out there who gripe and grumble when authorizers try to close struggling and poor-performing schools. They would point out that it is not fair, especially when there are nearby traditional public schools that continue to fail students, that it is not fair to close those charter schools.

Charter schools were not meant to duplicate the traditional public schools. They weren't meant as a means of simply duplicating with the same flaws, particularly lack of accountability for results. Charter schools were going to be a lever for change. So I think it is really important that there are closures, especially closing poor-performing schools.

Some of the reasons why closing poor-performing schools are going to improve the reform and put more pressures on traditional public schools are as follows.

One, when you close poor-performing schools, you lift the aggregate. In Michigan, if we could close maybe 15 of the poor-performing schools, charter schools would be outperforming traditional public schools because the poor-performing schools are struggling in finance and other areas, but they also perform poorly on tests in terms of gain scores. If we could drop them, the aggregate goes up.

In our study in Connecticut, we found charter schools outperforming traditional public schools mostly because they closed the poor-performing schools. If we had kept them in the sample in the early years in that cohort analysis, they were performing similarly to the comparison groups, so it lifts the aggregate.

Another reason is it sends a strong message to other charter schools to be accountable.

A third reason that closing poor-performing schools is going to help things is that bad schools steal the focus of public attention, and when we can close these schools, it is going to allow more public attention to shift to those exemplary charter schools that exist in every State.

Those are my comments.

MS. LAKE: Good morning.

I have been frustrated for a long time about an internal debate in the charter school community with a majority of folks arguing that you can't really have standards for authorizing because charter schools are very unique to States, to localities, different things to different people. There are different theories about how charter schools should operate--a market accountability approach versus a regulatory approach--and so you should let authorizers take individual approaches and perform their best professional judgment possible.

I have been frustrated because, as Gary just outlined, there are a lot of good reasons for authorizing to be excellent for the charter school community and for the charter schools themselves and the schools that they serve.

So I was thrilled to see this study by Bryan and Michelle, and also the new report by Fordham, that is taking a really more empirical approach to the question

of authorizing and beginning to build professional consensus, really, about how authorizers should work effectively.

Bryan basically presented you with the "glass is half-empty, glass is half-full" kind of approach to the findings. I want to start with the half-empty, the idea that authorizers really haven't done a great job so far in building the processes that one might consider ideal for charter school oversight--of course, that's not all the authorizers, but probably, I guess, 50 percent of the authorizers that you looked at really were lacking in this area.

This is important because it really offers some confirmation that other studies have only hinted at in the past. We did a study for the Department of Education on charter school accountability a few years back, and when we went out to some of the most well thought of school districts in the country to see how they were authorizing their schools and what were they expecting about the renewal process, they basically told us that they were asking charter schools to deliver to them the data that would make the case for renewal.

So it was a really informal process. Charter schools were basically showing up at their renewal meeting with a stack of data about five inches thick and sort of crossing their fingers and hoping for renewal.

This was sort of disturbing to us, and we really wanted to know more about how common this was. This is really useful for Bryan to be putting some numbers to the situation.

I think we have to put that approach in context in understanding how districts are used to holding their schools accountable. They are not used to thinking about performance per se; they are used to thinking about whether the school is

attracting attention from newspapers, whether it is doing pretty well generally, and they haven't gotten very sophisticated about charter school oversight or any kind of oversight of their regular public schools. So charter schools are, I think, the leading edge in this approach to district oversight, at least.

Now, the glass is half-full side of it.

I think it is really interesting to note that Bryan is basically finding that despite the fact that maybe 50 percent of the authorizers out there are not using the right approach, they are still coming to the correct conclusion about their authorizing. This is really interesting to me, and I think it is also puzzling.

So there are several possibilities that come to my mind, and I think there are probably others that we could discuss. But one possibility is that the ideal process really isn't necessary, that districts or other authorizers that are kind of feeling their way toward renewal and high stakes decisions are doing an okay job without all the processes. It would be surprising, but that is possible.

Another possibility is that the standards that authorizers are using are not really all that sophisticated or empirical, so they are taking an approach that basically makes it really easy for them to separate the bad schools from the good schools, if you will.

That would be a question for me on the research--it would have been helpful, actually, for me to know more about how you all were sort of confirming that these were the right decisions. It is a really difficult process, and I saw that you used some really great rubrics in defining that process, but ultimately, it is still a subjective process.

When I think about my priorities for what charter school research should take on in the authorizing realm, my top priority would be moving toward a more objective approach to that question, and Gary laid out some ideas for how we might begin to do that, really tying authorizer action or State policies around authorizers to actual outcomes and getting as close to that as possible. I think that using test scores is unavoidable, but of course, we should consider other outcomes as well.

But more important than thinking about more research--I know it is unusual for a researchers to say that--I think the most important thing we need to do now is focus on what we need to do in the policy realm to take action to address some of these issues and to start dealing with the problems that we know are out there, so that we can improve the schools as much as possible.

I want to focus on the recommendations that the authors lay out. I think they were really sound, but I think they need to go further.

Just to remind you, Bryan and Michelle basically identified as a priority creating more options for authorizing, so more State and regional authorities other than local school districts to take on the problem; more resources and capacity-building for authorizers, and greater transparency in authorizing.

I think these are all sound goals and really useful, but I don't think they go far enough. For instance, we cannot ignore districts. Districts are the locus of accountability, not just for charters, as I mentioned before, and as we move more into Federal and State accountability, measures like No Child Left Behind, we need to get districts to build capacity to authorize well for all of their schools.

