



Options in Education
*Building Effective
Charter Schools in Alabama*

The Alabama Policy Institute (API) is an independent, non-profit research and education organization that is issue-centered and solution-oriented. We provide in-depth research and analysis of Alabama's public policy issues to impact policy decisions and deepen Alabama citizens' understanding of, and appreciation for, sound economic, social, and governing principles.

Since 1989, API has been on the front lines of critical public debates, helping Alabama citizens, lawmakers, and business leaders better understand and apply principles that maximize individual freedom, limit government interference, and encourage personal responsibility. API is the largest free-market, solution-based policy research center in Alabama.



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Chart 1
Percentile Scores of 5th Grade Students Taking the Stanford Math Test: 2010–2011

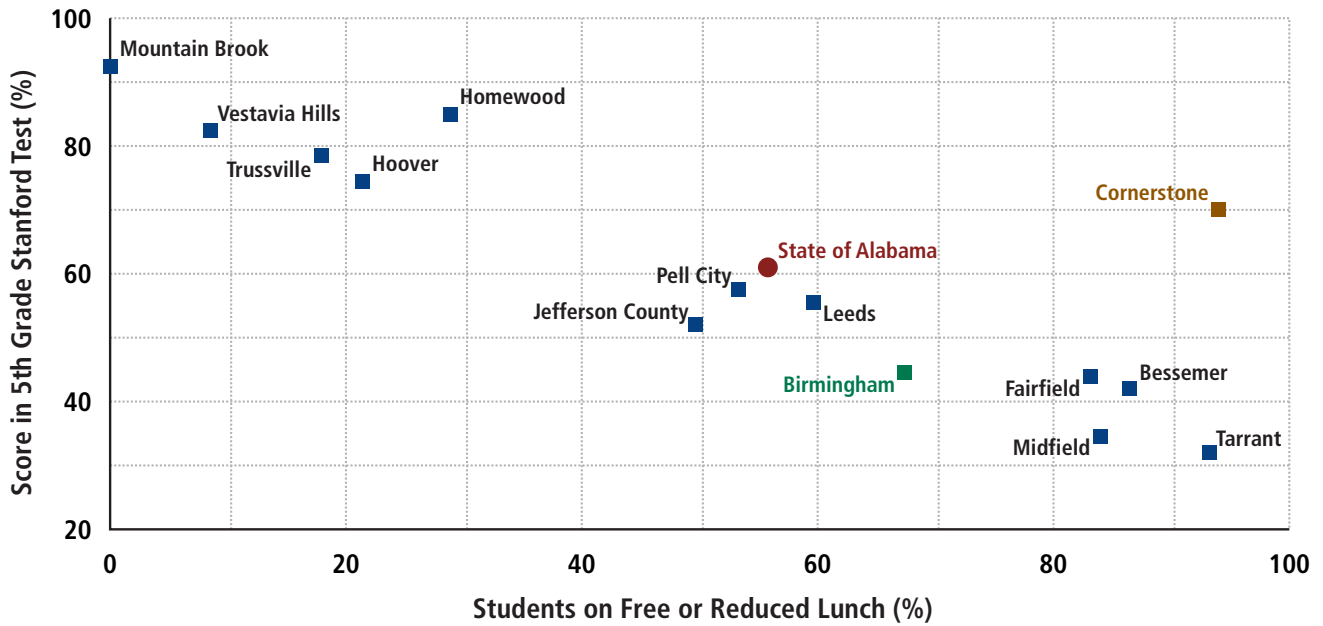
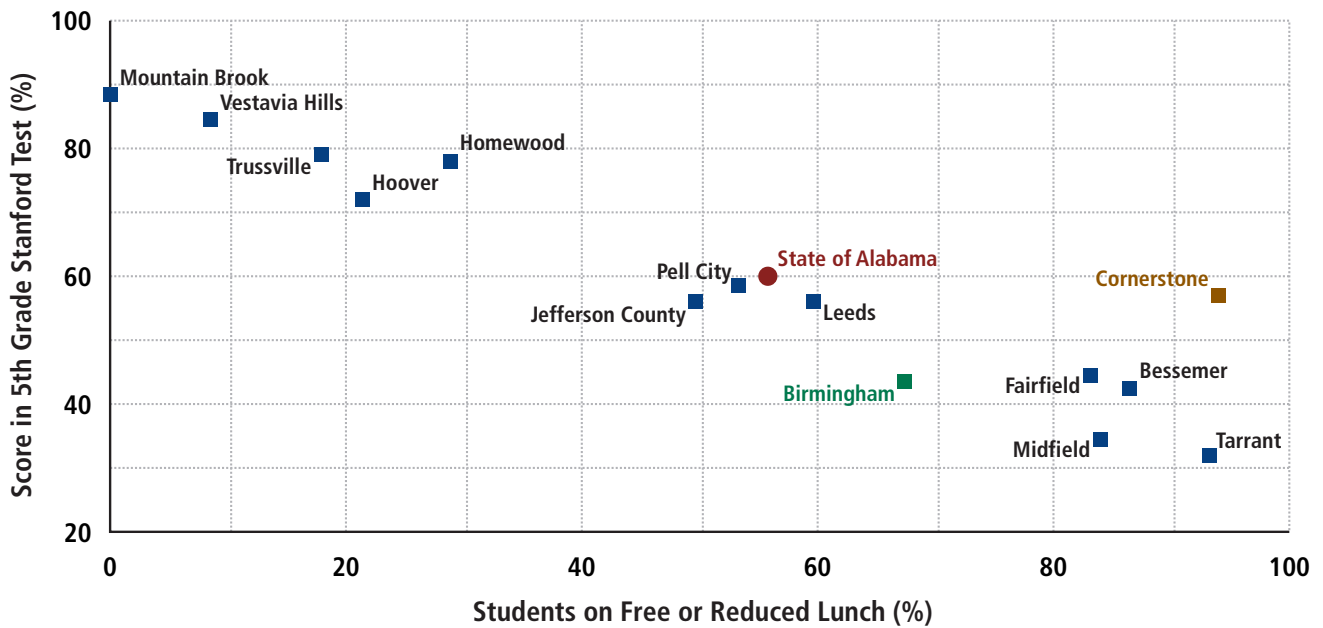


Chart 2
Percentile Scores of 5th Grade Students Taking the Stanford Reading Test: 2010–2011



Source: *The Birmingham News*, September 18, 2011

INTRODUCTION

With many low-income students and families trapped in failing public schools, Alabama parents need more educational options for their children. Charter schools provide an educational alternative designed to narrow the achievement gap between these students and their peers who attend more effective schools.

As the Executive Director of Cornerstone Schools of Alabama, I have witnessed students from disadvantaged backgrounds achieving academic and personal success when given a meaningful opportunity to do so and an environment that nurtures results. Many families faced with failing schools do not have the option of private education or moving to a neighborhood with a quality public school. The academic results we have seen at Cornerstone are proof that children with the same backgrounds as those in failing public schools can make significant progress when they have education alternatives (See Charts 1 & 2).

While Cornerstone is not a charter school, many of its academic programs, instructional methods, and curriculums could be easily exported to the charter school environment. Charter schools also have the advantage of increased accountability for meeting and increasing student achievement goals because their charter can be revoked for non-performance.

Charter schools may also serve as community anchors and forces for revitalization. In some cases, charter schools have helped maintain and strengthen a community's population, redeveloped deteriorating properties, provided a safe place to offer health and other community services, and ultimately, attracted further housing and business development.

For example, before Hurricane Katrina leveled much of New Orleans in 2005, the city had one of the worst-performing school districts in the nation. After the disaster, education reformers decided to start fresh with a system based on education choice. Today, 60 percent of all public school students in New Orleans attend charter schools. While it remains to be seen what the final result of school choice will be in the Big Easy, test scores are up, and educators from around the country are visiting the city to learn from their education revolution.¹

Part of our mission at Cornerstone is to provide a world-class learning institute in the inner city of Birmingham. The problem is not that children in failing schools cannot learn; the problem is that Alabama has engaged largely in the same educational practices for far too long, hoping for different results. All of Alabama's children need an education that can prepare them for further academic success and the global economy. Charter schools are not the only solution, but they are an important step on the path forward.



Nita Carr

Executive Director

Cornerstone Schools of Alabama

¹ *Katrina's Silver Lining: The School Choice Revolution in New Orleans*, Reason.com, <http://reason.com/blog/2010/07/07/reasontv-katrinassilver-linin> (last visited December 16, 2011).