We cannot just ask State legislators to send more money to authorizers when there is not a strong amount of accountability there right now. If I were a State

policymaker, I would say the district should be allocating more money to oversight. When they start proving that they can do this well, we will send them more money. So there is a little bit of a "chicken and egg" problem there.

And I think it is great to ask States to ask authorizers to report more of their renewal and high stakes decision-making policies, procedures, information, but I worry that nobody will do anything about it, that we'll put it out there and the same problems will continue.

So to give you a little food for thought, I have been thinking about some ways that we could push this a little bit further by creating a State policy environment that really creates incentives for excellent authorizing and consequences for shoddy oversight, so taking seriously folks who are ignoring their charter schools because of simply neglect or because of political agendas.

One possibility is to start thinking about whether there are minimum standards for oversight. Based on empirical research, could we come up with just some minimums that all authorizers really have to do--for example, should everybody have a written policy on renewal? This is a very basic kind of approach, but I would love to see that kind of requirement from a State.

Could we have audits of authorizer practice, so rather than having a lot of reporting and regulatory oversight, have some performance checks of authorizers, sort of like the IRS, to randomly check to see that they are doing a good job.

Could we have State laws setting minimum performance thresholds? Is that appropriate? A couple of States have started toying around with this idea. I think it is worth thinking about. The difficulty there, of course, is that we know that charter schools are complex organizations, and defining a base test score or test score

improvement is difficult. But we might be able to creatively come up with some other ideas.

Could we have independent ratings of authorizer practice--an independent consulting group, perhaps--Bryan, I am working up some business here.

And could we give disappointed renewal applicants, folks who have become sort of victims of politics in their districts, some sort of appeal process to an independent review committee?

We might also consider incentives like reduced regulations as a reward for excellent authorizers if they are school districts. We might consider some sort of sanctions that are appropriate to authorizers that really fail to act well.

But ultimately, we need to get creative, and we need to challenge the assumption of local control that exists in some many States and really insist, for the good of the charter movement and for the good of the students served there, that authorizers are excellent.

MR. FINN: This really has been an underexamined area in the charter world, and it is really good that Bryan and his colleagues are in there and doing very good work.

There were a couple of earlier mentions of a Fordham report which I just want to tell you is still available, "Charter School Authorizing: Are States Making the Grade?" The unit of analysis there is the State-level look at the performance, the practices, really, of authorizers. That is another approach to try to understand how they work and what they do and what makes them tick.

This is a very good study, and I have one very minor methodological bone to pick and one minor disagreement with one of the recommendations, but I'll get to those in a minute.

I think the important thing to understand about this study, though, and about all studies of charter authorizing right now is that authorizers are like eight-year-olds charged with looking after a new puppy that in many cases, they never even asked for. They are not adults with sophisticated structures and methods and role models and elaborate educations.

The overwhelming majority of charter authorizers in America didn't seek the job, first of all--not just local school boards who woke up one day and found that they had been assigned by the legislature to respond to charter applications from people who wanted to start charter schools--most of the other charter authorizers didn't ask for the job either. They didn't have to get approved by anybody to take it on. They didn't have to qualify in any way. They didn't have to demonstrate their fitness, their readiness or their competence. They merely woke up one day and discovered that the legislature had passed a law saying, "Thou art a charter authorizer"--whether this is the board of trustees of the State University of New York or the D.C. Charter Board or the Massachusetts Department of Education or the Chicago Public Schools--even the well-regarded authorizers--State departments of education, the famous Arizona Board for Charter Schools. The law just said: You are an authorizer; do it. And if anybody turns up on your doorstep with a charter application, you have to deal with it. And you may or may not have capacity, you may or may not have resources, you may or may not have a clue what to do, you may or may not have a role model, you may or may not have a

handbook of instructions--of course you don't have a handbook of instructions; this never happened in the world before eight years ago.

Where would the handbook come from? Where is the track record? Where are the role models? There is nothing in American public education like a charter authorizer.

The charter authorizers did not ask for the job, and they are basically brand new at it, and in most cases, they are also under-resourced. And this is not an easy thing to take on.

So it is not surprising that in many cases, they will either make good or bad decisions and either will or won't stumble their way into the right decisions.

But here in Washington, where we tend to assume that everything is technocratically sophisticated, highly rational, very elaborate, and full of experts who went to the Kennedy School of Government, the fact of the matter is in the real world of Ohio and Indiana and Arizona where people really are waking up and discovering charter applicants on their doorsteps and having to function as authorizers, it is not a technocratic success story--it is "amateur hour." And I think we really need to keep this in perspective as we try to study and analyze and critique and improve the performance of charter authorizers.

Charter authorizers are also subject to what information they can get from the sources they can get it from, which may or may not include the schools; it may or may not include the States' usually despicably disorganized website of data about schools. The State often is the only source of information for the authorizers, and they in many cases don't even know which charter schools they've got, let alone have any recent data on how many kids are in them, or the most basic stuff.

So this is a very interesting situation in American education, and I want us to not rush too quickly into supposing that this ought to be getting done today in a highly sophisticated, methodologically refined way, because we are still inventing this entire approach to American public education and very much inventing it on the fly.

That said, let me tell you a little bit about the State of Ohio, which is an interesting object lesson right here and in which we are much involved, because the little foundation that I run has been working with charter schools in Dayton.

The State of Ohio when it passed its charter law a few years ago sort of arbitrarily said there are going to be four kinds of authorizers. Local districts can be authorizers. The State department of education can be an authorizer. One county's board of education can be an authorizer, the one around Toledo, and one State university can be an authorizer, the University of Toledo. The Toledo focus has a lot to do with politics in the legislature.