COMPONENTS OF A STRONG CHARTER SCHOOL LAW IN ALABAMA

Strong charter schools are largely the product of the laws under which they operate. In order to create a superior set of laws for the creation and operation of charter schools in our state, the Alabama Policy Institute has developed a list of 12 recommended components for establishing charter schools in Alabama.²

1. **No caps.** Alabama should have as many charter schools as it takes to improve the academic outcomes for all students. The number of charter schools should not be limited by either a geographic location or the number of students each school may enroll. In the first years of operation, charter schools should be introduced in districts where existing public schools repeatedly fail to meet state and federal requirements for student progress. This measurable transition will give the State Board of Education, the Legislature, local school districts, and all charter school authorizers an easier transition to school management, accountability, and reporting.
2. **Variety.** Alabama should offer different types of charter schools, including new start-ups and public school conversions. In addition, distance learning programs such as the existing Alabama Connecting Classrooms, Educators, & Students Statewide (ACCESS) could be used to provide a more comprehensive curriculum to charter schools in remote or rural areas and also offer the courses necessary for an advanced diploma or to improve vocational skills. Distance learning programs also expose students to teachers with specialized training that a smaller charter school might not otherwise be able to provide.

3. **Public Charter School Board.** To ensure that politics plays as minimal a role as possible in the authorizing and governing of charter schools, the state should create an appointed board (the Public Charter School Board) along the lines of the state's Ethics Commission.³ This board would be responsible for authorizing charter schools in Alabama.

Using this model, three board members would be appointed by the Governor, two by the Speaker of the House of Representatives, and two by the Senate Pro Tempore. Each would serve staggered terms of five years each. No board member could be a public official, candidate, registered lobbyist, or a former member of the board, nor could a board member serve more than two terms.

Adequate funding for the board would be established through a guaranteed appropriation, proportional to the number of students enrolled at charter schools, but not subject to annual legislative appropriations. Initially, the Board would receive a base appropriation until charter school enrollment becomes sufficient to ensure the continued functionality of the board. Additional funding would come from authorizing fees or other sources, all of which would be detailed in the board's annual report.

The primary roles of the Public Charter School Board would be as follows:

- Establish an application process for all entities interested in starting one or more charter schools;
- Hire an executive director to oversee the operation of all charter schools in Alabama. The same employment criteria for hiring board members would also apply to the executive director, with the exceptions that they could have served on the board, and that they would serve at the pleasure of the board;

2 The Alabama Policy Institute wishes to thank Todd Ziebarth at the National Alliance for Public Charter Schools for "Measuring Up to the Model: A Ranking of State Charter School Laws," which served as the impetus for API to develop Alabama-specific charter school recommendations, www.publiccharters.org/data/files/Publication_docs/NAPCS_LawRankings_V12_Full.pdf_20110330T165043.pdf (last visited December 16, 2011).

3 Ethics Commission, State of Alabama, Restated Alabama Ethics Act Based on Statutory Revisions in 2010 Special and 2011 Regular Session, September 27, 2011. <http://ethics.alabama.gov/docs/RestatedEthicsActDraft%209-27-2011.pdf>.

- Establish a registration process for local school boards to use to indicate their interest in starting one or more charter schools;
- Provide a report at the end of each fiscal year to the Legislature and the Governor concerning the board's actions, expenditures, travel expenses, employees, disbursements, and other relevant matters within its jurisdiction, as well as the performance of its school portfolio;
- Establish a regular charter school review process;
- Periodic evaluation of the academic outcomes of each charter school in the state; and
- Sanction of charter school operators, including removal of an authorizer's right to establish a school.

The following board processes would be transparent and available online for the public:

- Every element of application for all schools;
- Additional application elements specific to organizations operating multiple schools;
- Requests for proposals, including application requirements and approval criteria;
- Evaluations of each application, whether via interview or public meeting;
- All charter approval or denial decisions made in a public meeting, with stated reasons for decisions in writing; and
- Charter school budgets and purchase agreements.