So, guess what--out of about 130 charter schools in the State, I believe a grand total of four were authorized by local districts, because all the local districts said, "No, we don't want to do that, we don't believe in charter schools--go away."

Three-quarters of all the charter schools were authorized by the State department of education, which more or less authorized everybody who applied, with almost no criteria or examination, and there was lots of politics about approving these schools.

So the State auditor came in and looked at the State department of education's handling of the job and said, Tsk, tsk, they are doing this really badly--they either ought to do it better, or somebody else ought to do it.

So the legislature said, Somebody else ought to do it.

So they withdrew the franchise to be an authorizer from the State department of education and wrote a new charter law about a year ago, which said that henceforth in Ohio, any district, any county education service center, any State university, and 501(c)(3) organizations that meet certain criteria can apply to become approved as authorizers--in this case, apply to the self same State department of education that didn't do a very good job as an authorizer itself. It will now be the authorizer of authorizers going forward in the State of Ohio.

And it has a form that you have to fill out to get approved, and I believe they are on the verge of approving their first new authorizer, one of the county education service centers.

This is a very interesting situation and creates a huge, wide-open opportunities for new authorizers to enter in. Why would they want to?

Well, first of all, where are their resources going to come from? Answer: No State appropriation. Authorizers henceforth will be financed if they can collect fees from the schools that they authorize.

This is my one recommendation bone to pick with Bryan, because I think it ends up creating very odd incentives for authorizes. If, in order to have any revenue, they have to have schools, and they have to keep schools in order to keep revenue, where is the incentive, then, to make harsh judgments about schools that might not be doing a good job, but you still need the revenue? It is a slippery slope, that revenue source.

Anyway, to become an authorizer in Ohio, you have to charge the schools fees. Well, guess what? Those fees don't start flowing until the first school signs up with you and has kids and becomes your puppy. And any start-up expenses, you must

eat. Well, how is that for a 501(c)(3) organization that currently has no capacity to become an authorizer? Who is going to want to become authorized? And what are their motives going to be in this new world, and will they be "tough love" type authorizers, which is clearly the implication of Bryan's paper, plus the two previous commenters, that a "tough love" approach to authorizing is the right one. I actually think it is the right one, but will it be the normal one? Well, no. We have authorizers showing up in Ohio that just want to rustle up lots of schools and get lots of fees. And basically, there is already some experience with non-State authorizers running a kind of turnkey authorizer operation--you apply, we approve, you get a key, we come back in five years, and we'll see if we like what you have done.

501(c)(3) organizations by and large are not rushing to sign up for this very interesting role, which is not quite unique to Ohio--there is a little bit of precedent with (c)(3) organizations as authorizers in Minnesota on a pretty small scale so far. So, an interesting development. About 90 charter schools in Ohio today, all authorized by the State department of education, could a year and a half from now find themselves orphans with no sponsor--none, nada--close down if you don't find yourself a new sponsor between now and July of 2005. That is the way the State law reads.

So if you are a charter school that exists, what do you do? You go looking around for somebody to be my authorizer. I am a puppy--will you be my owner--and preferably, will you be the kind of owner who charges minimal fees and gives minimal hassle to me as a charter school? Excuse the expression "hassle"--I meant the other kind.

Very interesting, complicated incentive dynamics.

In Dayton, Ohio, we have about 22 charter schools up and running, and they currently enroll about 20 percent of all the kids in town--a very big deal in Dayton. All but one of them was authorized by the State department of education. All but one of them therefore will become orphans without an authorizer in July of 2005.

What is to become of them? Will they go to one of these low-stress turnkey authorizers that will be available--no doubt about it--in the State, pay a minimal fee, have minimal "tough love," minimal attention, and come back in five years? Maybe. Probably. Who knows?

So, having surveyed the situation, we at the Fordham Foundation are thinking maybe we will apply to become an authorizer. Why would we want to do that?

First of all, will any schools want to sign up with us if we promise "tough love" rather than turnkey? Not clear. Will they want to pay us a fee larger than the fee that the lowest-priced authorizer in the State will charge them? And it is pretty clear that the lowest-priced in the State are going to charge one percent of the school's State revenue. By comparison, Central Michigan University charges 3 percent. From an authorizer's revenue standpoint, this makes a huge difference in terms of your ability to hire people, to create the capacity to do the work that everybody is suggesting ought to be done.

So will any school sign up with "tough love" if there is no hassle over there? Will any schools pay 2 percent if one percent is available over there? Why would they?

It is a very dynamic, active, fluid situation in which we are very seriously exploring, seeking to apply to the State to become an authorizer, but it is not clear what that will bring, it is not clear what the burdens of an authorizer will be. It is not clear

that we will do a good job if we do it. The bar for doing this job has obviously now been set pretty high thanks to Bryan, and we might not be any good at it, which is another consideration. Then what happens to us if we turn out to do a bad job? It is all these things that you would want to consider if you were becoming an authorizer.

Bottom line, it is not an easy thing to be a charter authorizer. It is not clear that people who haven't yet become one will wish to become one, and it is perfectly clear that those who were assigned the job without being asked were assigned it without regard to whether they had the capacity or the desire to undertake it, let alone do it well.