4. **Performance-Based Contracts with Comprehensive, Individual Student Record Keeping.** Each contract would be created separate from the application, executed by the Public Charter School Board, and would include the following:
 - Defined operational expectations, including compliance with federal, state and local laws.
 - Adopted framework for instruction. At a minimum, this would include the standards of the Alabama State Department of Education or another widely-accepted standard. However, such standards would never dictate curriculum.
 - Defined academic performance expectations by which the school will be evaluated. This will include, at a minimum, measures and metrics to evaluate the following:
 - > Attendance rates;
 - > Graduation rates;
 - > Remediation and intervention rates;
 - > Recurrent enrollment;
 - > Post-secondary readiness (via the Alabama High School Graduation Exam and/or the ACT);
 - > Student academic proficiency via annual standardized tests such as the OLSAT and/or SAT, and formative testing; and
 - > Student academic growth using standardized pre- and post-grade tests, and the identification of achievement gaps.
 - Defined financial performance expectations using Generally Accepted Accounting Principles, including:
 - > Cost per pupil;
 - > Monthly financial statements;
 - > Annual audits;
 - > Yearly budgets;
 - > Quarterly bank statements;
 - > Capital expenses;
 - > Board stewardship; and
 - > A five-year plan for operating expenditures.

To provide the most accurate assessment of student achievement in charter schools, students must be evaluated through the adoption of individual, long-term anonymous student performance measurements. Ideally, this would expand to include all students in all public schools in Alabama, and would track metrics such as grades, attendance, and disciplinary history, as well as a record of their teachers and several other demographic variables, including sex and race.

5. **Clear Processes for Renewal, Nonrenewal, and Revocation.** Schools seeking renewal of their charter must apply for it no later than one year prior to their charter's expiration. After receiving the application, the board would provide the school with a renewal report, which would provide the boards' assessment of how the school met the terms of its initial charter contract, as well as clear criteria for renewal, nonrenewal, and revocation. In turn, schools would be allowed to offer their own proposal for renewal, in which prior performance records, improvements, and future plans could be offered.

If renewal is granted, the board would have the authority to vary the length of the charter renewal, based on performance or other issues. All reasons for varying the length of a charter would be provided in writing in a clear, timely fashion and will be made publicly available.

Should nonrenewal or revocation be decided, all reasons would be given to the charter school in writing. A reasonable amount of time would also be given for the charter to appeal the decision, and clear guidelines would be provided regarding the appeal process.

Finally, should school closure be decided, the board must have clear closure protocols so parents are notified in a timely fashion, students and their records can be relocated, and property and assets can be reallocated.

6. **Clear Student Recruitment, Enrollment, and Lottery Procedures.** For all charter schools open to the general student population in their district, the Public Charter School Board would create and implement a standardized lottery procedure if demand for admission is greater than the school's capacity. All students in a district in which a charter school is located would be eligible to attend. Regardless of which procedures are chosen to select students, priority must first be given to those currently enrolled in underachieving schools. Preferences would also be given to previously-enrolled students within schools that convert to charters, prior-year students and siblings of those already in the charter, and the option of enrollment preferences given to the school's founders, governing board, and full-time employees, not to exceed 10 percent of the school's total student population.

For charter schools designed to benefit specific student populations, such as those with talent in math, science, or the arts, no lottery would apply. Instead, the schools would be free to accept admission applications based on student proficiency, as well as actively recruit students from the local population.

7. **Fiscally Autonomous and Exempt from Many District Laws and Regulations.** All charter schools would be considered fiscally autonomous and possess the authority to receive and disburse funds, incur debt and pledge, and assign or encumber assets as collateral.

All charter schools in Alabama would be legally autonomous, giving them the statutory authority to enter into contracts and leases, sue and be sued in their own names, and acquire real property. This includes the ability to enter into education service-provider contracts for any or all portions of charter school operations.

Existing tenure laws would not apply to charter schools. Each charter school would have the independent authority to hire and fire teachers as well as their respective principals or executive directors.

Charter schools in Alabama would also be exempt from all laws pertaining to public school systems, but not those laws covering student accountability, health, safety, civil rights, employee criminal history checks, open meetings, freedom of information, and generally accepted accounting principles.

Finally, all charter schools in Alabama would be exempt from participation in state and district collective bargaining agreements.

8. **Multi-School Charter Contracts Precluded.** Each school must succeed or fail based on its own progress, not the averaged progress of a group of charter schools. While charter school providers may hold multiple charter contracts, no umbrella contracts should be established with any organizations that operate multiple charter schools in such way that a failing charter school closure can be prevented simply because it is part of a group of otherwise successful schools.
9. **Permit Participation in Extra-Curricular and Interscholastic Activities.** Charter schools would be allowed to participate in all interscholastic sports leagues, extracurricular arts programs, and recognition programs available to students and employees at traditional public schools. Access to such activities would be paid for via fees established by the Public Charter School Board.
10. **Clear Identification of Special Education Responsibilities.** Any charter school offering high-cost services for students with special needs will have a clear understanding of which public local education agency (LEA) will be responsible for providing these services. All services will be given the same amount of funding and resources as they would be in traditional schools in the responsible LEA.
11. **Equitable Operational Funding and Equal Access to All State and Federal Categorical Funding, Including Capital Funding and Facilities.** All charter schools should be given the same amount of local, state, and federal per-pupil funding as traditional public schools. Such funding would also include access to

transportation similar to that employed by surrounding school districts. This funding would be guaranteed by statute, which would give clear guidance regarding the pass-through of these funds.