So I think we are in the middle of a very interesting, naturally occurring experiment in American public policy, and I think that we are obviously going to all be participant observers or participants or observers or analysts or critics. I don't know where this is going to come out, but it is pretty clear by now that the authorizer side of the charter equation is at least as interesting as the school side of the charter equation, and we certainly didn't know this 10 years ago when the charter school idea came down the pike.

Thank you very much.

MR. LOVELESS: Okay, we'll now take questions and discussion.

Yes, sir--we have a microphone, I'm sorry, if you could just wait until the microphone gets to you.

And before you start, let me also acknowledge--Bryan acknowledged the Smith Richardson Foundation--I would like to thank them as well. I would also like to thank Paul DiPerna of the Brown Center for organizing the event today.

Go ahead.

QUESTION: I am Malcolm Orville [ph]. I am on the board of a charter school in Anacostia, the Kip School [ph].

I have maintained throughout my four-year tenure on the board that a major role is to set an example for the public school system, which is not a point of view that I have found a lot of support for on my own board. For example, I don't want to give the teachers or the principal more per hour than that received by the schools in the District, because they will say, "Well, they do better than we do," which we do, "because they pay them more," instead of the fact that we do better than they do because we meet 11 months a year, 6 days a week, 8 hours a day, Monday through Friday, and 5 hours on Saturday, and for other strategies that we use.

But I have heard very little mention here of the role of the charter school as an example, and the ability for the authorizing group to put pressure on the public school system to emulate what they do, and I would like any comment that you have on that.

MR. LOVELESS: Does someone want to tackle that? You have mikes there--the little black box there.

Yes?

MR. : Well, that's an interesting question. There is this idea that charter schools are going to serve this purpose of creating new innovation which then diffuses into the schools and could be suggesting that authorizers ought to play a role in that process; they ought to be actively, first of all, choosing schools that they think are going to be good examples and then doing something to diffuse.

My own reaction to that, I guess right off the top of my head, is that I think that's too much to ask of authorizers, that authorizers have their hands full just

trying to choose the right schools and oversee them well, to take on the added burden of disseminating their lessons I think is too much, especially because there is a lot of effort been put into disseminating models and lessons in this country that has not really paid off.

I think the best way for authorizers to get involved in disseminating lessons is by chartering more schools that emulate the ones that they have already chartered that are good. That's the way they have the best chance of making an impact.

The other thing that comes to mind when you ask that question is is there a way in which charter authorizers can serve as role models or examples for the oversight of other kinds of schools. And I think in our study, we obviously showed that there are many authorizers who would not be able to serve as that kind of example, because they don't have the kinds of processes. But it seemed like some of the best ones do have that potential because they have these well-developed performance contracts with multiple measures and these detailed information gathering systems, and that could point the way to a richer way of holding all kinds of schools accountable.

MR. : The reason this is worth struggling with, I think, is because I really do believe that charter authorizing properly done will be the model for the future of governance of public education itself, rather than the bureaucratic model that we are accustomed to. I think it will be more like a contractual model, and I think that is well worth struggling with and well worth making happen well.

But whether the individual schools in the meantime are going to serve as role models for a public education system that often is not interested in role models, I am not so sure.

MS. LAKE: I know that a lot of school districts have struggled with the issue of whether charter school accountability should serve as a model for other schools in the district and whether charter schools should be held to higher standards than other schools in the district, in effect.

San Diego schools were working through this issue and actually considered having a requirement in the charters' contract that said that charter schools could not be closed down if other district schools with similar performance were not closed down for the same performance, if that makes sense. And they ended up, I think, not going that route, but they were really considering that as kind of a lever to say both that charter schools should be a model for other schools and that they were serious about accountability throughout the district.

MR. LOVELESS: Gary, did you want to comment?

MR. MIRON: I would just add, too, there is just something about the ethos of education, and it is an egalitarian ethos. When I taught school, my superintendent when I would hear him speak--I taught in a district with 11 high schools--any time he singled out one high school for praise, he would mention the other ten for also doing wonderful things. This was he didn't really want to hurt anyone's feelings.

So any time one school was stressed as a model, the other ten were always brought in as models either of the same thing or of something else. There is just something about that in education that even in a charter school setting is tough to get away from.

Another question back here.

QUESTION: Robin Halsban [ph], from NCB Development Corporation.

I want to get to the point of the unjustified renewal. Were you able to do any follow-up to see if that school was able to turn it around after they were renewed? That is the first question, and then a follow-up question: Do you think that those will increase given what we are seeing with the political pressure in some cases these days coming from parents to keep a school open? The authorizer wants to shut it down, because it is not performing, but this idea of parents choosing with their feet, they are choosing to stay in schools that aren't performing. So do you see maybe schools being renewed because of that parental pressure? There are sort of two questions there.

MR. HASSEL: We have not followed up on those schools. Maybe it would be worth doing to see what happened there, but we did not do that.

As far as the future, I don't want to pretend to have a crystal ball, but I think we expected to see a lot more cases where the parents rallied and saved the failing school, but we only found that one example in this study. Now, what does that mean for the future--I'm not sure. But this study didn't suggest that that was as common a phenomenon as we thought we would find.

MR. LOVELESS: I was going to ask that, too. So the schools that were closed through unsound decisions, could it be that they were relatively weak in the marketplace, so for instance, they weren't oversubscribed in terms of enrollments, they didn't have large waiting lists, they didn't have stable enrollments of students over years. Is that about right, do you think?

MR. HASSEL: Yes, I think that was a common case. Enrollment problems were one of the main reasons that authorizers gave for closing some of the schools, so I think that is a--

MR. LOVELESS: So it could be a combination of both political and marketplace failure.