Charter schools would also receive equal access to capital funding and facilities, both existing and planned. Such funding would be calculated on a per-pupil allowance, equal to the average amount spent per pupil in the district in which the school is located. If the state offer loans, grants, tax-exempt bonds, or credit enhancement programs to public schools, charter schools will also be eligible for these funds. State tax credits will also be allowed for individuals and organizations who contribute to charter schools.

Charter schools would have equal access to the same facilities as non-charter schools, plus a right of first refusal to purchase or lease at or below fair market value a closed, unused, or underused public school facility or property. Charter schools must also be allowed to engage in binding arbitration to resolve disputes regarding the fair market value of these properties. A fast-track option would approve offers by charter schools on short notice. In no circumstances could the state or local school district impose facility-related requirements that are stricter than those applied to traditional public schools.

Should a charter school close, the property would revert to the control of the local school board, with the understanding that another charter would have the option to open at the same site pending approval by the state's authorizing board.

12. **Retirement Program Equivalency.** Charter schools would either have access to relevant state retirement systems available to other public schools, or to an equivalent program. Individual employees of charter schools would also have the option not to participate in the retirement program.

CONCLUSION

Statistics show that many students in Alabama are falling through the cracks in the state's public education system. Only 28 percent of Alabama's 4th graders are proficient in math, 27 percent are proficient in science, and less than a third are proficient in reading, according to NAEP exams given by the U.S. Department of Education. Proficiency rates on NAEP exams for 8th graders are equally dismal -- 20 percent are at grade level in math, 26 percent in reading and 20 percent in science.⁴ Many of these students would benefit from access to high quality charter schools that can meet their needs. Research shows that charter schools can improve academic achievement, graduation rates, and college enrollment.

Ultimately, poor education in primary and secondary schools in Alabama translates to high remediation rates at the college level. According to the latest data collected by the Alabama Commission on Higher Education, 34.4 percent of students enrolled in the state's two- and four-year public colleges had to take at least one remedial course to improve their English or math skills.⁵

Teaching students in college what they should have learned in primary and secondary education is not only inefficient but also expensive. According to the nonprofit Alliance for Excellent Education, the state's economy would see a \$51 million bump if these students did not have to take remedial classes.⁶

Alabama has the opportunity to learn from other states' experiences and proven best practices to create strong charter school legislation that brings high quality education options to children who need them. A new Legislature, committed charter school advocates, supportive parents and businesses give charter school legislation more than just a fighting chance. With thoughtful crafting, a charter school law can create vibrant schools and exceptional students who will be equipped to compete in a dynamic 21st century global marketplace.

4 Math data from National Center for Education Statistics, U.S. Department of Education, The Nation's Report Card: Mathematics 2011. November 2011. <http://nces.ed.gov/nationsreportcard/pdf/main2011/2012458.pdf>. Reading data from National Center for Education Statistics, U.S. Department of Education, The Nation's Report Card: Reading 2011. October 2011. <http://nces.ed.gov/nationsreportcard/pdf/main2011/2012457.pdf>. Science data from National Center for Education Statistics, U.S. Department of Education, The Nation's Report Card: Science 2009. January 2011. <http://nces.ed.gov/nationsreportcard/pdf/main2009/2011451.pdf>.

5 Alabama Commission on Higher Education (ACT 96-509), High School Report: 2009-2010 Alabama Public High School Graduates (As Reported by the Alabama State Department of Education) Enrolled in Alabama Public Colleges and Universities, Fall Term 2010. June 29, 2011, <http://www.ache.state.al.us/Abstract1011/Student-DB/1HSBasic.pdf>.

6 *Analysis – Public College Students Need Remedial Courses*, Birmingham News (July 10, 2011, 4:14 PM), <http://www.ache.state.al.us/Remedial/Analysis%20-%20Public%20college%20students%20need%20remedial%20courses.pdf>.



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