MR. : Let's not be too ivory tower-ish about this, even though we are sitting here in the quintessence of the ivory tower.

Politics is not an illegitimate consideration in deciding whether to keep a school going or not. The fact that people like it for their kids, that they think it is safe and caring and nurturing and friendly, is not a trivial consideration. And the kinds of things that go into rigorous external evaluations are important, but they are not the only considerations in whether school is worth having.

What if the other schools available to those parents are worse than a low-performing charter school? What if the other schools available to those parents have identical test scores but may also be unsafe? Should the charter school that is safe be closed down because its test scores aren't good?

These are not things that in the real world, any authorizer I think can be oblivious to, and certainly you can assume that the legislators and other political actors in the environment won't be oblivious to, and I don't think we should pretend that these are not valid factors.

MR. LOVELESS: Yes?

MR. : Since we are talking cases and qualitative study and all that, I just want to share a quick story with you of one charter school in Connecticut. They had closed a couple of schools mostly because of financial or regulatory issues, although they were poor-performing schools. But last year, they did close a school based on performance, and I really believed that there would be a lot of political pressure from local groups, and that would play into the decision. But this

school--it was mostly African American students--they got buses, they all went up to Hartford, they protested outside the board meeting where they took the decision, and they used claims that the board was racist in making its decision and so forth, and I thought that it was going to be very difficult, that they were not going to close this school because it was a poor-performing school. And this was a very unstable school that had gone through many directors, but also they were closing it based on poor performance.

So they closed it, and the chairman of the board or the president of the board came out and said to the audience, all the people who were shouting things at him, "You know, if I didn't close this school, if I didn't close it, I could be called a racist because there are mostly African American students in here. So we have taken this decision."

And I was really impressed that they had done that in that local pressure, and they had gotten so many people from the community up there, and it didn't play into the recipe.

MR. LOVELESS: It's very hard to close a regular public school, too.

Yes?

QUESTION: I am Mark Cannon [ph], with the "National Association of Charter School Pet Owners." If charter schools are "puppies," Checker and the authorizers are the pet owners.

First of all, a comment that we are emboldened by the empirical research that Fordham has done and that you have followed up and done on a more authorizer-to-authorizer level. It does point out--both reports point out--that many authorizers are doing a quality job of ensuring quality charter schools even as they approach the high

stakes decision. It is encouraging that 30 of the 50 cases that you say--or, if you put that in percentage terms, 60 percent--were backed by merit-based gathering of information, and 40 percent were backed by an entire system of rigorous oversight, particularly when you really dig into your research and see that the cases--34 of them were local school boards, as you say, the reluctant authorizers; 42 percent of the authorizers in your report said they had no funding for oversight, and 19, as you pointed out, had not made a renewal decision prior to the case that you were reviewing. So when you put that all together, it is amazing--as the Fordham report found, it is amazing that these "pet owners," these reluctant authorizers, these immature adolescent educational analysts, are making such quality decisions.

I do want to probe in my question to you, and perhaps other members of the panel, something that Checker brought up about the fees that are paid from the school to the authorizer in exchange for their oversight services and whether there may be some perverse incentives.

My feeling if you--you probably didn't look at your data in that way--but if you looked at your data, I would think that the authorizers of scale, the ones that have the economies of scale, that have the funding in place, were probably making more of the revocation, nonrenewal types of decisions out of probably more of a desire to ensure the public good through authorizing.

MR. LOVELESS: Let's try to get to a question.

QUESTION: Do you find that that's the case if you were to look at your research that way, and what might you address Checker's comment about some of the incentives or disincentives?

MR. HASSEL: Certainly, we found that the authorizers that had scale were more likely to make the tough decisions and just generally more likely to have the strong process. But that does get to the question of how do you pay for that; how do you pay for having several people in the office overseeing the schools. And Checker says it is dangerous to start getting into charging fees to the schools, because then how are you going to close one of it is no good, because they are your revenue source, they are your customer. Companies never close down their customers; they want them to keep paying the bills. That's a very good point.

So how could we design a system of funding for authorizers that overcame that problem? I think there are some ideas that have been floated for that, and one is not to have an endless linear increase in fees based on enrollment or on the number of schools, but to have it ramp off or level off at some point, recognizing that there are going to be economies of scale in this kind of office. So at some point, you are not continuing to get more and more and more and more money, or a lot more money, for every student that you take on or every school that you take on. That would be one possibility.

It seems like the other whole set of possibilities is to de-link the funding altogether from the school in some way. That would be through some kind of presumably a State appropriation for authorizing. It would be more based on what is thought to be the cost of doing business as an authorizer.

It is pretty tough in the current budget climate to propose something like that. I think that is why the idea of fees is often the one that wins the day, because it is not taking money, it is not requiring new taxes or taking money from any of the other

programs. It requires taking money from the schools, and that may be easier to get away with.

But I think maybe some kind of combination would be the ideal system, where there are some increases with the number of schools, so that you are recognizing the increased burden, but that that levels off in some way so you don't have the ongoing incentive to take on more schools and to keep them all in your portfolio.

Let me also just say to Mark, with the "National Association of Pet Owners," we talked a lot about policy ideas for how to strengthen authorizing practice, but Mark's association is an example of how the field itself of authorizers has come together, formed an association, and they are doing a lot of work to try to improve the practice of their members and to help each other share their ideas and lessons, and that's a really strong movement within the authorizing community which doesn't have anything to do with the heavy-handed State policy or regulation but could really yield some good results, I think.

MR. LOVELESS: Does anyone else want to comment?

[No response.]

MR. LOVELESS: Okay. Another question back in the back this time, right back there. I put on my glasses. I apologize for ignoring you earlier. I couldn't see.

QUESTION: Hi. Christ Bornhouse [ph], U.S. General Accounting Office.

Dr. Hassel, your comparison of local district authorizers and other authorizers is interesting. Within the other category, were you able to or did you try to

separate out the State agency authorizers from the universities, independent boards, nonprofits, and if so, what did you find?

MR. HASSEL: In our sample, all we had was universities and State boards, and that's because none of the other kinds of authorizers had at this time made any kind of high stakes decision. I'm sure that's not the case anymore, but at that time, those were the only types. And we did not have enough numbers in those categories to do any kind of meaningful analysis. If somebody can do a bigger study, that would be a good thing to look at--and include those other kinds of authorizers as well.

MR. FINN: And the other thing the next study should try to look at would be additional decisions that are not the life-and-death, pull-the-plug decisions. That was my methodological concern. And I understand why you focused on it, because it is the most decisive decisions.

One of the problems in charter authorizing is the tendency to think in a binary way, that this school lives or dies, rather than this school maybe ought to be on probation and be told to fix its problem. And as I contemplate the possibility of trying to be an authorizer, one of the things that is crystal clear to me is you don't just sort of hand them the key and come back five years later and say, Well, did you win the lottery? Did you succeed? You want to know in two years and three years and four years how is this school doing, and there are other schools you want to make to put them on notice--they might have a problem, there might be four things they ought to be doing, and three of them are going well, and one of them is not.

So there are a lot of other decisions that a good authorizer makes that are not just life-and-death; they have to do with health care treatments of one kind or another.

MR. LOVELESS: Robin?

MS. LAKE: Just to build on what Checker is saying, I think the first step in accountability is the application process and helping authorizers build a knowledge base about what kinds of applications are really going to be the best applications that pan out for the best schools, what kinds of commonalities there are and red flags to look for in an application--for instance, if you interview members of the governing board separately, and they can't all agree on the school's mission, or some basics like that, to help schools really start accountability in the very beginning stages.

MR. : Bryan, I have a question about EMOs, educational management organizations--really two questions.

One, in the localities that you looked at that had political opposition, were any of those charters managed by EMOs, or is there a tendency there--some of the EMOs have been quite controversial.

Then, the second question is does just the presence of an EMO--and by the way, to the audience, many charter schools are just mom-and-pop charters, and they are formed by local folks; others bring in professional organizations that actually manage and run the schools, and we refer to those as EMOs--does that affect an authorizer getting tough? Would an authorizer be more likely to get tough with a school that is being run after all by professionals who are making money and claim to have expertise in this area?

MR. HASSEL: That's a great question. In our study, we didn't find that the EMO--there were just a few EMOs in the study, and they weren't political lightning rods or anything like that. But what an interesting question--would an authorizer be more likely to crack down if it is some kind of greedy for-profit company on the other

end of the line rather than some community-based group of parents--and I don't know the answer to that.

MR. MIRON: Just a comment on that. For some of the EMOs, I have reviewed in State offices, looked at their applications and their contracts and so forth, and you see in a sense better measurable objectives, but they are duplicate, because when they create a new proposal, they are taking out the boilerplate, they are changing the name and address.

But I have to say that most of their objectives are more concrete and measurable on the whole than many of the mom-and-pop operations that have everything thrown in there, most of which is not measurable in terms of outcomes.

A converse side of this is I think a difference in some of the States where we see authorizers and who is responsible for overseeing the subcontracts, and I think that is a very important role for authorizers is when you have an independent charter school board that the authorizer--and I know in Michigan, most authorizers today are insisting on seeing and reviewing the contracts. Especially when the contract talks about services like to a full-service EMO, I think that is an important role for authorizers to play.

MR. : Two points, one with respect to EMOs. One is that except in Arizona, the EMO does not itself hold the charter; a local nonprofit organization is at least technically and legally the holder of the charter, and then it, as Gary was suggesting, subcontracts with the EMO. So you do have local members of your own community, who live in your own community, whose signatures are on that charter even if they have hired an EMO to run it.

The other point, to link this back to the fee discussion, it has been my observation--I am not sure what the numbers are--but the EMO-operated schools are bigger than the mom-and-pop schools, which means that if you are a fee-dependent authorizer, you may get as much money from one EMO school as from four mom-and-pop schools. Is that going to make you more or less likely to close it down?

MR. : Right. We looked at EMOs last year, and they are twice as big.

MR. : Twice on average?

MR. : Yes.

MR. : Okay.

MR. LOVELESS: Another question in the back.

QUESTION: Nelson Smith, New American Schools.

There seems to be a lot of evidence now that it is difficult for school districts to be effective authorizers. That seems to be the trend in a number of reports, and this is the latest one.

But I think Robin sort of points to an important way of looking at this. It is not so much the type of authorizer--that it is better to have universities or State agencies than districts--but it is a question of their performance and getting at do they add capacity whoever they are, do they have the right kind of staff, the right kind of skills, whatever kind of environment they are in. And I think this gets us to the role of the States in looking at those kinds of issues. And Robin pointed out several ways that that might happen.

I was wondering if the other panelists could look at for a minute the role of the States in holding authorizers accountable for doing the right things. I think it is

paradoxical that the one State that I know that has really had to focus on this is Ohio, Checker, because of the withdrawal of the franchise, and I don't know of other States that have gone as far as Ohio has to try to actually create criteria for the approval of and performance of authorizers.

MR. FINN: And the risk of doing it wrong, that the States' approach to regulating authorizers will be a compliance-driven, highly regulatory approach that is almost the antithesis of the whole charter idea.

MR. HASSEL: Which really worries me, and that leads to my ivory tower, naive idea that the best role for the State in this is to ensure that there is lots of sunlight shining on what authorizers are doing so it is very clear what kinds of proposals they are getting, what kinds of proposals they are approving and not approving, what kinds of goals are in the charters, what kind of information is being gathered, what that looks like, and what is being done at decision time--not so the States can impose some kind of regulatory process on all of that but simply to make it at least possible for people to see what authorizers are doing. That seems to be more effective and less risky than a heavy-handed kind of State regulation of authorizing.

Robin?

MS. LAKE: I may be naive myself, but I think that you could consider ways to have effective authorizer oversight at the State level that was not regulatory. I know there is a big risk of that, and I know States are inclined to do that, but California actually was considering some performance thresholds for charter schools as a way to start getting at this issue, partly as a way to give authorizers sort of an out to say, "Look, I have to close down this school because the State says that this is the minimum performance threshold," to give them kind of an arm up on the local politics.

So I guess I'm just optimistic that we could [inaudible].

MR. : It's worth asking whether anybody should be an unwilling authorizer, whether that makes any sense given the nature of the charter school, any more than being an unwilling charter school.

One of the oddest provisions in the No Child Left Behind Act among many is the threat that if you don't shape up, we'll turn you into a charter school. Well, what does it mean to be a nonvolitional charter school?

Colorado has a similar provision in State law. If the school screws up, we the State may turn it into a charter school. Well, what does it mean to be a charter school that doesn't want to be a charter school? This is so odd.

Similarly, what does it mean to be a charter authorizer that doesn't want the job of being a charter authorizer? Does that make any sense in American public policy?

MR. LOVELESS: You're doing so bad, we're going to give you autonomy.

MR. : Exactly, exactly.

[Laughter.]

MR. LOVELESS: A new idea in public policy.

Gary?

MR. MIRON: Just a few comments.

There are some audits now of authorizers coming out in some States. In Michigan, there have been two audits now--the latest one was in June 2000, and there was the [inaudible] one in Ohio, and I think California did an audit of their authorizers, aside from the RAND study, and maybe some other States as well. But these new

reports that are coming out in recent years are also pretty interesting in terms of overseeing the overseers.

MR. LOVELESS: Okay, another question here in the middle.

QUESTION: William Haft, National Association of Charter School Authorizers--and I am a pet owner, but that's as far as I would like to go with that analogy.

I have a question for everybody up front about nonrenewal rates, I guess, or nonrenewal revocation rate, which was about one out of six, I think, for the study and was maybe higher than I would have guessed it would be.

We all know that closing a school creates a lot of upheaval. At the same time, presumably, if the nonrenewal closure rate or revocation rate were zero, it would mean that either accountability was not real, or the bar was being set too high at the application stage.

Did you get any sense in doing the research of whether the rate was right, or maybe a better way to phrase it is what would you want to think about in terms of determining that? I mean, economists look at unemployment rate and say it shouldn't be zero, it should be "X" is right for the economy.

MR. HASSEL: That's a great question. In our study, we found that the rate was about right in the sense that we found most of the decisions to be sound. It would have been a little bit lower if we had had our way, because we found more unsound nonrenewals and revocations than we found unsound renewals, but it still would have been in the same ball park.

But what is the right rate? I think that is a very complex question because it entangles with the question of what is the right rate of approval of charter schools on

the front end; should authorizers be letting all kinds of schools open and then closing down a lot of them at the end of the day when they don't work, or should authorizers be really tight on the front end and try to only let schools open that they think are going to succeed? And where an authorizer sets that dial ought to have a big impact on what the renewal and nonrenewal rate is.

If you look at small business creation in this country where there are no requirements, basically, to open a small business--you can just do it--the rate of failure is really high. I don't know--there are all kinds of different numbers going around--

MR. : Real high.

MR. HASSEL: --half, 80 percent, 60 percent, different with different ways of--

MR. : Internet start-ups.

MR. HASSEL: --right, 100 percent, no, maybe 99 percent--but the typical authorizer isn't going to set the dial on zero, they are going to set it somewhat higher. So I think that's the critical--

MR. : William's question also intersects with another of the great dilemmas of the charter authorizer which we haven't even gotten to today which is whether they should also be providing technical assistance to fix what ails the schools in their portfolio, whether their job is to be a cop, saying, "We arrest you for breaking the law," or whether their job is to be a social worker, saying, "You have a problem, and we will help you fix it," or both, which is a very odd combination of roles, to try to do both of those things.

But as with kids taking a high school graduation test, we sort of would like it if they all passed eventually, and we try to create opportunities for them to all pass

eventually--more teaching, more chances to take tests. The assumption isn't that there is a "right" failure rate for high stakes high school graduation tests, but rather, that they ought to get as close to 100 percent as possible without lowering the standards. That would be sort of my view of charter schools--as close to 100 percent renewal as possible without lowering standards.

MS. LAKE: And I would also expect to see that--I don't know what the right rate is, but I would expect to see that the rate gets lower over time as we learn more about good application renewal processes, as charter schools learn more about how to run an effective school.

That's why I think it's important the point that Bryan brought up in his report, that he didn't talk about today, that we need to do this kind of exercise again and again so that we know whether authorizers are learning in charter schools.

MR. LOVELESS: Another question? Yes.

QUESTION: Hi. I'm Sue Lucy [ph]. I'm with the Alliance for Excellent Education.

I wanted to actually build off the very first question about how charter schools can or should inform the larger public system and also on something Robin said about not ignoring districts, and I would add not ignoring States.

What I want to ask is it seems to me not only have we created eight-year-olds who have the puppy they didn't even ask for--the eight-year-olds, when you think of school boards and/or States also had whole litters of puppies they were already charged with taking care of.

So it seems to me that if you spent more--if people like us spend more time working with authorizers and potential authorizers about what could be learned

from--because as some of you have correctly pointed out, we are not only not very good at looking critically at charter schools in the right way, we are not very good at looking at all of public schools in the right way, based on evidence--so if we gave more thought and attention to what authorizers could learn from the authorization process, the charter schools that would be applicable to their other litters of puppies, we might in fact create incentives to give more time, attention, and staff to the charter school operation and authorization process, because I think one issue in districts, particularly if you don't have many charter schools, is it feels like an add-on so why would I dedicate a lot of resources to something that is really a very small part of my whole portfolio--and depending on the State system, that is often the same question. So I am wondering what you think about that.

MR. LOVELESS: Gary?

MR. MIRON: I'll take a stab at that. Charter schools can improve in two ways--one, by competition, and the other by setting an example. But let's take this competition thing.

I think that today in some States, I would argue that there is more pressure, and traditional public schools are under so much pressure for accountability, that they are leading the way for accountability now. And I think in part, this is due to charter schools from the competition. Because of pressure, we see new reforms, new State standards, new report cards.

Just to give you a concrete example, in Michigan just last week, they came out with the school report cards, and it was surprising how so many charter schools had no grade because they had incomplete data. And most of them were large enough, they had enough tests takers and so forth--it wasn't a question of that--some of

them are small schools, they don't have enough test takers, they don't get a grade. But I was surprised by that. And it is the traditional public schools that are under the gun; they are the ones that are actually leading in terms of accountability.

However, going back to this competition improvement factor, it could be that this new pressure on traditional public schools is coming about because of the charter schools and their model for accountability.

MR. FINN: Let's not forget that public schools for as long as we have all been alive have enjoyed the presumption of immortality. There has never been the belief that a school board or State would close down a nonperforming public school after a term of years. The presumption has always been that it is there forever, whereas the presumption is the charter school is not there forever; it only sticks around if it does a good job.

If we are willing to change the presumption about traditional public schools and think of them as temporary rather than permanent entities that exist for a term of years rather than forever, then I think there becomes huge commonality in the roles of charter authorizers and local school boards and States. But we have got to get to that presumption first. As long as the presumption is immortality for regular public schools, the role of the school board is totally different with respect to its regular schools than with respect to charter schools.

MR. LOVELESS: Yes?

Hang on for just one second until we get the microphone to you.

I would just add to Checker's comment--that is one thing that has changed since the beginning of the charter school movement is the accountability. Holding public schools accountable was not as evident in 1991 as it is today.

Yes?

QUESTION: Paul Gamol [ph], director of accountability for Baltimore City Public Schools. We are the first system in the country to come under corrective action or NCLB, which is I think the 25th largest district in the country. We actually might be entirely charter or some form.

That's just a comment that that whole playing field is changing. Many of the large districts are under NCLB. In fact, most districts under NCLB come under some problem eventually.

I design [inaudible] systems for large urban systems, and my experience has been that despite what people may say about the data quality that they may be able to produce, I bet half of everything I produce never sees the light of day because most people are shocked by what you come up with.

But in the systems we have that are parochial or charter-like schools, the data we get from them seems to be--I think what you have just mentioned--less or nonexistent. So trying to measure them for me has been very difficult.

I am curious--is that the same experience you have seen, that the quality of data that they get from charter schools, particularly if they are high-mobility schools, is difficult to measure?

MR. HASSEL: I wouldn't want to generalize on that. I think, at least in this study that we did, we found a vast range, and we didn't compare it to the other kinds of schools in the district, so I can't say in the study.

Now Gary mentioned the example from Michigan of some of the charter schools apparently not having grades, but that has not been a general problem nationwide, except for the fact that many of the charter schools are small, and therefore,

statistically, the State isn't willing to assign a progress label to them or a label to them. But beyond that, I haven't seen that it is a problem finding performance data on charter schools.

Now, Tom, you have tried to do this on a multi-state--

MR. LOVELESS: We did a study of charters in ten States, and we did find that. We had a problem getting data. And these were downloads from State databases. So we were taking State databases of achievement tests. Some of it, we could explain. It's because of what Gary referred to--the schools are so small that they don't have a threshold of students, but they want to report the score--but somewhere between 15 and 20 percent of the schools, we simply could not explain why there was missing test data, and yet the data were missing.

Another question? Yes. This will be the last question.

QUESTION: Just a follow-up on that last comment. Aren't charter schools now required to report the same data under No Child Left Behind as every other public school?

MR. LOVELESS: Yes.

[Laughter.]

MR. FINN: They are, but if the State doesn't know they exist, if they don't fill out the forms, if there aren't enough kids to make the threshold for privacy--there are a whole slew of ways in which this cannot happen, even though it is supposedly required.

MR. LOVELESS: Any other questions?

[No response.]

MR. LOVELESS: Okay, we'll end there.

Thank you very much for coming.

[Applause.]

[The briefing was concluded.]